ESG REPORT

2023



ERBUD GROUP

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How to read our Report? We have divided it into 6 parts - A letter from the Management Board, **About Erbud**, three consecutive parts: **E (environment; including taxonomy)**, **S (social)** i **G (Corporate Governance)** and **About Report.**

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A letter from the Management Board members

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We are very proud and happy that we can present to you our 2023 ESG Report. This is an extremely important publication for us, as it is not only a summary of these 365 days, but first and foremost a vivid and clear confirmation of our direction of development, or more precisely: sustainability. The data and information provided in the Report are as important to us as revenues, profits and financial performance data. We are pleased that today we are not only talking about how much we earn - this is the goal of every business - but also how we generate such performance, because there are many ways to do that. Many years ago we picked up a responsible approach, the one that is friendly to the Earth, its people, its employees, our partners. We prefer a marathon to a sprint, we believe in long-term relationships and a broad perspective.

Last year was a year full of challenges and uncertainty. However, despite persistent inflation, the armed conflict beyond our eastern border or price wars in the construction market, we did not deviate even for a moment from the path we had chosen. We have consistently pursued our plans to transform the ERBUD Group into a socially and environmentally aware organisation. Our business is based on four strong pillars - building construction, which is our foundation and ERBUD's 33-year-long heritage; construction of renewable energy sources - mainly photovoltaic and wind farms; maintenance services for industry, on which Polish and German companies are focused; and modular timber construction.

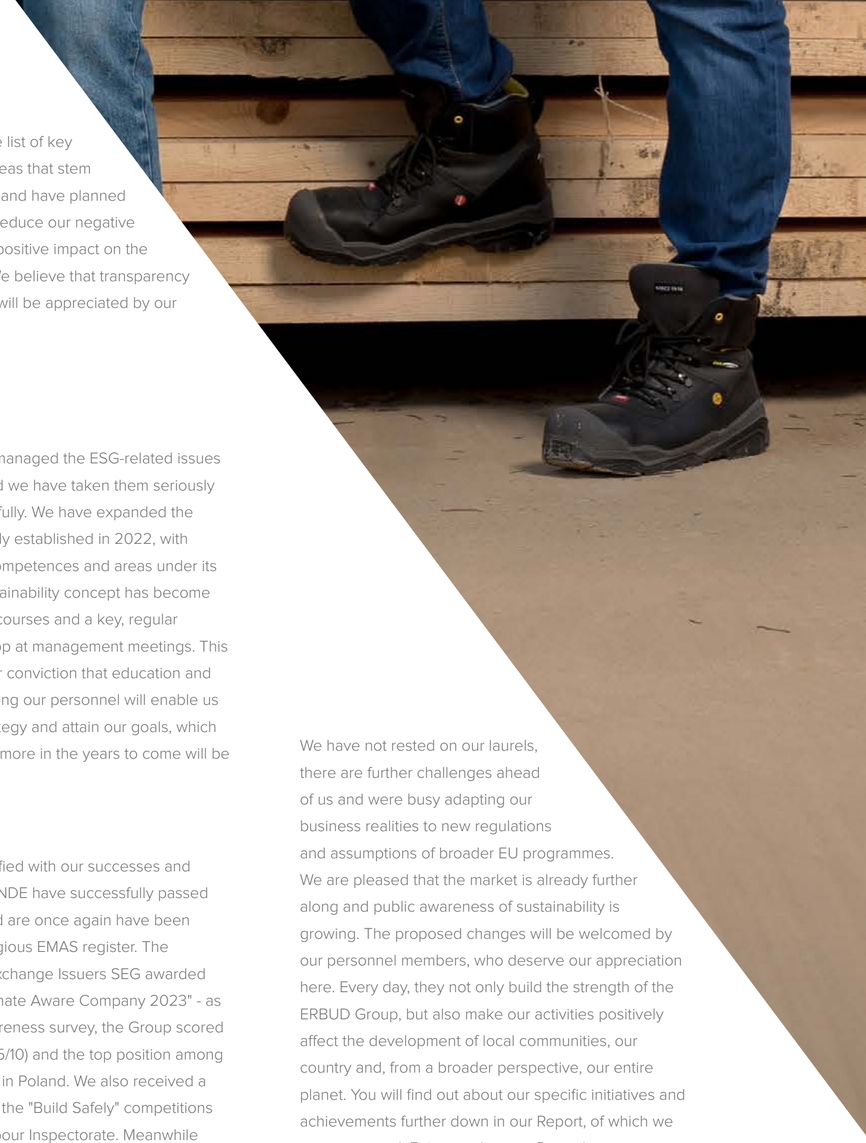
All of our business legs complementarily pursue our overriding idea of sustainability.

Last year, together with our partner EY, we carried out a comprehensive dual materiality study. As part of our stakeholder dialogue, we reviewed sustainability issues relevant from the perspective of both financial materiality and impact materiality. We invited all ERBUD contributors, both internal and external ones, to participate in the survey in order to report honestly and improve those elements that are key in the Group's operations.





Construction of Innovative Space Centre of Warsaw School of Economics (WSE) in Warsaw



We have expanded the list of key indicators to include areas that stem directly from this study and have planned strategic measures to reduce our negative impact and develop a positive impact on the codified parameters. We believe that transparency and business integrity will be appreciated by our stakeholders.

We have successfully managed the ESG-related issues in our organisation, and we have taken them seriously and implemented carefully. We have expanded the ESG Committee, already established in 2022, with further expanded its competences and areas under its management. The sustainability concept has become the subject of training courses and a key, regular session of our workshop at management meetings. This year has reinforced our conviction that education and awareness-raising among our personnel will enable us to excel corporate strategy and attain our goals, which already now and even more in the years to come will be a reason to boast of.

We are extremely satisfied with our successes and awards. ERBUD and ONDE have successfully passed the restrictive audit and are once again have been entered into the prestigious EMAS register. The Association of Stock Exchange Issuers SEG awarded ERBUD the title of "Climate Aware Company 2023" - as part of the climate awareness survey, the Group scored fifth position overall (9.5/10) and the top position among all building contractors in Poland. We also received a series of top awards in the "Build Safely" competitions run by the National Labour Inspectorate. Meanwhile the Polish ESG Association awarded us with the "ESG Innovator" title for our calculator that calculates CO2 emissions in conventional and building construction segments.

We have not rested on our laurels, there are further challenges ahead of us and were busy adapting our business realities to new regulations and assumptions of broader EU programmes. We are pleased that the market is already further along and public awareness of sustainability is growing. The proposed changes will be welcomed by our personnel members, who deserve our appreciation here. Every day, they not only build the strength of the ERBUD Group, but also make our activities positively affect the development of local communities, our country and, from a broader perspective, our entire planet. You will find out about our specific initiatives and achievements further down in our Report, of which we are very proud. Enjoy reading our Report!

The Management Board of ERBUD Group

ABOUT ERBUD

[2-1] [2-2]

Who are we?

The ERBUD Group is the top independent construction group in Poland, and our offer is targeted at a wide range of customers - from private investors, public investors, local governments, industrial investors to developers, including developers of Renewable Energy Source (RES) systems.

Our core business focuses on four construction segments - building construction, modular construction, RES, and maintenance services for industry and energy sector. We operate in seven European countries and carry out about 200 investments projects annually. Our headcount level reaches almost three thousand workers, and every day another 10 thousand people go out to the construction sites operated by the ERBUD Group. Thanks to our subsidiary ONDE Group, we are also the leading general contractor of wind and photovoltaic farms in Poland..

ERBUD S.A. - the parent company of our Group - was established in Toruń in the 1990s by Erik Grzeszczak, father of Dariusz Grzeszczak, current CEO. The City of Toruń has been our headquarters to date, and the Group is also growing through the acquisition of more companies. Since 2007, ERBUD S.A. has been listed on the Warsaw Stock Exchange, where it contributes to the WIG Construction index.

ERBUD Group corporate values

Our Group history provides evidence that it pays off to run a value-based business since in the long run it inspires successfully trust among the customers that are the largest investors in the Polish market.

The corporate values of our Group include:

- Responsibility
- Innovation
- Safety
- Partnership





ESG

INNOVATION (ENVIRONMENT)

We focus on innovative environmental solutions to minimize our negative impact on the climate

SAFETY (SOCIETY)

we focus on the safety of our personnel, subcontractorsand local communities

RESPONSIBILITY (CORPORATE GOVERNANCE)

Responsible relations with stakeholders characterized by absolute compliance with ethics and full accountability for sustainability risk management issues

Myśliwska Apartments in Kraków

[2-1]

ERBUD Group in 2023 r.

195
projects

7
European countries

3 132
employee & associates

PLN 3,23 bn
of revenues



in '000 PLN

Our financial performance

[201-1]

Direct economic value created and distributed

Economic value created (income):

3 234 363

Economic value distributed including:

Operating costs

8 255

Payments vis-à-vis the State Treasury

60 493

Employee wages & salaries

492 836

Social investment projects

1000

Payments made to equity holders

10 491

Retained economic value:

2 661 287



Transport trolley for timber modules at MOD21 manufacturing plant in Ostaszewo near Toruń.



Near Marcelin Housing Estate in Poznań

Strengths of ERBUD Group

- Family-run business with stable shareholding base
- Geographic and segmental diversification of operations
- Development of personnel within the Group
- Responsible and effective management model of the Group
- The activities of Eryk Grzeszczak's Common Challenges Foundation run by Erbud
- High international health and safety standards
- Stable financial position
- Long-term experience in foreign markets
- High environmental standards within the group setting trends in the market
- Ability to anticipate and adapt to ever changing market environment
- Experienced and professional personnel
- Management of ESG risks

As of 31 December 2023

Order portfolio

By segment



SHAREOLDING STRUCTURE OF ERBUD S.A.

As of 31 December 2023



What is our business all about ?



[2-6]

Building construction is a specialty of our parent company, ERBUD S.A., and ERBUD International. We offer investors a comprehensive range of construction services - from architectural and detailed design, through obtaining permits and construction process to obtaining acceptance. ERBUD operates on the general contractor basis, and with its more than 30 years of experience, can undertake almost all types of construction activities for public and private investors. The Company's portfolio comprises apartments, offices, hotels, shopping malls, hospitals, schools or cultural facilities. ERBUD also builds specialized buildings for the power sector, chemical sector or waste treatment and management. Annually we carry out approximately 140 building construction projects per year.



Our company ONDE is a leader in the renewable energy sector in Poland and a leading contractor for the construction of RES infrastructure, including in particular wind farms and photovoltaic systems. The Company's portfolio comprises 390 RES projects, almost 4 GW of energy and more than a thousand poured foundations for turbines throughout Poland. ONDE has gained almost twenty years of experience implementing investment projects with various scale and complexity - we estimate that ONDE has taken part in the execution of one out of three wind turbines in Poland.



We offer comprehensive maintenance services for facilities, machinery, equipment, process lines, installations and tanks. Our maintenance service companies specialize, inter alia, in the construction, repair and upgrading of power, heating, electrical, industrial and municipal systems. They also offer organizational and technical consulting services.



Our Group comprises MOD21, a member company specializing in environmentally-friendly, 90% modular timber construction. Compared to conventional construction methods, modular buildings are erected up to 70% faster and with significantly lower emissions. MOD21 fabricates modules using a manufacturing line at a plant near the city of Toruń, Poland, making most of the construction work independent of weather conditions, which significantly reduces the construction time while maintaining consistent quality. The Company supports investors throughout the entire construction process - from design to commissioning of the completed building. MOD21's manufacturing facility meets high environmental standards, has its own photovoltaic system and is powered by green energy.

Comprehensive nature of solutions

In each of the segments mentioned, we can carry out projects on EPC (Engineering-Procurement-Construction) that is on a "turnkey" basis. As the ERBUD Group, we employ architects, contractors and maintenance service technicians to carry out the entire projects.

Thanks to our diversified business, we transfer competencies between our business segments for projects under implementation. During the execution of investments in one business segment, we can use the support of specialists from other segments, who share their knowledge and broad experience.



The 50 kWp kWp installation installed at the factory in Ostaszew produced a total of 53,110 mWh of energy. In 2024, we plan to expand by an additional 450 kWp. We estimate that in 2024 we will achieve energy production of 300 mWh .



Changes in the Group structure in 2023 r. :

- In January 2024, the service companies were formally merged. ERBUD INDUSTRY CENTRUM took over ERBUD INDUSTRY SOUTH. After analysing the market positions and owned resources of the two merging companies, their management boards unanimously agreed that development would be faster and safer jointly rather than separately, and that the merger would allow them to reach a significant market position more quickly. The merged target company will be able to offer a wide range of products, thus enhancing its competitive edge vis-a-vis other companies in the sector. These actions will lead to a stronger market position and increase the value of the company by generating significant financial performance driven by the economies of scale.

- In December 2023, ERBUD INDUSTRY CENTRUM acquire 100% shareholding in CKTiS S.A. thereby expanding its industrial services segment. CKTiS S.A. provides comprehensive services in the mechanical and construction sector for the power, chemical, refining and petrochemical industries. It performs repairs, retrofitting and delivers ongoing maintenance services. The CKTiS structures also include a laboratory that performs tests on technical equipment, steel structures or metallurgical materials. The company's headcount is 130 people. The maintenance service sector - in which we as a Group have been present for many years - is a fast-growing area of our business and a key direction of development. We are constantly monitoring the market for further acquisitions, consolidating our structures and optimizing our business processes.

ERBUD Shared Services

MOD21 Sp. z o.o.
98,04%



Modular timber construction



Building construction

100%

ERBUD S.A.

The Toruń Branch
Hydro-engineering Division in Gdańsku
The Warsaw Branch
Technical Office in Rzeszów
Technical Office in Szczecin
The Wrocław Branch
Technical Office in Cracow

MOD21 GmbH
100%

ERBUD International Sp. z o.o.
100%

JV WMER Matoc Sp. z o.o.
50%

ONDE S.A.
60,7%



Road-engineering construcion and Renewable Energy Sources



Construction and maintenance services for Industry and power sector

ERBUD Industry Centrum Sp. z o.o.
99,23%

ERBUD Holding Deutschland GmbH
100%

IKR GmbH
100%

IVT Weiner + Reimann GmbH
100%

[2-2]

Our Structure

Companies: one by one

Building and industrial construction:

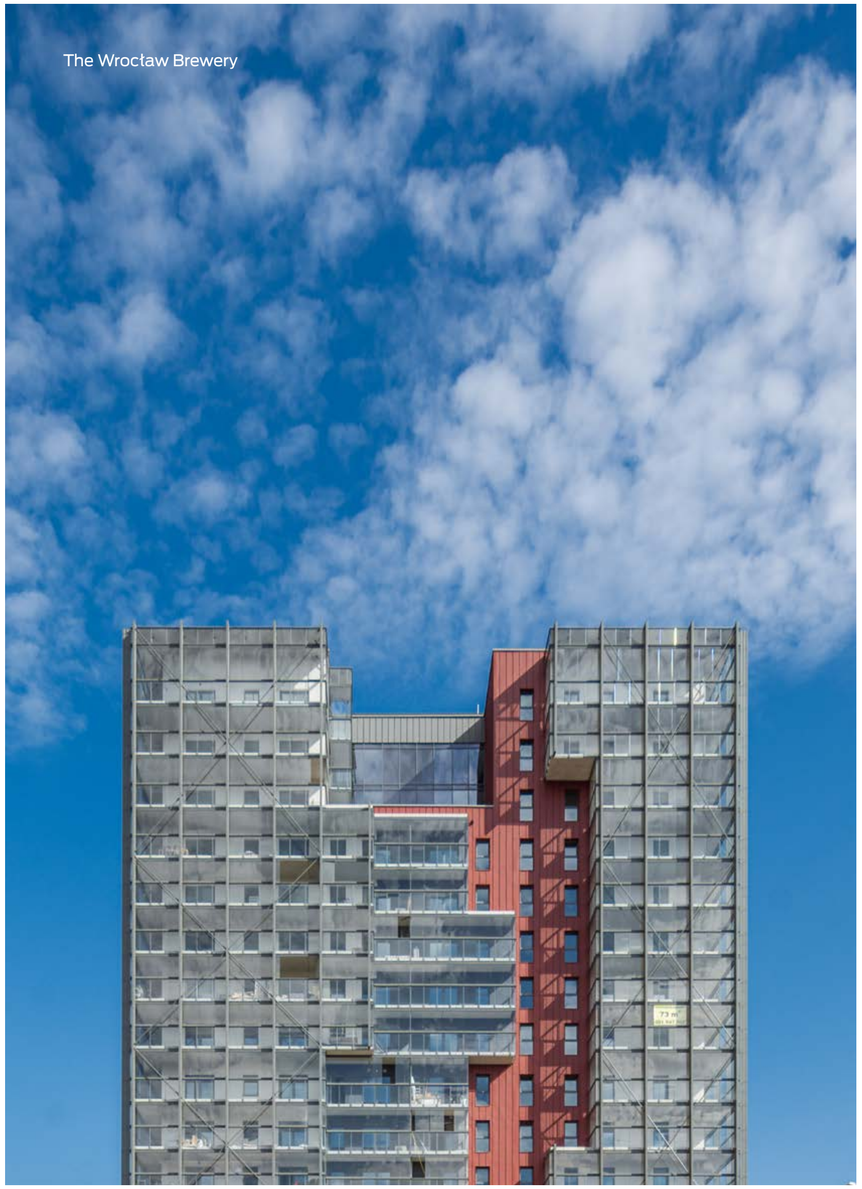
ERBUD

- EPC (engineering-procurement-construction) for buildings
- EPC for hospitals and special facilities
- EPC for manufacturing, power and logistics facilities
- construction scope for large-scale industrial and energy projects

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 our Group member companies know that they can always count on the project execution as agreed - as planned, on time and under full control. We offer from A to Z construction services - in developing architectural and detailed designs and obtaining permits. Our portfolio, that has been developed for almost 35 years, comprises projects in many market segments. These include hospitals, hotels, office buildings as well as industrial and cultural facilities.

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.





The Wrocław Brewery

Revenues

PLN 1,37 bn

Headcount

709

workers

3 branches

(Warsaw, Toruń, Wrocław)

Projects executed in

Poland, Germany, France, the Netherlands

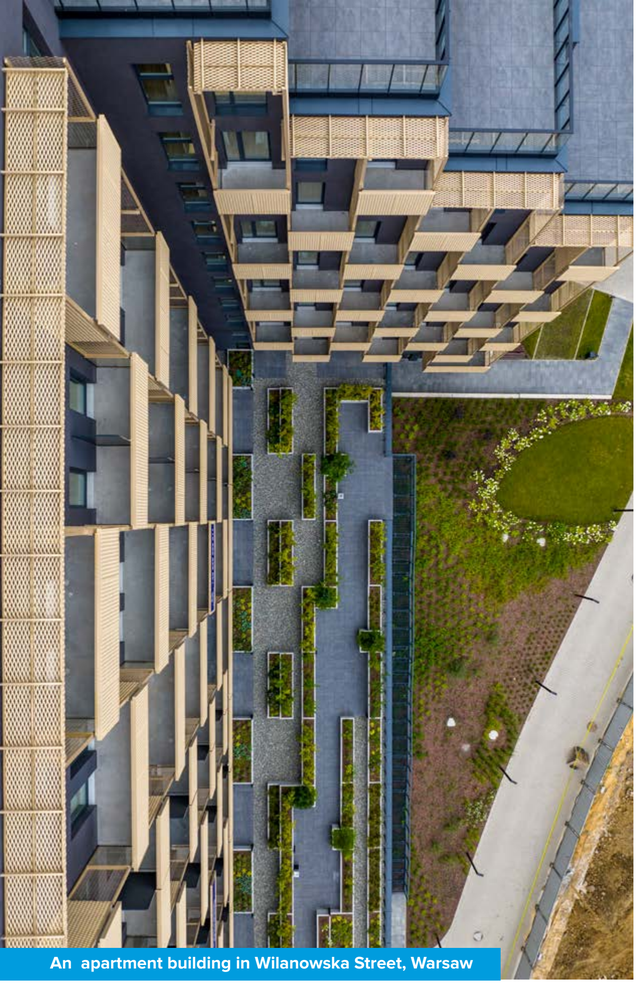
Majority shareholders: Wolff & Müller Group: 31.87%; Dariusz Grzeszczak:

21.11%

Company has been listed since

2007 on **WSE**

Project highlights



An apartment building in Wilanowska Street, Warsaw



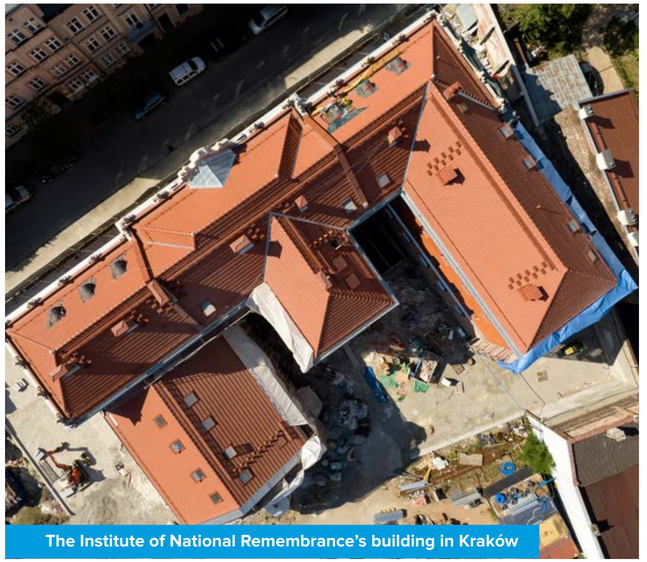
Housing estate in Jaworska Street in Wrocław



School playground in Zlocień in Kraków



The Wrocław Brewery



The Institute of National Remembrance's building in Kraków



Project executed for the Natural Science University in Lublin



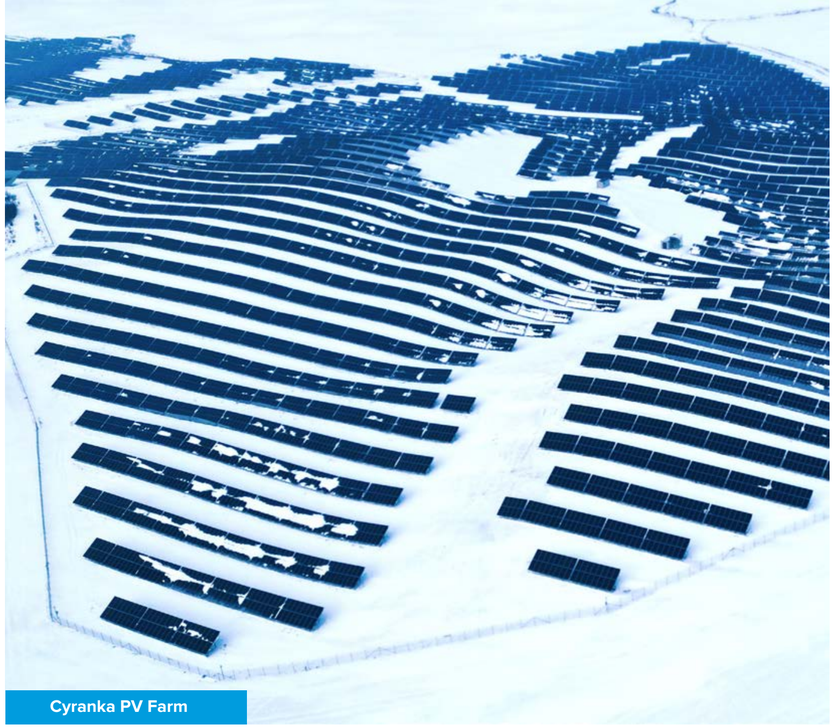
DGS Facility in Rosówek



Lidl Distribution Centre in Stargard



Donaborów Wind Farm



Cyranka PV Farm



Pożarowo PV Farm



Turkowice PV Farm



Radzyń Chełmiński Wind Farm



Golczewo PV farm



S3 express thoroughfare (jointly with Mosty Łódź)



Dębsk Wind Farm



Renewable Energy Sources as well as road-engineering construction

- Development of Renewable Energy Sources (RES)
- Balance of Plant (BoP) for wind and photovoltaic farms
- Engineering-Procurement-Construction (EPC) for road-engineering projects

ONDE is a leading general contractor of wind and photovoltaic farms in Poland. The Company derives 80% of its revenues from this source. In more than a dozen years, ONDE has completed more than 400 investments with a total capacity of more than 4 GW, and almost 1,400 laid foundations for wind turbines account for about 30% of the entire onshore market in Poland.

ONDE undertakes comprehensive implementation of renewable energy systems - from the design carried out by its own design office IDE Projekt, through general contracting and delivery of key components, to post-construction maintenance of the completed facilities. Since 2022, ONDE has also been building wind farms abroad.

Since 2021, ONDE has also been developing its own portfolio of renewable energy projects on a develop-build-sell basis. In 2023, the Company commercialised its first development project, the 18 MW capacity "Cyranka" photovoltaic farm. In the same year, construction of further farms from its own portfolio was launched.

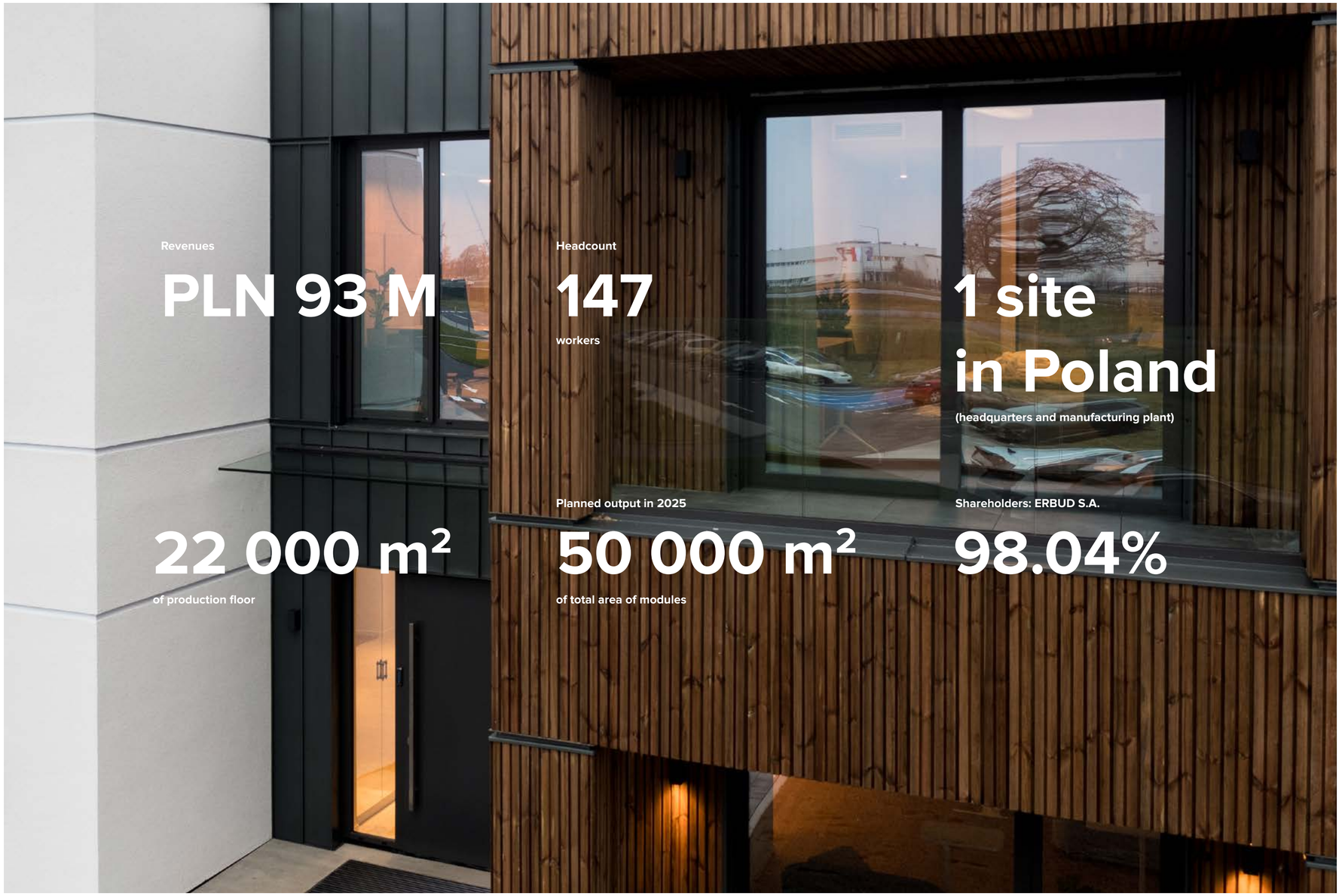
Road-engineering construction is responsible for approximately 20% of the company's total revenues. One of the most key projects in this area was the construction of the S3 expressway - the largest bridge investment in Poland and one of the largest in Europe.

ONDE is the first RES company in Poland to be certified under EMAS system - the highest EU environmental accolade and the most reliable of the environmental management standards in the European Union. In 2023, the Company was awarded a distinction in the Instrat ranking as the second listed company reporting the highest % of compliance of operating expenditures with the EU Taxonomy..





Constructions made of timber modules



Modular timber facilities

- Fabrication of timber modules
- Engineering-Procurement-Construction (EPC) for prefabricated modular timber facilities

MOD21 is an ERBUD Group member company, which fabricates modular timber buildings. The modules being prepared at a manufacturing plant near Toruń, Poland are used to construct, inter alia, schools, apartments, hotels, offices and healthcare facilities. MOD21 was established in 2021 as a startup, and just one year later it merged with one of the Group's German companies, GWI Bauunternehmung.

MOD21 construction is an innovative and sustainable solution, awarded by the Pomeranian Special Economic Zone. In 2023 the company headcount was 39 persons in Germany - by 2026, the workforce is expected to reach 300. MOD21's timber and eco-friendly buildings include a kindergarten in Eisingen and a residential building in Munich. Kindergartens in Reutlingen and Berlin-Rüdersdorf will also be handed over in the first half of 2024 . The total floor area of new modular buildings scheduled for 2024 exceeds 22,000 m^2, with up to 50,000 m^2 scheduled for 2025.

In 2026, we plan to further enhance production capacity even by up to 50%. To this extent, a medium-term expansion of production capacity of up to 150,000 m^2 of modules per year, including CLT production, is envisaged. The new CLT production line is expected to be commissioned in the first quarter of 2024. According to the revenue forecasts, MOD21's turnover will hover around EUR 60 million in 2026.

Engineering projects for industry and power sector, ERBUD INDUSTRY CENTRUM



INDUSTRIAL MAINTENANCE SERVICES

- 24/7 plant maintenance services (mechanical, electrical, C&I equipment)
- Retrofitting projects, scheduled repairs, assemble jobs
- Steel structures

ERBUD Industry Centrum specialises in the construction, overhaul, as well as modernisation of power, heat, electrical, C&I equipment as well as industrial and municipal installations and equipment. The company offers a full range of services - maintenance services for entire facilities, machinery, equipment, process lines, plants and tanks. In addition, it offers organisational and technical consulting services.

Project highlights:

- Conversion of the district heating network in the area of Opolska and Popielskiego Streets in the City of Wrocław
- Execution of investment project on site of the Gdansk refinery facilities
- Maintenance services delivered to the Konin-based Municipal Waste Thermal Treatment Plant
- Prefabrication and assembly of process pipelines at the Warsaw-based Waste Treatment Plant
- Retrofitting of the boiler as well as steam and water pipelines of the power unit of TAURON Generation company - the Łaziska Power Plant Division in the locality of Łaziska Górne



BUILDING AND INDUSTRY STRUCTURE CONSTRUCTION





Building and industrial construction

- Engineering-Procurement-Construction (EPC) for buildings
- EPC for hospitals and special facilities
- EPC for manufacturing, power and logistic facilities
- Scope of construction services for large scale industrial projects in the power sector
- Temporary work agency – staff leasing

ERBUD International is a general contractor dealing with building construction, specializing in healthcare facilities and thermal efficiency improvement and renovation projects, especially of premises with high technological complexity. The company operates in Poland and abroad, mainly in Belgium, where it holds a certified contractor status allowing it to compete for public procurement contracts. A branch office of ERBUD International is also located in Düsseldorf. In Poland, the company is also a technical and organizational partner of BioEnergie Wegscheid GmbH during the implementation of innovative technology based on Holzgas under thermal efficiency improvement projects.

While executing contracts in the European Union, the company relies mainly on its own qualified personnel, which is one of its key competitive advantages.

In 2023 ERBUD International was granted an award in the competition "Construction of the Year of Podkarpacie Region 2022" for the construction of the building of the Rev. Bronisław Markiewicz State Academy of Applied Sciences in Jarosław. The company was also granted an award for the building of the Tax Administration Chamber in Lubartów.

In 2023 project highlights included

- Construction of a Didactic Building with Student Service Center for the State Higher School of Technology and Economics in Jarosław
- Expansion and reconstruction of the Tax Administration Chamber building in Lubartów
- Project involving thermal efficiency improvement of the Rector's Office building of the Warsaw Medical University
- Construction of the shell of a residential building in Mechelen, Belgium
- Construction of the shell of Base Jean Offenberg - NATO Florennes airfield in Belgium
- Construction of the shell of a hospital in Kortrijk, Belgium



Technology for industry



IVT Weiner + Reimann GmbH offers the whole range of modern industrial and supply technologies. The range of services includes the assembly and disassembly of industrial and utility plants, comprehensive maintenance measures and advice on the planning and construction of industrial plants. IVT is active, inter alia, in the areas of industrial and plant engineering, engineering of steel structures and pipelines including their repair and maintenance, electrical, meteorological, measurement and control technology, engineering and construction services in the housing sector, as well as technical building and industrial curing process management services.

IVT Menzenbach GmbH is the staff leasing daughter company of IVT Weiner + Reimann GmbH. It operates in the same areas as its parent company, offering assembly and disassembly of industrial and utility plants, consulting services during planning and construction of industrial plants, and comprehensive maintenance measures.





PETROCHEMISTRY, INDUSTRY AND ENERGY





IKR 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 reels for construction sites are made. It provides its customers operating in the mechanical, electrical and instrumentation sectors with 24-hour plant maintenance services. IKR provides design and engineering services on small and medium-sized pipeline projects, including prefabrication of pipelines and systems. The company deals also with steel structures, upgrading, repair and installation of industrial systems, as well as with technical management of buildings.

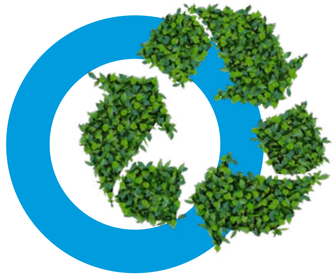
Project highlights:

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

Strategy of ERBUD Group

The strategic directions for ERBUD Group's development - within 2030 time horizon - are inseparably linked to climate change and the need to transform the Polish and European construction sectors. We want to remain the leader of the green transformation in the building contractor community in Poland.

Our development directions in 2030 time horizon:



Execution of energy transition projects

- Low- and zero-carbon energy sources
- Waste thermal treatment and recycling facilities
- Energy efficiency improvement and decarbonisation projects

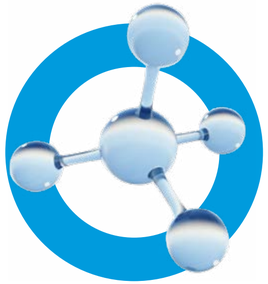


MOD21.manufacturing plant in Ostaszewo



Execution of RES projects:

- Execution of wind farms
- Execution of PV farms
- Development of PV and wind farms
- Geographic diversification and development of service portfolio



Execution of hydrogen- and biomethane-related projects:

- Hydrogen and biomethane infrastructure for transportation
- Hydrogen generation, storage and logistics projects
- Compressed and liquid biomethane generation projects



Execution of low-carbon construction projects

- Fabrication of modules and implementation of modular timber building projects
- Implementation of complex building structure renovation projects
- Environmentally-friendly construction (under the BREEAM and LEED certification systems)

ERBUD Group business model

[2-6]

We operate using a diversified business model. Our core business is building construction, construction of wind and photovoltaic farms, industrial construction, maintenance services for industry and energy sector, road engineering, and fabrication of timber modular buildings.

Customers	4 segments of ERBUD CG		Products
Developers, industrial investors, public investor, private investor subcontracting	Building, industrial and road-engineering construction	ERBUD SA ONDE ERBUD International	Completed buildings and structures, construction parts of industrial and infrastructure projects, roads, building shells, modernisation, renovation projects
RES system developers	RES	ONDE	Construction of wind and photovoltaic farms, services , O&M
Developers, public investors, Local governments and private investors (German market)	Modular timber construction	MOD21	Production of timber modules, EPC of prefabricated timber facilities
Industrial companies, public investors investors, subcontracting	Maintenance & EPC industry	IVT, IKR ERBUD SA ERBUD Industry	▪ 24/7 plant maintenance services ▪ Modernisations, scheduled overhauls , assemblies ▪ Steel structures ▪ Prefabrication of pipelines for the chemical and power sectors ▪ EPC project subcontracting ▪ Turnkey projects

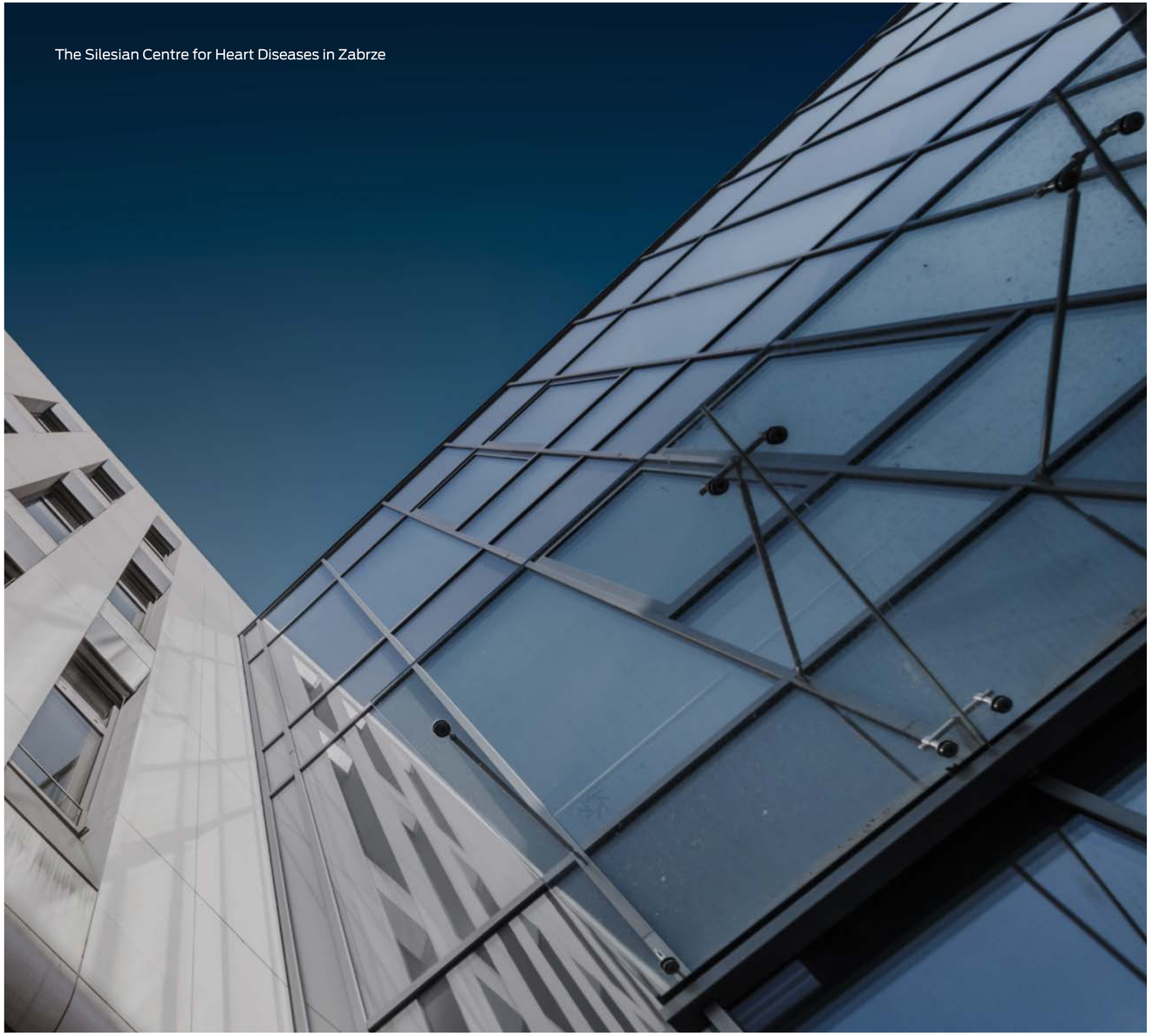
ERBUD Group's strategic business goals are as follows:

- strengthening of the Group's strong business segments, leveraging its natural synergies, improving the quality of management and intensive development of process digitization to ensure sustainable profits and revenue growth in all domestic and international business areas
- further diversification of operations through the development of existing business lines and the launch of new ones
- development of the RES-related construction segment
- business development outside Poland - the Group assumes further revenue growth in Germany, especially in the maintenance service segment, the construction of facilities using modular timber technology and the execution of RES projects for the power sector. We also assume development of activities in other neighbouring countries - in 2023 new orders were acquired for the execution of RES projects, for instance, in Lithuania.
- maintaining an optimum headcount level and investing in the next generation of human resources. The ERBUD Group will continue to focus on the hand-picked personnel, as well as the development of training programs, both for existing and new personnel, including candidates from outside Poland.
- compliance with the European Union climate policy and the implementation of the slogan "ERBUD Leader in Green Construction "following the principles of corporate social responsibility (ESG) adopted by the Group, focused on the Group stakeholders, the area of environmental protection and personnel.

In the Group, we are aware of the data significance and accept it with responsibility. We know that buildings account for approximately 40% of total energy consumption in the EU, of which 28% is related to the utilisation of real estate, 10% arises from the manufacturing and transport of building materials and 36% are greenhouse gas emissions from the energy sector.

We feel responsible for this situation to the extent that remains under our control. Therefore, we want to develop our business to support the transition to a low-carbon, circular economy. We also recognise that it is not enough to build new developments responsibly in the second decade of the 21st century. Some 200 million buildings in the European Union built prior to 2001 will still be there in 2050 - most of them are not energy efficient, which poses new challenges for the construction sector in terms of energy retrofitting projects.

The ERBUD Group, perceives the inevitable global changes as an opportunity. The construction activities account for more than 50 per cent of our business - we treat the energy efficiency of our projects as the foundation for managing climate and energy issues. We integrate renewable energy sources with the buildings and strengthen the role of modern technology in the construction process - a good example of that is our BIM digital construction system. We strive to fully integrate circular economy principles throughout the entire value chain - from sourcing safe, sustainable and secondary raw materials, reusing and recycling them, to responsible waste management.



The Silesian Centre for Heart Diseases in Zabrze



Good practice

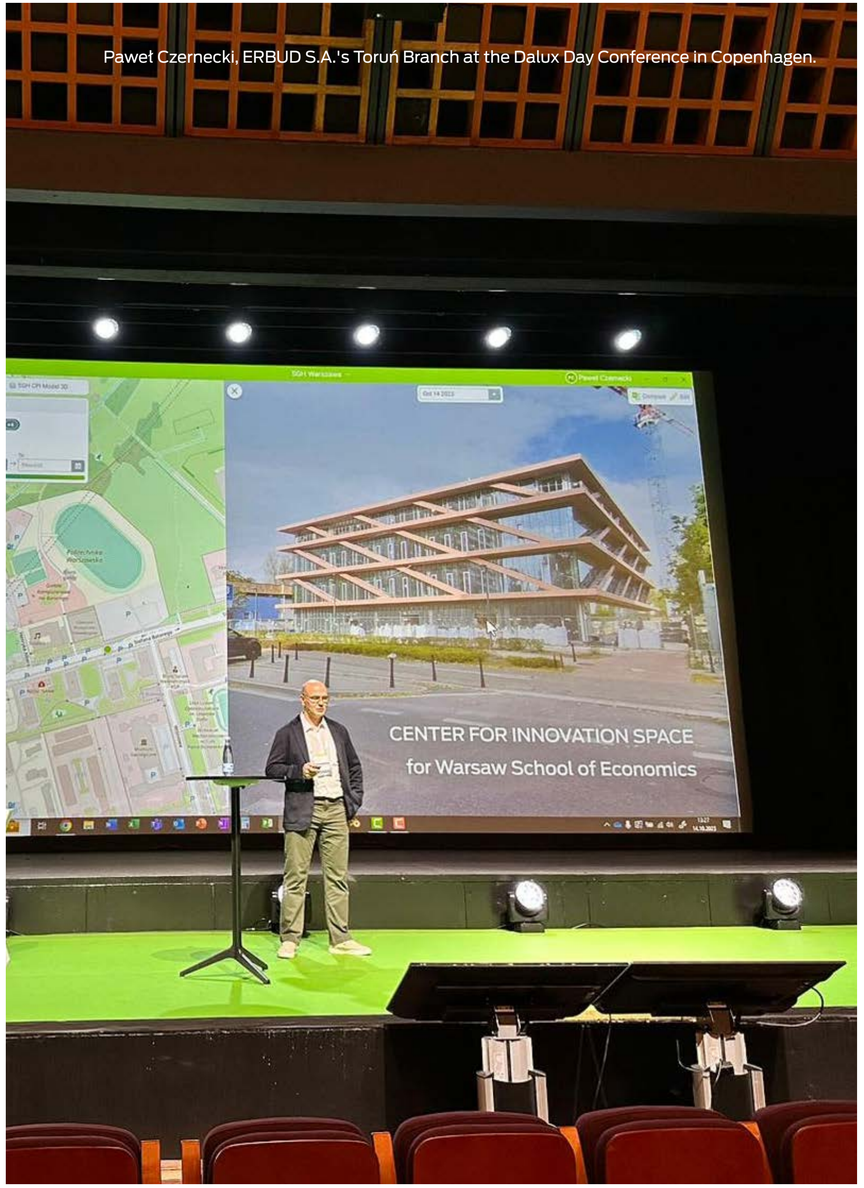
The use of innovative digital technologies, including BIM methodology understood as the integration of information in a structured manner, such as a 3D model of a facility with descriptive information assigned to its components - the so-called 3D BIM model - plays a key role in the green transformation of the construction sector, providing tools for more efficient building design, construction and management.

One of the key aspects in which BIM supports green transformation is energy-efficient design. BIM models allow analysis of the impact of various design elements on energy consumption, enabling designers to create more energy-efficient buildings. This includes optimal use of natural lighting, more efficient heating, ventilation and air conditioning (HVAC) systems and the use of modern insulating materials. optymalizować ślad węglowy i minimalizować ilość odpadów.

BIM in the execution phase makes the construction process more efficient thanks to precise planning, reporting and management. It minimises waste and allows for more sustainable utilisation of both raw materials and resources. Reduces consumption of usable materials and reduces the risk of execution errors. It supports the LEED or BREEAM certification process by facilitating access to documentation and information and confirming that the required standards have been met.

In the building operational phase, BIM contributes to effective asset management, enabling superior monitoring of utility consumption, maintenance and renovation planning and management.

BIM is an approach that can significantly contribute to the green transformation of the construction sector, both in the building design, construction and operation phases. It provides a platform for developing more sustainable, energy-efficient and environmentally friendly buildings. It fosters education and environmental awareness in the industry by providing access to advanced simulation tools and analysis to transfer knowledge on green transformation best practices. As a result, professionals in the construction sector are better equipped with knowledge how to put innovative and green solutions into practice.



Paweł Czernecki, ERBUD S.A.'s Toruń Branch at the Dalux Day Conference in Copenhagen.



Pots with small trees in the courtyard or a moss wall in the lobby are not examples of green construction projects. At the ERBUD Group, we have always looked at such practices with detachment and we have perceived them more as elements of not-so-honest marketing rather than real green best practices. Real changes in the construction process for the environment, i.e. those that truly allow a building to be considered 'green', require a holistic approach to the materials used, insulation systems or energy supply. What matters is both how a building is constructed and how what will be its environmental impact for decades after its construction. Only responsible, eco-friendly addressing of these issues demonstrates an approach to the environment. At the ERBUD Group, we promote zero-emission construction process - both for new developments and when we have an opportunity to retrofit the existing buildings.

Dorota Mazurek

Head of Environmental Protection Department
ERBUD

How we support the energy transition and decarbonisation of construction activities:



RENEWABLE ENERGY SOURCES

We build wind and photovoltaic farms. We operate on a turnkey basis - we are experienced in both the RES design, obtaining the relevant permits and comprehensive construction process including electrical works and medium- and high-voltage cabling. We also deliver professional maintenance services for the erected facilities that are already in operation.



LOW-EMISSION CONSTRUCTION

At the ERBUD Group, we have the competence and know-how how to construct buildings with a low or zero carbon footprint and to carry out thorough renovation of existing buildings. However, the ultimate decision on the choice of materials, design and green certification of buildings is often made by the investor. Our Group – acting in the capacity of a general contractor - can recommend more environmentally efficient solutions and we choose materials with a lower carbon footprint wherever possible. At the same time, we take responsibility for the environmental optimisation of the construction process itself, including the application of renewable energy sources and efficient waste management. We also work with investors to pick up the solutions that boost energy efficiency of the buildings.

In addition, our MOD21 company fabricates timber-framed modules at a sustainable manufacturing plant, based on the business model already providing for reuse of all modules or selected components. The buildings erected using modular timber technology have a much lower carbon footprint compared to the traditional developments. It is also construction that is consistent with the innovative building solutions promoted by the European Union and the use of natural materials. MOD21's offering allows buildings to store carbon emissions and avoid the emissions that would be required, if conventional building materials were produced. The solutions offered by the company are consistent with the approach of central administrative bodies in many Western European countries, where modular construction is embedded in wider government programmes and supported by subsidies or rewarded with tax reliefs.

How we support decarbonisation process on the construction sites:

We take care for the energy efficiency of buildings:

- we apply the highest standards of thermal insulation,
- energy-efficient technologies and systems, including smart energy management, energy recovery, passive solutions.

We apply sustainable building materials with low environmental impact:

- timber,
- materials with recycled components,
- materials with high energy efficiency,
- materials with a low carbon footprint

Renewable energy sources - installation of renewable energy systems including use of local RES potential of the building and the project site.

Improvement of the efficiency of construction processes:

- optimisation of construction processes,
- reduction of material and energy losses during construction,
- introduction of innovative technologies,
- conducting construction with minimal impact on the environment and people.



ENERGY SECTOR TRANSISION

We support the transition of the Polish energy sector. Our Group is implementing projects to build district heating sources based on low-emission fuels, including gas-fired boilers that reduce emissions by at least half. We have also withdrawn from the construction of new coal-fired power plant projects. We also have experience and ambitions to develop projects to generate energy from waste and to build plants fired with biomethane, green hydrogen and biomass.

Examples of energy transition projects:

- Gdańsk - first boiler house equipped with electrode boilers in Poland for PGE Heat Energy distributor,
- Miejska Górka[1] – delivery and installation of gas-fired boilers at the Miejska Górka Sugar Plant,
- Kalisz - construction of a back-up and peak load gas-fired boiler plant with two boilers with 20 MWt capacity each and one boiler with approx. 10 MWt capacity,
- Karolin - construction of new gas-fired cogeneration units



RETROFITTING OF DISTRICT HEATING NETWORKS

We apply state-of-the-art technologies that significantly reduce heat losses in the district heating networks, reducing at the same time the number of breakdowns. We also upgrade heat substations by implementing efficient pumps and precision fittings.



UPGRADING OF EXISTING BUILDINGS

We upgrade and bring the existing buildings in line with the latest energy and fire standards. We also remove asbestos. Thanks to thermal efficiency improvement, upgrading of light sources, central heating and ventilation systems, reductions in energy consumption are as high as 50%.

Our Group's portfolio comprises successful upgrading projects concerning, inter alia,:

- historic buildings,
- hospitals,
- dormitories.



Best practice

We have filed with the Patent Office an application for registration of our patent for the thermal insulation of building walls and the method for installing thermal insulation to building walls. The innovative solution used - implemented, inter alia, during project involving the construction of the Ludwik Rydygier Specialist Hospital in Kraków – allowed not only to achieve the thermal insulation parameters set forth in the energy audit, but also to improve them significantly. As a result, energy and environmental efficiency KPIs were improved. The energy audit showed more than 18% energy savings generated by the hospital building, which translates into about 280,000 kWh of thermal energy per year.

The ultimate outcome includes additional tangible financial benefits for the investor and a reduction of environmental impact.

[1] Project completion scheduled for 2024



Good practice

In the downtown of Poznań, we have launched the revitalisation project concerning the "H17" historic building in the Old Slaughterhouse Complex. Our task is to restore the brick façade and renovate in a comprehensive manner the interiors, including replacing windows, systems and finishing the office space. The building is a part of the City Slaughterhouse Complex, which was shut down in the 1990s, designed by the city's construction councillor Felix Moritz and built between 1895 and 1900. The building formerly housed an on-site kindergarten of the Slaughterhouse Complex, and upon completion of our work it will be converted into an office building.

According to the project, the ultimate building will comply with very strict environmental standards confirmed by LEED and WELL certification. We want, inter alia, to reduce energy requirement by at least 30%, use user-friendly lighting and special noise abatement measures. Our aim is also to ensure that at least 70% of the waste generated during construction project could be reused.

Before the project start, we also carried out a detailed survey whether there were any hazardous substances in the existing structures - in compliance with the regulations, once these were identified, they were disposed of appropriately.

The Old Slaughterhouse Complex in Poznań is another revitalisation project in our portfolio. Our previous projects include the revitalisation of the Koszyki Hall, a historic market and food hall - one of the contemporary symbols of the capital city of Warsaw, Wrocław's Basecamp dormitory, which was developed in the revitalised Mammut bakery or the Koneser Centre in Warsaw's Praga district. In the Nałęczów Spa Park, ERBUD restored the baroque Małachowski Palace to its former glory.



Old Slaughter House in Poznań

ESG Strategy

Strategy pillars ESG ERBUD

Innovation

Environmental

or innovative solutions for the environment

Safety

Social Responsibility

- i.e. safe working conditions for own personnel, personnel members in the value chain and for local communities

Responsibility

Corporate Governance

- or responsible relationships and actions.

The strategic direction of our business development is supported by the ESG Strategy "We Build Responsibly", adopted in 2022. The strategy refers to our three corporate values - innovation, safety and responsibility.

Birdhouse on the construction site at ul. Jaworska in Wroclaw



Groundbreaking ceremony at ECFC in Toruń

"We build responsibly" is based on three pillars - under which pillar we have defined the objectives faced by our organisation:

Innovation - or innovative solutions for the environment

- To achieve climate neutrality - reduction of direct emissions by 40% and indirect emissions by 20% by 2040.
- To enhance circular economy efficiency, segregated collection and disposal of waste on construction sites, promoting recycling of construction materials.
- To run regular monitoring of the carbon footprint along the value chain and to take measures aimed at reducing it.
- To reduce energy consumption by 10%. To implement measures to enhance energy efficiency of the construction processes and in the management of stationary units on construction sites and Group offices.
- Sustainable investments, including: RES, modular timber construction (low carbon construction) and industrial modernisation projects. To invest into modern and green building technologies, renewable energy sources and green construction technologies.

Safety - i.e. safe working conditions for own personnel, personnel members in the value chain and for local communities

- Zero serious and fatal accidents.
- To ensure safe and healthy working environment, including appropriate occupational health and safety training and taking care of the ergonomics of workstations for our own personnel and those in the value chain.
- To take care for personnel upskilling and development.
- To support and promote diversity in the construction industry. To promo9te gender equality, ethnic and cultural diversity and to eliminate all types of discrimination.
- To carry out a dialogue with the community - maintaining an open dialogue with local communities to understand their needs and concerns in relation to the construction projects.

Responsibility - or responsible relationships and actions.

- To implement solutions related to responsible value chain management.
- To promote transparency, integrity and ethics in running business, as well as the compliance with all applicable legislation and legal standards.
- To implement effective risk management systems involving ESG aspects

"We build responsibly" is consistent with the implementation of the UN Sustainable Development Goals, in particular:



In 2023, we carried out a dual materiality survey involving key external stakeholders and key people in our Group member companies. The survey resulted in a list of relevant topics, taking into account the principle of dual materiality, i.e. both topics that are important in terms of impact as well as risks and opportunities.

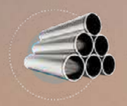


For a Group operating on such a large scale as we do, the survey was key moment in our business life. The survey findings showed that all key areas have been managed in the Group for years, but the materiality study process itself allowed us to "put things into order" - to look at existing procedures, complete them, review them and define those issues that required additional regulation. We have also identified mechanisms to control the objectives pursued by us, and analysed our activities on a holistic basis taking into account the entire value chain. Briefly speaking we know exactly where we are, what we have managed to achieve and what we still need to do.

Dariusz Grzeszczak
President of ERBUD Management Board

Value chain of ERBUD Group

UPSTREAM



Steel materials (for construction and industry - reinforcements, pipelines, structures, supports, etc.)



Non-steel materials - structural elements or building materials, (aluminium, copper, others - excluding cables)



Office supplies



Concrete, gypsum, cement, tbuilding mortars



Glass



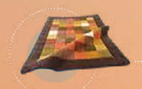
Furniture



Mineral raw materials (gravel, stones, sand, others)



Electrical and automatic supplies and electronics (wires, cabinets, controllers, others)



Textiles (flooring and other)



Building ceramic materials



Timber building materials



Energy (electric, heat and for transport)



Building chemistry



Raw timber (MOD21 and construction sites)



Services (subcontractors)



Building materials (structural components, insulation and other)



Mechanical and electrical machinery and equipment (to be incorporated into the ongoing projects)



Logistics

GRUPA ERBUD



Construction and installation services (including building material and technology) – ESA – ONDE International

On a turnkey basis (General Contractor)

Subcontracting

On a turnkey basis



Production
– MOD 21 – EIC (Toruń)
– IKR (pipelines)



Logistics



Construction and installation services

Supplier/Subcontractor



Construction & installation services and/or maintenance services (using hand-over material) - EIS, EIP, IVT, Satchwell

Subcontracting

On a turnkey basis



Construction & installation services and/or maintenance services (using hand-over material) - EIS, EIP, IKR, IVT, Satchwell

Subcontracting

On a turnkey basis

DOWNSTREAM



General Contractor



End customer



Developer



Developer



End customer



General Contractor



General Contractor



End customer



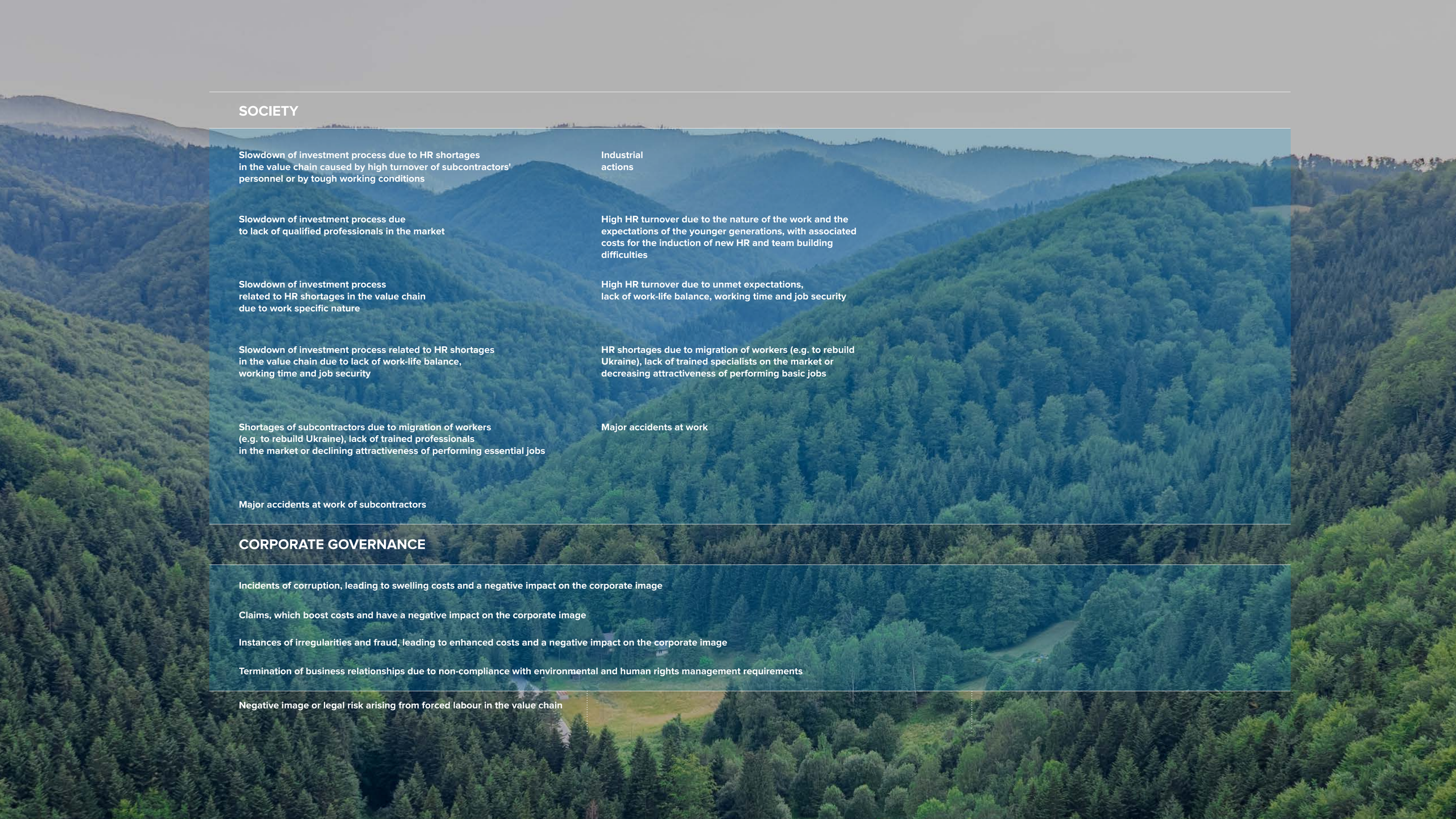
Generalny wykonawca



End customer

ESG risk of ERBUD Group

UPSTREAM	ERBUD GROUP	DOWNSTREAM
ENVIRONMENT		
Sudden weather phenomena that put construction work on halt and disrupt supply chains		
Decarbonisation expenditures to satisfy complex reduction targets		
Enhanced insurance costs due to higher likelihood of sudden weather phenomena		
Tighter emission reduction requirements or introduction of emission charges		
Disrupted supply chains due to climatic as well as socio-political factors		
Growing costs of purchasing less carbon-intensive and renewable materials. Reduced choice of materials and suppliers		
Growing costs of waste collection		
Management of hazardous waste and growing waste collection and disposal costs		
Risk of contaminating ecosystems with hazardous waste		
No option of reusing waste due to its specific nature and regulations hampering implementation of circular solutions during the investment process		
Declining number of available investment sites paralleled by price hikes driven by new environmental regulations		
Destruction of animal or plant habitats as part of on-going investments in the buffer zones of protected areas and other areas and the risk of incurring habitat restoration costs		
	Higher financing costs due to high CO_2 emissions	
	Insufficient energy from renewable sources paralleled by high costs of energy generated from fossil fuels	
	Plastic microgranules contamination from packaging delivered as part of the investment process	
	Noise and exceeding of noise standards resulting from the regulations of the works carried out during the investment process	
	Air pollution by particulate matter (PM2.5, PM10) in the vicinity of the executed projects	
	Contamination of soil/lands during the investment process, including hazardous substances	
	Risk of limiting and degrading natural resources (e.g. water) representing a resource used in the activity, as well as possible impositions of contains on the utilisation of resources (e.g. water) resulting from climate change	



SOCIETY

Slowdown of investment process due to HR shortages in the value chain caused by high turnover of subcontractors' personnel or by tough working conditions

Industrial actions

Slowdown of investment process due to lack of qualified professionals in the market

High HR turnover due to the nature of the work and the expectations of the younger generations, with associated costs for the induction of new HR and team building difficulties

Slowdown of investment process related to HR shortages in the value chain due to work specific nature

High HR turnover due to unmet expectations, lack of work-life balance, working time and job security

Slowdown of investment process related to HR shortages in the value chain due to lack of work-life balance, working time and job security

HR shortages due to migration of workers (e.g. to rebuild Ukraine), lack of trained specialists on the market or decreasing attractiveness of performing basic jobs

Shortages of subcontractors due to migration of workers (e.g. to rebuild Ukraine), lack of trained professionals in the market or declining attractiveness of performing essential jobs

Major accidents at work

Major accidents at work of subcontractors

CORPORATE GOVERNANCE

Incidents of corruption, leading to swelling costs and a negative impact on the corporate image

Claims, which boost costs and have a negative impact on the corporate image

Instances of irregularities and fraud, leading to enhanced costs and a negative impact on the corporate image

Termination of business relationships due to non-compliance with environmental and human rights management requirements

Negative image or legal risk arising from forced labour in the value chain

ESG opportunities of ERBUD Group

ENVIRONMENT

To increase the share of the modular timber construction segment in the company's total revenues

To increase the share of the RES segment in the company's total revenues

Technological adaptation to climate change (to comply with the investors' requirements)

To enhance competitive Edge through decarbonisation – an opportunity to undertake zero-emission projects

To reuse waste generated from construction, renovation or demolition of buildings, which can reduce investment costs

Timber modules or module components provided for re-use (MOD21)

Resource-efficient manufacturing process of timber modules (MOD21)

To stir customer interest in modular timber construction

Reduction of CO2 emissions, which will affect the competitive advantage, if other companies do not adapt to changes.

Investment in RES systems

A number of environmentally degraded/damaged areas rehabilitated as part of the investment process.

A number of environmentally degraded/damaged areas rehabilitated as part of the investment process

SOCIETY

Impacting the personnel in the value chain by influencing the provision of decent wages and conditions

Diversity management in terms of gender, age and social background

Growing interest in the industry due to the developing trend of a return to traditional professions (requiring tertiary education) among the younger generation and due to turbulence in the IT industry

High number of training sessions/courses leading to a highly competent workforce, which translates into work efficiency and safety

Reskilling (related to personnel associated with the fossil fuel industry) and the developing RES area

CORPORATE GOVERNANCE

High corporate culture and ethical behaviour improve corporate image and reputation of the company in the marketplace

Achieve a sustainable supply of goods by ensuring that small local producers earn sufficient wages

Diversity of the management

The risks and opportunities in the value chain that we have defined directly affect the issues that are vital to us. We have described the process of identifying relevant topics for the ERBUD Group in the chapter "About the report".

Value chain

[2-6] [3-3]

Relations with suppliers and working conditions in the value chain

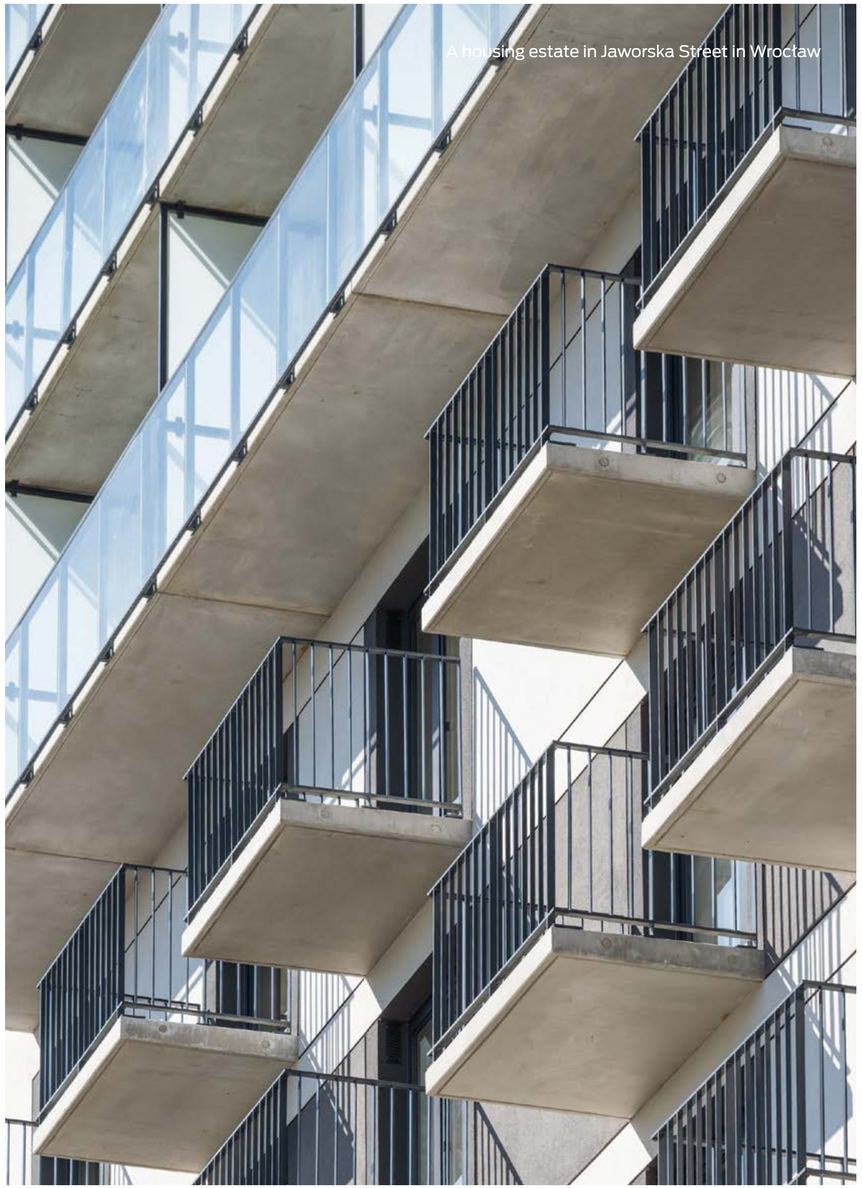
We are a large construction group. We see our extensive value chains not only as a business competitive advantage, but equally as an opportunity to mould the sustainable impact of the ERBUD Group and promote the ESG principles. We think about the our material suppliers and service providers in broader terms than just 'here and now', treating them as an important link in our chain.

The size of our Group allows us to create a geographically diversified network of suppliers. On each construction site, we cooperate with at least a few dozen third party companies and, where possible, we reach out to partners from the local market. We support the development of companies and communities close to the project and reduce the environmental impact of our transport activities. At the same time, we organise some purchases centrally - this is especially the case when the scale of our operations allows us to negotiate significantly superior terms of delivery.

22 458

– A number of active suppliers of ERBUD GROUP in 2023

Despite the scale of our Group operations, we want and are able to maintain close relationships with our contractors. We do not use our negotiating leverage. We rely on dialogue, understanding of different needs and perspectives as well as partnership in our day-to-day operations . This is an approach that is not only in line with the sustainability concept, but is also brings long-term benefits for business. We have found this out during the hard times for the construction sector following the war outbreak in Ukraine - thanks to supplier relationships based on solid foundations, we were able to ensure business continuity and timely deliveries to our construction sites. The management



A housing estate in Jaworska Street in Wroclaw

of subcontractor and supplier relationships is the responsibility of the central purchasing department, the commercial departments within the divisions and subsidiaries and the site managers.

Subcontractors and their personnel help us execute activities on majority of our construction sites. The Group's task - as the general contractor - is primarily supervision, and partners who work hand-in-hand with contributing their physical competence are essential. At the Group, we recognise that we have a direct and indirect impact on the environment in which subcontractor personnel perform their tasks, including working hours, adequate pay, equal treatment and living arrangements. Our policies related to human and labour rights apply not only to the ERBUD Group personnel, but also to those performing work in the value chain. To this extent, we adhere to the UN Guiding Principles on Business and Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

We treat safety issues in a special manner. The personnel of our subcontractors is bound by the same training, procedures and rules as the ERBUD Group personnel. During the negotiation process, each subcontractor is informed about the requirements arising from our occupational health and safety standards and about the technical and organisational measures to be implemented when carrying out work subcontracted by us.

Environmental instructions are also an integral part of subcontractor contracts, which require not only to comply with environmental regulations, but also to segregate waste on the construction site and to prevent negative impacts on nature. In particular, we prohibit our subcontractors from arbitrarily cutting down trees and bushes on the project site and burning redundant materials.



In 2024, we will start building a dedicated team responsible for managing the evaluation of contractors and personnel in the value chain. The uniform procedures will be put in place for qualification, verification and ultimately audit, the outcome of which will determine which business entities the Group will collaborate with. We work with several thousand partners, and we want to have consistent Group guidelines in place defining clearly who should be assessed and under what criteria.

Klara Zamłyńska-Turek
ESG Manager

Any company - regardless of how it is contracted - that wishes to work with our organisation must comply with formal criteria. The assessment of the risk of working with a particular contractor is the responsibility of the site's direct supervision and the Commercial Department that are gradually integrating ESG aspects with the evaluation criteria applied to the qualifications of third party suppliers. In 2023, the environmental and human rights aspects were incorporated into the existing evaluation criteria. The changes came into effect effective from the onset of 2024, which means in practice that environmental and human rights issues have been subject to verification during audits in the area of supervision of third party subcontractors effective from 2024. Relevant provisions on this issue have also been incorporated into contracts with contractors.

Selected supplier selection criteria:

- the quality systems, qualifications and certificates already in place
- the technical level of supplies or services offered
- prices and delivery dates
- quality of service
- occupational health and safety (OH&S) issues
- environmental issues
- human rights issues





At the Group, we benefit from mutual experience and we share information on contractors on an on-going basis. Companies that comply with our requirements are added to the Qualified Supplier List. This allows the entire organisation to compare in a reliable manner the first assessment and the qualification criteria adopted against the second assessment - after the third party supplier has performed the contractual scope. Subsequent collaboration with a qualified and assessed subcontractor or supplier mitigates the risks associated with entering into new business relationship. The process of selection, qualification and evaluation of third party suppliers is defined in the operating procedure..

Kinga Kusznierewicz
Integrated Management System Representative



We have published the set of principles, we expect from our contractors to follow, in the 2023 Code of Conduct for Suppliers adopted by the parent company. At the same time, each supplier undertakes that the principles referred to in the Code will be communicated throughout its supply chain.

The companies collaborating with the ERBUD Group are expected, inter alia, to:

- reduce greenhouse gas emissions,
- carry out responsible sourcing of raw materials and taking environmental criteria into account in their business decisions,
- reduce consumption of raw materials and natural resources,
- perform responsible waste management,
- ensure safe workplaces,
- ensure decent and non-discriminatory working environment,
- respect human rights,
- prevent corruption,
- prevent conflicts of interest,
- comply with ethical standards.

The Code is a part of our Group's preparatory efforts for forthcoming legislative changes, including the Corporate Sustainability Due Diligence Directive. Next steps will include subjecting key suppliers to an assessment or audit, and contractors who fail to meet the minimum requirements defined by the Group will be given time to implement corrective actions. We want the audit results to have a real impact on the assessment of suppliers with an option of excluding companies that fail to comply with the Code. In addition, to help and motivate contractors to implement sustainable standards, we plan to implement training course on the ESG topics and, in the future, to offer preferential terms for the top-rated contractors.

[308-1] [414-1]

Since December 2023, 100% of suppliers contracted or annexed by the Central Purchasing and Procurement Division have been assessed against social and environmental criteria.



Our business partners with whom we signed contracts and cooperate with fully accept and implement the ESG assumptions and principles.

Grzegorz Szymonowicz
Director of the Purchasing and Central Procurement Division

In 2024, these principles will be implemented in the remaining business units collaborating with suppliers, such as branches and subsidiaries.

The requirements that have to be met by subcontractors are integrated into our 2022-2026 business strategy. At the Group, we have also assessed the risks involved, including the risk of having to exclude possibly business entities from our value chain or to replace them with others.

Identified significant risks and opportunities arising from the interactions and dependencies associated with those performing work in the value chain.

- Risk of negative publicity or legal risk if the workers in the value chain has been found to be performing forced or child labour.
- Risk of disruption to business operations, due to the closure of significant parts of the supply chain or distribution network as a result of war, pandemic or other unforeseen external hardship.
- Opportunities related to the impact on the personnel in the value chain in the form of market diversification and a growing awareness of the market environment of the need to guarantee decent wages and conditions to those who are not members of our personnel.
- Opportunities related to achieving a sustainable supply of goods in the future by ensuring that petty local manufacturers earn sufficient wages.
- Risk of termination of business relationships due to non-compliance with environmental and human rights management requirements.
- Risk of construction slowdowns due to staff shortages in the value chain resulting from high turnover of subcontractor personnel or due to tough working environment.
- Risk of construction slowdowns related to a shortage of qualified professionals in the market.

Payment Practices

We also apply responsible payment practices in the entire Group. We adhere to the agreed payment deadlines and thus build trust in our relationships with suppliers. Every year, ERBUD S.A. submits a report to the Ministry of Development and Technology about payment dates in commercial transactions in a certain year.

We always provide all suppliers with clear-cut information on payment terms and settlement procedures. We are also aware that many of our subcontractors - especially small and medium-sized enterprises (SMEs) - have limited access to conventional forms of third party financing. Therefore, in order to meet their needs, we have made available an option of accelerating invoice payments through a dedicated platform at erbud.cashy.pl. The final price for a faster payment is presented to contractors each time a new payment term is selected. Using the platform, we accelerated payments for invoices with a total value of almost PLN 70 million in 2023.

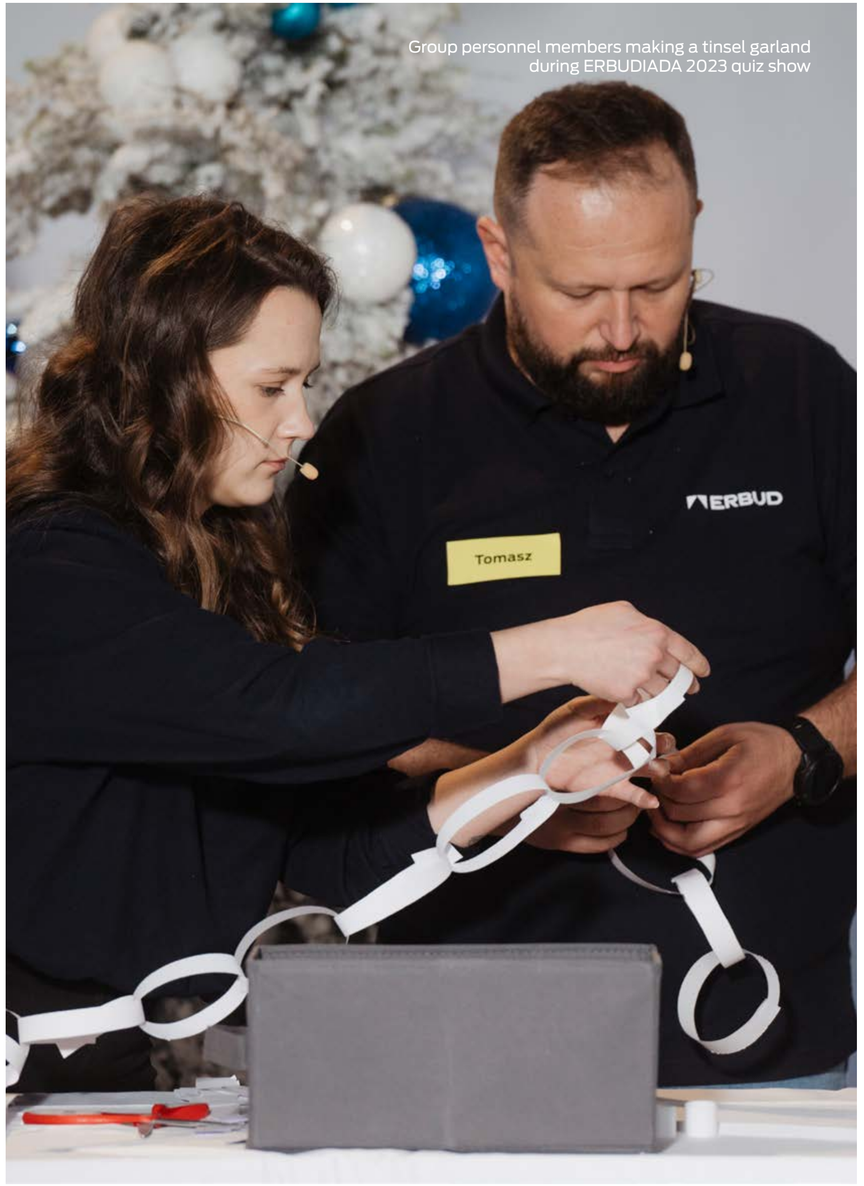


Good practice

We understand the significance of timely payment to our contractors and try to pay their receivables in advance - invoices that become due in a given week are usually paid as early as Monday. While following the principles of integrity and safety, we also simplify the circulation of invoices within the organisation to minimise the risk of a gridlock in the transfer of financial documents.

Benefits for contractors provided by the erbud.cashy.pl platform:

- flexibility and improved cash flow planning,
- no hidden costs - the final price is presented each time payment is expedited,
- no need to draw up an additional agreement - during registration, counterparties only sign a one-page declaration,
- acceleration of invoice payments does not affect debt ratios, as it is the case with, for instance, factoring services.



Group personnel members making a tinsel garland during ERBUDIADA 2023 quiz show

We build relations

[2-29]

Stakeholder relationship management

We communicate good and bad news about our Group to our stakeholders in the same manner at all times - quickly, reliably, honestly and to a full extent. Taking social and environmental interests into account is, in our opinion, a key prerequisite for true organisational sustainability - we believe that to get it right, you first need to know your stakeholders and develop the right communication channels with them. The map of our key stakeholders is made up of internal and external stakeholders - both those we influence and those who influence us. The on-going dialogue with these groups is an important part of both our ESG Strategy and due diligence processes. The opinions and interests of stakeholders, are relevant to some aspects of our strategy and influence some decisions on the future direction of Group development.

Our stakeholder map was revised and refreshed in 2023 during the dual materiality analysis process. We identified stakeholders across the value chain and divided them into two groups, with the understanding that some people will belong to both groups: :

- Group affected by our activities or whose activities affect our organisation,
- the readers of our ESG Reports and performance reports - investors, financial institutions, shareholders or business partners.





We are responding to new sustainable development guidelines by strengthening the role and significance of stakeholder opinions in our organisation. At the same time, we are implementing procedures that formalise our relationships and give them the framework required by the requirements of the Corporate Sustainability Reporting Directive (CSRD) Directive. All this, however, does not change our desire to listen attentively and to understand our stakeholders, and a desire to be heard and understood by our stakeholders - this we still consider to be the key value of any communication carried out by our organisation.

Marcin Kasprzak
ESG Director

A map of our stakeholders:

Governing and supervisory bodies

- Management Board
- Managerial staff
- Supervisory Board

Personnel

- Former personnel
- Current personnel
- Potential personnel
- Students
- Interns
- Trade unions
- Personnel in the value chain

Customer

- Investors
- Employers
- Private and public customers
- Potential customers

Suppliers

- Suppliers of materials and raw materials
- Suppliers of commodities
- Service providers
- Subcontractors
- Potential suppliers

Dormant stakeholder

- Nature

Business environment

- Stock-market investors
- Shareholders
- Bondholders
- Investors
- Analysts
- Foundation supporters
- Competitive companies

Media

- Opinion leaders

Society

- Local communities

Institutional environment

- Investment funds
- Banks
- Government organisations
- Capital market institutions including Warsaw Stock Exchange (WSE)

[2-29]

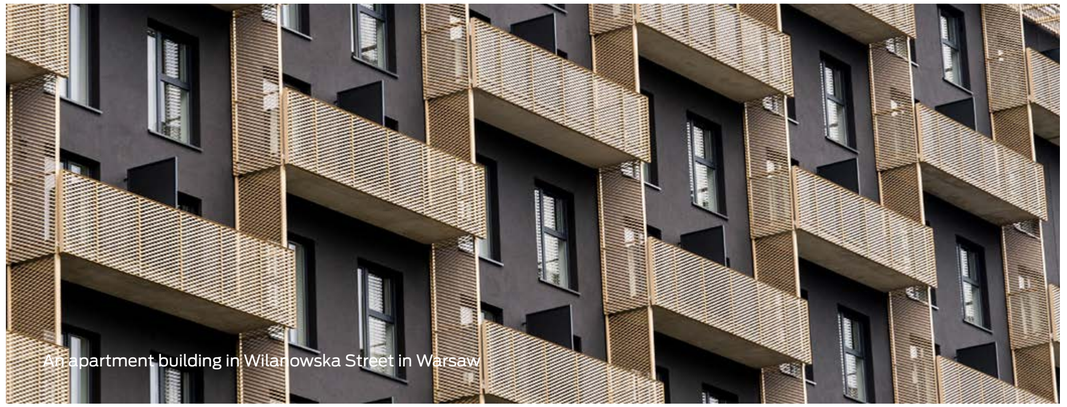
Major Dialogue and Communication techniques used with stakeholers and methods of their buy-in

Stakeholders techniques	Major dialogue, communication and engagement
Business partners (customers) ■ Investors. ■ Potencjalni klienci.	■ 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.

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.

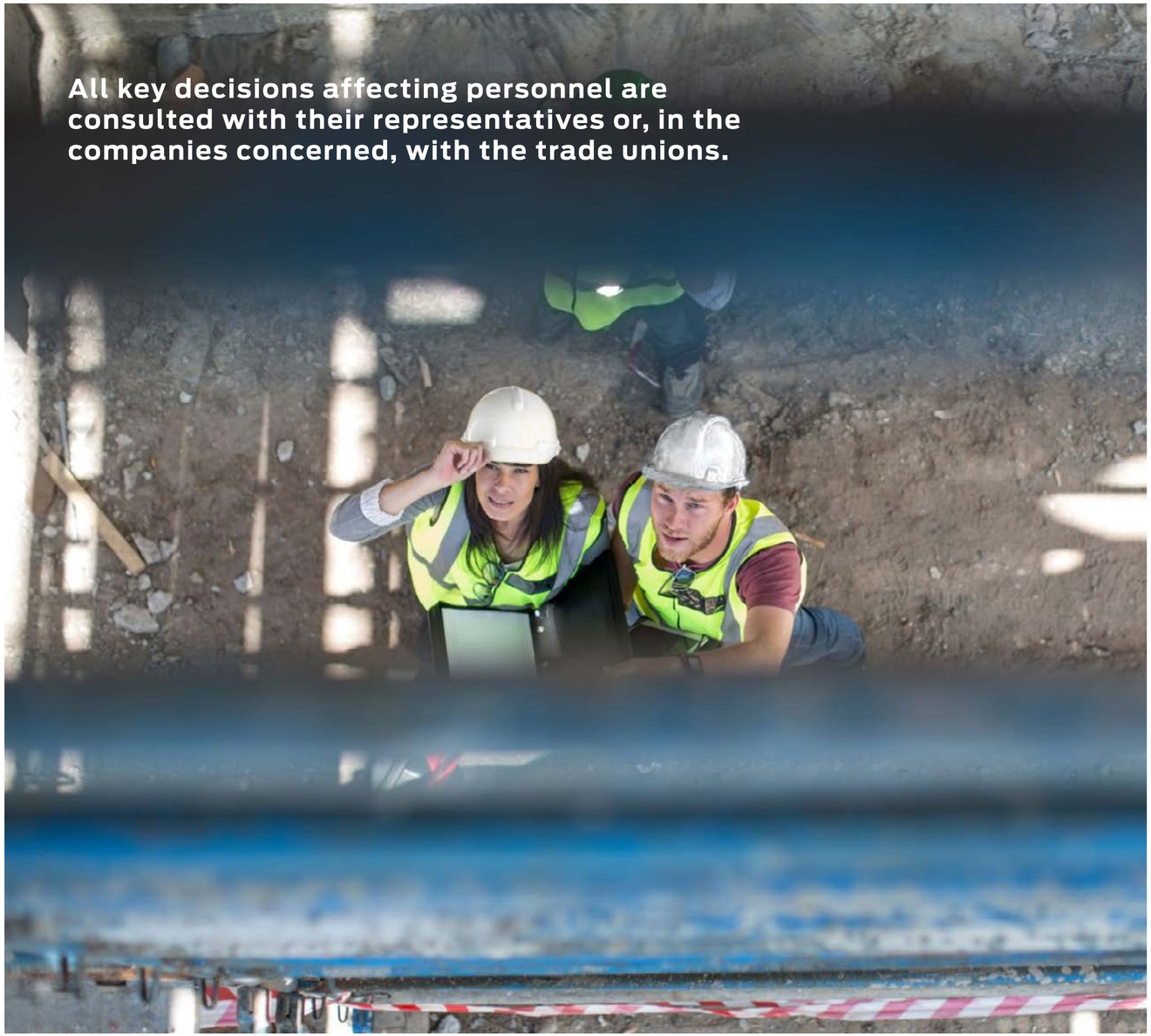


An apartment building in Wilanowska Street in Warsaw

[2-25]

Management of negative influences and the remediation process





The Management and Supervisory Boards of our Group are updated on a current basis about key opinions, views and possible objections of our stakeholders. In 2023, the conclusions of the Employee Opinion Survey were presented to the Management Board, and the representatives of Management Board also participated in a dual-materiality survey process, during which external and internal stakeholders expressed their opinions. In addition, it is Group's best practice to hold online meetings between the Management Board and new hires in our organisation, which provide an opportunity to pose questions to top management representatives. Our management is also an active party in the meetings held with analysts, investors, financial institutions and customers as part of operational business activities.

We inform our stakeholders about our progress in the execution of our sustainability strategy through on-going communication in the media, the website and in the non-financial report published annually. The Internal stakeholders additionally participate in regular ESG training and have access to internal communication platforms. Above all, however, they are engaged directly through meetings with those directly responsible for E, S and G areas (ESG Committee members).

The stakeholders are involved in all processes related to the identification of impacts, risks and opportunities, as well as actions taken to counteract and mitigate risks. We consult and hold dialogue with various stakeholder groups and provide channels for them to seek advice and raise concerns about our company's negative impacts.



Good practice

In 2023, we organised an event for employees called ERBUD100%, which is an online management meeting with all Group employees in Poland, Germany, Belgium and Lithuania. In addition to the part summarising the last six months and the presentation of the strategy, development directions, a part of the meeting was also devoted to the principles of the Code of Ethics and the Environmental Policy. The employees also had an opportunity to ask questions in a chat room. In total, we recorded more than a thousand logged-in accounts during the event, although it should be taken into account that some employees viewed the event together, using a single login.

Membership in organisations

We share our knowledge and experience with other market players and with the industry. In 2023, as a Group, we joined the Polish ESG Association, an association of sustainability leaders.

We have become part of a team that supports, educates and is focused on the quest for innovative solutions and on the initiation of dialogue. A community of experts with whom we can engage in discussion and support each other in the face of dynamic changes and reporting requirements is of great value to us.



Dariusz Grzeszczak attending the Tag der Immobilienwirtschaft Conference in Berlin

[2-28]

In 2023 the ERBUD Group was a member of the following associations and organisations:

ERBUD S.A

- Polish Construction Safety Alliance
- ISO 14000 Polish Forum Association
- Polish Association of Construction Employers
- BuildingSMART Poland Association

ONDE

- Polish Wind Power Association
- Polish Photovoltaics Association
- National Chamber of Commerce of the Road Engineering Sector
- Polish Forum ISO 14000 Association

MOD21

- ZIA – Zentraler Immobilien Ausschuss e.V.

[415-1]

In 2023, the ERBUD Group did not make any donations to political parties, politicians or institutions of a similar nature.

ERBUD GROUP

PSEW

Ogólnopolska Izba Gospodarcza Drogownictwa

buildingSMART Polska

Porozumienie dla Bezpieczeństwa w Budownictwie

Polskie Stowarzyszenie Fotowoltaiki

Polskie Forum Zarządzania Środowiskowego

POLSKI ZWIĄZEK PRACODAWCÓW BUDOWNICTWA

ZIA Die Immobilienwirtschaft

[207-1]

Tax strategy

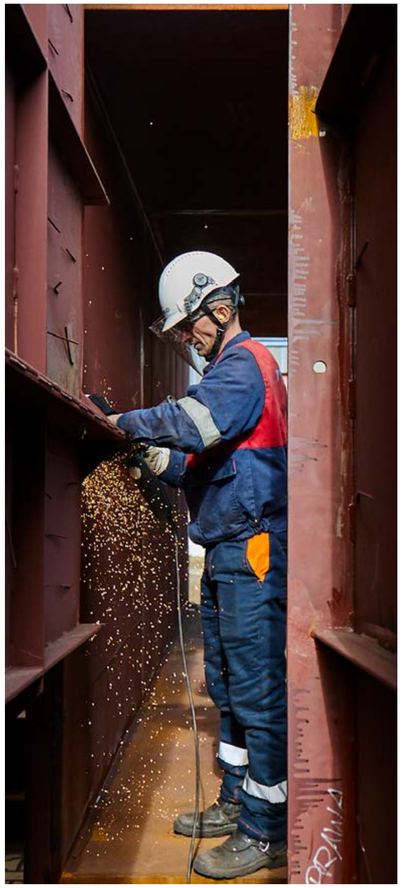
At the ERBUD Group, we have implemented a consistent tax strategy for all our member companies. We perform correct, complete and timely tax settlements and we minimize tax risks. The Group enjoys tax preferences in accordance with their purpose and strives for transparency in its relations with tax authorities. 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.

Our Group management is involved in the process of analysing planned, material business activities on tax grounds and managing tax risks. In the case of new, non-standard and material transactions, the tax analysis is carried out in the planning phase and experts from Erbud Shared Services and third party tax advisors participate.

Our tax strategy is reviewed on an on-going basis from the perspective of changing legal regulations and adapted to business needs, e.g. when new business segments are set up. The tax strategy also supports the business strategy and the sustainability strategy - however, for the sake of the Group's tax security, legal compliance is the overriding form.

At the Group, we choose solutions that mitigate the risk of a dispute with the tax authorities and we cooperate with tax consultancy services. If we have doubts about tax law, we request individual tax interpretations.

Our tax strategy is a public unclassified document available on the ERBUD website.






ENVIRONMENT

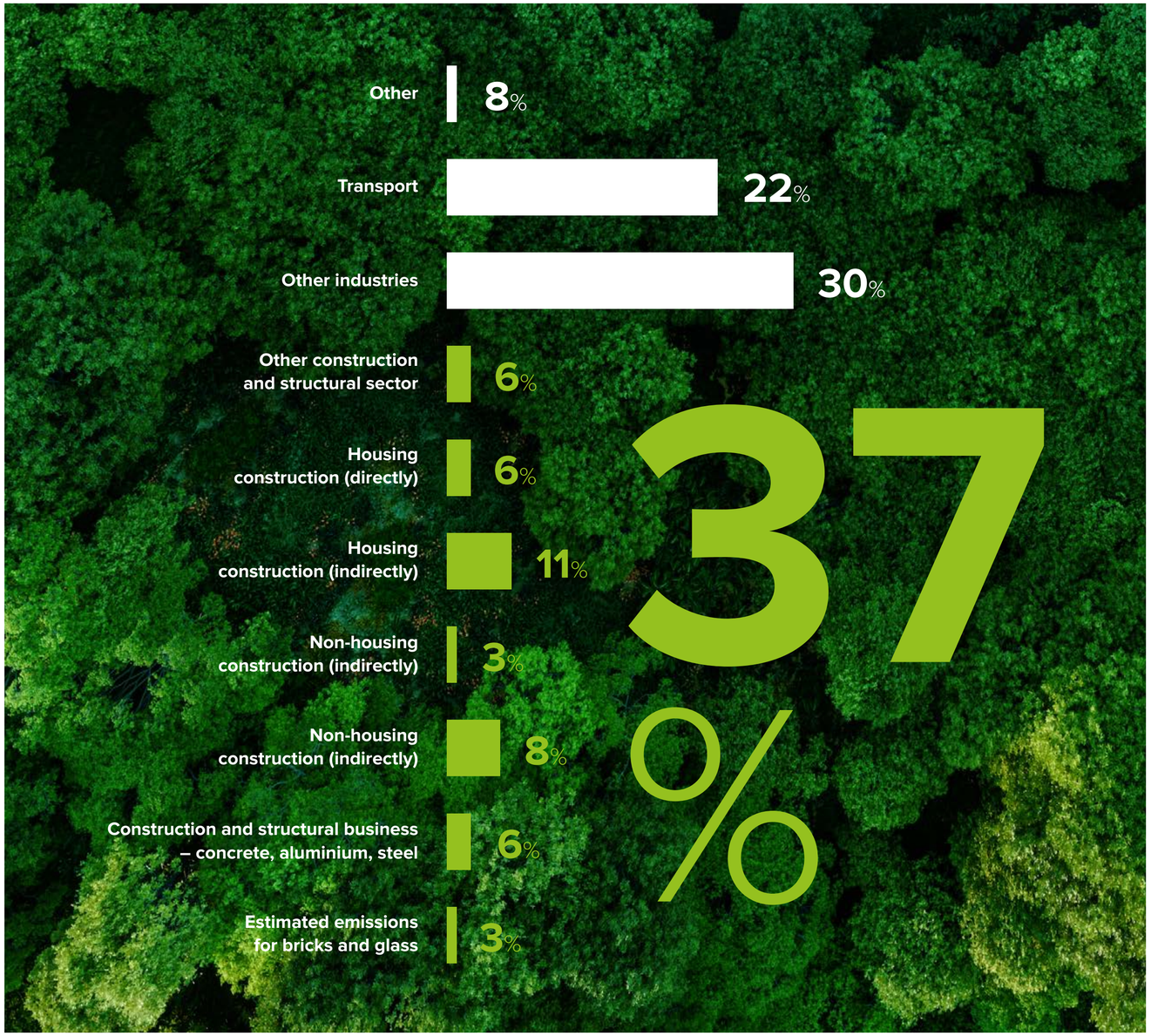
Climate

We have been in the construction business for more than 30 years, and from a business and operational perspective, we can see the impact that climate change is having on the Earth caused by the proven rise in the planet's average temperature that has been observed since the beginning of the industrial era.

We accept scientific studies stating that the main reason for this process is the increasing emissions and excessive accumulation of greenhouse gases (GHGs) in the atmosphere*. This disturbs the natural circulation of the gases and upsets balance of their emissions by means of the assimilation level. Consequently, especially in recent years, one has watched growing dynamics of the so-called greenhouse effect and, inter alia, a significant rise in average annual temperatures and associated dynamic weather phenomena such as storms, tempests, hurricanes and hailstorms. Such phenomena has, inter alia, occurred on sites of our Group's business operations.

We are also aware of the construction sector's high responsibility for greenhouse gas air emissions - the sector's share is more than 35% of total anthropogenic air emissions.

* The source of the information is the Intergovernmental Panel on Climate Change's 2021 Sixth Assessment Report – the so-called AR6 - now in effect.



Global CO_2 emissions in the construction sector, with reference to other industries - for 2021

(Source: 2022 International Environment Agency: Tracking Clean Energy Progress)

As a Group, we have for years been taking measures to reduce the rate of climate change by making contributions to:

- global actions - arrangements of successive World Climate Summits, implementing mainly Goal 13 (Take urgent action to combat climate change and its impacts),
- European Union actions - reduction of GHG emissions until full climate neutrality has been achieved, as written in the European Green Deal strategy and related legislation, including the Fit to 55 Package,
- Poland's actions - changing the country's fuel energy mix and building a low-carbon economy, stipulated in the adopted 2021 Energy Policy of Poland until 2040, with a parallel close watch and participation in 2023 in the changes announced therein,
- decarbonisation activities within its own operations through the development of passive construction and negative carbon footprint modular construction, and reducing its carbon footprint (not only internally, but also in terms of the entire value chain), as well as the carbon footprint of the products it sells and the construction sites underway.

With our actions, we are in line with the implementation of the UN Sustainable Development Goals, enshrined in the so-called Agenda 2030 (for the listed Sustainable Development Goals (SDGs), see Business Strategy and ESG strategy).

Actions to attain the UN goals, going in parallel in full compliance with the directions of the work on of EU and Poland's information reporting, we carry out systemically based on::

- European Commission Communications, providing guidance on non-financial: Supplement on Reporting Climate-Related Information (C/2019/4490), with an annex in the form of the Recommendations of the Task Force on Disclosure of Climate-Related Financial Information (TCFD) (in the section on Materials and Buildings Group),
- introducing the so-called taxonomy of environmentally sustainable activities of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investments, amending Regulation (EU) 2019/2088, together with Commission Delegated Regulations (EU) 2023/2485 and 2023/2486, published on 21 November 2023.

In terms of the Group's climate-related management system under construction, we have taken into account 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 introduced in Poland, as well as the Guidelines for reporting non-financial information (OJ EU No. C 215 of 5 July 2017).

The point of departure for the implementation of all the above measures was to determine the materiality of climate-related information for our Group. To this extent, in 2019, workshops were held for executives from individual Group member companies, led by experts from the Kraków-based University of Science and Technology (AGH) and the Institute of Accounting and Taxation).

Due to the deepening of climate change, as well as the introduction of new, more detailed analytical materials on climate prospecting for the Group's business area (e.g., the KLIMADA 2 Climate Portal and the ISOK portal (IT Country Protection System), in November 2022 we participated in another workshop on climate change led by experts from the Kraków-based University of Science and Technology (AGH). We revised, clarified, and updated the provisions of the Climate Policy.

In accordance with the guidelines for examining the dual materiality of climate issues*, we defined climate-related information as material to our Group. The degree of materiality was considered high, both in terms of the legal guidelines and in terms of stakeholders' and our managers' evaluation of the topic. We defined the high level of materiality of climate-related issues for the Group from the short-, medium- and long-term perspectives and across the entire value chain.

Time horizons:

- the short-term perspective is until 2030, with an intermediate milestone in the year 2028 - it is the time horizon of ERBUD Group's current business strategy. The short term is also related to the ERBUD Group's ESG Strategy "We Build Responsibly" and the guidelines under the Fit for 55 Package,
- the medium term was considered to be the 2040 outlook, the year set by the European Union's Green Deal Strategy for completion the carbon footprint reduction process, which is also in line with the deadline for implementing Poland's Energy Policy. The decision on the determination of the medium period took into account the plan for the target revision of target indicators in connection with the on-going work on updating the Polish Energy Policy,
- the time perspective until 2050, the year of implementation of the European Green Deal Strategy by the European Union - achievement of climate neutrality, was considered to be a long period of time.

In parallel with the time horizons adopted and presented above, we are watching other on-going legislative activities in our environment (mainly related to the implementation of the CSRD Directive (2022/2464/EU) and the European Sustainability Reporting Standards (ESRS)) and we allow for an option of revising our climate targets in the mid-term.

During our climate impact analysis, we determined that neither in the accounting year 2023 nor in years to come does our Group have and will have a very significant climate impact, which does not change the fact that our impact may be negative and noticeable, first and foremost from the value chain perspective. The primary feedstocks that we use are products of industries that have significant climate impact. These include, inter alia, concrete production, asphalt and fuel production, electricity and heat production, cement production, steelmaking. We consider possible regulatory changes and additional legislative burdens related to greenhouse gas emissions (GHG) for these industries as a financial risk to our business.

With the risk group we also integrate the observed intensification of weather anomalies, which may affect our project implementation process.

During the workshop held in November 2022 and the strategic efforts carried out in 2023, based on the methodology for determining the Group's vulnerability to climate change, we determined the exposure, sensitivity, potential impact, and readiness capacity and preventive measures for the Group. During the analytical process, we took into account the indications of Table 1, Table 2 and Table 4 of the European Commission's Communiqué, which are guidelines for reporting non-financial information: Supplement on Reporting Climate-related Information (C/2019/4490)).

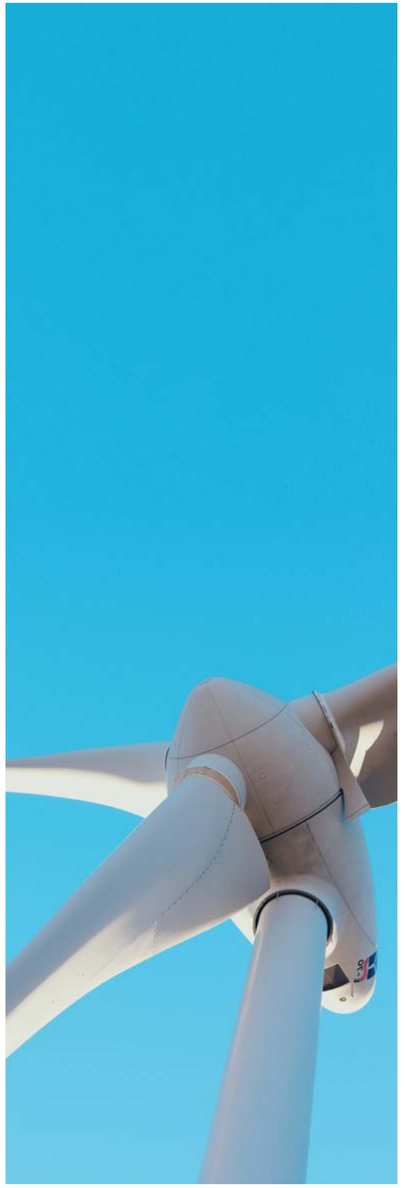
The climate workshop was based on the current Intergovernmental Panel on Climate Change's Sixth Assessment Report of 2021 - the so-called AR6, prepared by the Intergovernmental Panel on Climate Change (IPCC), and on analyses made by the International Energy Agency (IEA) on this basis to be used with four scenarios: RCP2.6, RCP4.5, RCP6, and RCP8.5. We considered the RCP4.5 and RCP8.5 scenarios and related climate and weather changes through 2050, as determined by the ISOK (IT National Protection System) and Climada 2 portals, to be key to our business. The result of the work was to determine the level of impact of the changes (climate and weather risks) on the assets owned and managed by the Group and on its entire value chain).

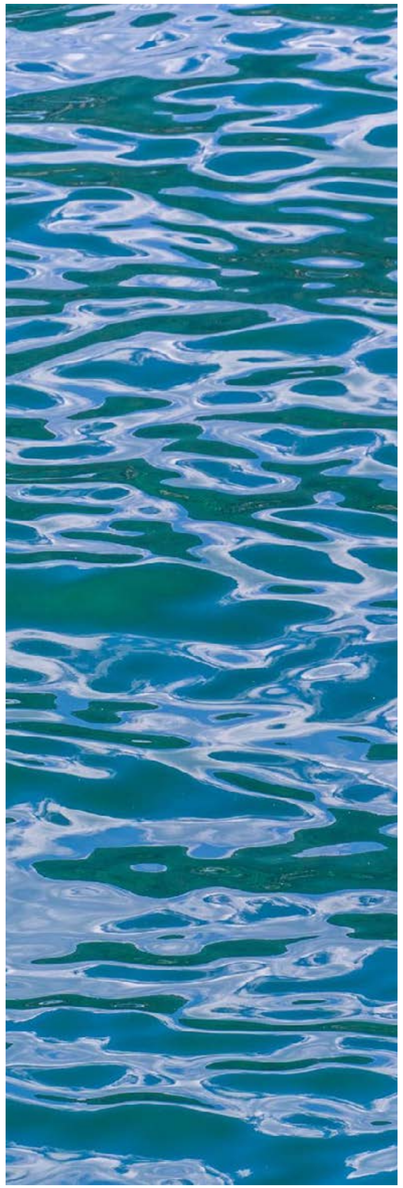
* Derived methodologically from the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and implemented in the European Union through the European Commission's Communication providing guidance on reporting non-financial information: Supplement on the Reporting of Climate-Related Information (C/2019/4490) and used as a core principle for the analysis of sustainability issues in the Directive of the European Parliament and of the Council (2022/2464/EU) (...) with regard to sustainability reporting and in the ESRS prepared and adopted on its basis on 31 July 2023 by the European Commission, including the ESRS 1: General Principles, ESRS 2: General Information, Strategy, Governance and Materiality Assessment and ESRS E1, which are essential for this chapter: Climate Change, we re-examined (the first was made in 2019).



Good Practice

At MOD21, we have developed an online calculator that allows you to compare the carbon footprint of modular and conventional construction. The tool takes into account data on the building during its development phase, the transportation of raw materials to the construction site and the construction process itself. After specifying the number of floors, floor area and location, the calculator calculates the carbon footprint for conventional technology buildings and compares it with emissions for modular construction. Professor Paweł Bogacz of the Kraków-based University of Science and Technology (AGH) helped us develop the calculator. The solution has been recognized by independent specialists - the calculator received an honourable mention in E - innovation category in the environmental area in the competition of the Polish ESG Association.





We want climate action to also be reflected in the Group's offer, which consistently responds to market expectations and trends. We have competence and experience in the design and development of environmentally friendly systems, mainly photovoltaic farms and wind farms (ONDE Group), thermal efficiency enhancement of current buildings (mainly ERBUD International) and construction and fabrication of houses built using modular construction techniques (MOD21), as well as construction of buildings that meet the requirements of BREEAM and LEED certification systems.

In table below we present the materiality of climate issues for the Group, as developed during November 2022 climate workshop and the follow-up efforts in 2023:

As a Group, we are in the possession of appropriate resources, knowledge and competence that allow us to get involved dynamically in the restructuring processes of energy and heat generation plants in Poland and their use of low- and zero-emission energy sources. We are also active in the design, construction and transformation of industrial plants from energy-intensive industries. Additionally, we manufacture and build using timber modular construction technology, which has negative life-cycle greenhouse gas emissions. We construct also passive buildings or buildings that maximise energy efficiency, including minimising energy losses or GHG emissions.

Our objective and ambition is to meet not only rigorous regulatory standards, but also customer requirements in terms of climate impact and resilience.

The materiality described above is financial materiality (when applying the outside in approach) and impact materiality (when applying the inside out approach), in line with the methodology outlined in the European Commission Communication*.

* Providing guidance on reporting on non-financial information: Supplement on reporting of climate-related information (C/2019/4490), as well as in the Directive of the European Parliament and of the Council (2022/2464/EU) (...) with regard to sustainability reporting on sustainable development) and the ESRSs prepared on its basis, including mainly the standards ESRS 1: General principles, ESRS 2: Background information, strategy, governance and materiality assessment and ESRS E1: Climate Change.

\+ positive impact on ERBUD Group
\- negative impact on ERBUD Group



Financial materiality		Environmental and social materiality (Impact materiality)	
Factor	Rodzaj wpływu na Grupę ERBUD	Factor	Type of impact on ERBUD Group
bility to build in winter season	+	Being a GHG emitter, although not primarily directly (to this extent, the Group recognises itself as a low-carbon leader), but mainly through the use of the products of industries that have a significant climate impact (concrete production, asphalt and fuel production, cement production, steelmaking)	-
Occurrence of excessively hot and dry summer periods	-	Readiness to contribute to the energy transition in in Poland by being competent in the construction of RES installations (hydrogen production facilities + photovoltaics + wind farms + biogas plants) and the development of modular construction with a negative carbon footprint, as well as passive construction (BREEAM and LEED)	+
Occurrence of weather anomalies (hurricanes, storms, tornadoes, hailstorms, torrential rain) that may adversely affect the project implementation process	-		
Implementation of the objective of minimizing own construction assets	+		
The Group's activities in the field of thermal efficiency enhancement projects to improve energy efficiency	+		
The Group's activities aimed at investments into environment friendly energy sources, including the construction of RES systems (hydrogen production facilities + photovoltaics + wind farms + biogas plants + hydroelectric power plants) and the conversion of high-carbon fuels to zero-carbon (electric, hydrogen, human-powered) and low-carbon GHG (including hybrid and cogeneration solutions)	+		
The Group's on-going investment activities in industries considered to have high GHG emissions	-		
Running construction activities in the areas potentially jeopardized by climate change, mainly in terms of weather changes	-	Technology-based knowledge and running of construction sites with the aim of climate change adaptation	+

Impact of climate change on ERBUD Group's business model and development

[201-2] [2-25] [3-3]

Climate changes

The high level of significance of climate-related issues and the varied impact on the Group's development requires the identification in the organizational structure, as well as in the corporate governance system, of the person and organizational units responsible for implementing climate-related activities. Climate-oriented activities are carried out within and for the ERBUD Group by the Health, Safety and Environment Division, headed by the Director, who is also the main manager responsible for these areas in the Group. Legal responsibility for climate issues, on the other hand, rests on the shoulders of the President of the Management Board of ERBUD S.A.

The Group's current business model, operations, and appropriated financial resources (in the short- and mid-term) are sufficiently resilient to allow the Group to engage in activities to reduce adverse climate change and effectively counteract against the associated risks.

The climate action efforts and projects were carried out in 2023 and will be carried out in the years to come, under the current business model and in line with the Group's objectives of the companies: ERBUD S.A., ONDE S.A., ERBUD International Sp. z o.o., MOD21 Sp. z o.o., MOD21 GmbH, ERBUD Industry Centrum Sp. z o.o.

These companies are uniquely positioned to take advantage of market opportunities and reduce operationally the risks associated with the adverse climate change impact by contributing to the Group's real influence on the reduction of adverse climate change.

In order to make environmental management processes more consistent, we have set up a system of standardization of environmental, quality and occupational safety management systems within the Group companies, developing an Integrated Management System.

In the short term, the resilience of our business model to climate change and the quality of management of this issue, we rank as high, as confirmed by the certificates that we hold. The occurrence of climate issues is part of the environmental area described in the in the ISO 14001:2015 standard and in the EMAS Eco-Management and Audit Scheme.

We obtained in ERBUD S.A. and certification for the environmental management system as compliant with the standard ISO 14001:2015 and with EMAS3. On this basis, in 2023 ONDE and ERBUD S.A. companies were entered into the Polish EMAS register and into the EMAS register reporting to the European Commission by the General Director of Environmental Protection. These entries can be found here and there, respectively.

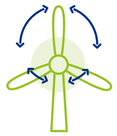
To determine the climate resilience of our business model in mid- and long-term, we used the Intergovernmental Panel on Climate Change's 2021 Sixth Assessment Report model - the so-called AR6, prepared by the Intergovernmental Panel on Climate Change (IPCC). The Intergovernmental Panel on Climate Change (IPCC) and the 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 (transferred to Poland within the framework of the Climada 2 portal and the IT National Protection System (ISOK)). Based on these, we made in November 2022 a detailed analysis of the resilience of our operations to climate change. We divided the analysis under each scenario into four stages:



Laying out a business-climate impact model,



calculation of the related security costs,



safety analyses of the Group's current product and process portfolio,



identifying and implementing additional safeguards for the Group's products and processes against all identified physical risks (we continued this phase in 2023, expanding the scope of the ERBUD Group's climate policy in March 2024).

Based on the above analysis, we have determined that we will significantly raise the number of climate-friendly measures for implementation between 2020 and 2030, that are a part of Group's objectives, with no need to make significant changes in the business model.

[1] Referred to as opportunities (+) in the "Materiality of climate issues for the ERBUD Group, along with the type of impact on the ERBUD Group" table.

[2] Depicted as risks (-) in the "Materiality of climate issues for the ERBUD Group, together with the nature of their impact on the ERBUD Group" table.

[3] Certyfikat wydany dnia 5.08.2022 przez Dyrektora Centrum Certyfikacji Jakości Wydziału Bezpieczeństwa, Logistyki i Zarządzania Wojskowej Akademii Technicznej w Warszawie..





Farma fotowoltaiczna Cyranka

[302-1]

Energy Consumption by ERBUD Group in 2020, 2022-2023

Energy from individual sources	2020 in GJ	2022 in GJ	2023 in GJ	Change in 2023-2022 [%]	Change in 2023-2020 [%]
Electric energy	91 554.12	28 877.00	28 622.59	-0.88	-68.74
Heat energy	25 318.27	26 674.16	25 108.78	-5.87	-0.83
Energy from the combustion of fuels by vehicles and machinery *	69 693.97	116 535.04	126 265.23	8.35	81.17
Energy from natural gas combustion	27 923.69	18 564.19	66 522.13	258.34	138.23
nergy from combustion of pulverized coal fuel	22 748.08	6 609.51	21 828.56	230.26	-4.04
Energy from combustion of heating oil	2 096.68	1 469.80	2 168.75	47.55	3.44
Total energy from all sources	**239 334.81**	**198 729.70**	**270 516.04**	**36.12**	**13.03**

* 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.

In 2023 the Group's total energy consumption was up by 36.12% compared to 2022 and up by 13.03% compared to the base year - 2020.

This result is directly related to the start-up and development of the modular construction manufacturing plant, higher output of mineral and asphalt compound (MMA) at the ONDE's asphalt plants and higher fuel consumption by vehicles.

Additionally, on some construction sites, where their location or connection conditions force us to do so and there is no option of the mains connection, we use diesel or petrol generators and heaters during winter season.

Higher energy consumption has not slowed down significantly the on-going process of integrating renewables into our energy mix, and the consumption of 2939.37 MWh of renewable energy in 2023, accounting for 36.97% of the Group's total electricity consumption, confirms the implementation of the climate policy assumptions.

Our ONDE offset its electricity consumption emissions through the purchase of 800 MWh Guarantees of Origin. ERBUD has purchased Guarantees of Origin for a further 200 MWh. Regardless of the guarantees purchased, our companies generated just under 100 MWh of green energy from their own photovoltaic plants.

We have phased out the process of turning ERBUD green. We have already in the portfolio the first pilot construction site, which is 100% green, all those started in 2024 will also be powered entirely by energy from Renewable Energy Sources (RES), and gradually we will also be rewiring the construction sites already in operation.



Good practice

We have ambitions to become the first company in the construction industry to power all its construction with green energy. This is our goal for 2024.

In 2023, the Management Board appointed a person to purchase renewable energy for the entire Group.

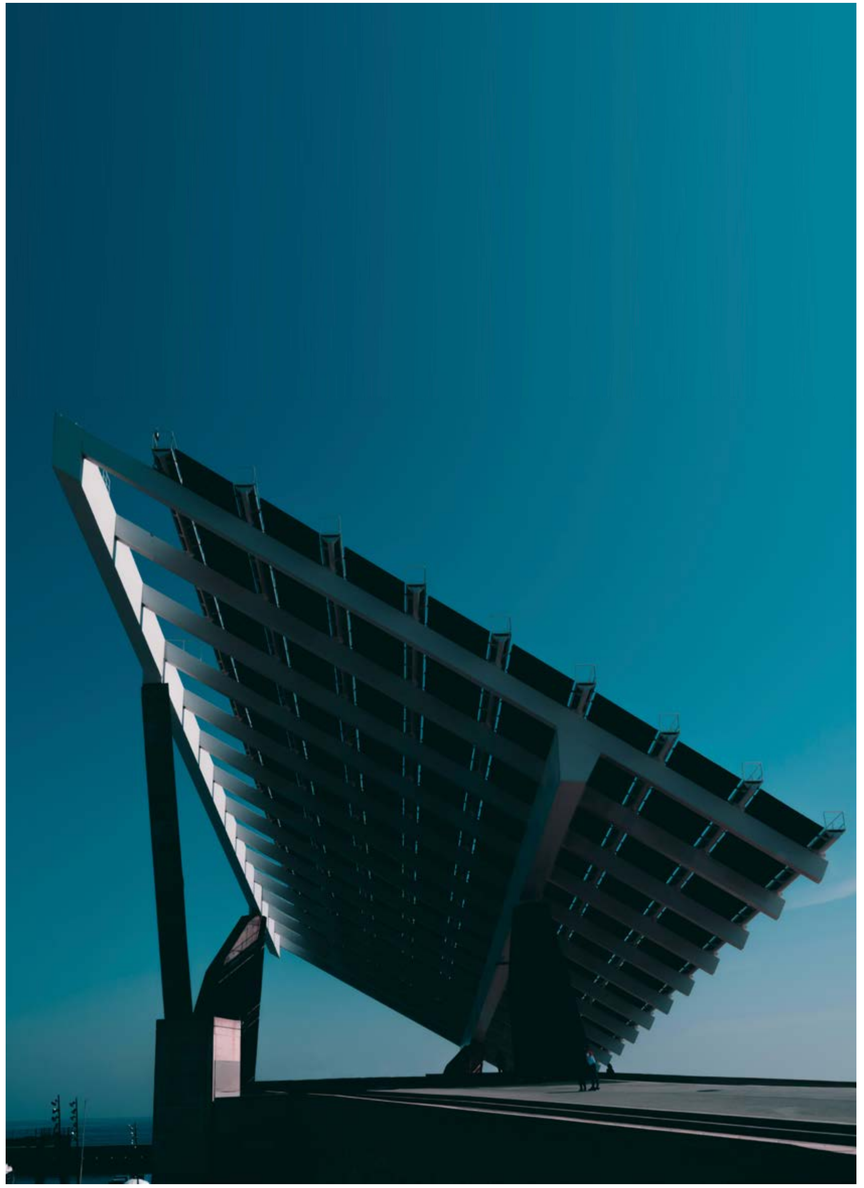


In 2024, we want to participate in the Power Market of the Polish Power Grid Company, which will enable us to monitor consumption in real-time and, consequently, to manage effectively at our projects and Group stationary units.

The share of energy consumed by the Group in 2023 was not determined directly and on a basic scale by the composition of Poland's fuel mix. This is important in light of the global energy crisis, which is a consequence of Russia's aggression of Ukraine. It has contributed, to a large extent, to the inhibition of the growth in the use of renewable fuels (the share of energy from these sources in Poland's energy mix was up year-on-year by 5.6% y/y, from 21.2% in 2022 up to 26.8% in 2023).

We have made a decision to centralise energy management. This will cause numerous positive aspects, such as cost reductions, taking the responsibility for energy procurement off the construction sites, and being able to implement a consistent approach from which all of us will benefit, as a Group, . We want to be zero-carbon completely in terms of energy.

Jacek Leczkowski
Vice-President of
ERBUD Management Board





[302-3] [302-4]

Energy intensity

Energy from individual sources	Intensity of energy in 2021 [GJ/thous. PLN]	Intensity of energy in 2022 [GJ/thous. PLN]	Intensity of energy in 2023 [GJ/thous. PLN]	2023-2022 change [%]	2023-2020 change [%]
Electric energy	0.041	0.007	0.009	18.16	-78.46
Heat energy	0.011	0.007	0.008	12.21	-31.67
Energy from fuel combustion in vehicles and machinery*	0.031	0.030	0.039	29.16	24.82
Energy from natural gas combustion	0.013	0.005	0.021	327.17	64.13
Energy from combustion of pulverized fuel dust	0.010	0.002	0.007	293.70	-33.89
Energy from combustion of heating oil	0.001	0.0004	0.001	75.90	-28.74
Total energy from all sources	**0.107**	**0.0514**	**0.085**	**62.27**	**-22.13**

* 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.

In 2023, we recorded a decline in heat energy consumption. Compared to 2022, we reduced its consumption by 5.87%, i.e. we achieved a decline of more than 1,500 GJ.

Despite our business growth, we have also reduced the electricity volume consumed by the Group, with the consumption down by more than 200 GJ compared to 2022.

We have reduced our electricity demand by 68.74% between 2020 and 2023).

These volumes confirm compliance with the Climate Policy provisions, which indicates that energy efficiency will go up by another 10% by 2030 compared to the 2020 base year. Due to the Group's inability to have a large direct impact, this indicator was calculated with reference only to improvements in the energy mix and with a short term target, i.e. up to 2030.

To calculate the energy intensity index, the volume of revenues was chosen as the denominator. The indicator was calculated taking into account all types of energy used - electric energy, heat energy and fuels, and refers to energy consumption within the organization.

In 2023, we recorded a 62.27% that the energy intensity indicator was up compared to 2022. At the same time, compared to the base year 2020, the indicator decreased by 22.13%. There was also an increase in energy consumption from fuels for vehicles and machinery (29.16%), coal dust (293.7%) and natural gas (by 327.17%). These should be directly linked to the increased demand for these fuels, as discussed in more detail above.

In the Group, we are reinforcing personnel's knowledge of electricity conservation in offices and on construction sites. We also encourage economical driving and optimisation of journeys.



Good practice

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

In 2020, we implemented an IT system in the ERBUD Group to collect the environmental data from construction sites, necessary to calculate Scope 1 and Scope 2 carbon footprints - we take the 2020 results as a baseline and have reported GHG emissions for the Group annually since then, taking financial control as a consolidation criterion.

The Group's 2023 direct GHG emissions calculations also include emissions of CO2, CH_4, N_2O and HFCs and HFOs, taking into account their Global Warming Potential (GWP) factors, as defined in the IPCC (Intergovernmental Panel on Climate Change) Sixth AR6 report. The emission levels of these gases have been calculated based on the methodology of the GHG Protocol - Revised Edition and further supported by the indications of ISO 14067:2018, the KOBiZE indicators for fuels and electricity and the relevant regulations*.

For electricity, an emission factor value of 349 kg CO2/kWh, which is an average based on Statista data, was used for operations in the German market. For shielding gases (usually mixtures of argon and CO_2), an average CO_2 content of 18% was assumed. CH4 and NO emission factors for fuels were taken from Emission Factors from Cross Sector Tools March 2017 (developed by GHG Protocol).

Emission factors for R134A and R1234YF refrigerants and biogenic emissions were taken from the Department for Environment Food and Rural Affairs (DEFRA) database, published in 2023 in an updated version.

Below, in individual tables, we present data for Scopes 1 and 2 greenhouse gas emissions generated by the Group in 2023 and 2022, with reference to the 2020 baseline year.

Market-based emission values were not calculated and reported in 2020, since as a Group, we did not analyse our supplier mix at that time and we did not use guarantees of origin.

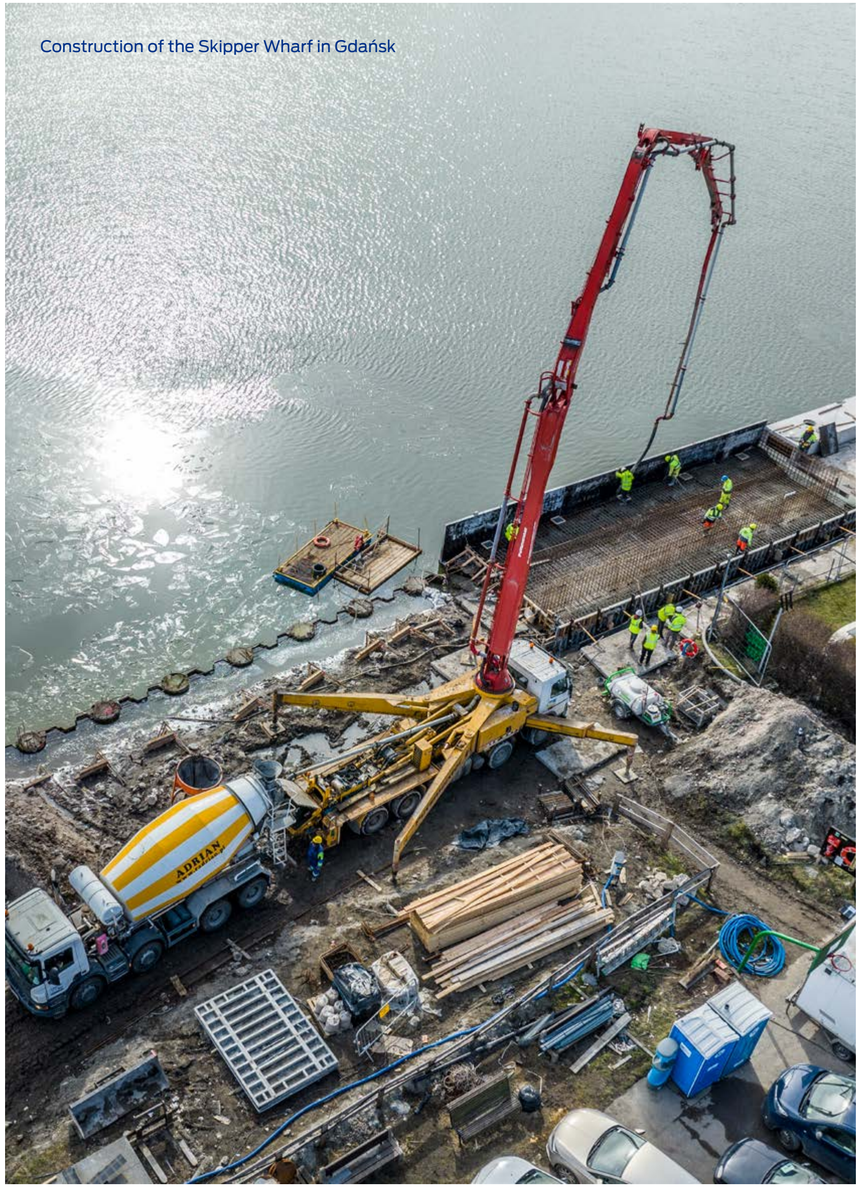
*Including the Ministry of Climate and Environment on the greenhouse gas emission factor for electricity in 2023, and in terms of heat in Poland, the report "Heating in Poland", published by the Energy Regulatory Office (URE).

ONDE's road construction department, at its construction site in Koszalin, has launched a pioneering photovoltaic installation mounted on the roof of the containers that make up the social facilities. 20 modules with a total capacity of 10 kWp are supplying energy to the construction site back-up facilities of Provincial Road No. 152.

Photovoltaics are also in operation at the MOD21 manufacturing facility. Installed in 2023 at the Ostaszewo plant, the 50 kWp installation generated a total of 53.110 MWh of energy. We plan to expand by an additional 450 kWp in 2024. We estimate that we will reach energy output of 300 MWh in 2024.



The Pożarów Photovoltaic Farm



Construction of the Skipper Wharf in Gdańsk

ERBUD Group's Greenhouse Gas (GHG) emissions in 2020, 2022-2023

TYPE OF EMISSION	2020	2022	2023	2023-2022 Change [%]	2023-2020 Change [%]
TOTAL DIRECT EMISSIONS (SCOPE 1) [tCO_2e]	9 049.35	10312.28	14677.19	42.33	62.19
TOTAL INDIRECT EMISSIONS (SCOPE 2) [tCO_2e] (market-based method)	n/a	6457.07	6959.06	7.77	n/a for year 2020
TOTAL INDIRECT EMISSIONS (SCOPE 2) [tCO_2e] (location-based method))	22 033.64	8188.62	7674.37	-6.28	-65.17
TOTAL GHG EMISSIONS (SCOPE 1 + SCOPE 2) [tCO_2e] (market-based method)	n/a	16769.35	21636.25	29.02	n/a for year 2020
TOTAL GHG EMISSIONS (SCOPE 1 + SCOPE 2) [tCO_2e] (location-based method)	31 082,99	18500.90	22351.56	20.81	-28.09

ERBUD Group's Greenhouse Gas (GHG) emissions in 2020, 2022-2023 against revenues

TYPE OF EMISSION	2020	2022	2023	2023-2022 Change [%]	2023-2020 Change [%]
LEVEL OF DIRECT EMISSIONS (SCOPE 1) PER UNIT OF SALES REVENUES [tCO_2e/thous. PLN]	0.0040	0.0027	0.0045	69.67	11.743
POZIOM EMISJI POŚREDNICH (SCOPE 2, MARKET-BASED BASED) NA JEDNOSTKĘ PRZYCHODÓW ZE SPRZEDAŻY [tCO_2e/thous. PLN]	n/a	0.0017	0.0022	28.48	n/a for year 2020
POZIOM EMISJI POŚREDNICH (SCOPE 2, LOCATION-BASED METHOD) PER UNIT OF SALES REVENUES NA JEDNOSTKĘ tCO_2e/thous. PLN]	0,0099	0.0021	0.0024	11.72	-76.003
LEVEL OF DIRECT AND INDIRECT EMISSIONS (SCOPE 1 & 2, MARKET-BASED METHOD) [tCO_2e/thous. PLN]	n/a	0.0043	0.0067	53.81	n/a for year 2020
LEVEL OF DIRECT AND INDIRECT EMISSIONS (SCOPE 1 & 2, LOCATION-BASED METHOD) [tCO_2e/thous. PLN]	0,0139	0.0048	0.0069	44.02	-50.457

To determine the levels of the unit indicators, showing the value of the Group's GHG emissions per unit of sales revenues, the GHG emission values were related to the ERBUD Group's revenues, respectively, for the following years:

2020 (PLN 2 228 344 thous.),

2022 (PLN 3 855 649 thous.),

2023 (PLN 3 234 363 thous.).

Our Group's direct GHG emissions by our Group in 2023 is 14,677.19 tCO2e, up by 42.33% against 2022 and up by 62.19% against baseline year 2020.

he emissions rise was driven by the rapid expansion of the output of timber modules at the MOD21 manufacturing plant, which have a negative carbon footprint in their life cycle, however in the manufacturing phase itself, they generate emissions. Enhanced emissions were also driven by the significant increase in the production of mineral and asphalt compound (MMA) at the ONDE's asphalt plants, as well as the enhanced fuel consumption by vehicles and machinery. In addition, on some construction sites, where their location or connection conditions force us to do so and there is no option of mains connection, we use diesel and petrol generators and heaters during winter season.The Group's growth is also fuelled by the growing number of employees and, consequently, growing number of the vehicle fleet and its fuel consumption.

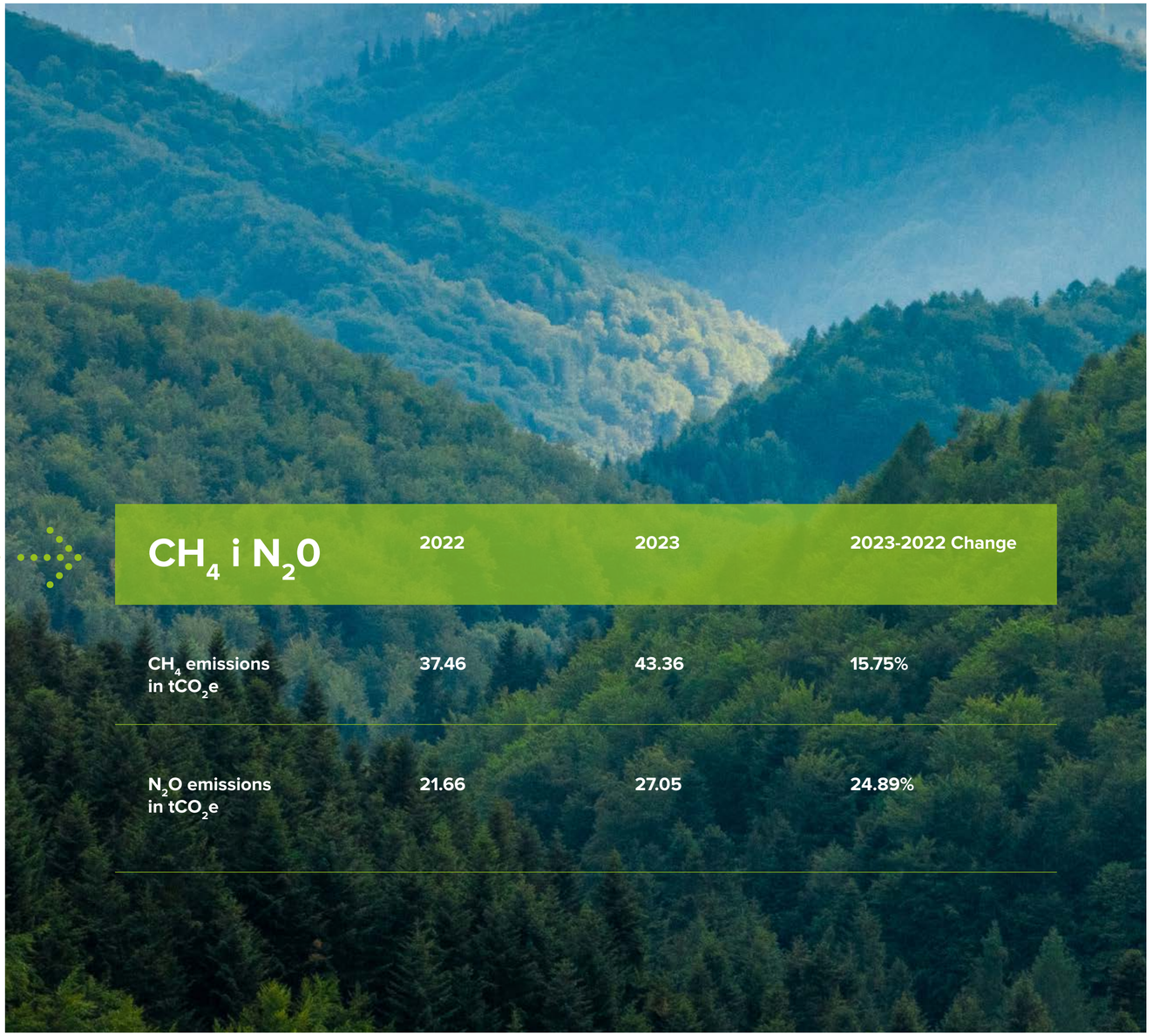
Reported direct emissions, when set against revenues, showed a **69,67%** increase in emissions per unit of revenues in 2023-2022, and an **11,72%** increase against the baseline year.

For the next year, we are also publishing isolated emissions of methane and nitrous oxide from the combustion of various fuels. The emissions have been calculated on the grounds of the GHG Protocol in accordance with the 'Global warming potential' values given in the IPCC (Intergovernmental Panel on Climate Change) report 6th edition - AR6. CH_4 and N_2O emissions are included in the direct emissions reported in GRI 305-1. Indirect GHG emissions falling into Scope 2 are emissions from the generation of acquired and consumed electricity, steam, heat or chill.

Direct emissions of CH_4 and NO_2 by ERBUD Group in 2022-2023

The calculation of indirect GHG emissions in Scope 2 of the ERBUD Group in 2023 included CO2 , CH4 and N2O emissions, using conversions to COe, determined based on location-based and market-based methodologies. Emissions were calculated based on actual purchase invoices for purchased electricity and heat and estimation methods at ERBUD and ONDE.

All indicators and conversion factors for calculating the carbon footprint were used only from the sources indicated above (URE, KOBiZE, IOC, DEFRA).



CH_4 i N_2O	2022	2023	2023-2022 Change
CH_4 emissions in tCO_2e	37.46	43.36	15.75%
N_2O emissions in tCO_2e	21.66	27.05	24.89%



A birdhouse on a construction site in Jaworska Street in Wrocław

We have reduced the Group's Scope 2 emissions by 6.28% against 2022 and by 65.17% against the baseline year (calculated on a location-based basis). Emissions calculated using the market-based method were up by 7.77% against 2022.

In light of the current economic and political situation and the energy crisis, we consider our results to be very satisfactory, particularly in relation to the unfavourable, for emission levels, changes in Poland's energy mix.

Comparing to revenues, location-based indirect emissions increased in 2023 compared to 2022 by 11.72% and decreased relative to the base year by 76%. For the market-based method, the increase between 2022 and 2023 was higher and amounted to 29.02%.

The carbon emission decline compared to baseline year is due to growing energy efficiency on construction sites as part of the internal processes implemented on the basis of the provisions of the Climate Policy and EMAS, as well as a number of savings-oriented measures and energy efficiency improvement measures in our facilities or under our management. The result was also influenced by the purchase of Energy Guarantees of Origin by Group member companies - 1,000 MWh - the purchased renewable energy almost completely cancelled out the ONDE company's electricity consumption.

The Group's efficiency in terms of energy consumption is also due to the increase in the number of photovoltaic and wind power plant constructions we are carrying out, which due to their nature do not generate as much consumption as conventional construction.

For 2023, we have also calculated biogenic emissions. CO2 emission factors from the KOBiZE database and GHG Protocol Cross Sector Tools were used to calculate GHG emissions from motor petrol and diesel in 2023, with reference to the biocomponent content of the fuels (5% in motor petrol and 7% in diesel respectively). The resulting values for biogenic emissions (not included in the carbon footprint) are shown in the table below..

The level of biogenic greenhouse gas (GHG) emissions by the ERBUD Group from 2022 to 2023 [305-3]

Biogenic emissions in w tCO_2e	Type of fuel	Result tCO_2e		2023-2022 change
		2022	2023	%
	Lead-free petrol	96.77	156.63	61.86
	Diesel oil	227.61	422.09	85.45
	Total	324.38	578.72	78.41



Good practice

One of the first projects that MOD21 undertook using modular construction technology was a facility for refugees in Munich, for which the Investor set high requirements not only in the area of the building structure itself, but above all in terms of the need for low-emission products. The complex consists of three buildings designed to temporarily accommodate 180 people, mainly refugees from Ukraine. The construction used 105 modules manufactured at our Ostaszewo factory. The technology adopted had to take into account the use of finishing materials certified, among others, by Blauer Engel or Emicode EC1 Plus.

In order for the selected product to carry one of the oldest environmental labels, the Blauer Engel, found for products that are widespread in Germany and Western European countries, it is necessary to meet the established criteria for low-emission performance. In certifying products, the German Institute for Quality Assurance and Certification (RAL) evaluates, among other things, the savings in raw materials and environmentally unfriendly pollutants, emissions, as well as the reduction and reusability of waste generated in the production process. An independent jury awards this certificate to building materials by first examining the processing of raw materials and the manufacture of the final product with a view to minimising the environmental impact throughout the production process. The volume of biogenic emissions from the combustion of fuels (diesel and petrol) increased by 78.41 % in 2023, the direct cause of which was an increase in the consumption of these fuels in our companies.



Enivronment-oriented undertaking aimed at restocking the Oder River by ERBUD S.A. personnel.



Zero-emission waste incineration plant in Konin

[305-3]

OTHER INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE)

ERBUD 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 scale of the overall Group operations, owing to the number of projects run, the number of suppliers of both services and materials represent a significant challenge.

In the first phase of the project work, we identified the items significant from the perspective of the ERBUD Group's scope of operations, which are classified as indirect emissions under Scope 3. The identification was carried out jointly with experts from the Kraków-based University of Science and Technology (AGH), which also resulted in the development of a database of emission indicators for individual materials used on the ERBUD Group's construction sites.

The next step was to design IT tools and integrate them with the company's legacy management processes. The tools implemented allow us to record and verify data on an on-going basis, not only internally - within the Group - but also data provided by our suppliers.

In the ERBUD Group, the baseline year for indirect emissions (Scope 3) will be 2024. However, for 2023 we would like to present below the resulting emissions data for the three material categories of this scope:

- **Category 1: Purchased materials and services.**
  WIn this category we have included issues related to key building materials embedded by Polish companies (there are 38 of them). For the purpose of calculations emission factors in the range A1-A5 of the product/construction life cycle using "cradle to grave' approach were used, according to PN-EN 15804:2012, made available by manufacturers in the EPDs of their materials and available in building materials databases, including primarily the German ÖKOBAUDAT database,
- **Category 3: Energy-related emissions and fuels not included in Scope 1 and 2.**
  For the calculations in this category, the actual fuel consumption of the suppliers working on the ERBUD SA and ONDE SA investments and the emission factors of DEFRA (Department for Environment Food and Rural Affairs) and KOBiZE (National Emissions Balancing and Management Centre) were used.
- **Category 9: Product transport and distribution.**
  In this category, we show emissions related to the transport of finished products, i.e. timber modules, fabricated by the company MOD21. For the calculations, the number of kilometres travelled by trucks from the plant to the assembly sites (construction sites) and the DEFRA emission factors were used.

By far the largest emission values within Scope 3 in terms of the categories presented were recorded in 2023 in Category 1 (Purchased materials and services). They accounted for almost 99.7% of the total GHG emissions under Scope 3 . They confirm the thesis, which is absolute standard in the construction sector, that it is the raw materials and building materials that represent the major item, but also the major challenge, for further work on reducing the sector's carbon footprint.

The ERBUD Group is committed to take efforts to reduce its carbon footprint in this category and also in other Scope 3 carbon footprint categories, continuously carrying out, in the current phase, digitisation activities of processes to systematise data across the Group, which, already in 2024, will allow us to disclose all indirect emissions under Scope 3 and further reduce them dynamically and effectively.

The table below shows the calculations of the level of greenhouse gas emissions in these three categories in the ERBUD Group value chain in 2023.

The level of greenhouse gas (GHG) emissions in the three material categories under Scope 3 of the ERBUD Group in 2023

Category No.	Name of category	Emission volume [tCO_2e]
1	Purchased materials and services	1 127 034.75
3	Activities related to fuels and energy (not specified under Scopes 1 or 2)	3 630.00
9	Product transport and distribution	138.08
	Total emissions:	**1 130 802.83**

[305-7] [3-3]

Nitrogen oxides (NOx), sulphur oxides (SOx) and other non-GHG significant air emissions

The sources of gaseous air emissions other than just GHGs, i.e. nitrogen oxides (NOx), sulphur oxides (SO_2) and PM10 dust in the case of ERBUD Group's operations include the fuels consumed by the:

- vehicles (passenger and delivery vans),
- low-speed vehicles, machinery and equipment used for construction works and heating purposes

Additionally, in our company ONDE, the above emissions occur in the manufacturing process of mineral and asphalt mix at the bitumen plants in Toruń and Koszalin.

The disclosure in the calculations on the above gaseous and dust emissions was related to the implementation by the companies ERBUD SA and ONDE SA of the Commission Regulation (EU) 2018/2026 of 19 December 2018, amending Annex IV to the EMAS Regulation, which the Group has implemented and on the basis of which it works. NOx, SOx and other significant air emissions, in addition to GHGs, are presented in the table below.

Emissions calculations for vehicles with valid MOT certificates (passenger cars, vans, lorries with petrol and diesel engines) were carried out pursuant to the provisions of the European emission standards (EURO). This was related, firstly, to the primary legislative function of these standards within the European Union, which is the area of our company's operations, and secondly, to the use of only road vehicles achieving the maximum emission values compliant with these standards.

In terms of low-speed machinery and other construction equipment and machinery, we applied Stage I, Stage II and Stage IIIA European standards for exhaust emissions for diesel engines with a power of more than 37 kW used in non-road machinery. As with cars, the choice of these standards was a direct result of the type of machinery owned by the ERBUD Group.

With regard to the other types of equipment and machinery (of a non-running nature), and mainly related to heating equipment, name plate information on their emissivity was used.

The total annual air emissions of NOx, SO_2 and PM10 were calculated on the grounds of emission factors from literature or published by KOBiZE for individual emission sources related to the operation of vehicles, machinery and equipment (petrol, diesel, propane-butane, heating oil) and the consumption of natural gas.

Type of emissions	Emissions from asphalt plant [kg]	Emissions from fuel combustion plants [kg]	Total emissions [kg]
NOx	6170.00	21535.67	27705.67
SO2	570.00	202.82	772.82
Particulate matter (PM10)	3292.72	1544.58	4837.30



Construction of ""New Latin" housing estate in Poznań



The President of Management Board of MOD21 together with 20 company employees planted trees in front of the manufacturing facility

We reduce the negative impact of our projects through:

- dust and wind erosion protection,

  hardening of the main functional parts of the construction site,
- limiting the speed of vehicles travelling through the construction site,
- geotextiles on fences, which, when sprinkled with water, provide an effective barrier against dust,
- limiting as far as possible the duration of exposure of the surface exposed to wind erosion,
- mechanical compaction or seeding the area with fast-growing vegetation,
- selection of methods to reduce impacts on neighbouring buildings,
- installation of acoustic baffles,
- conservation of valuable natural elements, 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,
- the provision of sorbents and other absorbent materials on each of our construction sites in the event of a release of petroleum or other substances,
- personnel training concerning the prevention of environmental incidents and the safe removal of their impacts,
- uniform signposting of our investments (HSE boards, waste container marking and other environmental signs).

We analyse all of the above aspects before the start of each new investment project, in compliance with the adopted environmental management systems ISO 14001:2015 and EMAS according to the Regulation of the European Parliament and of the Council (EC) No. 1221/2009, as amended (EMAS at ONDE S.A. and ERBUD S.A.).

Through analysis, we identify material negative impacts on the environment and surroundings, which allows us to develop corrective measures (environmental programmes) that are subject to monitoring on current basis.

Structured activities allow us to eliminate complaint processes from the local community and the intervention of external services set up to exercise environmental care.

The effectiveness of these measures is the best evidenced by the EMAS registration of two Group companies: ERBUD S.A. and ONDE S.A., which was preceded by a multi-stage certification audit by the General Director of Environmental Protection and all institutions locally responsible for supervising the companies' areas of environmental activity. The General Director of Environmental Protection investigates, inter alia, complaints and proceedings conducted in connection with environmental violations. The EMAS registration processes have not disclosed any irregularities causing negative environmental impacts, and the annual audits of the environmental verifier only confirm the effective and efficient management of environmental aspects.



Climate Policy of ERBUD Group in 2020-2050

We want our Group to be the undisputed leader of the energy transition process in the construction sector in Poland and Central Europe.

We consider the issues of minimising our carbon footprint and adapting to climate change to be top priorities of our strategy. Our ambition is to perform our role as a leading European player in the green transition and to set the standard for climate-friendly activities in the construction sector and related industries. These issues are governed by the ERBUD Group Climate Policy 2020-2050, adopted in January 2020, updated successively in December 2022 and March 2024.

The need to revise the scope of the policy was driven by the increasing role of climate change, according to the Management Board, using one of the approaches specified below:

- absolute - observed and predicted weather changes in the business area of the Group's value chain operations,
- relative - observed and predicted changes in the enhanced materiality of climate issues in terms of social context, capital markets and legislation.

The implementation of the provisions of the ERBUD Group's Climate Policy is supervised by the President of the Management Board of ERBUD S.A. jointly with the management boards of the other companies

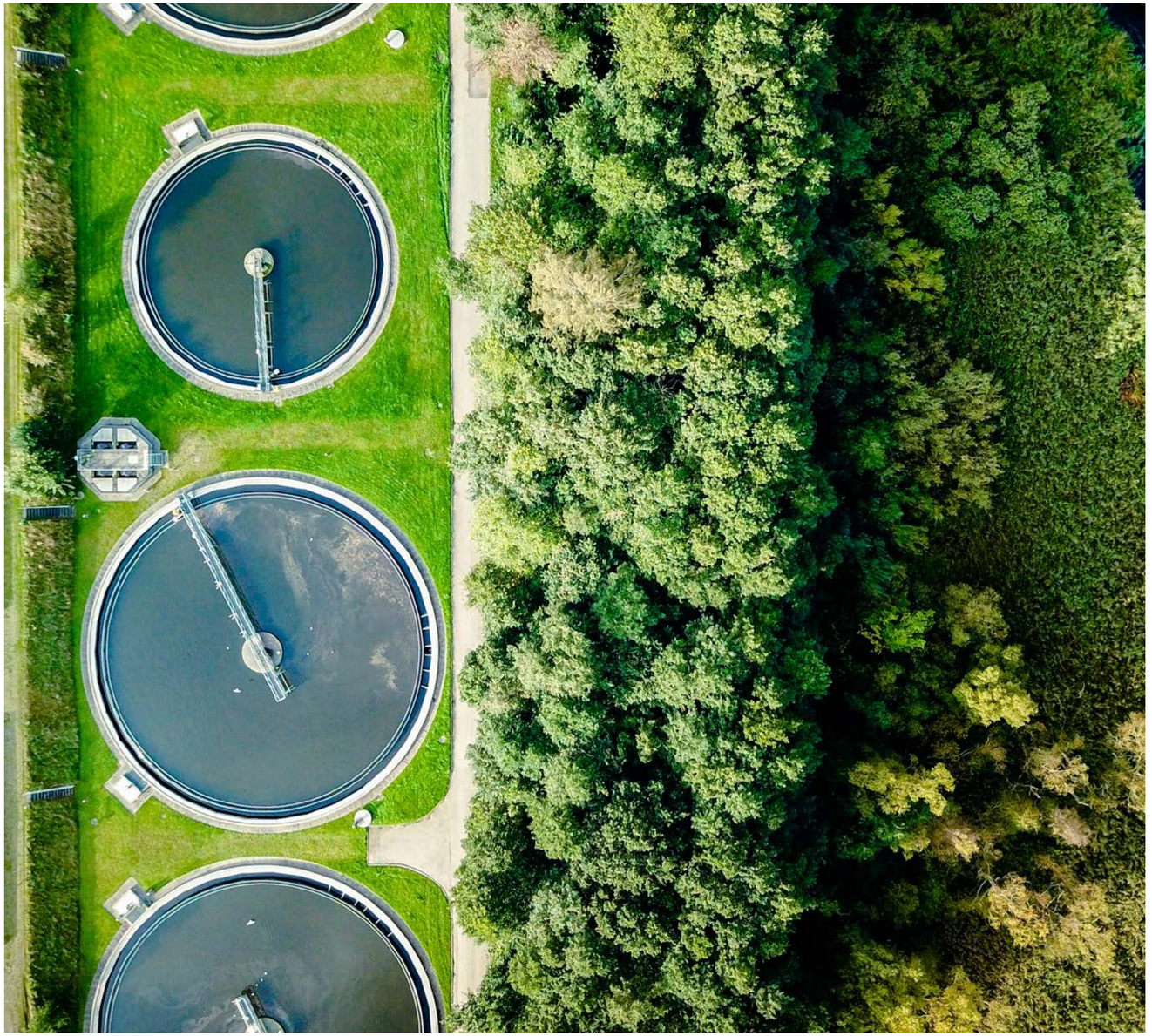
Climate-friendly sustainable development

We develop and implement our values based on the UN Sustainable Development Goals (SDGs), thus building our position as a strategic and responsible partner for all stakeholders.

In terms of climate impact and the impact of the climate on our business, we operate in line with Goal 7 (Ensure access to stable, sustainable and modern energy for all at affordable prices), Goal 12 (Ensure sustainable consumption and production patterns) and Goal 13 (Take urgent action to combat climate change and its impacts).

We also declare our full readiness, during the

2020-2050 period, to meet the key objectives arising from the need to mitigate climate change and reduce the negative impacts of climate change and to adapt to climate change, by adopting and implementing the following goals:



Group 1

Defined greenhouse gas (GHG) emission reduction goals for the organisation (to mitigate climate change):

Short-term perspective — by 2030

30%
Reduction of direct emissions (Scope 1),

40%
reduction of emissions (Scope 2), through efficiency measures and by using renewable energy sources with 80% share in energy mix,

10%
Supplementing the calculation of indirect emissions (Scope 3) and 10% of their reduction.

Mid-term perspective — by 2040

40%
reduction of direct emissions (Scope 1),

NEUTRALNOŚĆ
neutrality in terms of indirect emissions (Scope 2), through efficiency measures and through 100% use of renewable energy sources,

20%
reduction of indirect emissions (Scope 3).

Long-term perspective — by 2050

CLIMATE NEUTRALITY
reduction of direct emissions (Scope 1),

ZERO CARBON FOOTPRINT
Improvement of the consumption structure in terms of RES during projects carried out in relation to the total cost of energy consumption of 10%.

2020 has been identified as the baseline year for GHG emission reductions under Scope 1 and Scope 2, and 2024 under Scope 3.

Group 2

Defined corporate goals to improve energy efficiency and to reduce the carbon footprint across the Group's value chain (in order to mitigate climate change):

ENERGY CONSUMPTION REDUCTION BY 10%

Consumption reduction by 10% based on an analysis of index of energy consumption to revenues generated by investments completed,

PATTERN IMPROVEMENT

Improvement of renewable energy sources consumption pattern on on-going investments in relation to the total cost of energy consumption of 10%.

Group 3

Defined corporate goals to reduce significantly climate-related physical risks (to adapt to climate change):

RISK MITIGATION

To engage in the process of reducing the acute physical risks and the long-term physical risks of their customers by preparing products that realistically minimise them, being specific adaptation measures developed and implemented for all identified risks in this area,

ZERO RYZYKA

Not implementing and building products in areas exposed to identified acute physical risks and/or long-term physical risks.

> The full text of the Policy and the actions taken to implement it are published on the Website.



Wooden façade MOD21 manufacturing plant

Owing to the high level of materiality of climate issues and their relationship to the strategy and business model, in 2019 we have spinned off natural capital present in the capital held and managed by the Group. We used the definition and methodology for its spin-off by the Natural Capital Coalition.

The ERBUD Group's natural capital framework includes the following natural resources, which are a source of economic and social benefits:



mineral resources (ferrous and non-ferrous metal ores, aggregates and oil derivative products),



water,



trees (timber),



air

Since the adoption of the Climate Policy we have undertaken a number of measures falling into its scope:

- defining short- and mid-term targets and measures for the Group on climate-related issues:
  - focus on counting direct GHG emissions (Scope 1) and indirect emissions (Scope 2) owing to Poland's current energy mix, and further minimising emissions falling under both scopes,
  - introduction of prioritisation principles in terms of decisions on on-going projects in favour of those that serve to reduce negative climate impacts,
- identification of risks and opportunities relating to climate issues in the short-, mid- and long-term,
- defining a single, consistent standard for the Group for the implementation of legal requirements
- for environmental and climate impacts - the GHG Protocol Standard - Revised Edition, supported by the ISO 14067:2018 standard and by the KOBiZE and ERO indicators,
- defining the required documentation for the assessment of the Group's suppliers with regard to their environmental and climate impacts,
- defining the principles and carrying out periodic internal audits on the achievement of environmental and climate impact targets

The implementation of the Climate Policy has produced significant quantitative results, mainly in 2022 and 2023, translating mainly into a decrease in greenhouse gas emissions and a significant share of on-going projects that qualify for the taxonomy. We have described their details in the Section "Climate-Friendly Sustainable Development".

The implementation of the objectives contained in the Climate Policy and our responsibility for climate issues is evidenced by the development of three main areas:

- Construction of renewable energy plants and systems (accounting for 23% of the ERBUD Group's order portfolio).
- Construction of buildings applying for BREEAM and LEED certificates.
- Development of manufacturing activities at the MOD21 timber modular buildings plant

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th the ONDE Group as a member of our organisation, we are the country's leading general contractor for wind farms and photovoltaic farms. We design and build various types of renewable energy plants including wind farms, photovoltaic farms and other RES technology solutions. The total capacity of wind farms (WFs) built by ONDE reached 2829.70 MW at the end of 2023, and farms with a total portfolio value of 323.30 MW were commissioned in 2023 alone. In terms of photovoltaic (PV) farms, the ONDE has commissioned facilities with a total capacity of 373 MW by the end of 2023, and 108.6 MW in 2023 alone, including its own 18MW Crank PV farm.

In addition to the implementation of RES and projects with green certifications such as BREEAM or LEED, we have been developing the production of modular buildings at our MOD21 plant in Ostaszewo in 2023. The company focuses on the construction of large modular buildings made of timber (which has a negative carbon footprint in the building cycle) - hotels, office buildings, dormitories, hospitals, public buildings. The offer is primarily aimed at customers from Germany - the value of the German market is currently estimated at more than EUR 3 billion and is expected to triple over the next decade, while according to the DHWR (German Wood Industry Council), wood modular construction is expected to account for half of the construction market in Germany by 2050.

The development of the modular segment supports the green building transition and is consistent with the Climate Policy. One square metre of solid wood construction saves the result (binding CO2 in the timber emissions minus the CO2 emissions in the production phase) by the amount of CO2 that a comparable would have been produced by a comparable concrete wall construction instead.



Good practice

Our efforts to minimise our impact climate impact have been recognised by experts. In the 2023 Company Climate Awareness Survey, our parent company, ERBUD S.A., scored 9.5 out of 10 possible points - it was the highest grade in the Polish construction sector. During the survey, 10 criteria were evaluated, including management of greenhouse gas emissions, reporting of emissions or inclusion of climate impact in the strategy.

The survey was initiated by the Reporting Standards Foundation, the Polish Association of Listed Companies and Bureau Veritas, with MATERIALITY and Energopomiar acting as its supporting partners.

Climate risk management

An analysis of the materiality of climate issues has identified the risks arising from the materiality of climate for our Group. We also analyse on current basis their volatility over short-, mid- and long-term time horizons.

In the process of risk analysis, we have taken into account the outcome of the workshop and the guidelines provided in the Supplement on Reporting Climate-Related Information (C/2019/4490), with its annex in the form of the Recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) (in the section on Materials and Buildings Group).





Climate risks of the ERBUD Group:

Risk categories based on financial materiality	Individual risks	Risk categories based on environmental and social materiality (impact materiality)	Individual risks
Ryzyko fizyczne ostre	- 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 hurricanes disrupting the value chain due to short-term 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, - risk of abrupt storms disrupting the value chain due to short-term flooding or destruction of transport routes and construction sites as well as disrupting of electrical lines, switching off of process utilities or fires caused by lightning strikes, - risk of hailstorms disrupting the value chain due to short-term flooding, destruction of transport routes and construction sites, as well as rupture of electric lines or disconnection of process utilities, - risk of material damage to photovoltaic modules caused by hailstorms - the risk of twisters disrupting the value chain owing to the blockage or destruction of transport routes and construction sites as well as discontinuation of electrical lines or disconnection of process utilities, - risk of torrential rains disrupting the value chain due to short-term flooding or destruction of transport roads and construction sites as well as washouts and/or rupture of electrical lines or disconnection of process utilities, - risks of flooding disrupting the value chain due to short-term flooding or destruction of transport routes and construction sites as well as washouts and/or rupture of electrical lines or disconnection of process utilities, - the risk of fires disrupting the value chain by destroying one's own or partners' property in the value chain, - the risk of complete destruction of structures or long-term damage to the site where construction work is carried out, due to the occurrence of the above acute physical risks.	**Risks associated with the transition concerning political aspects**	- tightening of direct and indirect (Scope 2) greenhouse gas emissions requirements due to climate change, - tightening of energy efficiency requirements due to climate change and lack of access to water or overloading of the energy system, - a change in the mechanisms for setting greenhouse gas emission charges, affecting the purchase of fossil fuels or other non-renewable raw materials, but also critical raw materials (vide the EU's Critical Raw Materials list), - a change in land management policy due to its location in areas at risk of, or impact on, climate change.
		Transition risk concerning political aspects	- the physical risk of a would-be lawsuit in the event of too great an adverse impact on the climate, e.g. through too great an adverse impact on the climate associated with GHG emissions or through failure to adapt to climate change.
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 technological aspects**	- the risk of failure to apply technologies with a smaller impact on the climate.
		Transition risk concerning market aspects	- the risk of redirecting the choices of business customers towards solutions and buildings that have an even more passive impact on the climate.
		Transition risk concerning reputation loss aspects	- the risk of failure to attract and retain business customers, if the Group's activities are deemed to be detrimental to the climate - the risk of failure to attract and retain customers and consumers if the Group's activities are deemed to be detrimental to the climate, - the risk of failure to attract and retain employees, if the Group's activities are deemed to be detrimental to the climate, - the risk of failure to attract and retain investors in the event that the Group's activities are deemed to be detrimental to the climate, - the risk of failure to attract and retain suppliers and subcontractors in the event that the Group's activities are deemed to be detrimental to the climate.

Wydzielone ryzyka są wprowadzone do modelu ryzyk Grupy ERBUD jako ryzyka związane ze środowiskiem i są określone w perspektywie krótko-, średnio- i długoterminowej. Uwzględniony jest również ich wpływ na wyniki finansowe. Analizę wykonana została w ujęciu dwóch wybranych scenariuszy zmian klimatycznych: RCP 4.5 i RCP 8.5, określanych dla powiatów przez portale ISOK (IT System for Country's Protection) portals and Climada 2 for the counties in which we operate.

Climate-related risks have been integrated with the Group's existing risk management systems. During the process of building the risk management system, we carried out an additional analysis in the section on climate risk elements. It forms the basis for building strategic projects for the short term and aims to drastically reduce the level of climate-related risk, while at the same time reducing the percentage of physical risk in relation to transition risk. The framing of the latter issue in the layout of the two scenarios under study is presented in the chart below:

Change in the type of climate risks for the ERBUD Group under analysed scenarios of Earth's temperature rise



ECFC construction manager in Toruń in the background of an art installation by Tomasz Cebo

Water

[3-3]

[303-1] [303-5]

Impact on water resources

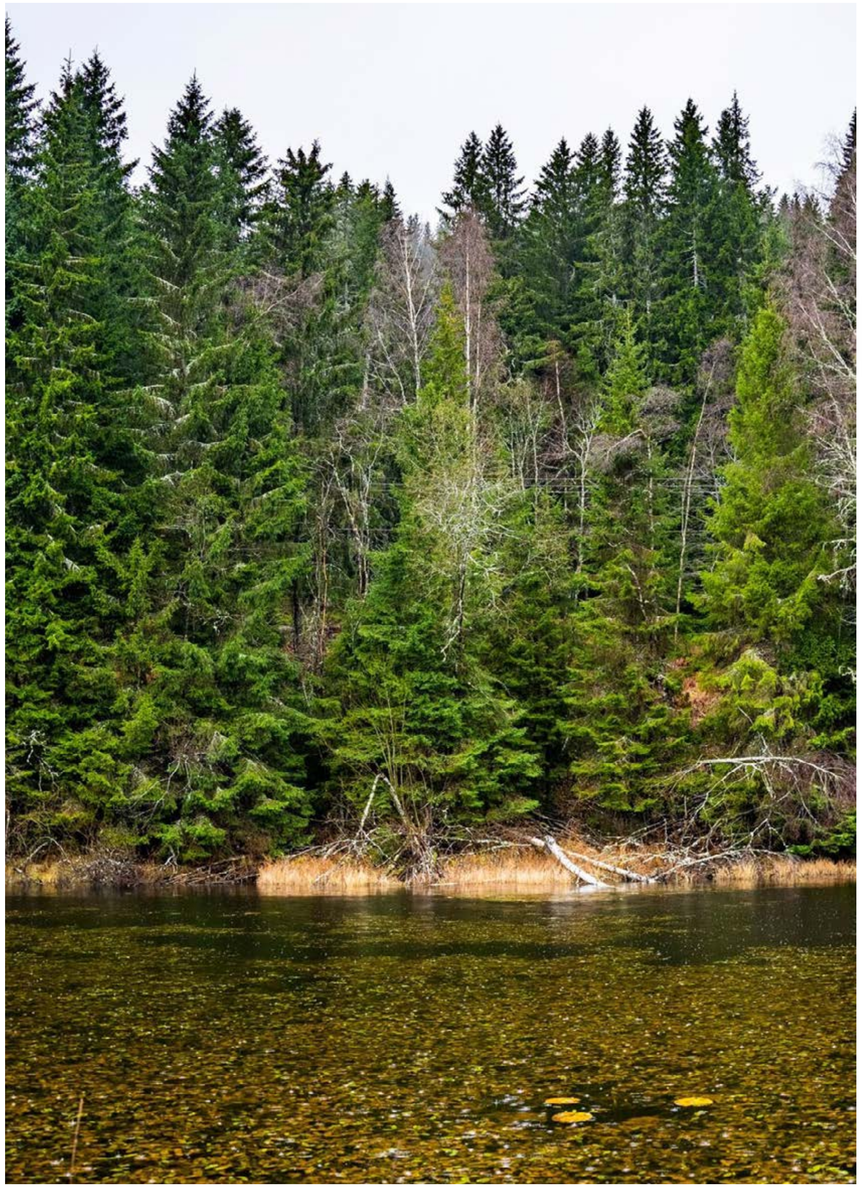
The ERBUD Group operations do not require the consumption of high volume of water, although we are aware how important this raw material is in our value chain - without water no construction materials of key importance to our Group, such as concrete, steel or construction chemicals, would be developed.



Good practice

In 2023, ONDE personnel and their families took part in the Riverbanks Clean-up initiative, organised by the Save the Fish Foundation to distinguish the Earth Day. In a few hours, 50 people collected several tonnes of rubbish lying on the right bank of the Vistula River in Toruń. The collected rubbish was sent to a landfill site

The ONDE also joined in the stocking of the Oder River - much needed after the high-profile environmental disaster experienced by the river. With the assistance of the State Fishery Service in Wrocław, the Company's personnel released there more than 100,000 brook trout fry into the Złotna and Opatówka creaks. In the City of Szczecin, the personnel of the local ERBUD S.A. technical office - supported by the Polish Angling Association - released vimba bream into the river, an endangered species whose catching is strictly limited.



Our companies do not have their own water intakes or water storage facilities. Water that is used for construction as well as potable and household purposes not only by our personnel, but also by our subcontractors comes from the water mains.



Good practice

Although, as a Group, we have not identified significant impacts of our operations on protected areas and environmentally valuable areas, we monitor on current basis our direct and indirect environmental impacts under the implemented Environmental Management Systems. The compliance with requirements, including legal requirements, is verified by means of regularly performed inspections and internal environmental audits.

The level of water consumption in the Group depends, among other things, on the nature of the construction projects under way. We monitor water use at all our sites through our proprietary IT tool to record and manage water consumption.

Demolition projects, for instance require frequent sprinkling of the worksite to minimise the dust, which can be a nuisance to employees and the surrounding area. On the other hand, when carrying out reinforced concrete works when there is heat wave outside, the freshly poured concrete should be sprinkled with water (conditioning) to ensure adequate strength and to prevent cracks from appearing).

In 2023, our Group consumed 76.99 megalitres of water (76985.70 m). This is approximately down by 20% compared to the previous year. Comparing this volume to the revenues, we obtain a result of 0.024, i.e. 24 litres for every thousand PLN of revenues generated.

Water consumption by ERBUD Group

	2022	2023
Water consumption	96781.19 m^3	76985.70 m^3
Income comparison ratio	0.025 = 25 litres/PLN 1000 of generated revenues	0.024 = 24 litres/PLN 1000 of generated revenues

Waste

[3-3]

[306-1] [306-2]

It is impossible to build without generating waste, but in our Group, we are proving that it is possible to do so responsibly, promoting solutions that support a circular economy and minimize the negative environmental impact.

The waste that arises during the course of our work and operation of our offices can be divided into three main streams:

- non-hazardous waste,
- hazardous waste,
- municipal waste.

The main waste sources are in our Group comprise: the construction of new buildings, renovation and demolition work and the construction or maintenance of road and energy infrastructure. Therefore, non-hazardous construction waste represents a significant percentage of the total waste stream. However, we minimise waste volume through proper on-site waste management, transfer of waste to relevant entities or through in-house waste treatment.

Hazardous waste accounts for only a fraction of all waste generated. The origin of some of them is direct and results directly from the production processes of the group's companies. These include, for example, packaging of hazardous substances. The other, part of hazardous waste has an indirect origin – they are pollutants specific to a particular project, and we the Group we do not have significant control over their volume. Such waste can, for example, take the form of historically contaminated soil that located on the project site, or it can be waste thermo-plastic insulation (Lebit) arising from the replacement of district heating networks, asbestos-containing products (e.g. existing pipes) or radioactive smoke detectors requiring dismantling.



A manufacturing line at MOD21 plant

We have implemented a waste hierarchy in the ERBUD Group, which provides for, in the order of -waste prevention, preparation for reuse, recycling, other recovery, disposal.

We carry out system-based waste management everywhere where we operate. On construction sites, we collect and classify waste materials, which develops an opportunity for reusing them already on site. Segregating construction and demolition waste not only allows us to meet future legal requirements (from 2025 onwards), but also - and perhaps above all - reduces the carbon footprint of our organisation and supports a closed-loop economy. We place requirements for waste segregation not only on our employees, but also on suppliers and others who are part of our value chain.



Good practice

While carrying out demolition work on Poznan's Malta Shopping Mall, we offered dismantled equipment for sale to Internet users instead of throwing it away. We posted highly successful online offers for the sale of, among other things, exotic floorboards, facades with wood grain on HPL, hangers, bemar counters and cold stores. We also sold aggregate concrete from demolition.

Waste processing instead of its storage supports a circular economy. An example of this is our company MOD21, whose products, i.e. timber modules can, at the end of their useful life, be assembled in a different configuration or recycled into materials from which new modules will be made. In addition, at the production stage itself, some of the waste goes directly to companies using it to create new materials, which in turn are returned to our factory in Ostaszewo, and we build new modules from them. Wood is one of the most environmentally friendly building materials. With a rational resource management policy, it is fully recyclable. The material sourced by MOD21 comes from certified plantations, and new trees are planted to replace those felled.

In 2023, we invited pupils from one of Toruń's primary schools to visit the MOD21 company, and the site-visit was combined with a tour of the PLAST- MAR plastic waste processing plant in Balczewo. The children experienced first-hand what the entire recycling process is about - from making granulate from the waste supplied, to manufacturing finished products. At the end of the site-visit, all pupils received plastic flower pots that were developed during their site-visit.

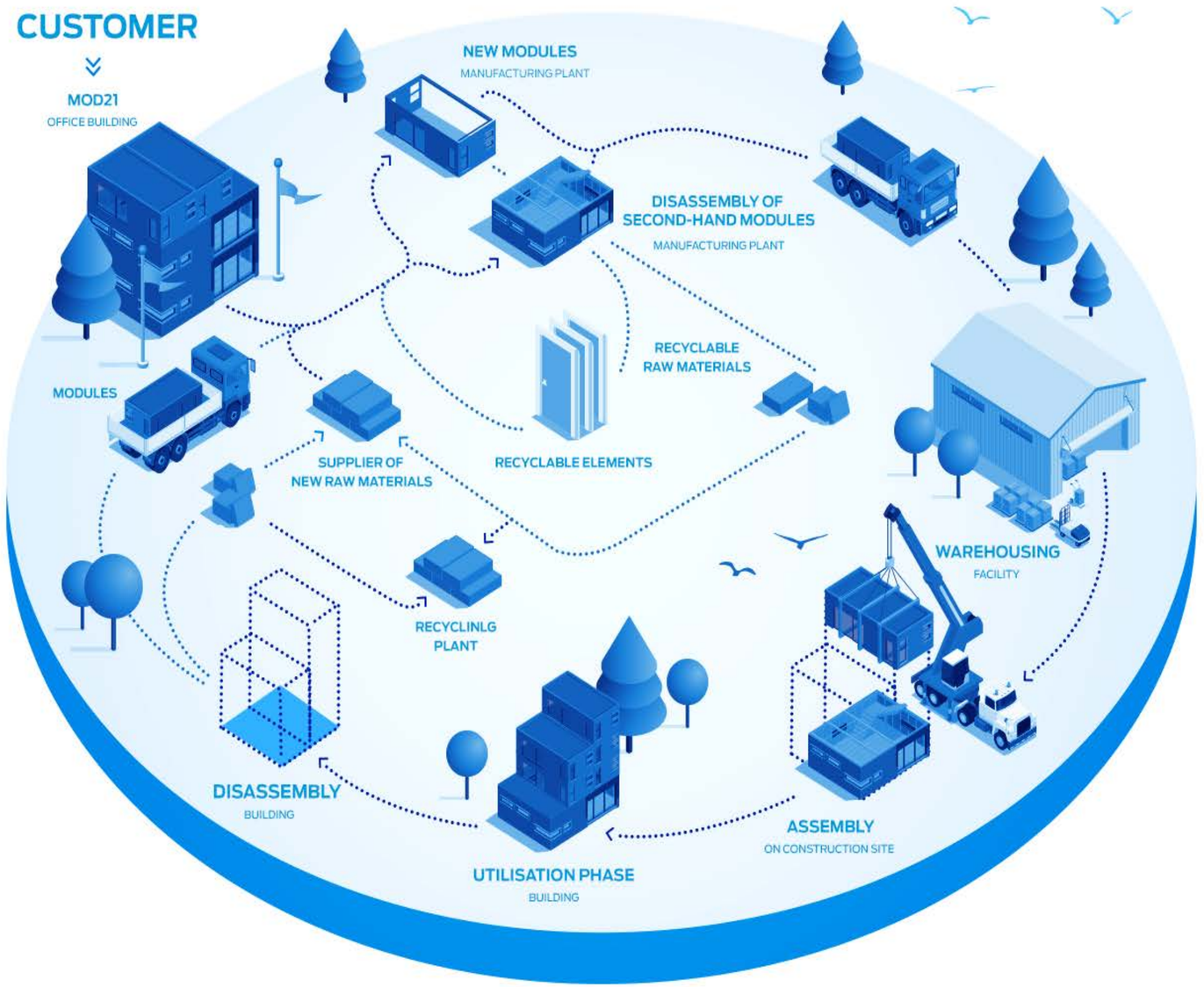
We hand over such wastes that we cannot recycle or process on site to certified operators. We want them to be recycled rather than sent to landfill - so our priority are those companies that, by using the right processes, guarantee that our waste can be recycled.

In Poland, a web-based product and packaging and waste management database is used (BDO). Our Group additionally supports itself with internal tools, including the web-based BDO Manager application, which reduces the involvement of personnel in the waste transfer note management process.

BDO Manager software in the ERBUD Group supports:

- quick and simple generation of new notes,
- management of note statuses and an option of adjustments without stopping the waste transfer process
- automatic generation of waste record sheets based on the approved waste transfer notes.

Flow chart:





Event involving the exchange of electro-waste for potted trees at the Toruń Branch



Good practice

Under the slogan 'Bring your electro-waste, enjoy your plants with us!" we invited our personnel members in Toruń and Rzeszów Branches to participate in the electro-waste collection event. Hundreds of kilograms of electro-waste, including more than 200 batteries, several PCs, monitor displays and a refrigerator, were delivered with the aim of proper waste management. For the waste brought, the personnel received plants.

[306-3]

In 2023, we reduced the total volume of waste generated by approximately 4% compared to 2022. We generated a total of 124,540.200 tonnes of waste, of which 2,430.247 tonnes was hazardous waste.

Hazardous waste accounted for less than 2% of our total waste. This was mainly soil and earth containing hazardous substances and bituminous mixtures tar-containing that originated during the construction process. Other hazardous waste included oils and packaging that was used to wrap hazardous substances. Additionally, ERBUD Industry Centrum generated almost 10 tonnes of waste from cleaning of storage tanks during maintenance works in 2023.

Comparing the total amount of waste generated to the revenue in 2023, we obtained a ratio of 0.038 (Mg of waste / revenue in thous. PLN), which is an increase of less than 15% compared to 2022. Our ambition is to reduce the ratio in subsequent years by introducing more circular economy solutions.

WASTE	Waste produced [Mg]		Ratio [Mg/PLN thous.]		Ratio change [%]
	2022	2023	2022	2023	2023/2022
Total waste produced	129 607.166	124 540.200	0.034	0.039	14.71
Non-hazardous waste	121 758.380	122 109.953	0.032	0.038	18.75
Hazardous waste	7 848.787	2 430.247	0.002	0.001	-50

The table below shows the categories of waste generated by the Group member companies. The highest share (as much as 99.8%) was waste from Category 17, i.e. waste from construction, renovation and demolition of buildings and road infrastructure (including soil and soil from contaminated sites).

Name of waste subcategory	Name of waste subcategory	Volume	
		2022	2023
01 04	Wastes from physical and chemical processing of non-metallic minerals	204.380	813.840
02 01	Wastes from agriculture, horticulture, aquaculture, forestry,łowiectwa i hunting and fishing	0.400	0.000
07 01	Waste from the MFSU of basic products of the organic chemical industry	0.000	0.230
07 02	Wastes from the MFSU of plastics, synthetic rubber and man-made fibres	1.530	0.568
08 01	Wastes from MFSU and removal of paint and varnishes	0.255	6.942
08 03	Wastes from MFSU of printing inks	0.016	0.017
09 01	Wastes from the photographic industry and services	0.058	0.068
12 01	Wastes from shaping and physical and mechanical surface treatment of metals and plastics	54.357	1.209
13 02	Waste engine, gear and lubricating oils	2.890	6.970
13 07	Wastes of liquid fuels	0.150	0.000
13 08	Oil wastes not otherwise specified		0.070
14 06	Other halogenated solvents and solvent mixtures	0.050	0.110
15 01	Packaging (including separately collected municipal packaging waste)	459.435	404.434
15 02	Absorbents, filter materials, wiping cloths and protective clothing	8.699	10.084
16 01	End-of-life and not fit for use vehicles (including non-road machinery) and wastes from dismantling of end-of-life vehicles and vehicle overhaul & maintenance (except Subcategories 13 & 14 and Subcategories 16 06 & 16 08)	10.222	4.883
16 02	Wastes from electrical and electronic equipment	24.795	31.440
16 06	Baterie i akumulatory	1.118	2.084
16 07	Wastes from transport tank, storage tank and barrel cleaning (except Subcategories 05 and 13)	0.000	9.723
17 01	Wastes from building materials and components And road infrastructure (e.g. concrete, bricks, slabs, ceramics)	29415.993	7542.101
17 02	Wood, glass and plastics	1458.534	1171.574
17 03	Bituminous mixtures, coal tar and tarred products	4497.210	14045.943
17 04	Metallic waste and scrap and metal alloys	125.036	67.290
17 05	Soil (including excavated soil from contaminated sites), stones and dredging spoil)	84254.670	93586.750
17 06	Insulation materials and asbestos-containing construction materials	194.361	84.335
17 08	Gypsum-based construction material	8.817	7.340
17 09	Other construction and demolition wastes	8861.732	6550.457
20 01	Municipal waste separately segregated and collected (except 15 01)	0.258	10.148
20 02	Garden and park wastes (including cemetery waste)	0.000	6.260
20 03	Other municipal wastes	22.200	175.330
TOTAL WASTE		**129607.166**	**124540.200**

Biodiversity

[304-2] [3-3]

Relevant impacts of activities, products, services on biodiversity

In our day-to-day activities, as a Group, we take our best efforts to have as little impact as possible on our surroundings and biodiversity. The unavoidable impacts that come with the construction projects we carry out (particularly when we work on outsourced projects) are as follows:

- the felling of trees for a project, which affects adversely the habitats of birds, for example, located on such trees,
- damage to plant and animal habitats - permanent or temporary,
- conversion of biologically active areas on planned investment sites,
- creation of barriers which may restrict the migration of reptiles, amphibians and mammals, as well as in the phase of earthworks to prevent falling into an excavation, creation of a trap,
- dust emissions, noise and vibrations generated during the operation of construction machinery and equipment



Modular building production at the MOD21 manufacturing plant

e minimise these impacts by implementing environmental management systems in our companies, appropriate management already at the stage of bidding and investment planning, but also operationally, throughout the duration of the project, through:

- locating construction sites, warehouses, etc. first on already developed and transformed land,
- keeping tree felling to a minimum and protecting the remaining ones from mechanical damage,
- carry out any tree felling only in accordance with permits, after prior verification by an ornithologist of the absence of bird habitats,
- we restore used areas to their pre-construction condition,
- carry out compensatory planting,
- relocate plants as well as amphibians and reptiles from reservoirs and water bodies colliding with the works to new sites,
- we use protective measures against dust, wind erosion (fugitive emissions),
- we properly prepare sealed places for washing concrete mixers and pumps as well as places for washing wheels of vehicles and machines leaving the construction site with closed water circulation system.

The implementation of any construction project is associated with a higher or lesser adverse impact on the environment and its surroundings. However, the issuance of an administrative decision authorizing for its commencement is confirmation that, with appropriate solutions and the introduction of relevant measures contained, inter alia, in environmental decisions, negative impacts on biodiversity are being mitigated.

Taxonomy

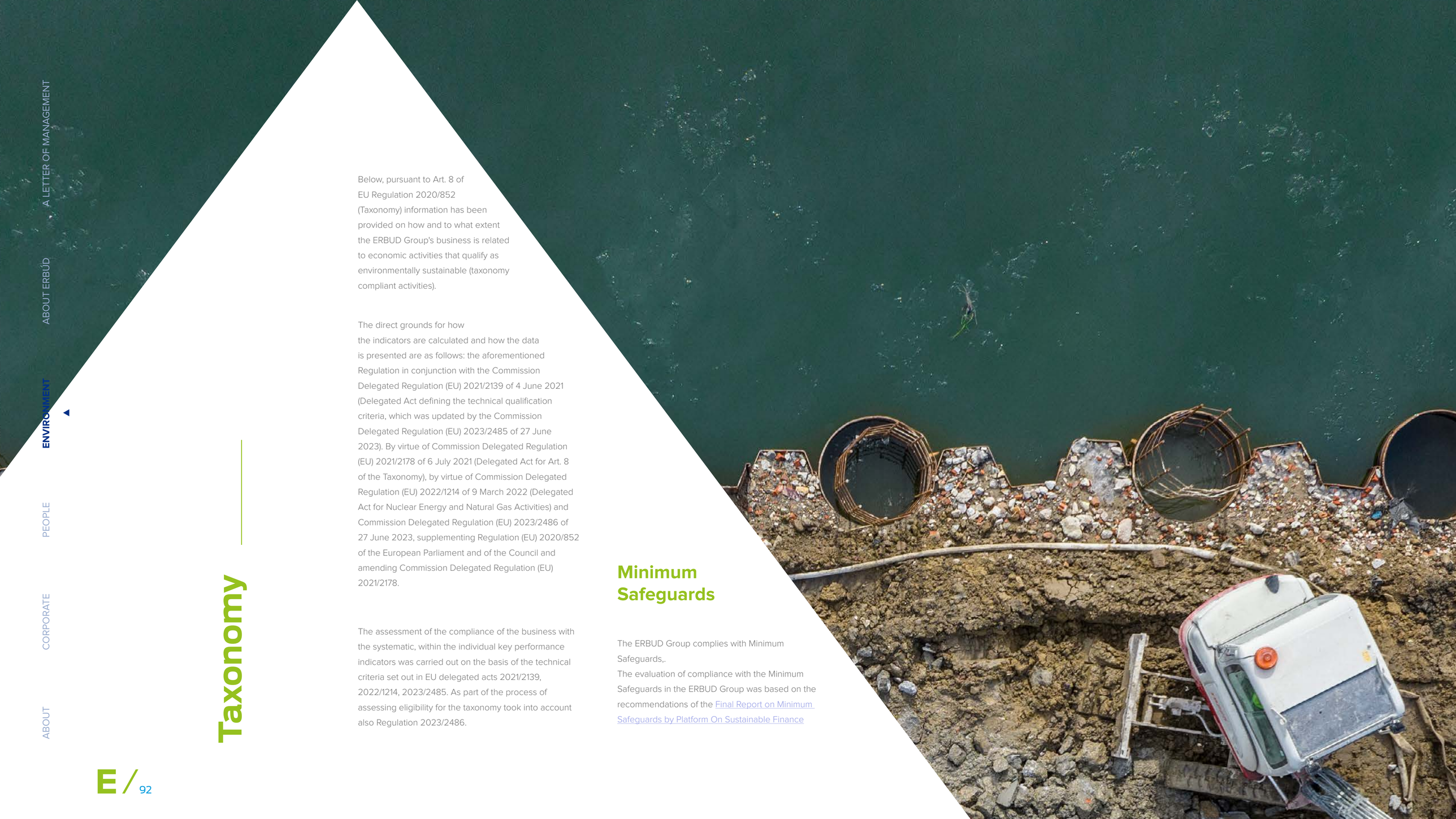
Below, pursuant to Art. 8 of EU Regulation 2020/852 (Taxonomy) information has been provided on how and to what extent the ERBUD Group's business is related to economic activities that qualify as environmentally sustainable (taxonomy compliant activities).

The direct grounds for how the indicators are calculated and how the data is presented are as follows: the aforementioned Regulation in conjunction with the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Delegated Act defining the technical qualification criteria, which was updated by the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023). By virtue of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (Delegated Act for Art. 8 of the Taxonomy), by virtue of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (Delegated Act for Nuclear Energy and Natural Gas Activities) and Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178.

The assessment of the compliance of the business with the systematic, within the individual key performance indicators was carried out on the basis of the technical criteria set out in EU delegated acts 2021/2139, 2022/1214, 2023/2485. As part of the process of assessing eligibility for the taxonomy took into account also Regulation 2023/2486.

Minimum Safeguards

The ERBUD Group complies with Minimum Safeguards,.
The evaluation of compliance with the Minimum Safeguards in the ERBUD Group was based on the recommendations of the Final Report on Minimum Safeguards by Platform On Sustainable Finance





published in October 2022, which identifies as non-compliance with the Minimum Safeguards the occurrence of at least one of two prerequisites within the four action areas:

- Human Rights
- Corruption
- Taxes
- Fair competition

ERBUD Group has implemented a human rights due diligence process as required by the OECD Guidelines for Multinational Enterprises and in the UN Guiding Principles on Business and Human Rights. There have been no incidents or indications that the ERBUD Group has inadequately implemented its human rights due diligence process or committed human rights violations, including violations of labour laws. Also, the ERBUD Group has not been found to have failed or refused to cooperate with stakeholders, which would be noted by the OECD National Focal Point or the Group's actions would be considered inconsistent with the OECD Guidelines. The Business and Human Rights Resource Centre (BHRRC) has not made allegations against the Group that it has not responded to within 3 months. The due diligence process also addresses issues of corruption prevention, fair competition and taxation. ERBUD Group monitors the effectiveness of its due diligence activities and policies.

The ERBUD Group has an anti-corruption process in place, and the relevant provisions can be found in the Code of Ethics and further detailed in the Anti-Corruption Policy, which very broadly defines the concept of corruption as, inter alia, influence peddling, bribery, managerial bribery or tender manipulation. The anti-corruption procedures are known to all persons employed by Polish Group companies, including management.

The Group runs information and training activities on corruption risks and prevention. The ERBUD Group's principles have also been communicated to its business partners. The effectiveness of the anti-corruption process is evidenced by the fact that neither the ERBUD Group, nor any representative of its top management (including subsidiaries) has been convicted of corruption.

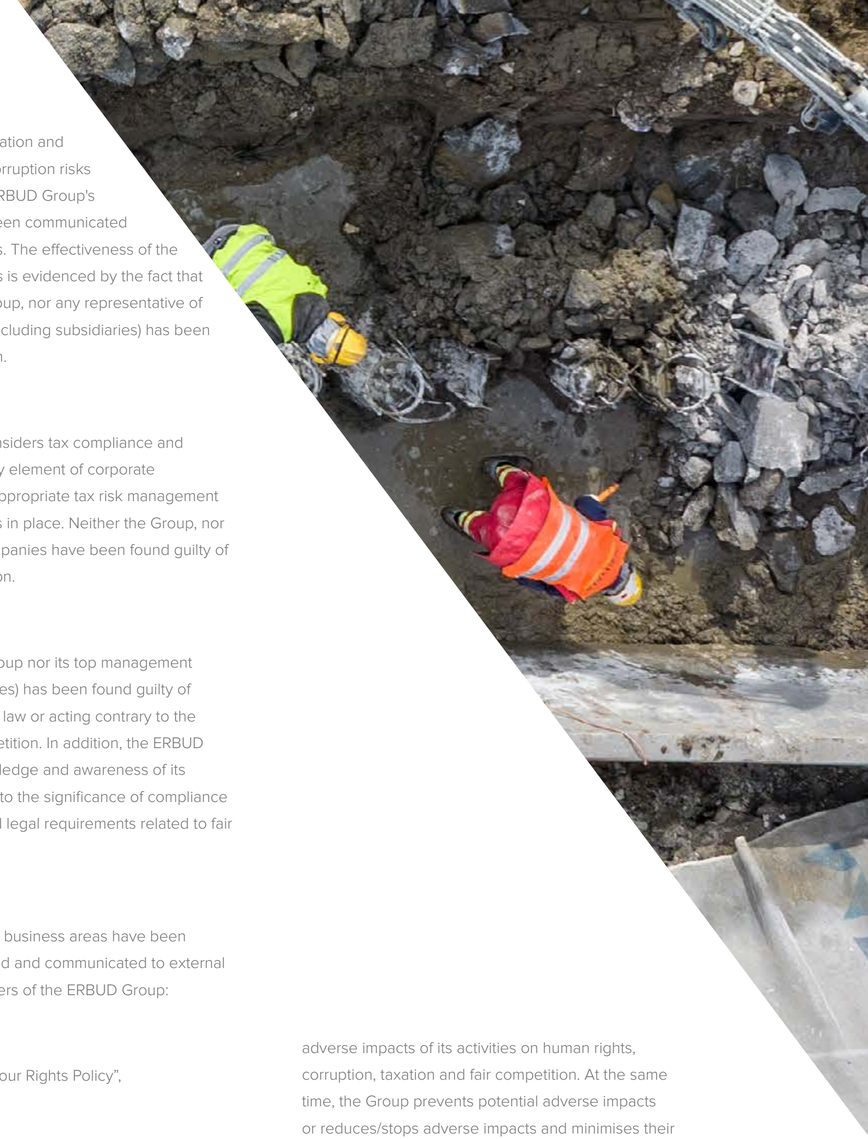
The ERBUD Group considers tax compliance and management as an key element of corporate governance and has appropriate tax risk management policies and processes in place. Neither the Group, nor any of its member companies have been found guilty of breaching tax legislation.

Neither the ERBUD Group nor its top management (including its subsidiaries) has been found guilty of breaching competition law or acting contrary to the principles of fair competition. In addition, the ERBUD Group upgrades knowledge and awareness of its personnel with regard to the significance of compliance with all regulations and legal requirements related to fair competition.

Policies governing key business areas have been implemented, published and communicated to external and internal stakeholders of the ERBUD Group:

- “Human and Labour Rights Policy”,
- “Code of Ethics”,
- “Anti-Corruption Policy”,
- “Anti-Corruption Policy”,
- “Whistleblowing Rules and Procedure”

The ERBUD Group identifies the actual and potential adverse impacts of its activities on human rights, corruption, taxation and fair competition. At the same time, the Group prevents potential adverse impacts or reduces/stops adverse impacts and minimises their extent. The ERBID Group has counteraction mechanisms and procedures in place to respond to whistleblowing reports, as specified in the above documents. Information on human rights, corruption, taxation and fair competition is made public e.g. in the ERBUD Group's ESG Report.



1.1. / KPI Turnover

Financial year N		Year		Material contribution criteria						Compliant with DNSH (Do No Significant Harm) principle criteria (h)								
Business activities (1)	Code(s) (a) (2)	Obrót (3)	Część obrotu, rok N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and sea resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and sea resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of activities in line with with taxonomy (A.1.) or eligible for traxonomy (A.2.) Turnover, Year N-1 (18)	"Support activity" category wspomagająca (19)	"Transition-support activity" category (20)
		PLN	%	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (according to the taxonomy)																			
Electric energy generation using photovoltaic technology	CCM 4.1	339 649 770.9	10.5%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0%		
Electric energy generation using wind power	CCM 4.3	224 100 754.6	6.9%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0%		
Construction of new buildings	CCM 7.1	317 791 598.26	9.5%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	40.9%		
Installation, maintenance and repair of RES process system	CCM 7.6	1 482 451.2	0.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	21.7%	E	
Revenues from environmentally sustainable activities (taxonomy compliant) (A.1)		883 024 574.97	27%	100%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	68.5%		
Including supporting		1 482 451.2	0.05%	100%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	26.4%	E	
Including transition supporting		0	0%	0%						T	T	T	T	T	T	T	1.2%		T
A.2 Activities eligible for taxonomy, but environmentally non-sustainable (activities non-compliant with taxonomy) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Road and motorways maintenance	CE 3.4.	29 552 285.94	0,9%	N/E	N/EL	N/EL	N/EL	EL	N/EL								0%		
Road and motorways maintenance	CCM 4.1	187 835.69	0,0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Wind power	CCM 4.3	191 252 661.07	5,9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		

1.1. / KPI Turnover

Road and motorways maintenance	CCM 6.13	13 905 411.77	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.09%
Infrastructure supporting low-emission road transport and public transport	CCM 6.15	76 813 301.65	2.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.02%
Construction of new buildings	CCM 7.1	649 882 354.9	20.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		3.85%
Renovation of existing buildings	CCM 7.2	44 742 968.56	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.97%
Installation, maintenance and repair of energy efficiency improvement equipment	CCM 7.3	67 294 878.36	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0%
Revenues from activities compliant with taxonomy, but not environmentally sustainable (non-taxonomy compliant) (A.2)		1 073 631 698	33.2%	97.2%	0%	0%	0%	2.8%	0%		4.93%
A. Revenues from activities compliant with taxonomy (A.1+A.2)		1 956 656 272.87	60.2%	98.5%	0%	0%	0%	1.5%	0%		73.5%
B. ACTIVITY NON-COMPLIANT WITH TAXONOMY											
Revenues from activities non-compliant with taxonomy		1 277 706 466.24	39.8%								
TOTAL		3 234 362 739	100.0%								

	A portion of revenues / Total revenues	
	Compliant with taxonomy by goal	**Eligible for taxonomy by goal**
CCM	27%	33.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.9%
PPC	0%	0%
BIO	0%	0%

Activities related to nuclear energy and natural gas

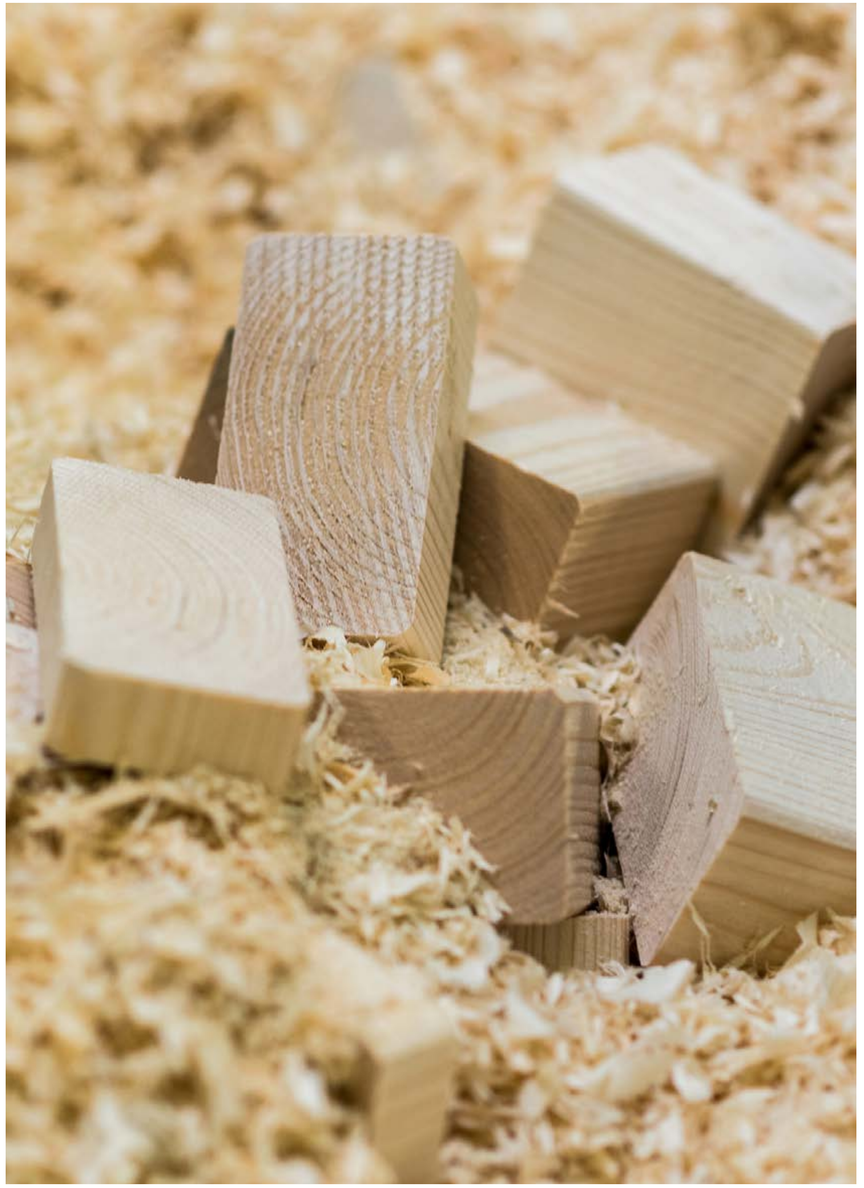
Line	Nuclear energy-related activities	
1	The company carries out research, development, demonstration and deployment of innovative power generating facilities that produce energy through nuclear processes with minimal waste from the fuel cycle, finances this activity or has exposure to it.	YES/NO
2	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 taxonomy (denominator)

Line	Types of business activity	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and percentage 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 percentage 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 percentage 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 percentage 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 percentage 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 percentage 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 percentage 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**	**883 024 575**	**27.3%**	**883 024 575**	**27.3%**	**0**	**0**
8	**Total applicable Key Performance Indicator (KPI)**	**883 024 575**	**27.3%**	**883 024 575**	**27.3%**	**0**	**0**

Business activities compliant with taxonomy (nominator)

Line	Types of business activities	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (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 nominator of the applicable Key Performance Indicator**	**883 024 575**	**27.3%**	**883 024 575**	**27.3%**	**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**	**883 024 575**	**27.3%**	**883 024 575**	**27.3%**	**0**	**0**





The kindergarten in Eisingen near Stuttgart is the first completed project by MOD21

Taxonomy-eligible business activities, but non-compliant with taxonomy

Line	Type of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (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**	**1 073 631 698**	**33.2%**				
8	**Total amount and total share of business activities taxonomy-eligible, but non-compliant with taxonomy in the denominator of the applicable Key Performance Indicator**	**1 073 631 698**	**33.2%**				

Business activities non-eligible for taxonomy

Line	Type of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1, Specimen 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, Specimen 1, which is a business activity that is non-eligible for systematization 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, Specimen 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, Specimen 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, Specimen 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, Specimen 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 above, in the denominator of the applicable Key Performance Indicator**	**1 277 706 466**	**39.5%**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**1 277 706 466**	**39.5%**





A project in Gdańsk executed by Hydro-Engineering Division

Accounting principles

The ERBUD Group complies with the Minimum Safeguards, as referred to in Article 18 of EU Regulation 2020/852. Evaluation of compliance with Minimum Safeguards:

Information on the evaluation of compliance 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:

CE 3.4.	Road and motorways maintenance
CCM 4.1	Electric energy generation using photovoltaic technology
CCM 4.3	Electric energy generation using wind power
CCM 6.13.	Road and motorways maintenance
CCM 6.15.	Infrastructure supporting low-carbon road transport and public transport
CCM 7.1.	Construction of new buildings
CCM 7.2.	Renovation of existing buildings
CCM 7.3.	Installation, maintenance and repair of energy efficiency improvement equipmentą
CCM 7.6.	Installation, maintenance and repair of renewable energy technology systems

The individual activities were analysed against the technical criteria set forth for each activity in EU Regulation 2021/2139 and EU Regulation 2023/2585. The analysis was carried out by the project team and the requirements of each technical criterion were consulted and confirmed with persons within the organisation equipped with the appropriate knowledge to confirm whether a certain technical criterion was met. The aforementioned analysis was preceded by the completion of a questionnaire for each project, containing the technical eligibility criteria for the activity listed in EU Delegated Act 2021/2139.

Each construction site was assessed against a set of technical criteria concerning 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 activities, the analysis was carried out in relation to individual projects carried out by the Group. Consequently the analysis has shown that:

- Within three activities (4.1., 4.3., 7.1.), a portion of the revenues met the criteria for taxonomy compliance and was qualified as taxonomy compliant
- Within Activity 7.6, all of the revenues were qualified as compliant with the taxonomy
- Within the remaining activities, revenues were qualified as taxonomy eligible, but not taxonomy compliant.

The compliant activities comprise:

- Solar and wind power electricity generation,
- Construction of new buildings, including both apartment buildings and industrial buildings, public buildings, shopping malls, office buildings, health care facilities, etc..

The eligible activities comprise the following on-going projects:

- renovation and modernisation of existing buildings to adapt them to new functionalities,
- construction of road and pedestrian infrastructure,
- installation of RES energy generating infrastructure.

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

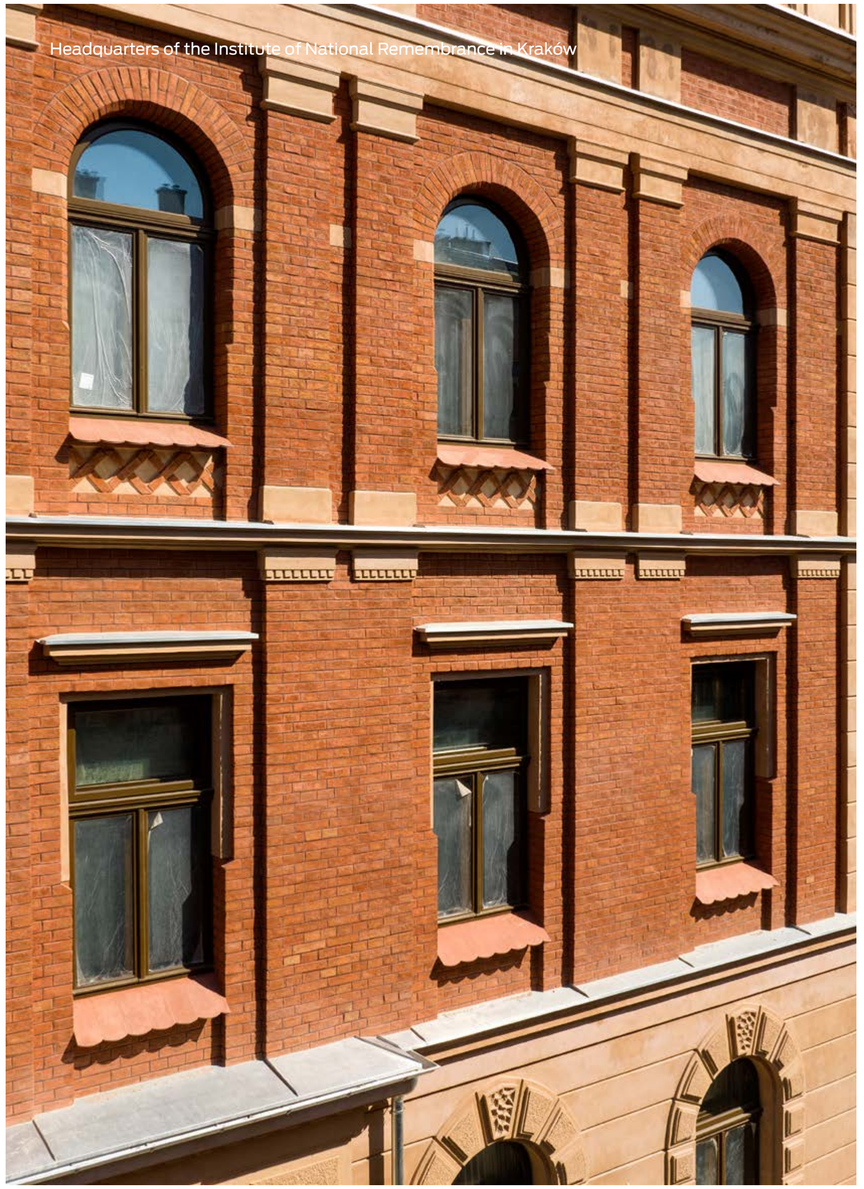
The projects carried out by Erbud International under activity 7.1, have also been identified as meeting the technical criteria for CE Activity 3.1. As there is no requirement to assess compliance for environmental objectives other than Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA) for 2023, the revenues associated with these projects have been entirely linked to the Climate Change Mitigation (CCM) goal.

Disaggregation of Key Performance Indicators (KPIs)

Not applicable.

Context-related information

The total revenues shown in the numerator of the key performance indicator is derived from contracts with customers. Neither the numerator of the key performance indicator nor the qualifying activities show amounts relating to activities carried out for the Group's own consumption..


Headquarters of the Institute of National Remembrance in Kraków

1.2. / KPI Capex

Financial year N		Year		Material contribution criteria						DNSH (Do No Significant Harm) principle criteria (h)								
Business activities (1)	Code(s) (2)	Capex (3)	Percentage of Capex Year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and sea resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and sea resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of activities compliant with taxonomy (A.1.) or eligible for taxonomy (A.2.) Revenues, Year N-1 (18)	"Support activities" category (19)	"Transition support activities" category (20)
		PLN	%	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (according to the taxonomy)																			
Electric energy generation using photovoltaic technology	CCM 4.1	376 655.83	0.7%	T	N	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0%		
Capital expenditures for environmentally sustainable activities (taxonomy compliant) (A.1)		376 655.83	0.7%	100%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	0.2%		
Including supporting		0	0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	0.2%	E	
Including transition supporting		0	0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	0%		T
A.2 Activities eligible for taxonomy, but not environmentally sustainable (activities non-compliant with taxonomy) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Road and motorways maintenance	CE 3.4.	58 285.91	0,1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Electric energy generation using wind power	CCM 4.3	420 163.20	0,4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		

1.2. / KPI Capex

nfrastructure for personal mobility, cycling logistics	CCM 6.13	159 018.5	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0%	
Infrastructure supporting low-carbon road transport and public transport	CCM 6.15	151 498.71	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0%	
Capital expenditures on activities eligible for taxonomy, but not environmentally sustainable (activities non-compliant with taxonomy) (A.2)		788 966.32	1.5%	1.4%	0%	0%	0%	0.1%	0%		2.2%	
A. Capital expenditures for activities eligible for taxonomy (A.1+A.2)		1 165 622.15	2.2%	2.1%	0%	0%	0%	0.1%	0%		2.4%	
B. ACTIVITY NOT ELIGIBLE FOR TAXONOMY												
Capex for activities non-eligible for taxonomy		52 262 065.14	97.8%									
TOTAL		53 427 687.29	100.0%									

	A portion of CapEx / Total CapEx	
	Compliant with taxonomy by goal	**Taxonomy-eligible by goal**
CCM	0.7%	1.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0.1%
PPC	0%	0%
BIO	0%	0%

Activities related to nuclear energy and natural gas

Line	Nuclear energy-related activities	
1	The company runs R&D activities, demonstration and deployment of innovative power generating 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 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 electricity generating units fired with gaseous fossil fuels, and finances this activity or is exposed to them.	YES/NO
2	The company carries out construction, modernization and operation of heat/cooling and electric energy co-generation units fired with gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO
3	The company carries out construction, modernization and operation of heat/cooling energy generating units fired with gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO

Business activities compliant with taxonomy (denominator)

Line	Types of business activities	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and percentage 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 percentage 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 percentage 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 percentage 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 percentage 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 percentage 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**	**376 655.83**	**0,7%**	**376 655.83**	**0.7%**	**0**	**0**
8	**Total applicable Key Performance Indicator (KPI)**	**376 655.83**	**0,7%**	**376 655.83**	**0.7%**	**0**	**0**

Business activities compliant with taxonomy (nominator)

Line	Types of business activities	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (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 nominator of the applicable Key Performance Indicator**	**376 655.83**	**0.7%**	**376 655.83**	**0.7%**	**0**	**0**
8	**The total amount and the total share of the types of economic activities that are compliant with taxonomy in the nominator of applicable Key Performance Indicator**	**376 655.83**	**0.7%**	**376 655.83**	**0.7%**	**0**	**0**



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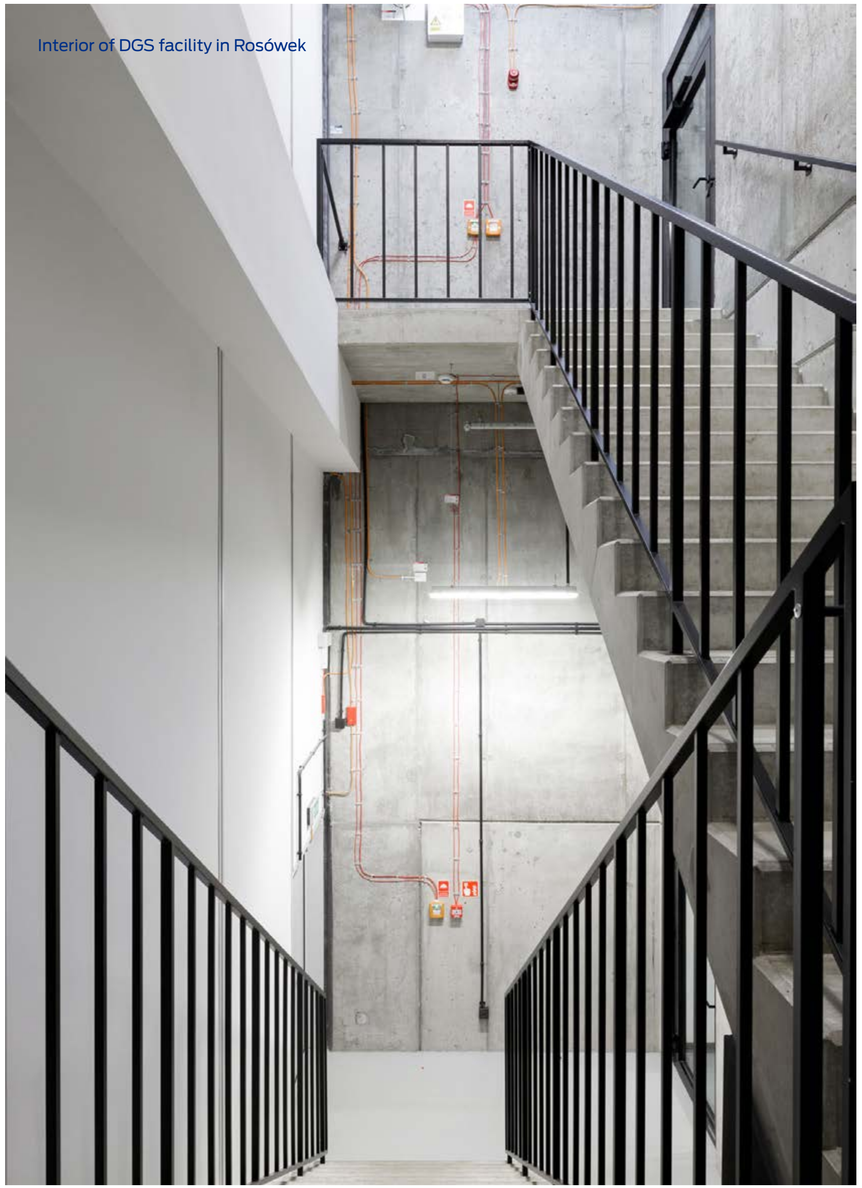


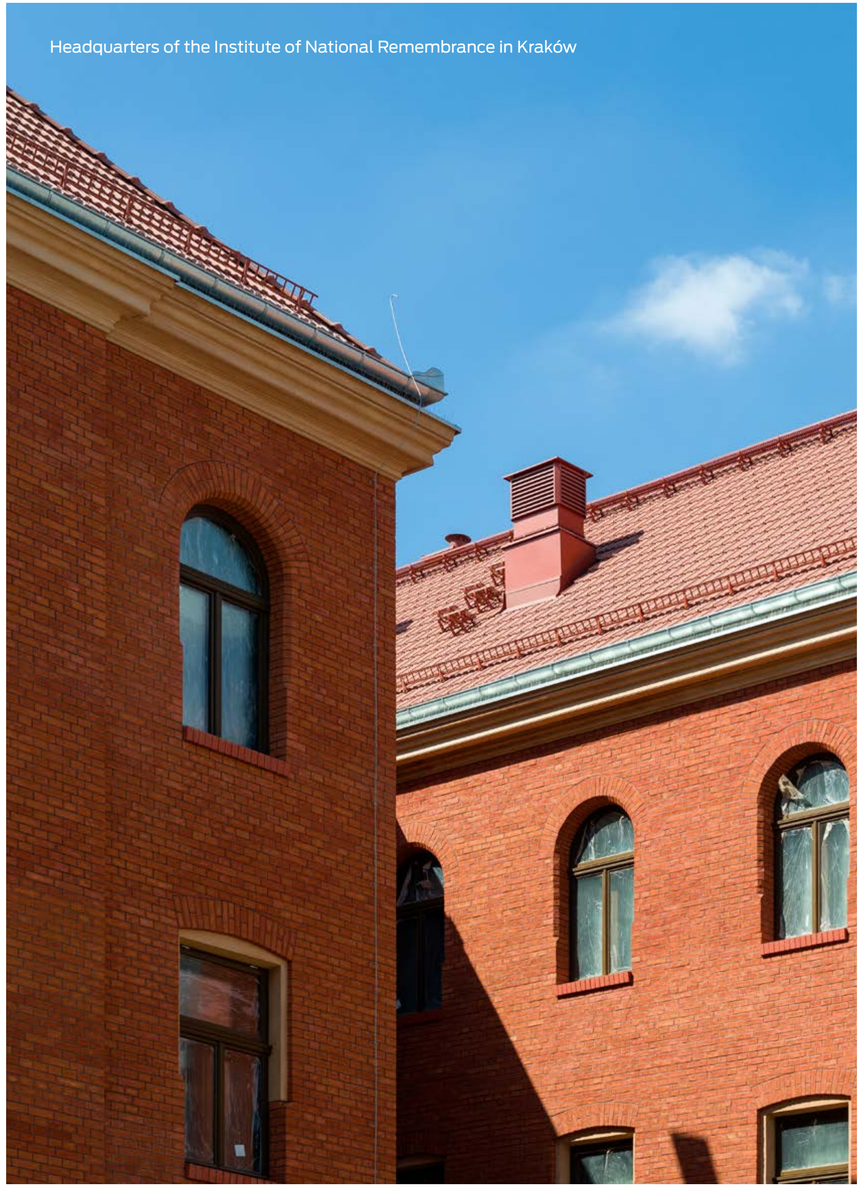
Interior of DGS facility in Rosówek

Business activities eligible for taxonomy, but non-compliant with taxonomy

Line	Type of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (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**	**788 966.32**	**1.5%**				
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**	**788 966.32**	**1.5%**				

Business activities non-eligible for taxonomy

Line	Type of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1, Specimen 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, Specimen 1, which is a business activity that is non-eligible for systematization 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, Specimen 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, Specimen 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, Specimen 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, Specimen 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 above, in the denominator of the applicable Key Performance Indicator**	**52 262 065.14**	**97.8%**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**52 262 065.14**	**97.8%**



Headquarters of the Institute of National Remembrance in Kraków



Maritime Science Centre in Szczecin

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, paras 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 about 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 refer 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 carried out, capital expenditures were identified that are linked to activities that are consistent with the taxonomy and therefore meet criterion (a) hereinabove:

4.1	Electric energy generation using photovoltaic technology

he analyses also identified capital expenditure associated with four activities related to activities eligible to the taxonomy, which were classified as taxonomy eligible (eligible) but not taxonomy compliant:

CE 3.4.	Road and motorways maintenance
CCM 4.3	Electric energy generation using wind power
CCM 6.13.	Road and motorways maintenance
CCM 6.15.	Infrastructure supporting low-carbon road transport and public transport

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

To avoid double counting, in the case of capital expenditure linked to more than one more than one activity, expenditures have been allocated proportionally to the revenues generated by that activity.

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.


Mercedes-Benz car showroom in Będzieszyn

1.3. / KPI Opex

Financial year N		Year		Material contribution criteria						DNSH ("Do No Significant Harm") principle criteria (h)								
Business activities (1)	Code(s) (2)	Operating expenses (3)	Percentage of Capex Year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and sea resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and sea resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)		"Support activities" category (19)	"Transition support activities" category (20)
		PLN	%	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T; N; N/EL (b) (c)	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (according to the taxonomy)																			
Electric energy generation using photovoltaic technology	CCM 4.1.	9 224 962.89	12.4%	T	N/ EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0%		
Electric energy generation using wind power	CCM 4.3.	5 037 779.93	6.7%	T	N/ EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0%		
Construction of new buildings	CCM 7.1.	6 258 572.51	7.6%	T	N/ EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	47.5%		
Operating expenses related to environmentally sustainable activities (taxonomy compliant) (A.1)		19 950 760.37	26.7%	100%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	85.5%		
Including supporting		0	0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	36.4%	E	
Including transition supporting		0	0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	1.6%		T
A.2 Activities eligible for taxonomy, but not environmentally sustainable (activities non-compliant with taxonomy) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Road and motorways maintenance	CE 3.4.	1 195 788.67	1.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0 %		
Electric energy generation using photovoltaic technology	CCM 4.1	0.44	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Electric energy generation using wind power	CCM 4.3	2 930 572.42	3.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		

1.3. / KPI Opex

Road and motorways maintenance	CCM 6.13	2 115 050.79	2.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.1%	
Infrastructure supporting low-emission road transport and public transport	CCM 6.15	15 182 109.49	20.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.1%	
Construction of new buildings	CCM 7.1	13 108 021.45	17.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		4.1%	
Renovation of existing buildings	CCM 7.2	537 728.124	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.9%	
Installation, maintenance and repair of energy efficiency improvement equipment	CCM 7.3	631 876.43	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0%	
Operating expenses for activities eligible for taxonomy, but not environmentally sustainable (non-taxonomy compliant activities) (A.2))		35 701 147.81	47.8%	96.7%	0%	0%	0%	3,3%	0%		5.2%	
A. Operating expenses on activities eligible for taxonomy (A.1+A.2)		56 222 348.69	74.6%	97.9%	0%	0%	0%	2,1%	0%		90.7%	
B. TAXONOMY NON-COMPLIANT ACTIVITIES												
Operating expenses for taxonomy non-eligible activities		18 424 708.02	25.4%									
TOTAL		74 647 056.71	100.0%									

	A portion of operating expenses / Total operating expenses	
	Taxonomy compliant by goal	**Taxonomy compliant by goal**
CCM	26.7%	46.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	1,6%
PPC	0%	0%
BIO	0%	0%

Nuclear energy and natural gas related activities

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), the company 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 taxonomy (denominator)

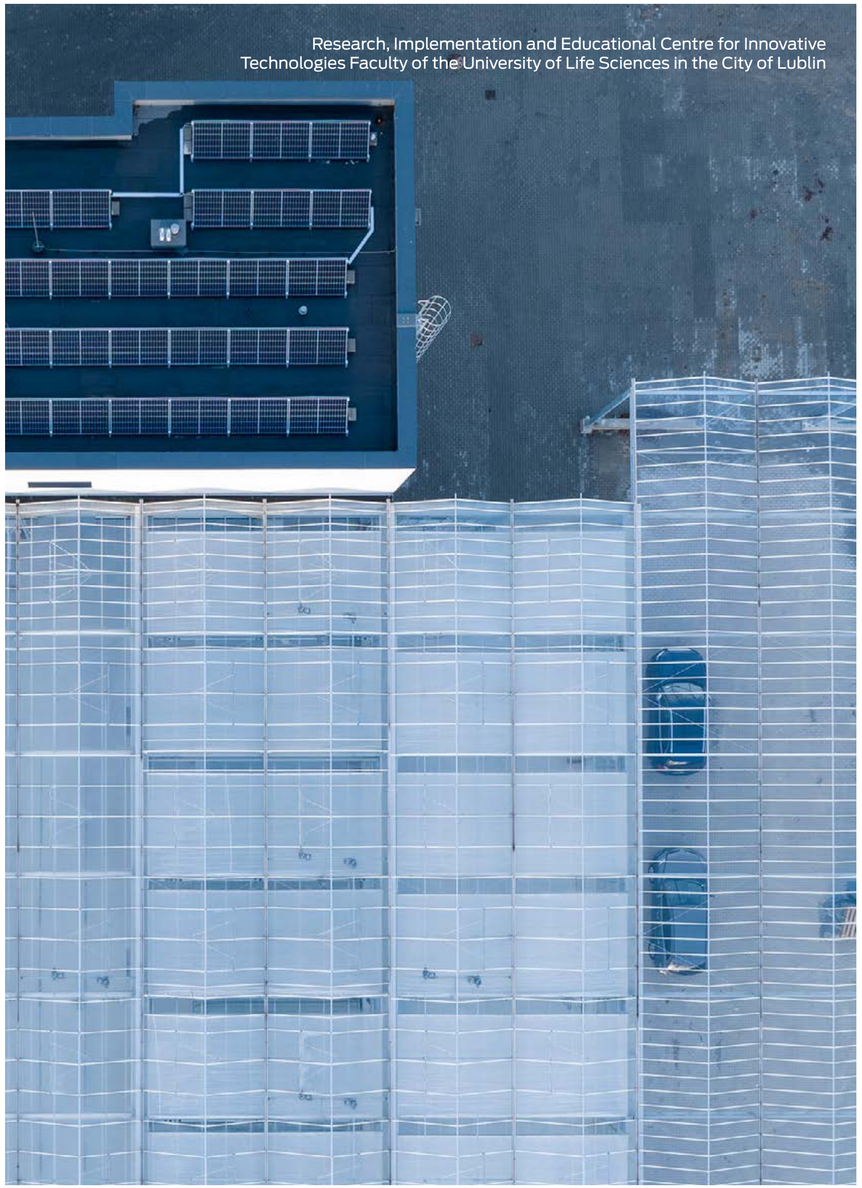
Line	Type of business activities	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply 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**	**19 950 760.37**	**26.7**	**19 950 760.37**	**26.7**	**0**	**0**
8	**Total applicable Key Performance Indicator (KPI)**	**19 950 760.37**	**26.7**	**19 950 760.37**	**26.7**	**0**	**0**

Business activities compliant with taxonomy (nominator)

Line	Types of business activities	Amount and percentage share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (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 nominator of the applicable Key Performance Indicator**	**19 950 760.37**	**26.7**	**19 950 760.37**	**26.7**	**0**	**0**
8	**The total amount and the total share of the types of economic activities that are compliant with taxonomy in nominator applicable to Key Performance Indicator**	**19 950 760.37**	**26.7**	**19 950 760.37**	**26.7**	**0**	**0**



Distribution Centre in Blonie near Warsaw



Research, Implementation and Educational Centre for Innovative Technologies Faculty of the University of Life Sciences in the City of Lublin

Business activities eligible for taxonomy, but non-compliant with taxonomy

Line	Type of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Kwota	%	Kwota	%	Kwota	%
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**	**35 701 147.81**	**47.8**				
8	**Total amount and total share of business activities taxonomy-eligible, but non-compliant with taxonomy in the denominator of the applicable Key Performance Indicator**	**35 701 147.81**	**47.8**				

Business activities non-eligible for taxonomy

Line	Type of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1, Specimen 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, Specimen 1, which is a business activity that is non-eligible for systematization 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, Specimen 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, Specimen 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, Specimen 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, Specimen 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 above, in the denominator of the applicable Key Performance Indicator**	**18 424 708.02**	**24.7%**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**18 424 708.02**	**24.7%**



DGS facility in the locality of Rosówek



The Popowice Harbour Housing Estate in the City of Wroctaw

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 of 31 December 2023 drawn up in accordance with International Financial Reporting Standards (IFRS), 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 as well as General and Administrative Expenses.

The grounds for calculation of KPI Opex in adherence to 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

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 evaluation of conformity with the Regulation (EU) 2020/852

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

- 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,
- 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,
- 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 activities was identified as compliant, in accordance with condition a) indicated above.

The analyses also identified capital expenditure associated with five activities related to taxonomy-eligible activities that were classified as taxonomy-eligible (eligible), but not taxonomy-compatible:

CCM 4.1	Electric energy generation using photovoltaic technology
CCM 4.3	Electric energy generation using wind power
CCM 7.1.	Construction of new buildings

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

Based on the analysis carried out, operating expenses linked to eight activities qualifying for the taxonomy were also identified:

CE 3.4.	Road and motorways maintenance
CCM 4.1	Electric energy generation using photovoltaic technology
CCM 4.3	Electric energy generation using wind power
CCM 6.13.	Road and motorways maintenance
CCM 6.15.	Infrastructure supporting low-emission road transport and public transport
CCM 7.1.	Construction of new buildings
CCM 7.2.	Renovation of existing buildings
CCM 7.3.	Installation, maintenance and repair of energy efficiency improvement equipment

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

Not applicable. Operating expenses linked to activities contributing to more than one environmental goal was not identified.

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.



Kula planetarium w MCN w Szczecinie

PEOPLE

Company personnel and associates

[3-3]

Working environment

In 2023 at ERBUD Group, we again carried out an impact materiality survey confirming that the objectives, opportunities and risks set forth in our ESG Policy are perceived in a similar manner by our stakeholders including, inter alia, our existing and potential personnel. The survey allows us to understand more broadly the sustainability issues and the impact of the people associated with our organisation. The survey findings are the basis for setting short, medium and long-term goals that determine the initiatives that change our working environment and impact on wider society. On this basis, we design changes and implement initiatives that will help us change our working environment and our impact on wider society.

The diversified activities of our Group also mean a diversified employment structure. Almost half of our personnel are line staff, mainly employed in service companies. Permanent staff in this line of business is a guarantee of a stable and high level of service and an opportunity to secure succession and pass down specialist competence to younger generations.



The diversified activities of our Group also mean a diversified employment structure. Almost half of our personnel are line staff, mainly employed in service companies. Permanent staff in this line of business is a guarantee of a stable and high level of service and an opportunity to secure succession and pass down specialist competence to younger generations.

Dariusz Grzeszczak
President of
the ERBUD
Management Board

The ERBUD Group member companies that specialise in general contracting business hire mainly technical staff - approximately 75% of the workforce consists of construction supervision experts, people capable of managing complex projects and construction workers. Their task is primarily to supervise investments that are carried out by our business partners and subcontracting companies. The remaining personnel members are employed in business support positions.

We are implementing modern technologies to work at our Group and ensuring that more and more personnel members are using them. Digitalisation and digital transformation are becoming more and more important in the day-to-day running of the organisation every year, and in 2023 we established the Process Management and Digitalisation Division. We are improving our operations by implementing digital processes in more areas and moving away from environmentally unfriendly, higher carbon footprint-generating conventional operational techniques.

A particular example of digitalisation in the ERBUD Group is the work of our BIM team, i.e. the creation of a digital environment for the entire construction process. BIM supports the digital management of the documentation of: investors, our Group and subcontractors. The system perfectly streamlines and optimises internal and external processes and is an important element of our competitive advantage. We regularly organise in-house BIM-day training within the Group to help learn how to use digital tools effectively.



Good practice

Our experts were also keynote speakers at the Dalux User Day 2023 conference. The conference was about modern ways of presenting on-site work progress, and our personnel pointed out the benefits of an analytical and structured approach to collecting photo documentation (including 360 photos) linked to a BIM model.

The diversification of the ERBUD Group provides personnel and our organisation with unique opportunities for reskilling, a process that allows them to acquire additional skills to perform tasks in a different role. In 2023, reskilling at the Group involved a process of decarbonisation - workers formerly associated with building construction gained skills allowing them to perform tasks in companies specialising in timber modular construction or construction related to renewable energy sources.

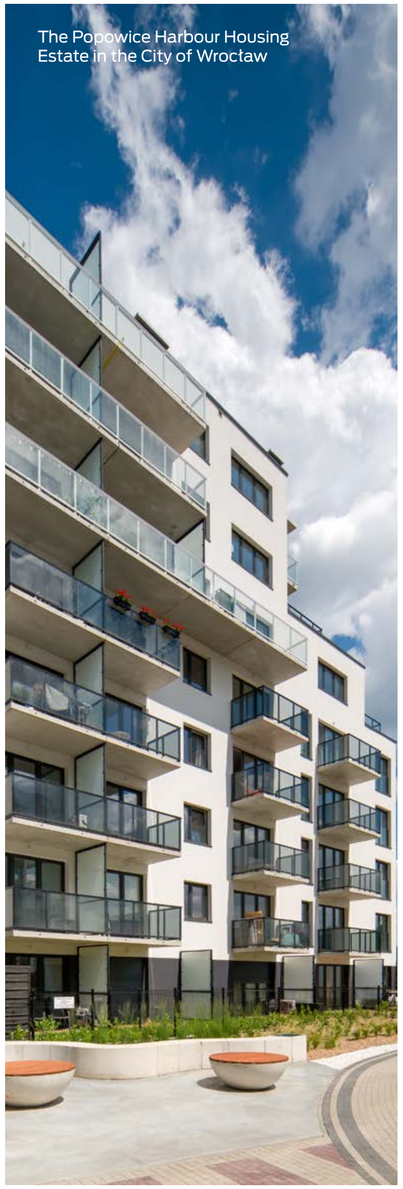
e offer safe and stable jobs.
The vast majority of our personnel is employed for an indefinite period of time. We use fixed-term contracts only during the initial period of employment, to check and verify that the competences of new employees match the requirements of the positions.

[2-7]

Headcount at ERBUD GROUP

	Total headcount		Length of service				Type of employment			
			FTE workers		Temp staff		full-time employment (FTE) contract		part-time employment contract	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Grupa ERBUD	**2653**	2746								
women	**545**	555	**421**	410	**124**	145	**513**	525	**32**	30
men	**2108**	2191	**1636**	1694	**472**	497	**2080**	2155	**28**	36
ERBUD S.A.	**709**	718								
women	**200**	205	**148**	141	**52**	64	**196**	200	**4**	5
men	**509**	513	**377**	369	**132**	144	**504**	502	**5**	11

Data shown is concerned with the headcount valid as of 31 December 2023.


The Popowice Harbour Housing Estate in the City of Wrocław

[2-7]

ERBUD Group headcount by region

	Liczba pracowników razem		Length of service				Type of employment			
			FTE contracts		Temp staff		FTE contract contracts		part-time contracts	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Poland	**1984**	2017								
women	**484**	495	**365**	357	**119**	138	**462**	474	**21**	21
men	**1500**	1522	**1203**	1185	**297**	337	**1485**	1496	**16**	26
Germany	**537**	577								
women	**62**	59	**57**	52	**5**	7	**51**	50	**11**	9
men	**475**	518	**425**	486	**50**	32	**463**	508	**12**	10
Belgium	**132**	144								
women	**0**	0	**0**	0	**0**	0	**0**	0	**0**	0
men	**132**	144	**18**	19	**114**	125	**132**	144	**0**	0

Data is shown in the headcount as of 31 December 2023.
Due to the small number of workers in Lithuania, this region is not included

[2-8]

ERBUD Group associates

	Mandate contract		B2B		Employee lease		Other		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
ERBUD Group	**103**	97	**137**	140	**106**	34	**130**	33	**476**	304
ERBUD S.A.	**38**	42	**67**	67	**0**	0	**0**	0	**105**	109

Data is headcount shown as of 31 December 2023. People providing work for the organisation who are not employees of the organisation perform support tasks, including accounting, programming and related to the implementation of individual construction projects.



We respect the rights and obligations arising from any type of cooperation, but the grounds work provision for our Group is the employment contract. If the business relationship status does not meet the conditions for signing such contract - we establish other forms of business relationship. Regardless of size and type of cooperation - it is always in writing, and in the Group we ensure that the contract wording is clear and comprehensible to contracting parties. All terms and conditions of job and remuneration are regulated in the relevant in-house regulations of our organisation, including the Work Regulations, the Wage Regulations and the Corporate Collective Labour Agreement. Most of our personnel members have employment contracts with unlimited duration and long length of service.

[401-1]

New hirees at the ERBUD GROUP

	Gender				Age					
	Gender		Men		Below 30 years of age		30-50 years of age		50+ years of age	
ERBUD Group	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**116**	141	**402**	497	**198**	238	**237**	307	**83**	93
New hiree index	**4%**	5%	**15%**	18%	**7%**	8%	**9%**	11%	**3%**	3%
ERBUD S.A.	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**29**	43	**41**	103	**29**	56	**35**	72	**6**	18
New hiree index	**4%**	6%	**6%**	14%	**4%**	8%	**5%**	10%	**1%**	3%

New hirees at the ERBUD Group by region

	Poland		Germany		Belgium		Lithuania	
ERBUD Group	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**411**	461	**42**	85	**41**	40	**2**	2
New hiree index	**15%**	16%	**2%**	3%	**2%**	1%	**0,1%**	0,1%
ERBUD S.A.	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**66**	140	-	-	**4**	6	-	-
New hiree index	**9%**	19%	-	-	**1%**	1%	-	-

The turnover rate was calculated as the ratio of the number of new hirees between 1 January 2023 - 31 December 2023 to the new hirees as of 31 December 2023.



[401-1]

Personnel members who quitted the ERBUD Group

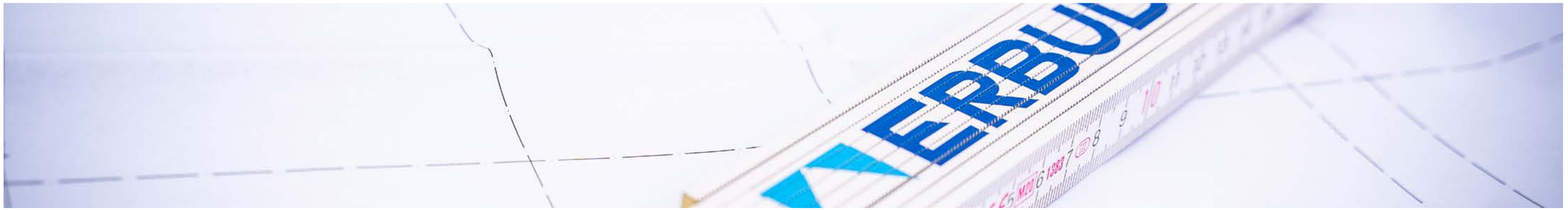
	Płeć				Wiek					
	Gender		Men		Below 30 years of age		30-50 years of age		50+ years of age	
ERBUD Group	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**126**	98	**499**	547	**176**	168	**270**	316	**179**	161
New hiree index	**5%**	3,6%	**19%**	19,9%	**7%**	6,1%	**10%**	11,5%	**7%**	5,9%
ERBUD S.A.	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**49**	27	**103**	121	**44**	39	**78**	77	**30**	32
New hiree index	**7%**	4%	**15%**	17%	**6%**	5%	**11%**	11%	**4%**	4%

Personnel members who quitted the ERBUD Group by region

	Poland		Germany		Belgium		Lithuania	
ERBUD Group	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**448**	433	**117**	78	**60**	70	**0**	0
New hiree index	**17%**	15,8%	**4%**	2,8%	**2%**	4%	**0%**	0%
ERBUD S.A.	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
New hires	**131**	121	**0**	0	**21**	27	**0**	0
New hiree index	**18%**	17%	**0%**	0%	**3%**	4%	**0%**	0%

We comply with all applicable laws and industry standards regarding wages, working hours, overtime and fringe benefits. In 2023, our companies implemented the Occasional Remote Work Procedure - the regulation provides the opportunity to occasional remote work provided, that the employee has the premises and technical conditions to carry out work in such a mode while ensuring the principles of occupational health and safety and ergonomics

The indicator was calculated as the ratio of the number of employees who quitted the organisation between 1 January 2023 to 31 December 2023 to the headcount level as of 31 December 2023.





A challenge in our Group - but also in the overall construction sector - is the forthcoming staffing gap. We have watched with concern the declining attractiveness of jobs in the construction sector, although we realise that this is a natural consequence of the civilisation development. The lack of people willing to do manual labour in the Polish market is becoming more and more noticeable and will not be compensated by the limited scope of automation and robotization in the construction sector. For a long time, the demand for construction workers has far exceeded the supply, with employment deficits shown by more than 90% of sector players. According to our data, unemployment in the construction sector is virtually non-existent.

According to the sector outlook, construction projects worth almost PLN 800 billion are to be executed in Poland in the period of 12 years. In order for this to be successful - workforce is needed, and meanwhile, only 16% of students pick up technical faculties, and in the last 10 years alone, the number of vocational and trade schools has fallen by almost 30%. There are almost 25% fewer students graduating from vocational schools.

That is why in 2023, as the ERBUD Group, under the auspices of the Polish Construction Employers' Association and together with representatives of our industry, we launched a project to improve the construction industry image. We have defined the major challenges for the next five years and set up a special working team. We want to encourage young people to choose professions related to the construction industry by cooperating, inter alia, with technical colleges, schools and universities. We want to encourage young people to choose construction-related professions by, inter alia, cooperating with technical colleges, trade schools and participating in events that play a pivotal role for young potential employees

In 2023, our Group also attended another edition of the Maths Festival. The Festival is aimed at school-aged children, their parents, guardians and science teachers. We offered future - we hope - builders a chance to solve maths puzzles together, discover the secrets of construction and play a game of Erbud-branded Monopoly and puzzles together.Wiedzy i Umiejętności Budowlanych organizowanej przez Politechnikę Warszawską.
The Group was also one of the major sponsors of the 36th Building Knowledge and Skills Contest orchestrated by the Warsaw University of Technology..

We have implemented a system of paid employee referrals in some Group member companies. Individuals recommended by employees and the Management Board participate in all recruitment phases, which ensures that hiring decisions are objective. In areas where we identify special difficulties in luring human resources from the labour market, we have introduced an employee referral programme for a selected list of positions. Any employee of a regulated company can benefit from the programme.



Good practice

WIn 2023, five students completed more than 3.5 years of vocational training, the practical part of which was provided by our German company IKR. Three of them decided to stay with the company and from March joined the assembly team. At IKR, the young people are taught by the personnel with broad professional experience and pedagogical training or permission from the Chamber of Industry and Commerce.

We have implemented a Career Follow-Up Programme for our personnel. Its objective is to impart important skills related to active movement in the labour market. During the Programme, topics directly related to the new job search process are discussed - an employee leaving the organisation gains knowledge about active job search techniques, sources of recruitment adverts, preparation of documents or techniques that allow the job seeker to perform well during a recruitment interview.

Dialogue with employees

We value high frank and sincere information. We communicate our decisions clearly, honestly and transparently to both external stakeholders and all those who work in our organisation. We believe that just as important as equipping people to do their jobs is 'equipping' our personnel with the right information allowing them to better grasp the situation, intentions and plans of the organisation and, consequently, to improve performance of their duties. We talk, but we also listen - we encourage our personnel share their opinions regularly with their superiors and we always provide feedback.

In each of our companies, there are also elected, by a vote of our employees, their representatives or trade unions with whom we consult on employee matters. These matters are governed by the Regulations for the election of Employee Representatives or by the Company Collective Labour Agreement.

We also want to know what employees think about working for the Group. In 2023, we carried out an Employee Opinion Survey with invitation sent to all employees, regardless of their employment status. We asked employees to rate selected areas of our organisation and evaluated their engagement index. The best-rated areas were teamwork (including mutual respect and sharing of knowledge and experience) and tasks at work that are perceived by our employees as interesting and fulfilling. Such survey findings testify to a good working atmosphere and also to the fact that the competences of our employees fit the organisation's business activities. We are proud of such grades.

Based on the survey findings, we have identified Group-wide HR priorities, including, inter alia, building a performance-based evaluation system and expansion of employer-employee dialogue to incorporate workshops and presentations.

At our Group, we respect and comply with the rights of our employees to decide freely to set up or join trade unions - no one faces any negative consequences for doing so. On matters of importance to employees, we endeavour to hold constructive talks carried out in good faith with legally constituted representatives of our social partners

Poland's largest maintenance service company has three trade unions. With their representatives we meet regularly and discuss a wide array of employee issues.

[2-30]

36% of ERBUD Group employees are covered by Corporate Collective Labour Agreements.



Good practice

Management Board of the ERBUD Group meets with new hirees every quarter and presents the directions of business development and the strategy for the years to come. In 2023, we also launched a series of meetings with all employees under the slogan "ERBUD100%" - at the meetings the Group's Management Board not only presents the latest developments in the companies, but also responds to the questions and addresses the concerns of employees.

In 2023, the two Polish maintenance service companies were merged. At a meeting with personnel informing them about change process, data on the active trade unions and their representatives was provided.





[2-18] [2-19] [2-20] [2-21]

ERBUD Group's remuneration policy

Remuneration in the ERBUD Group depends exclusively on subject matter drivers such as educational background, experience and responsibility, and is in no way gender-specific. Each of the Group's member companies has its own Remuneration Regulations or Company Collective Labour Agreements, which regulate transparently the remuneration and bonus systems adopted.

Ratio of total annual remuneration for the best-paid person in the ERBUD Group in Poland to the median annual total remuneration for all employees (excluding the best-paid person)	
	2023
ERBUD Group	49.27 to 1
ERBUD S.A.	40.90 to 1

Ratio of the percentage increase in annual total remuneration for the best-paid person at ERBUD S.A. to the median percentage increase in annual total remuneration for all ERBUD S.A. employees. (excluding the best-paid person)	
	2023
ERBUD S.A.	-3.52 to 1

Remuneration was determined on the basis of the sum of total remuneration of ERBUD Group companies' headcount in Poland employed as of 31 December 2023 paid to the personnel in a given calendar year (over a 12-month period). Due to a change in the method of data consolidation on the total remuneration of employees in ERBUD Group companies in Poland, we decided not to disclose the ratio of the percentage increase in the total annual remuneration of the best-paid person to the median percentage increase in the remuneration of ERBUD Group companies' personnel in Poland.



We do realise that in such a competitive environment we need to upkeep competitive wages and salaries. We combine base pay in the Group with incentive bonus schemes and a package of fringe benefits. We execute really interesting projects in the Group, we offer an opportunity to develop competencies at a level rarely seen in Poland, and we combine all this with an attractive, regular payment transferred to the employees' bank accounts.

Sylwia Sejlis
Deputy Director of HR Division

We remunerate our personnel adequately for their work, but we want the remuneration level to be, at the same time, a motivation to achieve the best possible performance and to attain strategic objectives. The Group's remuneration policy complies with the law and with the principles of sound and effective capital management, business strategy, objectives, values and long-term interests of the Group.

The Group's bonus system is based primarily on bonuses for the objective attainment - we have developed a method within the organisation of cascading strategic objectives into the objectives of individual organisational bodies and then into unit objectives. In this manner, the Group's strategic vision, including its impact on people and the environment, is 'translated' into day-to-day operational activities. The final strategy cascading level - but one of the key for the company - is to communicate the strategy and to educate our personnel about ESG. By doing so, we raise the awareness level of our personnel about their role in the organisation and the importance of day-to-day activities in taking care for the overall Group sustainability.

All remuneration components in the Group are always paid in accordance with labour law and the regulations on social security schemes and the Employee Capital Plans' Act. Pursuant to the regulations, we also pay severance payments for termination of employment for reasons not attributable to employees, death benefits, retirement and disability benefits or for employees called for military service.

Some of the Group's member companies operate Corporate Social Benefits' Funds, which also involve the payment of benefits to people who found themselves in dire straits. The payments are approved by the Social Committees, which include representatives from the social side.

The issue of remuneration of the Members of the Management Board is determined by Remuneration Policy for the Members of the Management Board of ERBUD S.A. and the Supervisory Board. The remuneration of the Management Board members consists of a fixed part and a variable component, i.e. a bonus awarded on the basis of work performance evaluation. The level of remuneration of the Management Board and key managers in the Group makes it possible to attract, retain and appropriately motivate persons with the competences necessary for the proper management and supervision of the organisation.

he remuneration for the President and Members of the Management Board is determined by the Supervisory Board. When determining the basic pay of a Management Board Member, we take into account, in particular, the function performed, the scope of responsibility, professional qualifications and experience and the competitive edge in the market of the remuneration offered. The allocation of variable pay to the Management Board Members is based on an assessment of the their work performance. The selection of business metrics for individual Board Members takes into account the scope of their individual duties and responsibilities, and in 2023 efforts were taken to establish ESG targets for the Management Boards of the Companies and senior managers in the Group..

Stakeholder and shareholder opinions are taken into account to the extent permitted by the adopted Remuneration Policy. At individual meetings of the Supervisory Board or the General Meeting of Shareholders, issues related to the remuneration of the company's executives may be raised under one of the items of the adopted agenda.

In determining amendments to the Remuneration Policy or individual remuneration levels, we use external consultants only during individual workshops to supplement the knowledge of our experts. The consultants meet the criteria of objectivity and their involvement in the process is based solely on the added value they provide..

.

[402-1]

We communicate any operational changes - including working conditions and terms of remuneration - two to four weeks in advance - in accordance with national labour laws. The consultation procedure for the changes to be made and the communication method, depending on the company, are laid down in corporate collective labour agreements or labour laws..





Tour de ERBUD is a charity bicycle rally for ERBUD Group employees. In 2023, more than 300 employees attended the rally.

[3-3] [403-6]

Health condition and well-being of employees

At the ERBUD Group, we want our employees to be healthy, emotionally balanced, financially secure and enjoy good relationships with people. We believe that they deserve this and we support them by implementing well-being measures, which we see as an key driver of work efficiency and motivation. At the ERBUD Group, absenteeism due to parental leave or illness has not been and will not be a reason to dismiss an employee. For those returning to work after a long-term absence, we facilitate professional reactivation.

[401-2]

How we support health and well-being:

Physical health

- private medical care - free basic health care package and extended health care package on preferential terms,
- an option to extend the scope of medical care to cover family or one's partner,
- sports packages (choice between two operators),
- long-term bicycle rental with year-long maintenance
- reimbursement of the purchase of corrective glasses and contact lenses for persons who should use them on the grounds of a medical certificate

Health

Mental health:

- participation in the "Two Hours for Family" initiative, enabling employees to reduce their working day by two hours to spend with their families,
- incentives to enjoy days off for overtime worked due to business trips or fieldwork,
- psychological consultation in justified cases.



Good practice

Our largest maintenance service company in Poland offers its employees an extra day off on the occasion of Powerman Day. In this manner, it at least partially compensates for the unique nature of the work, where unexpected interventions related to troubleshooting and maintenance can disrupt the work-life balance.



Good practice

Cycling sports are close to the hearts of ERBUD Group personnel. In 2023, we organised the second Tour de Erbud charity bicycle rally. More than 300 employees and their families cycled 13 064 kilometres in eight locations in Poland and Germany, and every 1 000 metres cycled was worth PLN 6 donated by our Group to the ERBUD Foundation. Our riders were supported by specialists from the Triathlon Forge, who prepared special loops for them - the contestants were able to ride a distance appropriate to their abilities. The most numerous team turned up at the start line in Rzeszów - the group of cyclists consisted of as many as 70 people

.

Almost 30 people from ONDE SA and IDE Project participated in the Walking Marathon in Wojcieszów, the Lower Silesia. The contestants walked 25 kilometres along the picturesque trails of the Kaczawskie Mountains. In Germany, IKR employees took part in the Goitzsche-Marathon, a running event in Bitterfeld, and the company put on a corporate relay race.

In 2023, all ONDE and IDE Project employees were able to benefit from attending a certified Mindfulness-Based Stress Reduction (MBSR) course. Twenty-two people took advantage of the offer and participated in in 440 hours of training. MBSR is the most popular stress reduction training based on breath concentration exercises and practices that enhance awareness of the body, emotions and thoughts. According to research, participation in the programme significantly improves quality of life, enhances the ability to cope with in tough circumstances, calms the mind and reduces psychosomatic symptoms. Dorota Wojtczak, a certified mindfulness and compassion teacher, coach and interpersonal communication trainer, was a mentor during the training courses.

[401-3]

Parental leaves in 2023

	Total number of employees entitled to parental leave during the accounting period		Total number of people who took parental leave during the accounting period		The total number of employees who went back to work after parental leave, in the accounting period		The total number of employees who returned to work after parental leave and after 12 months of their return to work they were still employed by the organization		Rate of work return in case of employees who took parental leave [%]		Retention rate for employees who have taken parental leave [%]	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Women	47	61	47	53	19	22	34	12	54.53%	47.83%	82.93%	54.55%
Men	58	73	58	56	54	49	41	46	88.52%	70.00%	75.93%	93.88%



Site-visit paid by children on our construction site in Opole Lubelskie

Safety

[3-3]

Working environment

We want every person who starts working on our site in the morning, goes back home safe and sound in the afternoon. Every day, all year round and from the first to the last moment on the construction site. Safety issues have absolute priority at the ERBUD Group - nothing is or will be more important in the organisation of our work and development of our plans. We do not accept makeshift solutions, we do not turn a blind eye to shortcomings, and we treat the process of ensuring the top occupational health and safety standards as a continuous process, all the time looking for and implementing more and more modern safeguards for our personnel. We want to change attitudes and the safety mindscape of our personnel. Therefore we teach, require and implement the highest standards of occupational health and safety.

[403-7]

How we exercise care for safety:

- we update our standards and improve the requirements of internal health and safety rules and standards,
- we foster attitudes of responsible leadership
- reinforce a culture of joint responsibility for the safety of ourselves and our colleagues,
- we share best practices with investors and subcontractors,
- We initiate and implement projects concerning the standardisation of work on construction sites, above all within the framework of the Polish Construction Safety Alliance.

Our goal is "Zero Severe, Fatal and Collective Accidents". We expect safe behaviour from our personnel and subcontractors. We communicate clearly about the requirements of occupational health and safety standards and the technical and organisational measures during negotiations with contractors.

Subcontractor validation phases



Bidding:

- Request for Proposals (RFP) including hand-over of OH&S requirements
- Analysis of the scope of work and development of work schedule

Negotiations & contract award:

- Negotiations with the customer - qualifications of personne, employment status, machinery, personal protective equipment (PPEs), social back-up facilities, first aid, OH&S standards applied
- Verification, presentation of contractual conditions, induction meeting

Preparation for execution:

- Health and Safety Protection Plan, required documents: safety training, medical certificate, required authorisations
- Preparation of Safe Operation Manual and Pre-Job Safety Hazard Assessment, appointment of safety coordinator
- Briefing

Contract execution:

- Documentation updated on current basis (Safe Operation Manual, list of employees, machinery)
- Obligation to report incidents Near-misses and Accidents
- Coordination meetings

[403-2] [403-3]

ERBUD SA's organisational structure comprises Occupational Health and Safety Division reporting directly to the Management Board. Its role is to create policies, implement them and closely monitor health and safety condition in all Group member companies. The Occupational Health and Safety Division's experts analyse the condition of occupational health and safety on an annual basis and update the health and safety policy on this basis. The adopted targets are communicated to the business centres and closely monitored.

Our on-site and service project-based occupational health and safety specialists are responsible for co-development - jointly with supervisory staff - of safe working environment. This process is aided by regular risk assessments, which result in appropriate mitigating measures being taken.

We make risk assessment:

- for the overall our organization at the central risk level once a year,
- or individual Capital Group member companies,
- during bidding process for each contract,
- During preparatory efforts to launch execution,
- during execution when developing work methodology,
- during monitoring of OH&S status

We identify all routine and non-routine as well as scheduled and unscheduled activities resulting from the work specifications and conditions of specific construction sites. Each of our Group member companies has implemented - as part of the systems in place - regulations on the methodology for carrying out risk identification and analysis. The persons responsible for the proper execution of the risk identification process are designated and the method of agreeing and reviewing analyses results are agreed and verified.



Good practice

We have implemented a dedicated Health, Safety and Environment (HSE) application. It keeps us informed about new contracts and allows us to manage health and safety levels on each construction site and across the organisation. The app allows us to monitor trends on the construction site in both the short and long term and take timely corrective actions.

Each of our employees has the right to refuse to perform job, if working environment does not comply with occupational health and safety regulations. In accordance with the regulations, he or she must not be threatened with any adverse consequences for doing so. ERBUD is also guaranteed the right to withhold and remove from work workers of subcontractors who, through their behaviour, create dangerous situations and generate unacceptable risks.



It is a pretty straightforward principle - we do not start work, unless we are sure that everything has been done to make the work safe. It is gratifying to see that, even among supervisors, line workers and subcontractors, occupational health and safety is no longer regarded as an redundant formality, a nuisance or an unnecessary requirement, but is simply becoming a necessary and even expected part of the job. The role of the contract manager and site manager, as well as the occupational health and safety specialists working with them, is crucial to this extent. Their cooperation in planning solutions and implementing them on site brings tangible benefits for the personnel. Shared responsibility and identification with this extent is key to implementing the policy successfully.

Bartosz Wiśniewski
Director of OH&S Division



First-aid deomonstrations during Safety Week



Field practice during the Safety Week at the Skippers' Wharf

Occupational Health and Safety performance is discussed at the meetings at every organisational level. The employees of the Occupational Health and Safety Division, who are present on every construction site, provide up-to-date information so that divisional and company management teams could implement effectively the required corrective actions.



ll 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 subcontractors
- 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	OH&S system
ERBUD	ISO 45001:2018
ERBUD INDUSTRY	ISO 45001:2018
ONDE	ISO 45001:2018
MOD21	ISO 45001:2018
MOD21 GmbH	NFL/ILO-BHP 2001
IVT	SCC Safety Management System, DIN EN ISO 9001:2015, DIN EN ISO 14001:2015, DIN ISO 45001:2018, DIN EN ISO 3834-2
IKR	SCC Safety Management System

[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 Operation Manual (IBWR),
- for individual workstations.





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. 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 and then preapproved persons verify and approve 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.



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

In 2023, the first edition of our internal competition titled "Safe ERBUD Construction Site" was held, attended by all ERBUD S.A., ERBUD Industry and ERBUD International construction sites participated. In the four stages of the competition, 45 construction sites competed for the title of the safest project under implementation - the winner in the final was the construction of the Jaworska 2 Dormitory in Wrocław.

We identify and assess accidents and near misses in accordance with the Instructions within the Health and Safety Management Systems. Each incident - whether of Group employees or subcontractors - is reported in the internal HSE application. A specific type of incident with a specific risk category triggers an appropriate handling scenario is a detailed analysis of the causes and the development of preventive measures for the future.

These actions are not only implemented in the company where the incident occurred, the corrective actions only apply to the construction sites or departments affected by the incident. The entire analysis and subsequent steps are carried out in the application HSE with the 'why' method."



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	HSE Specialist	Only notification	----
2.	Incidents from major risk categories and about major property and environmental damage	Registration in the EHS application – each manager on the same day	Responsible Director, Responsible department manager/site manager or another person in charge of personnel, HSE Specialist	Incident notification, extended analysis	Yes
3.	Accident at work	Registration in the EHS application – each manager on the same day	Responsible Director, Responsible department/ Site Manager or another person in charge of personnel, HSE Specialist	Accident notification, accident report, extended analysis	Yes
4.	Serious accidents, fatalities and collective incidents including accidents	Registration in the EHS application – each manager on the same day	Responsible Director, Responsible department/site manager or another person in charge of personnel, HSE Specialist	Accident notification, accident report, extended analysis	Yes
5.	Service provider accident - other accidents	Registration in the EHS application – each manager on the same day	Accident team appointed by the employer.	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 (applies to major risk categories)
6.	Accident while commuting to/from work	Registration in the EHS application – each manager on the same day	HSE Specialist	Accident notification, accident report card	----



[403-10]

In 2023, we recorded no cases of occupational diseases in the ERBUD Group. Among the risks to health, we identified hearing loss, vibration syndrome, carpel tunnel syndrome, dust, ultraviolet radiation and chronic musculoskeletal diseases. Hazards were identified by analysing relevant government regulations on occupational diseases and relating the list of occupational diseases to the results of occupational risk assessments (in relation to the types of work carried out on construction sites) for individual workplaces. We also did not receive any reports from our subcontractors indicating the identification of an occupational disease in relation to work performed on our construction sites.

[403-9]

Accident rate

Our absolute overriding concern is the broadly defined safety of employees and subcontractors working on our projects. The approach to this area has been unchanged for years, and the goal is 0 serious, fatal and collective accidents. The events of 2023 - a fatal accident, three serious accidents and a collective accident in the subcontracting force - have further reinforced our belief that absolute discipline in adhering to the highest standards is a categorical necessity, which nevertheless cannot always prevent mishaps.

We exercise due diligence procedures through policies and procedures governing the management of health and safety issues, the on-going assessment and evaluation of these risks, and the training of all our employees and those of subcontractors. Accidents that have occurred have been analysed in detail, the causes have been identified and the circumstances investigated, and the conclusions have been communicated to all companies in the Group.

In 2023, we have reduced the accident rate down to - 6.98.

Threat / Effect	Mitigation measure
▪ Hearing loss due to work in noise ▪ Vibration syndrome caused by operation of vibrating machinery and equipment ▪ Promieniowanie nadfioletowe przy procesach spawalniczych ▪ Pył	▪ 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 zklenie i profilaktyka

ACCIDENT STATISTICS AT THE ERBUD GROUP (OWN WORKFORCE)

	No. of worked man-hours		No. of light accidents		No. of severe accidents		No. of fatalities		No. of collective accidents		Total accidents		Frequency rate		No. of absenteeism days		Severity rate	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
ERBUD S.A	1 711 024	1 756 120	10	12	0	0	0	0	0	0	10	12	5.84	6.83	433	398	43.30	33.17
Erbud International	330 224	434 416	6	9	0	0	0	0	0	0	6	9	18.17	20.72	399	357	66.50	39.67
Erbud Industry Południe	181 096	299 600	0	4	0	0	0	0	0	0	0	4	0.00	12.48	0	117	0.00	29.25
Erbud Shared Serviced	164 304	167 832	0	1	0	0	0	0	0	0	0	1	0.00	5.96	0	0	0.00	0
Erbud Industry Centrum	1 013 896	101 872	6	12	0	0	0	0	1	0	7	12	6.90	0.00	232	494	33.14	41.17
Onde Group	1 325 744	1 289 408	9	4	0	0	0	0	0	0	9	4	6.79	3.10	171	32	19.00	8
MOD21	230 488	57 800	7	1	0	0	0	0	0	0	7	1	30.37	17.30	241	23	34.43	23.00
MOD21 GmbH	114 792	140 744	1	5	0	0	0	0	0	0	1	5	8.71	35.53	42	56	42.00	11.20
IVT	498 624	497 680	2	3	0	0	0	0	0	0	2	3	4.01	6.03	2	0	1.00	0
IKR	590 096	603 568	1	3	0	0	0	0	0	0	1	3	1.69	4.97	42	8	42.00	2.67
TOTAL GROUP	**6 160 288**	**6 367 088**	**42**	**54**	**0**	**0**	**0**	**0**	**1**	**0**	**43**	**54**	**6.98**	**8.48**	**1562**	**1485**	**36.33**	**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 2023-2021 at the ERBUD Group (own workforce)

Year	No. of man-hours	No. of accidents	Frequency rate	Incl. no. of fatalities	Incl. no. of light accidents	Incl. no. of collective accidents
2021	6 155 664	53	8,61	1	51	1
2022	6 367 088	54	8,48	0	54	0
2023	6 160 288	43	6,98	0	42	1

Comparison of frequency rates and number of accidents in 2023-2021 at the ERBUD Group including subcontractors

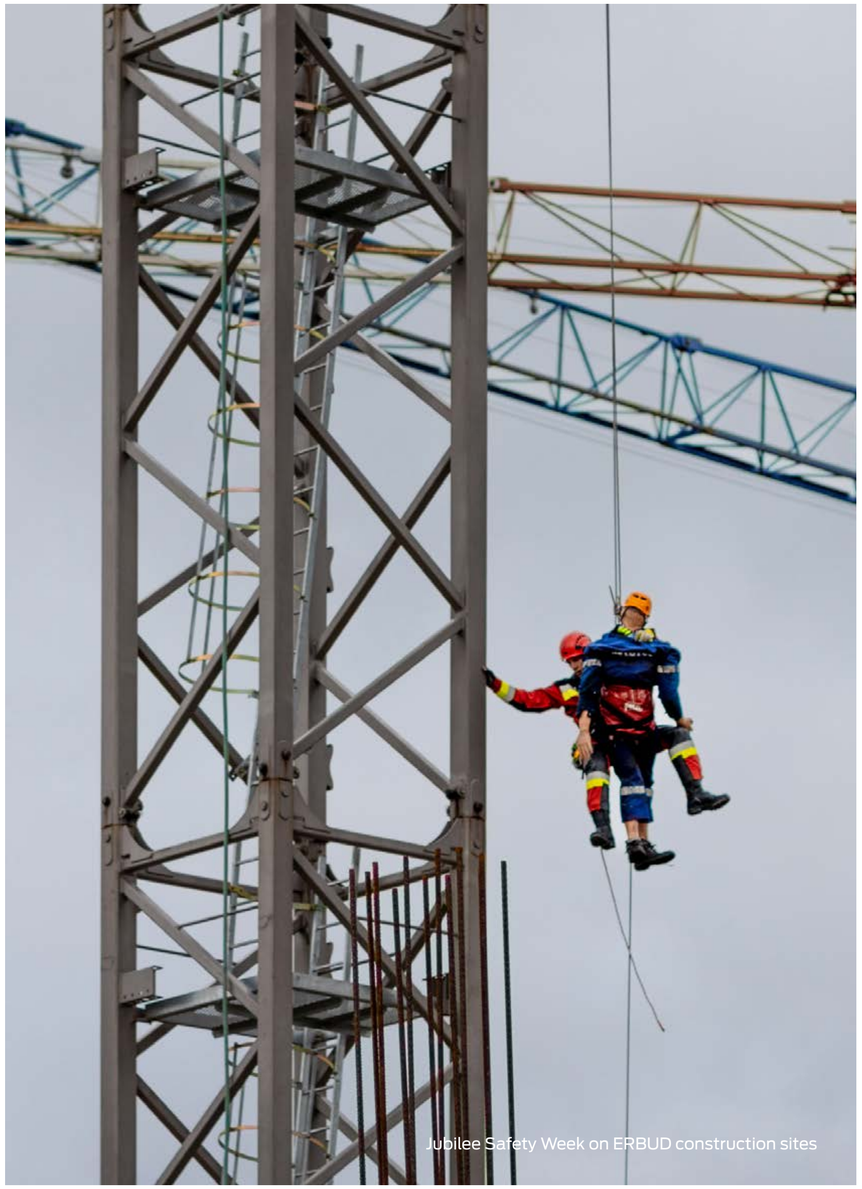
Year	No. of man-hours	No. of accidents	Frequency rate	Incl. no. of fatalities	Incl. no. of light accidents	Incl. no. of severe accidents	Incl. no. of collective liczba collective accidents
2021	17 138 440	68	3.97	1	66	0	1
2022	17 122 624	74	4.32	0	74	0	0
2023	14 558 784	64	4.40	1	59	3	1

Comparison of the severity rates at the ERBUD Group in 2023-2021 (own workforce)

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

Year	No. of accidents	Total absenteeism days	Severity rate
2021	53	1593	30.06
2022	54	1485	27.5
2023	43	1562	36.33





Jubilee Safety Week on ERBUD construction sites

Types of injuries in connection with accicdents at work at the ERBUD Group (own workforce and subcontractors)

		2023			2022		
#	Type of injury	Erbud Group (own workforce)	Subcontractors	Erbud Group Own workforce + Subcontractors	Erbud Group (own workforce)	Subcontractors	Erbud Group Own workforce + Subcontractors
1	Amputation	0	0	0	4	1	5
2	Sprain	9	2	11	9	3	12
3	Shock	0	0	0	0	0	0
4	Crushing	1	0	1	1	0	1
5	Scalding	2	0	2	2	0	2
6	Cutting (wound)	9	9	18	9	5	14
7	Perforation	0	1	1	0	0	0
8	Fracture	7	3	10	6	1	7
9	Broken fingers	0	0	0	4	0	4
10	Concussion	7	0	7	8	4	12
11	Other injury	5	6	11	7	6	13
12	Dislocation	3	0	3	3	0	3
13	Rupture	0	0	0	1	0	1
14	Poisoning	0	0	0	0	0	0
15	Exposure	0	0	0	0	0	0
16	Drowning	0	0	0	0	0	0
	Total	43	21	64	54	20	74

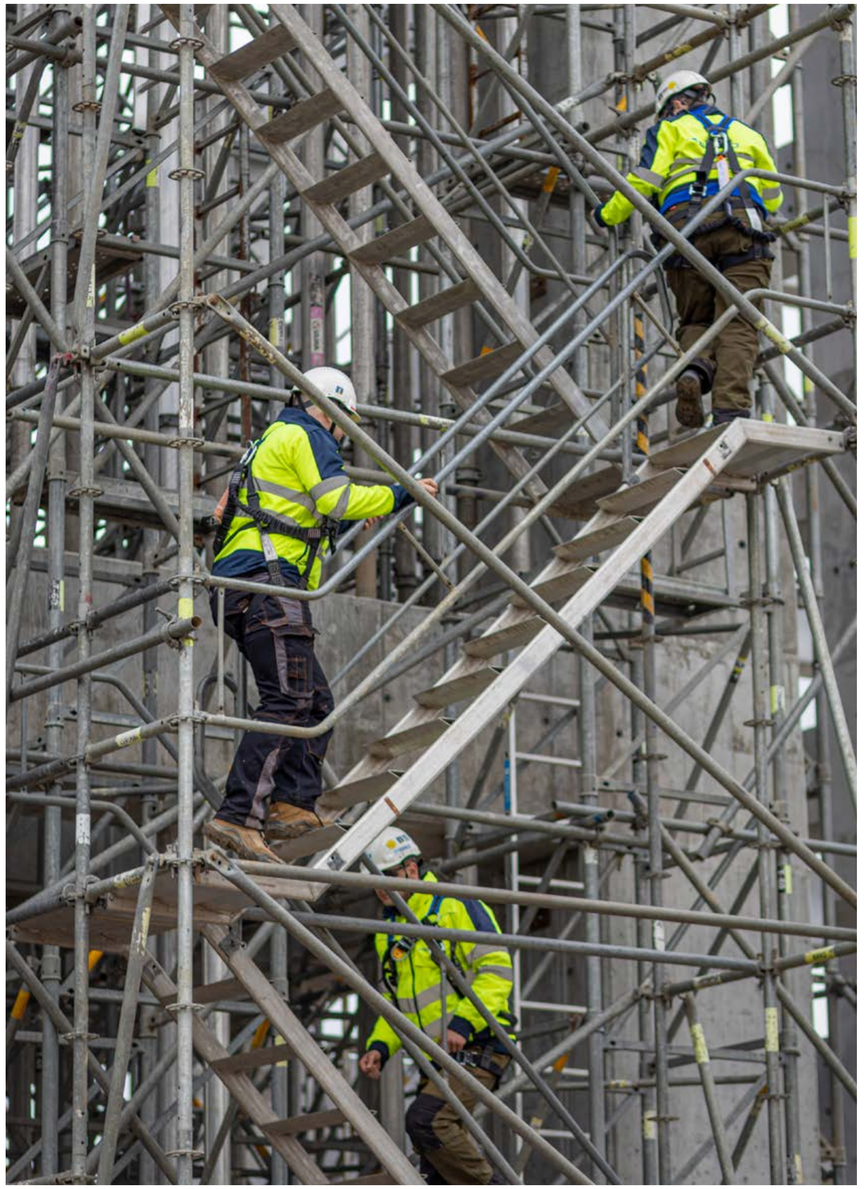
[403-2]

Risks in OH&S area

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 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 guidelines,
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 guidelines,
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. Strict 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.





Final of the first edition of ERBUD's Safe Construction Site competition

[403-5]

Employee training

We believe that the awareness of our supervisors, blue-collar workers, but also of our subcontractors, is the key to achieving our main strategic goal of "Zero (0) severe, fatal and collective accidents." We realize that the level of awareness of every person on our construction sites is crucial in this regard - one irresponsible behaviour can undermine all efforts made. We carry out all required training required by law, initial and periodic training. Each employee must undergo, inter alia, OH&S informational training, on-site training by supervision, training on the methodology of work implementation contained in the Safe Operation Manual, special instruction before carrying out hazardous work, training and exercises on readiness for emergency response, and dedicated training sessions to specific types of work.

We remind about occupational health and safety obligations every day from the time they enter the construction site.

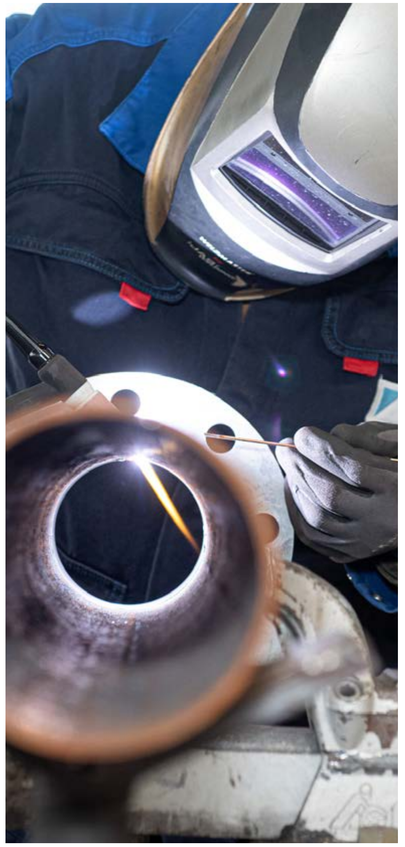
We also refer employees to all required training courses, if licenses are required. We also cover service providers with our training system.

As part of the implemented health and safety management system, the system manual titled "Health and Safety Training" is in force. On each construction site, training is further specified in the developed reference to the risks contained in the Safety and Health Protection Plan. In addition to the system and legal obligation, we carry out training sessions following our philosophy of continuous improvement and raising awareness of supervisors at every level in the area of Occupational Safety and Environmental Protection.

Supervisors from individual companies participate in in-house training sessions organized by the ERBUD Group.

The trainings sessions organized so far included:

- Site Manager's Academy with topics on health, safety and environmental protection (HSE)..
- OH&S Co-ordinator Academy
- Foreman Academy with the focus on HSE issues



Depending on the specific nature of the industry (industry, service in industry and energy, energy, RES, construction volume construction, engineering and road construction) we provide: the following training:

Type of training	Frequency	Target group/industry	Type	Objective
HSE briefing	Upon entering each site	Every worker /all industries	On-site	Informing about hazards, on-site safety rules
Induction training	On one-off basis and with each change of position and 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	Przy zatrudnieniu	All new hirees of ERBUD Capital Group	Online	Getting familiar with policies, system and standards effective in the Erbud Group
Periodic training for blue-collar workers	Co rok	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
Periodic training for persons in charge of personnel	Co 5 lat	Supervisors of the work of personnel/verification of duties in relation to Subcontractors' personnel/all industries	On-site	Update of knowledge about threats and ways of addressing them
Training for sling signallers and riggers	W zależności od uwarunkowań budowy	Designated persons for vertical transportation at ERBUD Group construction sites regardless of industry, own and subcontractors'	On-site	Update of knowledge on safe transport on construction sites
First aid training	W zależności od potrzeb	Designated persons to provide first aid in ERBUD Capital 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 inspectionh	Zgodnie z zapisami rozporządzenia UTB	Operators/all industries / verification of subcontractors	Course	Acquire skills and licenses for equipment operation
Licenses for machine operators for earthmoving, construction and road works	Zgodnie z zapisami rozporzadzenia	Operators/all industries/verification of subcontractors	Course	Acquire skills and licenses for machine operation
E & D energy licenses	Co 5 lat	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 of power equipment

Depending on the specific nature of the industry (industry, service in industry and energy, energy, RES, construction volume construction, engineering and road construction) we provide:

Type of training	Frequency	Target group/industry	Type	Objective
Work at height with the use of PPE	Depending on the type of works performed	Workers performing work at height/all industries / own and subcontractor personnel	On-site	Upgrade knowledge and awareness of safe methods to work at height
Scaffolding installers	In compliance with law	Persons assembling/disassembling scaffolding systems	Course	Acquire skills and licences for installation of metal scaffolding systems
Daily briefings (toolboxes)	Everyday	All personnel members (Subcontractors)/ RES/power sector/industry)	Training	Clear-cut breakdown of tasks, final risk analysis and work methodology verification
Instruction before hazardous work	In accordance with Health and Safety Protection Plan	All industries / own Workforce and Subcontractors	On-site	Upgrading of knowledge and awareness of the rules of hazardous work safe execution
Safety Week training sessions	Once a year	All industries / own Workforce and Subcontractors	Presentations, courses, on-site	Upgrading of employee knowledge and awareness
Dedicated training sessions stemming from construction site specific nature	Depending on the construction site	--	On-site	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 Workforce and Subcontractors	Exercises	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 licences
Fire fighting training	Depending on the type of work	Mainly power sector, industry (maintenance services)	On-site	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.

The 2023 Safety Week catchword was "Stop Is Powerful. I Am Careful, I Don't Expose Others to Danger." 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 236 training operations were carried out, involving almost 3,968 people, (2372 own workforce and 1596 subcontractors' personnel), including personnel of 245 subcontracting companies.

[403-6]

Health promotion

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 long-term Kross 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 work safety management system (on average per month)

Total workers	**2864***
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	**3805**
he 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**	**2744**
A percentage of employees who fall under the system that has been internally verified/audited	**100%**
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	**3805**
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	**2624**
A percentage of employees who fall under a system that has been audited or certified by a third party	**95.6%**
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	**3593**
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	**94.4%**

* the number given relates to all employees and associates, excluding personnel working under contracts of mandate

** average number of workers of our subcontractors calculated on the basis of employment status on individual construction sites in each month



Training

At the ERBUD Group our knowledge equals exactly the total skills of our employees. We face the challenges of the modern world, respond to changes in business realities, grasp new opportunities and the development of new technologies in the same manner - we train our people and thus acquire knowledge for the organization.

[404-2]

We have an extensive and diversified training system that corresponds to the diversified structure of our business. The different areas in which we operate and the different employment structures of specialized companies have different training requirements. Therefore, we analyse training requirements in a systematic and systematic manner and build precise competence matrices - this allows us to prepare a precise plan whose competencies we should expand, what should be the timing and scope. Our Training and Development Policy does not only respond to current daily needs and challenges - we follow trends and prepare our Group today for the changes of tomorrow. Training is facilitated by modern technologies - more and more training sessions are held online, so our workforce do not have to travel hundreds of kilometres to be trained..

We support the development of all workforce in the Group, regardless of position, gender or age. We implement the 70-20-10 development philosophy, that is, learning through our own experience (70%), learning with the support of other people - primarily superiors and close associates (20%) and through training sessions (10%)..

We plan the individual development of each employee every year. Superiors talk to people reporting to them, and this process is supported by, inter alia, a list of available forms of development. Training is one of them, but - we emphasise with full conviction - not the only development opportunity. At the same time, when planning the development of each employee, we manage the team competences in the Group in a manner that ensures process, knowledge and competence continuity. We take care of succession in key positions and, when planning training, we take into account the need to minimise the risks associated with long-term absences or resignations.



The objective of the development talks that we have been carrying out in the Group for several years now is invariably to create environment for the more comprehensive development of our workforce. The entire process is subordinated to a diagnosis of the employee's strengths and weaknesses and the development of a professional development plan. During the performance evaluation talks, each employee receives information from his or her supervisor on, inter alia, the ways in which work will be reviewed, the tasks and competencies expected to be developed over the next 12 months and the required task performance methodology.

During the evaluation, we diagnose the development needs of employees and identify how to meet them.

Development talks are regulated in the ERBUD Group by the Supervisor's Handbook for Development Talks, the Employee's Handbook for Development Talks and the Procedure for Upgrading Professional Qualifications.

We develop an organisation-wide training plan based on information from development talks, planned changes in legislation and strategic objectives. In 2023, we launched a universally available Training Catalogue. The catalogue responds to the most common development and business needs identified in annual interviews, and its unique feature is that it puts the development initiative in the hands of employees. Once agreed with supervisors, employees can register themselves for the training course/session of their choice - instead of imposed schedules and training plans, we offer freedom to choose the dates and subject matter provided it is based on job-related requirements. In each quarter of 2023, we launched around 15 online and onsite training courses conducted by external trainers or - promoting a culture of knowledge sharing and experience exchange - ERBUD Group experts.

The training catalogue is available to the personnel of all Group member companies, and an indirect result of its implementation - in addition to the wider availability of the training offer - is the integration of workforce within the Group. In particular, training courses on soft skills and MS Office group tools - as universal topics - enables the representatives of different business lines from different companies to meet in one training group. This results in an exchange of knowledge and experience and is reported by our employees as a considerable added value of such meetings.

In 2023, we strengthened the training role of our in-house experts and their guests. With their participation we held, inter alia:

"Good Day - Good Example!" training series, which introduced selected good business practices,
the "Monday with Technology" series prepared in cooperation between HR, the Purchases Division and the Group's suppliers. The trainees were able to learn about the most common technologies used on construction sites and innovations from the world of construction technology, "BIM Day Toruń" - a stationary conference devoted to BIM-based projects



This is the sign of times - finally it is no longer necessary to hold a university degree to understand that broad and multifaceted professional competence is a personal capital in any position. At the ERBUD Group, we offer universal access to training, and we can only be pleased that this widespread access to training is a reality and to be delighted that this universality is being used to such an extent and that all employees, regardless of grade, position or country of employment, are benefiting from training. From young line workers to experienced top management representatives - everyone can still learn something in life, and in the Group we are only trying to help them to do so.

Elżbieta Szczygielska
Training and Development Manager

All line personnel in the Group regularly participate in training sessions related to occupational safety and the operation of the machinery and equipment used. The training catalogue dedicated to technical supervision staff is divided into several categories and comprises:



Toolbox training sessions,



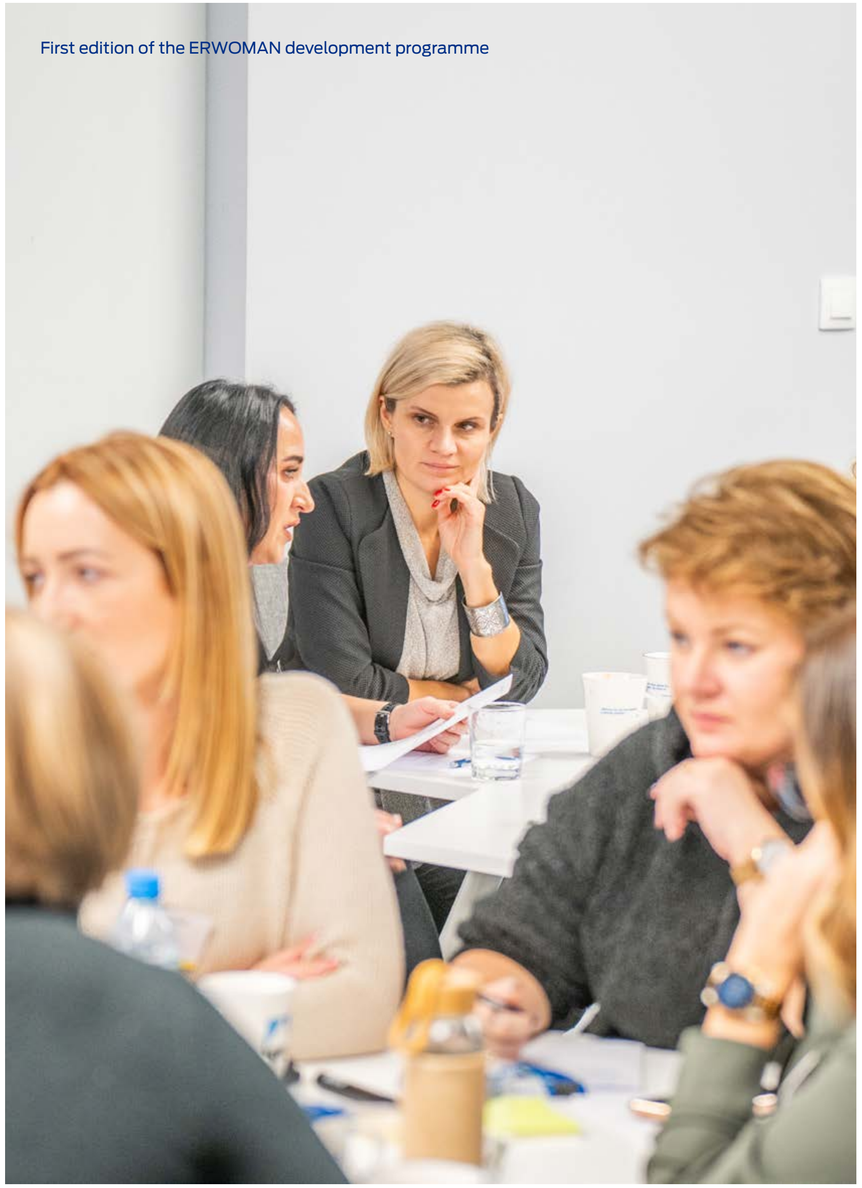
training in the development of soft skills for team management and teamwork,



technical training arising from the need to improve technical knowledge or to update knowledge,



in-house training on evolving internal procedures.



First edition of the ERWOMAN development programme



Good practice

Our employees can - during working hours - participate in training courses provided by specialist organisations, such as the Chamber of Civil Engineers or Chamber of Legal Counsels.

Our employees also attended, inter alia, conferences on ESG, HR and public procurement. The Group has also subsidised several dozen people with courses to prepare them for the industry qualification exam and specialist studies.

In 2023, we also implemented or launched more than a dozen training and development programmes:

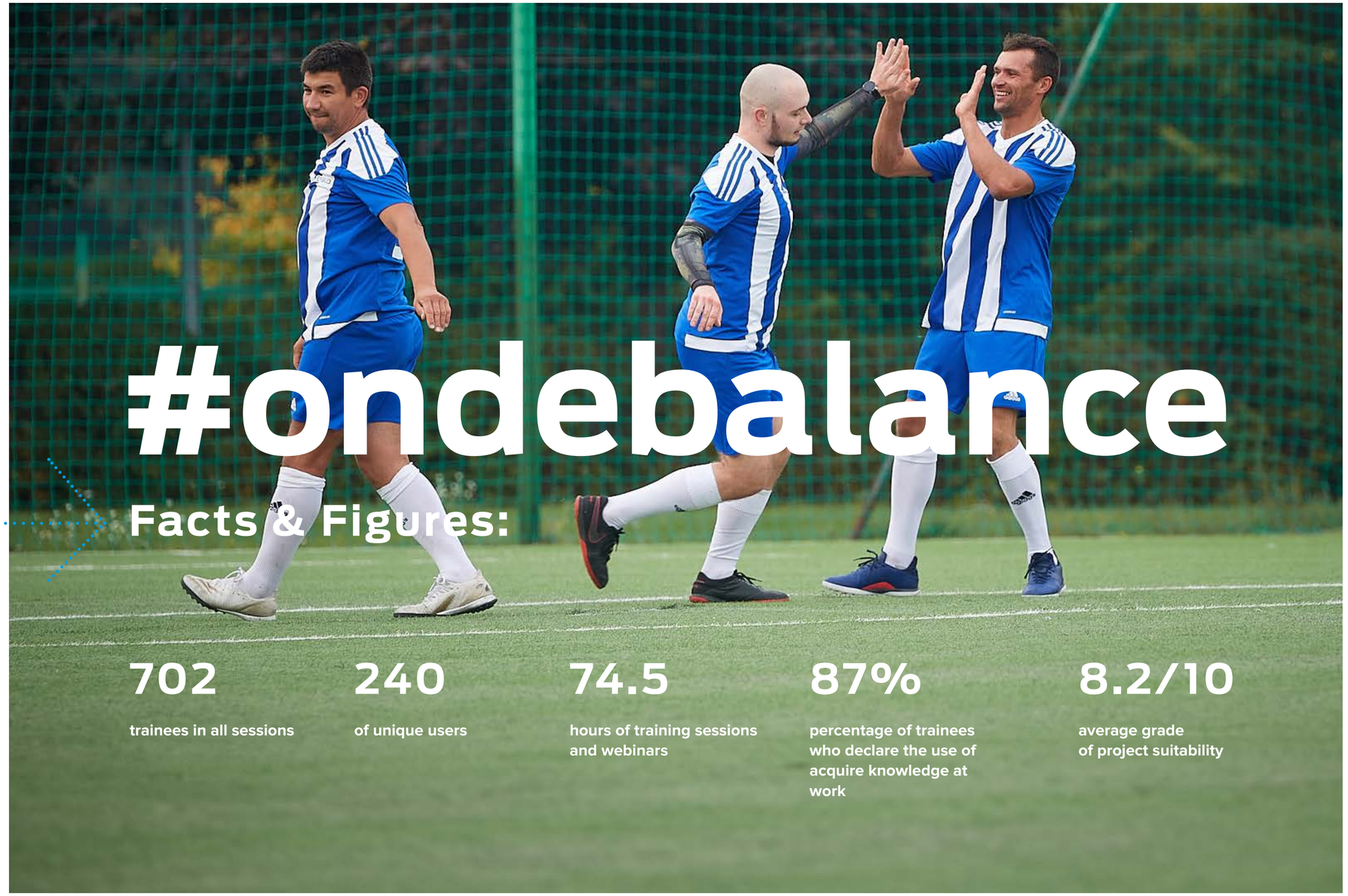
ERWOMAN – Development Programme for Women	30 female participants	November 2023 - November 2024
Lean Green Belt	6 participants	September 2023 - March 2024
Akademia Koordynatora BHP	25 participants	May 2023 - November 2023
Akademia Kierownika Budowy	20 participants	August 2022 - June 2023
"Practitioners for Practitioners" - Workshop for Contract Managers	40 participants	May 2022 - June 2023
The Law on Construction Site cycle	50 participants	January 2023 - May 2023
Train the Trainers	12 participants	March 2023 - April 2023
Mindfulness Based Stress Reduction – certified programme (Onde)	22 participants	2023
#ONDEBalance - an open programme for employees ONDE Group. Work-life balance project.	240 participants	2023
Monday with Technology	50 participants	January 2023 - June 2023
Good Day – Good Example!	50 participants	February 2023 - August 2023
The Law on the Construction Site	30 participants	February 2023 - March 2023



Good practice

In 2024, we want to implement a training platform that will allow all Group personnel to access standardised online training anywhere and anytime. With such a tool, we will also be able to adapt selected training courses to match the needs of our personnel members who do not speak Polish. In 2023, we defined the technical specification, selected the provider and completed the first testing phase.

We organised the largest unit training 2023 at the ONDE Group. In the #ondebalace development programme, 240 people participated in training sessions and webinars related to work-life balance. Topics covered included stress reduction, dealing with pressure, managing emotions as well as regeneration and professional burnout. One of the workshops concerning time management was organised by the ONDE HR team using a board game they had developed, 'Me vs. Time'.".



#ondebalance

Facts & Figures:

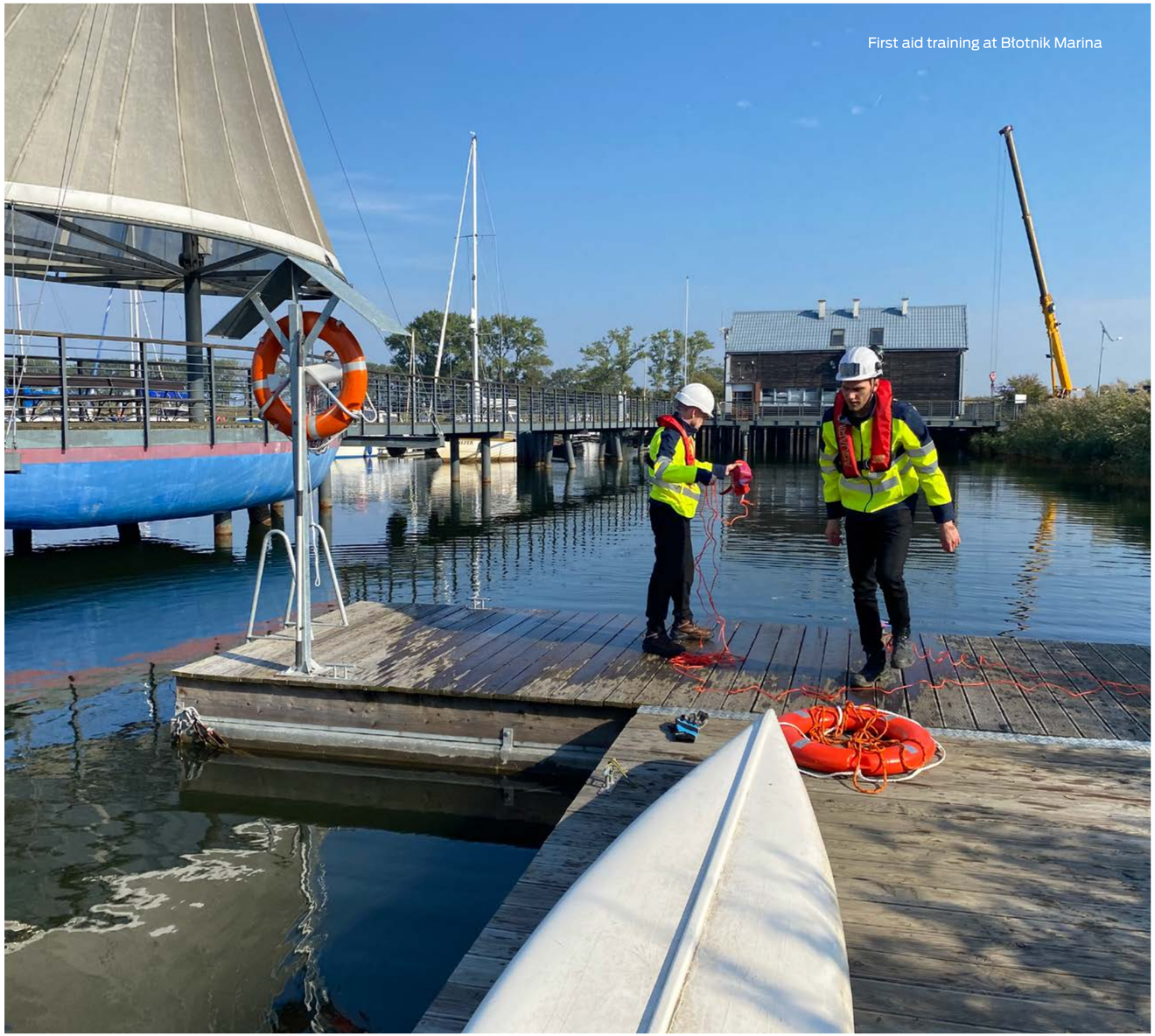
702
trainees in all sessions

240
of unique users

74.5
hours of training sessions and webinars

87%
percentage of trainees who declare the use of acquire knowledge at work

8.2/10
average grade of project suitability



First aid training at Błotnik Marina

[404-1]

Training activities at the ERBUD Group

	All trainees	Woman	Men
ERBUD Group	2653	545	2108
No. of training hours	39 101	12 772	26 329
No. of training hours per capita	15	23	12
ERBUD S.A.	709	200	509
No. of training hours	11 738	4 720	7 018
No. of training hours per capita	17	24	14

The number of training hours includes all employee training, including initial and periodic health and safety training, carried out in the ERBUD Group in 2023.

[404-3]

Work quality assessments and career review at the ERBUD Group

		All	Women	Men	White-collar and commercial workers	Technical staff	Line personnel	Managers
ERBUD Group	**2023**	**25%**	**40%**	**22%**	**51%**	**33%**	**10%**	**38%**
	2022	-*	42%	16%	43%	37%	0%	32%
ERBUD S.A.	**2023**	**17%**	**22%**	**16%**	**33%**	**20%**	**0%**	**25%**
	2022	-*	44%	28%	52%	41%	0%	52%

The percentage of employees undergoing regular quality of work assessments and career development reviews, by gender and employment category, was calculated as the ratio of the number of employees undergoing assessment in 2023 to the number of all employees employed as at 31.12.2023 (by gender and employment category.).

* For 2022 the index concerning all workers was not calculated.



Equality and diversity

[3-3]

Equal treatment and equal opportunities

Qualifications, skills, experience, meeting requirements and achieved performance. These are the only criteria that count at the ERBUD Group. All our decisions are based only and exclusively on them and any manifestation of discrimination - pursuant to the Inequality of Treatment Prevention Procedure - is absolutely unacceptable and will never be tolerated. We treat every person employed by the Group equally and make only subject matter decisions on any matter related to the employment relationship, terms and conditions of employment and cooperation. On the same equal footing, we give access to promotions and training, as we make objective decisions on possible contract termination..

We conduct our business with respect for the rights and dignity of all people and are committed to upholding the provisions of the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We respect all internationally recognised human rights that apply to our business.

We clearly state in our Human and Labour Rights Policy and Code of Ethics that we do not condone any form of discrimination, forced and illegal labour or child labour. We uphold our commitment to provide safe and healthy working conditions and to respect the dignity of every individual. In accordance with the best standards, we ensure freedom of association for workers and the possibility of collective bargaining. We expect all our subcontractors and suppliers to adhere to these principles by not accepting violations of human and labour rights in any form

We set wages & salaries by looking at the educational background, experience and responsibility attached to the position, rather than at employee gender or age.

These issues are governed by all adopted regulations on remuneration schemes.



Construction Workshop for Girls "Young Forewomen" at the Copernicus Science Centre in Warsaw

Composition of supervisory bodies and personnel by by gender and age at the ERBUD Group

[405-1]

		Women		Men		Below 30 years of age		30-50 years of age		Above 50 years of age	
		2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
ERBUD Group	Governing bodies	**16%**	15%	**84%**	85%	**2.13%**	0.0%	**58.51%**	62.5%	**39.36%**	37.5%
	White-collars	**14.2%**	13.8%	**6.6%**	6.5%	**4.9%**	5.7%	**13.0%**	11.8%	**3.0%**	2.8%
	Blue collars	**0.8%**	0.5%	**49.4%**	49.6%	**6.3%**	6.2%	**20.8%**	20.1%	**23.1%**	23.8%
	Technical staff, supervisors	**4.9%**	5.4%	**20.4%**	21.0%	**5.8%**	6.4%	**13.8%**	14.2%	**5.8%**	5.8%
	Management Board, directors, deputy directors	**0.6%**	0.6%	**3%**	2.7%	**0.1%**	0.1%	**2.1%**	2.0%	**1.4%**	1.2%
ERBUD S.A.	Governing bodies	**17%**	13.79%	**83%**	86.21%	**0%**	0.00%	**63.9%**	72.41%	**36.1%**	27.59%
	White collars	**14.4%**	12.67%	**5.8%**	3.76%	**3.7%**	2.92%	**15.2%**	12.40%	**1.3%**	1.11%
	Blue-collars	**0%**	0.56%	**25.8%**	3.48%	**1.0%**	0.00%	**12.4%**	12.40%	**12.4%**	11.85%
	Technical staff, supervisors	**13%**	0.00%	**36%**	25.77%	**11.4%**	1.53%	**30.5%**	31.20%	**7.1%**	11.85%
	Management Board, directors, deputy directors	**0.9%**	15.32%	**4.2%**	38.44%	**0%**	15.46%	**3.2%**	2.92%	**1.8%**	1.11%

The governing bodies referred to hereinabove do not include a total of 3 people who sit on the management boards of more than one company, in order to avoid double counting.

Data concerns the headcount level effective on 31 December 2023.



Construction Workshop for Girls "Young Forewomen" at the Copernicus Science Centre in Warsaw

Ratio of basic pay of women to basic pay of men

[405-2]

	2023		2022	
	ERBUD Group	ERBUD S.A.	ERBUD Group	ERBUD S.A.
White-collars	**0.82**	0.78	0.81	0.78
Blue-collars	**0.72**	0	1.03	0
Technical staff, supervisors	**0.81**	0.80	0.78	0.82
Management Board, directors, deputy directors	**0.81**	1.10	0.67	1.15

Due to the inhomogeneity of occupational groups, the differences in pay that occur are due to differences in duties and responsibilities. IVT, IKR and MOD21 companies are bound by collective agreements, so employees are paid according to their occupational groups.

Women at the ERBUD Group

Recruitment, hiring decisions and performance appraisals are processes that are gender-independent in the Group. The same criteria are applied to women and men. However, working in our industry can involve difficult conditions - noise, working at height, dust and direct exposure to the weather. Juxtaposed with cultural stereotypes, this results in the vast majority of people who apply to us being men. At the Group, we recognise the challenge of targeted recruitment and consciously reducing the gender gap, which equalises women's access to development programmes within the company. We have invited 30 female innovators from each company in Poland and asked them, over the course of five two-day meetings that will be held to take place until autumn 2024, to use their potential to develop ideas to improve cooperation between companies, improve communication and information flow at the operational level.

Among the participants of the ERWoman meetings are engineers, works managers, contract coordinators, lawyers, health and safety specialists or process and digital people. The aim of the meetings is to select projects to be implemented in the organisation and to form working groups that will then work on their implementation.



At the ERBUD Group, we will never accept the absurd idea that construction is a purely male specialisation. ERWoman brilliantly demonstrates how much the women can bring to an organisation and how much it should be appreciated. We want to boost impact of our female workers on the Company's operations and equalise their access to development programmes, which - due to the workforce structure - have to date been attended by men in 85%. Investing in women development is tantamount to investing in a stronger and more sustainable ERBUD Group. ERBUD's women have already demonstrated more than once how powerful and effective they are.

Agnieszka Głowacka
Vice-President
of ERBUD Management Board

We want to inspire construction in the Group from an early age. In 2023, we organised a series of construction workshops for girls for the second time. Together with the Copernicus Science Centre, we prepared a small construction site to promote construction among the youngest. By promoting the construction sector to a group that still has career choices ahead of them, we are simultaneously breaking stereotypes about women's opportunities in the construction market.



Good practice

In 2023, a woman started working as an assembler at ERBUD Industry Centrum. This was the first such case in the company's history. The employment involved necessitated the reconstruction of the changing room, the organisation of a separate toilet, or the adaptation of working clothes. We believed it was our duty to take these measures, and, at the same time, we proved that gender is not an obstacle to working in the Group.

Under the slogan "We have an outstanding team, that's why go-out-of-the-box!" our Wrocław branch organised a meeting for women dedicated to arts and its manifestations in everyday life and construction.

Our Group responds to any suspicion of behaviour inconsistent with our values. Therefore, in 2023, we have updated and improved whistleblowing mechanisms by adding more effective remedies in the event of a human right breaches. Information on this topic is available to all personnel and can be found in the Regulations and Whistleblowing Procedure for reporting violations of laws, procedures and ethical standards at the ERBUD Group. We provide all whistle-blowers with absolute protection and no risk of any retaliation.

[406-1]

In 2023, we received three whistleblowing reports. Two of these concerned alleged bullying by a supervisor and the last concerned, inter alia, inaccuracies concerning remuneration due. All three cases were investigated by a specially appointed committee.

None of the alleged bullying cases were confirmed and the investigations resulted in a decision to organise training sessions to remind employees of what characterises bullying behaviour. In addition, procedures for reporting breaches were communicated in the companies and branches - posters were put up in visible places in social areas.

However, the investigation confirmed the information about the payroll breach. Appropriate measures and corrective actions have been taken in the Group to improve the circulation of personnel and payroll documentation and warnings have been given to those responsible for the breach.

We combine employee equal treatment with the diversity promotion. We believe that our employees' different world views, opinions, preferences or tastes is wealth of the Group, and we want to draw on them for inspiration, a fresh perspective and customised solutions. Each and every one of our personnel members can expect to be treated with fairness, respect and dignity - regardless of gender, age, religion, sexual orientation, nationality, worldview, political convictions, disability or position held.

From the formal perspective, we have regulated these issues in our Diversity Management Policy - where we commit to treating, respecting, valuing and assessing each employee on equal footing. We have adopted separate diversity regulations for the Management and Supervisory Boards. The diversity policy sets forth the objectives and criteria for diversity in these bodies in areas including but not limited to gender, educational background, specialist knowledge, age and work experience. The documents also regulate when and how the achievement of these objectives will be monitored.





Good practice

101 ONDE employees attended the "Diversity management and anti-discrimination policies - what is it all about?" webinar. Third party experts and specialists from our Group presented the webinar participants such issues such as labour law and the Group's diversity management and anti-discrimination procedures

2023 also marks a unique recognition for one of ONDE's HR team, who has been accepted into the nationwide #includeattention programme. This is the only mentoring programme in Poland that prepares people and business to include people with disabilities in their organisations. Its aim is to support companies in consciously shaping a friendly and inclusive working environment for people with disabilities.

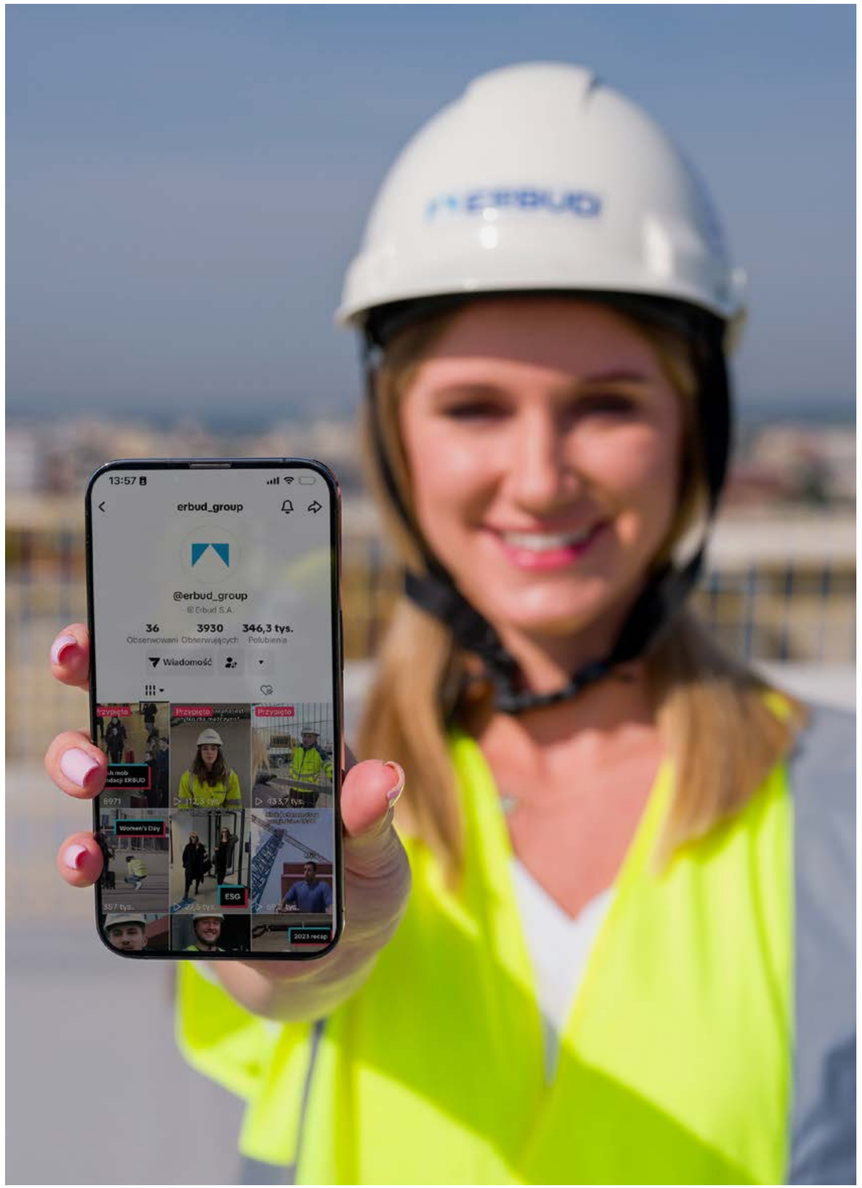
As part of the programme, a company employee will receive, inter alia, mentoring support and an opportunityto participate in a workshop concerning working with people with disabilities.



Participants in the pre-Christmas ERBUDIADA quiz show

82%

In 2023 at the ERBUD Group the acceptance of diversity has gone up by 9% compared to the previous survey, and 82% of employees responded positively when asked whether the Group "has an atmosphere of openness and acceptance of differences (e.g. related to age, gender, ideas, opinions) between people".



Diversity issues were in focus of the 2023 Employee Attitude Survey. The questionnaires - in line with our approach to equality and diversity - were drafted in Polish, German, Ukrainian and English, so that each employee could understand freely the questions and provide the answers..

The Group's enhanced acceptance of diversity may have been influenced by the developments in Ukraine and the enhanced presence of Ukrainian workers in the Group.

As an organisation, since the war outbreak, we have supported our own and subcontracted personnel and their family members in adapting to new living conditions. In 2023, we continued to fund 242 hours of Polish language tuition for family members of our employees.



Good practice

Diversity is not concerned with views, preferences or political beliefs, but also with the workforce age status. We have been in the market for more than 30 years now and many people - which makes us very happy - have been associated with ERBUD for decades. Experience and long length of service are often combined with advanced age, and at the same time - we employ younger staff all the time. Consequently, there are now four generations working in the Group, often on the same site or in the same project team. Each group is characterised by different expectations, ways of communicating and work attitude. This is why we have prepared a special training workshop for managers on how to manage an age-diverse team.

Additionally when introducing changes and preparing communication for employees, we use classic and digital channels, taking into account the perspective of employees of different ages.

We remember about the seniors in our Group, but we do not forget about the juniors either. In 2023, we arranged a workshop for the employees with the lowest age and shortest length of service in a selected branch in the building construction market segment. We wanted to learn about the needs and expectations of this worker category, and we will take advantage of the conclusions drawn from the meeting for the purposes of planning employee initiatives in 2024.

We rely on modern communication and channels to reach the youngest generation, but also beyond. The latest figures show that not only are there more users of the platform, but also their age diversity is greater. We want to show that ERBUD is an attractive employer, both in terms of the atmosphere at the workplace and the attractive construction projects we perform.i



We rely on modern communication and channels to reach the youngest generation, but also beyond. The latest figures show that not only are there more users of the platform, but also their age diversity is greater. We want to show that ERBUD is an attractive employer, both in terms of the atmosphere at the workplace and the attractive construction projects we perform

Piotr Chyła
Communication
and PR Co-ordinator

Social commitment

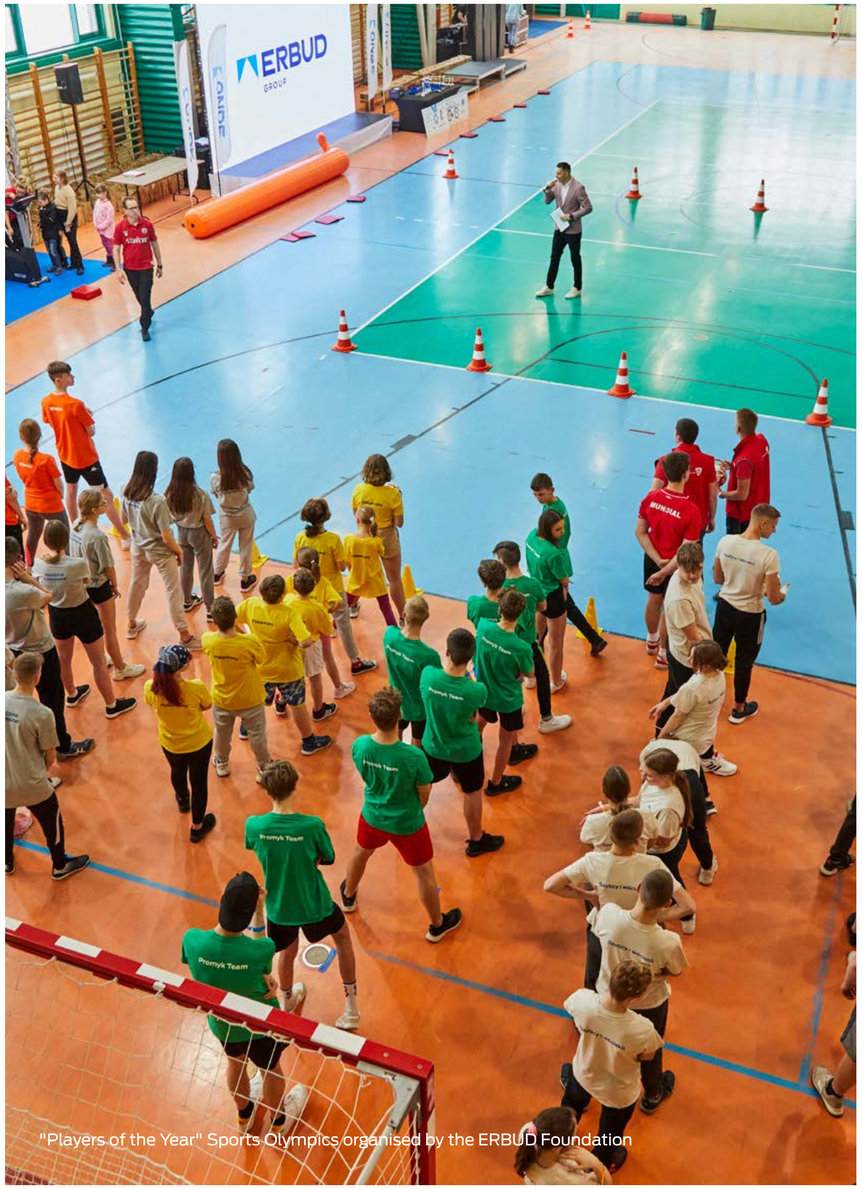
In our 2022 Report, in the CSR section on we wrote: "It is a great privilege and honour to be able to share our economic success and to support - as the ERBUD Group - events, organisations and activities that play particularly a pivotal role in the local communities where we operate". Today - one year later - we can still subscribe with emphasis to that statement following up small and large charitable activities and social actions throughout the overall 2023

We believe that Corporate Social Responsibility (CSR) is the best demonstrated not by words, but by hard facts. Therefore below we present a list of selected activities undertaken by the Group member companies in 2023:

- for students, PhD degree students and innovators equipped with knowledge of renewable energy and searching for options to implement their projects, we have prepared the Science Onde Flow Innovation Academy - hand-picked individuals receive support from our ONDE experts along with funds to implement their ideas. The pool of funds earmarked for scholarships is PLN 200,000.
- we support passions and build our image in the younger generation through our presence in e-sports. In 2023, the Bielsko-Biała University of Technology and Humanities defended the championship title in ERBUD University Esports EDU in Counter-Strike: Global Offensive! In the League of Legends competition, on the other hand, Kraków-based University of Science and Technology (AGH) proved to be the best. The final matches took place as part of the European Games Esports Championship in Katowice.
- ERBUD International has signed an educational memorandum of understanding on cooperation with the Faculty of Civil Engineering of the Kraków University of Technology. The project is carried out as part of the university's cooperation with business partners, with to aim to promote free sharing knowledge and transfer of experience in the area of activities carried out by the parties related to the construction sector in the broadest sense, particularly cooperation in the field of education and joint R&D projects.



Happening at the Central Railway Station organised by the ERBUD Foundation

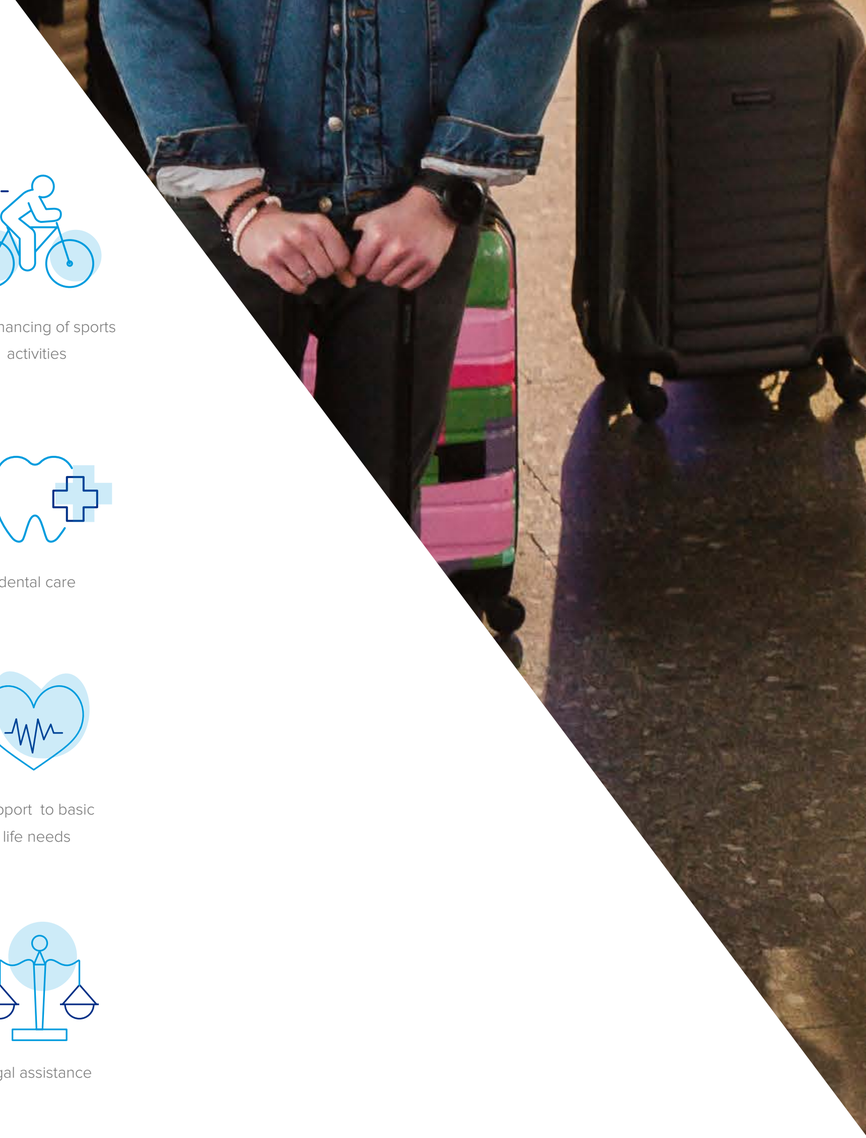


"Players of the Year" Sports Olympics organised by the ERBUD Foundation

The ERBUD's "Eryk Grzeszczak" Common Challenges Foundation has played a unique role in our social activities for many years now. The Foundation helps young people in difficult life circumstances who, on the threshold of adulthood, face a number of problems related to becoming independent. The Foundation's care is extended primarily to the foster children from orphanages. Assistance is provided through the Foundation's proprietary schemes

Youth support areas taken by the ERBUD's "Eryk Grzeszczak" Common Challenges Foundation:

- psychotherapy and psychological support
- medical care
- educational support
- Individual support
- part financing of sports activities
- dental care
- support to basic life needs
- legal assistance
- driving license
- "Adulthood Entry" Package





Facts & Figures about Foundation:

555 tys. zł
worth of donations

15
partner facilities

300
foster children under care

800
hours in psychotherapeutic sessions per year

13 064
km covered during "Tour de ERBUD" charity bike rally

1000
hours spent on tutoring

110
participants of "Players of the Year" Contest

47
participants of "MATHworks" Competition

Highlights of Erbud Foundation projects:

- **"Players of the Year" Sports Olympics**
  Sports strengthen and integrate. That is why the Foundation developed fun and rivalry recipe to make foster children interested and motivated. The Olympics was attended by foster children from orphanages in Chełmno, Elbląg, Kalisz, Morąg, Pasłęk and Zielonka.

- **Recipe for success**
  The proprietary "Recipe for Success" programme is run in two directions. It involves both the educators and the foster children at orphanages. The foster children participating in the programme acquire the skills they need for independent living, while their tutors learn how to support effectively and motivate young people to be independent. In this manner, the Foundation helps not only those currently being cared for, but also other foster children from orphanages growing up to be independent

- **Tutoring**
  Education project continuing from October 2021. Mentees have an opportunity to participate in tutoring classes in Polish, English and mathematics. On average, we fund as many as 1,000 hours of tutoring per year. Thanks to regular assistance, they continue their education by choosing higher education after passing their secondary school leaving exams.

- **Dreams**
  Projekt ściśle powiązany z „Korkami". Dedykowany podopiecznym w wieku od 11 do 20 roku życia, których zadaniem jest w sposób praktyczny A project closely linked to 'Tutoring' programme. Dedicated to foster children aged between 11 and 20, whose task is to demonstrate the application of English and mathematics in a practical manner. The major award, year after year, are trips abroad to London and Bulgaria respectively.

- **Hotbed for Talents**
  The Foundation carried out special educational training, conducted in the form of workshops. The main objectives were to discover and strengthen talents and to work on self-control. The workshops, using Gallup tests, were based on the Buckingham approach.



Good practice

In 2023, the ERBUD Common Challenges Foundation ran its first social campaign. During a street poll, passers-by were asked on what they would spend the sum of PLN 4 000, if they received it as a gift. The majority answered that they would spend the money on so-called whims - clothes, airline tickets or electronic equipment. However, there was a completely different reaction when informed that this is exactly the sum of money a young person leaving an orphanage is given in order to arrange their entire adult life.

Following the survey, the Foundation has set up a fictitious online shop that puts together listed products with a value close to a one-off allowance for a person getting starting an independent life. The aim was to provoke the visitors to think about whether to buy one of the 'whims' or to support, at least in part, a young person entering adulthood, for whom it is a huge challenge to get a job and find an apartment. Between the products, there are links to the ERBUD Foundation website with an option to support young people.



Our Foundation takes under its wing foster children leaving orphanages, i.e. a group that is sometimes overlooked in charitable activities . We help them to see to official matters, pay for tutoring or a driving licence, which is often the ticket to getting a first job. We run psychological and mentoring programmes regularly. I remember my first meetings with the mentees, which showed how much these young people lacked self-confidence, recognition that they were important.

Lucyna Grzeszczak
Chairperson of
the ERBUD Foundation



Finał zawodów sportowych Gracze Roku w Lubawie k. Ostródy


CORPORATE
GOVERNANCE

Corporate Governance

We are part of the changes. We have carefully been watching and implementing measures to cater for the sustainability expectations of regulators, market and stakeholders. We are getting ready for new reporting standards, reinforcing the role of stakeholders in reviewing negative impacts, risks and opportunities, and continually working on ESG-compliant management of our value chain. In 2023, we also launched efforts on our decarbonisation strategy and comprehensive due diligence procedures.

The need for sustainable development is embedded in the day-to-day operations of our companies, and the "We build responsibly" ESG Strategy announced in 2022 is closely integrated with the Group's development strategy. Year by year we allocate more and more financial resources to appropriate ESG management in the Group and the entire process, along reporting issue, which is coordinated by a team of experts.

[2-9] [2-10]

Supervisory Board and General Meeting

GThe ERBUD Group is governed by the bodies of our parent company, ERBUD. In accordance with the company's Articles of Association, these are the Management Board, the Supervisory Board and the General Meeting of Shareholders.

The process of appointing the Management Board members takes into account independence criteria and competence in the Company's core industries, finance, ESG financial reporting and risk management. ERBUD aims at ensuring gender diversity on the Management Board of at least 30% - currently the ratio is 33.3%.



During the appointment of ERBUD Supervisory Board, the issue of independence is taken into account and at least two members of the Board must meet the criteria for independence laid down in 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 are appointed by the General Meeting of Shareholders for a joint 3-year term of office. There were seven (7) members of the Supervisory Board in 2023 (1 female and 6 males). Four (4) members of the Supervisory Board have independent status and three (3) members sit on the Supervisory Board as a representation of the Company's stakeholders.

The Supervisory Board supports:

- The Audit Committee, whose responsibilities comprise, inter alia, overseeing the ERBUD Group's financial reporting and auditing activities, monitoring internal control systems and monitoring the effectiveness of risk management systems.
- The Remuneration Committee, which deals, inter alia, with the remuneration of ERBUD Management Board members.

W 2023 roku skład Rady Nadzorczej nie zmienił się.

Key competencies of General Meeting of Shareholders and Supervisory Board

General Meeting of Shareholders	Supervisory Board
appointment of Supervisory Board,	appointment and dismissal of the Management Board,
approval of the financial statements and reports on the activities of the Management Board,	to approve the Company's strategic plans,
adoption of resolutions on the profit distribution / loss coverage,	to grant an approval for the employment of an employee with an annual salary in excess of €150,000,
granting vote of confidence to the members of the company's governing bodies,	to approve the investment plans,
determination of remuneration principles for the Supervisory Board members.	to give consent to ERBUD to issue guarantees, property sureties, to issue bills of exchange and incur other off-balance sheet liabilities with a value exceeding EUR 2 million on one-off basis.

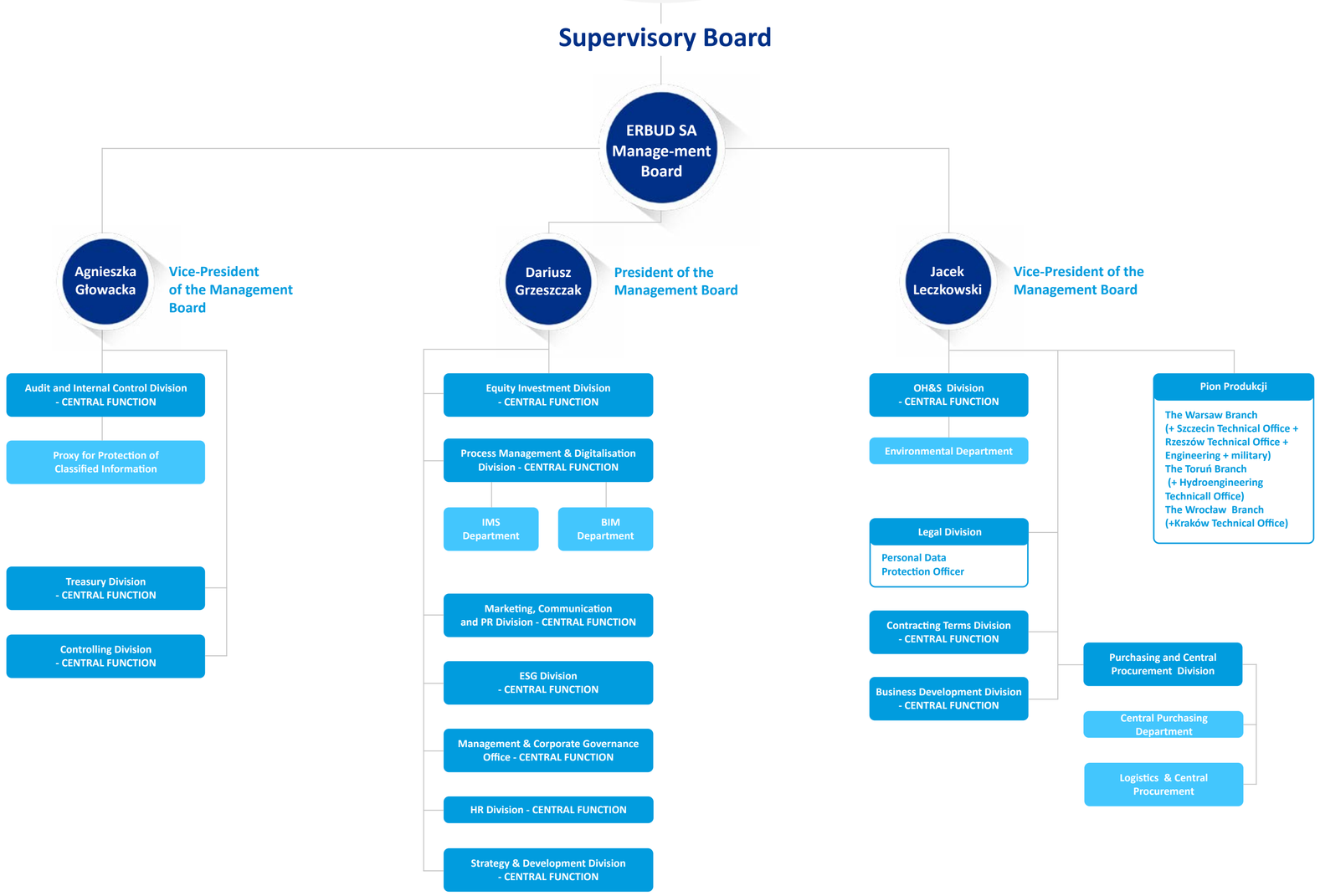
ERBUD Supervisory Board:

	Dependent /independent member	Other functions performed	Stakeholder representative	Experience
Roland Bosch, PhD – Supervisory Board Chairman	Dependent member	▪ A member of Management Board of Wolff&Müller, ▪ President of the Management Board of Danzer AG, ▪ Supervisory Board Member of Vossloh AG	Tak	He holds a double degree in physics and business management. Has more than 20 years' experience in finance, strategy and production
Gabriel Główka – Supervisory Board Deputy Chairman	Dependent member	Academic functions - Dean of the Business Administration College of the Warsaw School of Economics and Director of the Institute of Corporate Finance and Investment	Nie	Carrying out research on ESG.
Dr Albert Dürr – Supervisory Board Member	Dependent member, actual beneficiary	▪ A member of the Management Boards of member companies of the Wolff & Müller Group – an ERBUD S.A. shareholder, ▪ A member of Advisory Council of VHV Allgemeine Versicherung AG.	Tak	He has experience related to the "Affordable Housing and Innovative Construction" strategic dialogue in the state of Baden-Württemberg. As a Management Board member is involved in the sustainability efforts of the Wolff & Müller Group.
Michał Otto – Supervisory Board Member	Independent member	▪ A member of ONDE S.A. Supervisory Board and Audit Committee. ▪ A member of Supervisory Board and Audit Committee of Esaliens TFI S.A. ▪ President of Management Board of FinCo Group Sp. z o.o. ▪ President of Management Board of Warszawski Fundusz Hipoteczny Sp. z o.o. (Warsaw Mortgage Fund)	Nie	Expert in corporate governance and sustainability risks. During Supervisory Board and Audit Committee meetings of the companies on whose governing bodies he sits, ESG issues are discussed broadly.
Beata Jarosz - Supervisory Board Member	Independent member	President of the Management Board of iCode Trust Sp. z o.o.	Nie	An originator of the Woman Update campaign to encourage women to apply continuous development and new skill acquisition. She led the development and promotion of the new shape of the good practice principles for Warsaw Stock Exchange-listed companies.
Janusz Reiter – Supervisory Board Member	Independent member	Supervisory Board Member STU ERGO Hestia SA	Nie	A membership in climate and sustainability organisations, e.g. Chapter Zero Poland, Expert Council on Energy Security and Climate, as well as experience from serving as Special Envoy on Climate Change from 2008 to 2010.
Michał Wosik - Supervisory Board Member	Independent member	Managing Director and proxy of a medical and information technology company	Tak	As a business manager, he oversees, among other things, the implementation of public finance projects requiring the application of the 6Rs principles and green procurement procedures. He also coordinates cooperation with foundations and other public benefit organisations.

Biographical notes of the Supervisory Board members are available on ERBUD corporate website.

Management Board

ERBUD's Management Board is appointed for a 3-year term of office. It may comprise from three to five members. The Management Board is responsible collectively for the Company's operations and its members control personally the various Group business areas. The Management Board runs its activities in accordance with the Company's Statutes and the By-Laws of Management Board it has adopted. In 2023, the ERBUD S.A. Management Board had three members - one woman and two men.



	Other functions performed	Experience
Dariusz Grzeszczak – A founder and President of Management Board	▪ Control over DGI Fizan, ▪ ERBUD SA shareholder	Supervision over ESG Division activities In the ERBUD Group.
Agnieszka Głowacka, Vice-President of the Management Board	▪ Supervisory Board & Audit Committee ONDE S.A.	Participation in the management of relations with surroundings (financial partners) and development of employee relationships in the ERBUD Group. Vice-President of the Management Board of the ERBUD's Eryk Grzeszczak Common Challenges Foundation, which supports children and young people in the process of becoming independent, including the areas of education, health and human rights.
Jacek Leczkowski, Vice-President of the Management Board	▪ Supervisory Board ONDE S.A. ▪ ONDE S.A. Akcjonariusz	Oversight over ESG issues in ONDE, MOD21 companies and supervision over Health, Safety and Environment (HSE) Division in the ERBUD Group.

[2-11]

The President of the highest governing body, Dariusz Grzeszczak is also a representative of the top management. As the founder of ERBUD since 1990 he has sat on the Company's Management Board and has been responsible for the development of the ERBUD Group's development strategy, including segmental and geographical diversification. The President of the Management Board is responsible for the following areas:

- Development of the ERBUD Group strategy
- Development and supervision over the HR Division operations
- Oversight over the Marketing, Communications and PR Division operations
- Oversight over the ESG Division operations
- Nadzór nad funkcjonowaniem Biura Zarządu i Nadzoru Właścicielskiego
- Nadzór nad funkcjonowaniem Pionu Inwestycji Kapitałowych
- Nadzór nad funkcjonowaniem Pionu Zarządzania Procesami i Digitalizacji
- Nadzór nad spółką ERBUD Industry Centrum sp. z o. o.
- Nadzór nad zagraniczną działalnością serwisową: IVT Weiner + Reimann GmbH oraz IKR GmbH
-





Agnieszka Głowacka, Vice-President as a speaker at the "Go to the future" ESG & Sustainability FORUM at the Norblin factory in Warsaw

[2-17]

All Management Board members and top management, as well as all interested Group employees, have access to the ESG training sessions. Sustainability competence is enhanced in the Group through inter alia:

- updating the Management Board knowledge on legal requirements and standards,
- on-going analysis of good market practice and trends,
- case studies on innovative ESG solutions,
- recommendations for on-going activities and implementations,
- analysis of ESG risks and opportunities.

All Management Board members of our Group participated in the 2023 dual materiality survey, which identified the key ESG areas and topics for our Group.

The Group's ESG team is responsible, inter alia, for enhancing the ESG competence of the members of the top management bodies on an on-going basis by:

- analyses of good market practices, including case studies of innovative ESG solutions,
- trend analyses
- recommendations of current activities and implementations,
- analysis of ESG risks and opportunities.

ESG topics are present at the regular Management Meeting attended by ERBUD Group executives held twice a year. Sustainability issues are also permanently on the agenda of the Supervisory Board meetings.



Good practice

Agnieszka Głowacka, Vice-President of our Group took part in two panel discussions in 2023 as part of events dedicated to ESG topics.

During the Second ESG & Sustainability Forum organised by the Polish ESG Association, she participated on the panel "How are we going to live in 10 years?", which discussed the challenges that will be faced by the developers, designers and cities in responding to the sustainability requirement. The event is dedicated each year to ESG-influenced trends, news and themes of economic and industry transformation.

At the ESG Forum conference, organised by the Puls Biznesu daily, Agnieszka Głowacka took part in the panel discussion "CSRD in practice. Preparing for reporting in accordance with CSRD. Attestation of sustainability information'. The discussion, which also included representatives of Żabka Polska, VeloBank S.A. and mBank, addressed the issues of companies' readiness for sustainability reporting sustainability reporting under the new Directive, the challenges faced by reporting parties and the benefits of the new reporting obligations.

[2-12] [2-14]

We systemically manage the sustainability issues of the ERBUD Group, and all aspects of sustainability - including impact management - are overseen by the Board of Directors. Dariusz Grzeszczak, President of the Management Board, has general oversight over ESG issues in the Group. Agnieszka Głowacka, Vice-President is responsible for financial matters and Jacek Leczkowski, Vice-President is responsible for health, safety and environment (HSE) as well as compliance and corporate governance. The Management Board focuses on the implementation of the overarching ESG objectives. The implementation of individual objectives with a greater degree of detail is delegated to those responsible for specific areas, while maintaining mechanisms that enable the Board to monitor the achievement of these objectives. It is also the responsibility of the Board of Directors to decide on the scope of disclosures in the ERBUD Group's non-financial reports. In turn, the leaders of the environmental, social and corporate governance areas are responsible for the reported data.

In 2023, an ESG Division was spinned off from the structure of our organisation, whose tasks include:

- management of significant topics,
- implementing processes and controls to oversee material topics,
- on-going evaluation of impacts, risks and opportunities,
- controlling ESG data,
- oversight over implementation of ESG strategy,
- dialogue with stakeholders,
- preparing the organisation for legislative changes and reporting requirements,
- close cooperation with the financial services and the area responsible for financial reporting, the strategy and development department and cooperation with the various divisions responsible for E, S and G. i rozwoju oraz współpraca z poszczególnymi pionami odpowiedzialnymi za E, S i G.

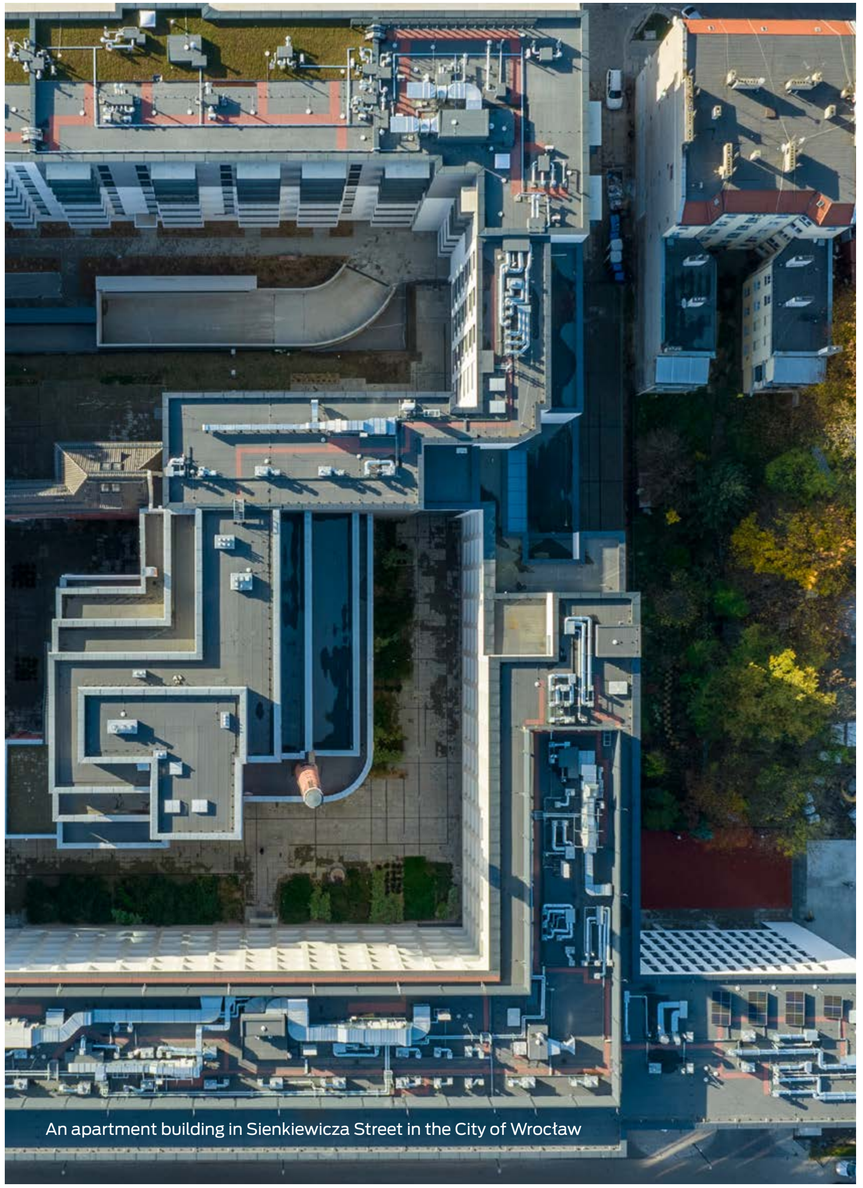
The ESG division reports directly to the President of the Management Board.

In 2023 the Group also had an ESG Committee, which was formally established by virtue of resolution on the onset of 2024. Its role and responsibilities were regulated by the agreements among all subsidiaries. The Committee reports directly to the Management Board and the Supervisory Board and is the main decision-making body on sustainability issues and is primarily responsible for implementing the sustainability strategy and monitoring progress.

The Committee comprises representatives from E, S and G areas, and a function responsible for the value chain issue has been established on the onset of 2024.

The Committee has regular meetings once a week and it is the major source of expertise and skills on sustainability issues. All its members develop their knowledge at training courses and industry meetings, and as a Group we also benefit from the support of third party experts..

The organisation's risk management system in place is progressively integrating further ESG aspects, primarily those related to human rights and environmental impacts and those arising from the value chain. We are also boosting efficiency of these processes. We carry out regular risk assessments, taking into account changes in the environment, regulations and our organisation structure. The management of ESG risks is embedded in the development of the strategic management process and the sustainability objectives are in line with our Group's main goals and strategy.



An apartment building in Sienkiewicza Street in the City of Wrocław

All ESG activities are reported regularly at the bi-annual management meetings and are on the agenda of the management meetings on an on-going basis as required. The Supervisory Board is also informed about the impacts, risks and opportunities, the implementation of due diligence procedure and the results and effectiveness of the policies, measures, metrics and targets adopted for material topics.

[2-18]

Our ESG plans for 2024 include the preparation of a comprehensive decarbonisation strategy with defined reduction plans for individual companies. We also want to integrate a sustainability-related incentive system into the remuneration policy (we write more about the remuneration policy in the ERBUD Group in the People and Society chapter). Also, the assessment in terms of sustainable development, and in particular the implementation of the climate policy, is to apply to the members of the Management and Supervisory Boards in 2024.

We view all stages of the due diligence process as cyclical and are aware that as an organisation we are still learning. We want to refine our approach, adjusting our objectives and activities in relation to new challenges and opportunities.

Due diligence process phases implemented:

Identification of impact areas:

- analysis of activities and processes in the organisation
- identification of areas with impact on the environment, people and management issues
- identification of key sustainability drivers
- the ways developed to mitigate or minimise negative impacts of activities and corrective actions in case of negative impacts

Consultation with internal and external stakeholders - opportunity to understand expectations and incorporate stakeholder perspectives.

Analysing the risks and opportunities associated with our activities and mapping them with the time embedded sustainability goals.

Identification of areas, where policies and actions are required to support the attainment of objectives.

Monitoring of the attainment of the sustainability objectives (and starting work to implement monitoring systems for missing areas) - we collect data and information to assess the effectiveness of our actions on an on-going basis.

Regular sustainability reporting and communicating performance targets and progress to stakeholders.

Our objective is to continuously improve and optimising the efficiency of our operations. On the grounds of the experience gained, we implement modifications to the strategy.



A key driver of successful co-ordination of ESG activities in our organisation is effective risk management and internal control in relation to the sustainable development reporting process. In our assessment, we consider the completeness and integrity of data, the accuracy of estimates, the timing of data provision. We are also implementing mechanisms that will allow us to increase the efficiency of data capture from the value chain, and across the Group we have started to develop an internal system to enable on-going data collection and monitoring of sustainable development progress.

[2-16]

The Management Board is informed of critical problems in the ERBUD Group - exceptional, unplanned events burdened with a high risk that may affect, inter alia, the economic and image situation - by the Compliance Officer on an on-going basis. The Supervisory Board, including the Audit Committee, is notified of critical issues at its quarterly meetings. Matters of particular importance are discussed and analysed by the full Management Board and submitted to the Audit Committee and the Supervisory Board.

[2-13]

Delegation of impact management responsibilities in the ERBUD Group:

STAKEHOLDERS RELATIONS	
Stakeholders	Units responsible in the ERBUD Group
Employees, future employees, interns, students	▪ HR Department ▪ Internal & External Communication Team reporting to Marketing & PR Division
Management and supervisory governing bodies, shareholders	▪ Corporate Governance Director
Investors and the stock market environment	▪ Marketing & PR Director responsible for IR and Management Board
Local communities	▪ Site Managers Department ▪ OH&S Division and Environmental ▪ Communication Department
Suppliers	▪ Site Managers ▪ trade departments ▪ Purchasing and Central Procurement Division
ERBUD Foundation	▪ Foundation managers
Opinion leaders, journalists	▪ Communication Department
Banks, funds, investors	▪ Management ▪ Board Financial Services
IMPACT AREAS	
Environment	▪ Director of OH&S Division ▪ Environmental Department Manager
Social issues	▪ Deputy Director of OH&S Division
Compliance	▪ Director of Legal Division ▪ Legal Counsellor
Corporate Governance	▪ Corporate Governance Director

[2-23]

ESG policies and procedure implemented in the ERBUD Group:



Code of Ethics

The Code is a guiding light for actions in relations with associates, customers, suppliers, competitors, the social community and natural environment. Everyone is required to comply with the Code principles, regardless of their position or responsibilities. The Code addresses the following issues:

- respect for employees' rights,
- diversity and non-discrimination
- health and safety at work,
- zero tolerance of corruption,
- prevention of money laundering and terrorist financing,
- international sanctions,
- human rights,
- relations with clients, contractors, suppliers,
- conflicts of interest
- fair competition,
- personal data protection,
- environment,
- reporting,
- confidentiality.



Human and Employee Rights' Policy

- a discrimination ban,
- prohibition of the employment of children and minors,
- freedom of association,
- prohibition of forced labour,
- respect for workers' rights:,
- employment contracts,
- leaves and redundancies,
- compliance with standards on working hours and fringe benefits,
- protection against harassment, bullying and harassment,
- compliance with health and safety rules



Whistleblowing Rules and Procedure

The document provides a mechanism for internal control in cases where breaches of laws, procedures or ethical standards are identified and describes whistleblowing procedure and handling notified cases.



Climate Policy

The Policy defines the Group's goals and actions for reducing greenhouse gas emissions, improving energy efficiency, reducing the carbon footprint in the value chain, and reducing physical climate risks..



Information Security Policy

The policy contains general requirements, principles, procedures and instructions for the protection of information processed within the ERBUD Group. Our main goals to this extent are as follows:

- ensuring the security of information assets,
- streamlining the Group's operations by structuring information processing rules and managing information assets in an organised manner,
- minimising the risks and mitigating the effects of information security loss,
- enhancing employees' awareness about information security,



Suppliers' Code of Conduct

Defines ERBUD's expectations vis-à-vis suppliers, including but not limited to:

- environmental impact management,
- minimisation of greenhouse gas emissions,
- responsible waste management,
- responsible sourcing and use of raw materials,
- respecting health and safety rules
- ensuring decent and non-discriminatory working environment,
- respect for human rights,
- prevention of corruption and conflict of interest,
- fiscal integrity,
- implementation of ethical standards.



Anti-Corruption Policy

The Policy defines broadly corruption and unequivocally prohibits any corrupt activity - both indirect and direct in the public and private sectors.

[2-24]

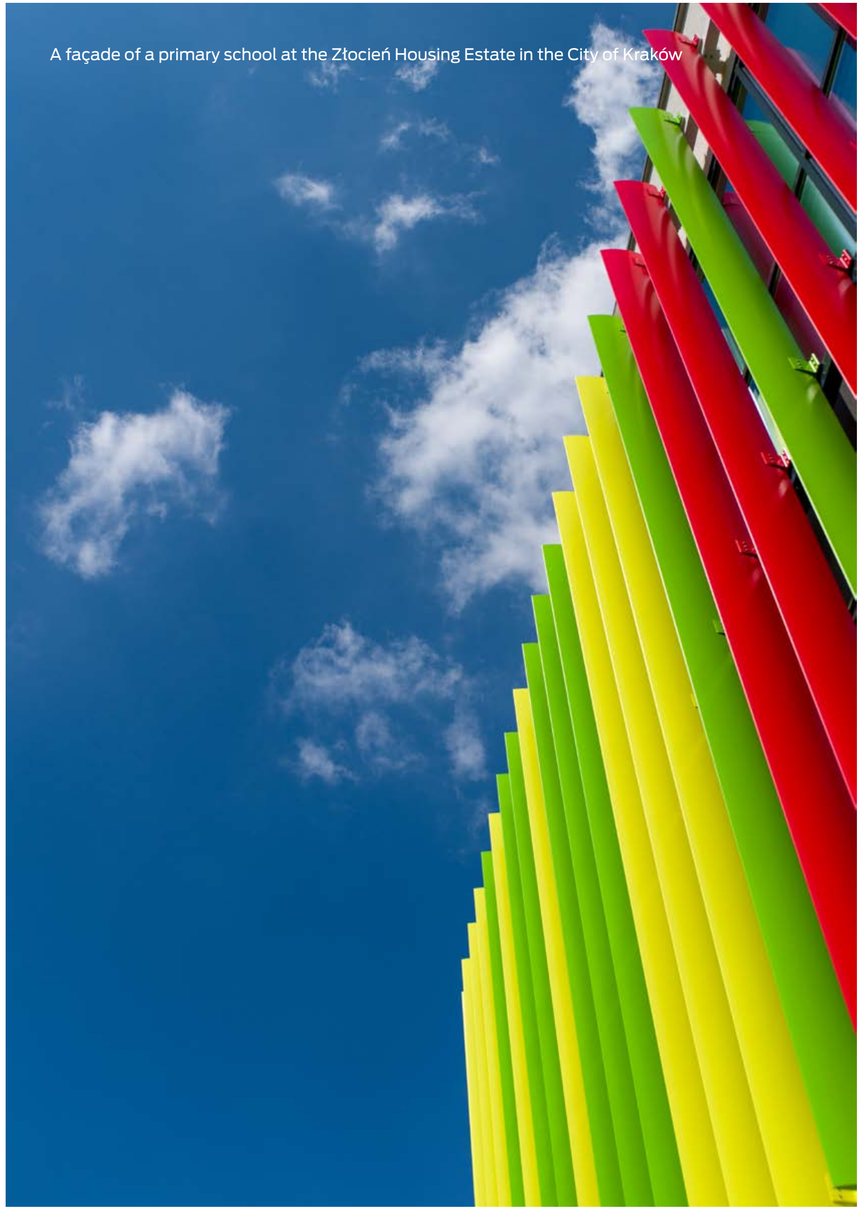
The commitments set forth in the sustainability policies are embedded in the strategic and operational decision-making processes. We take an integrated approach and day-to-day operations and business processes incorporate our commitments. The implementation of the sustainability goals is supported by the Management Board, which is kept posted about the progress in implementing the commitments.

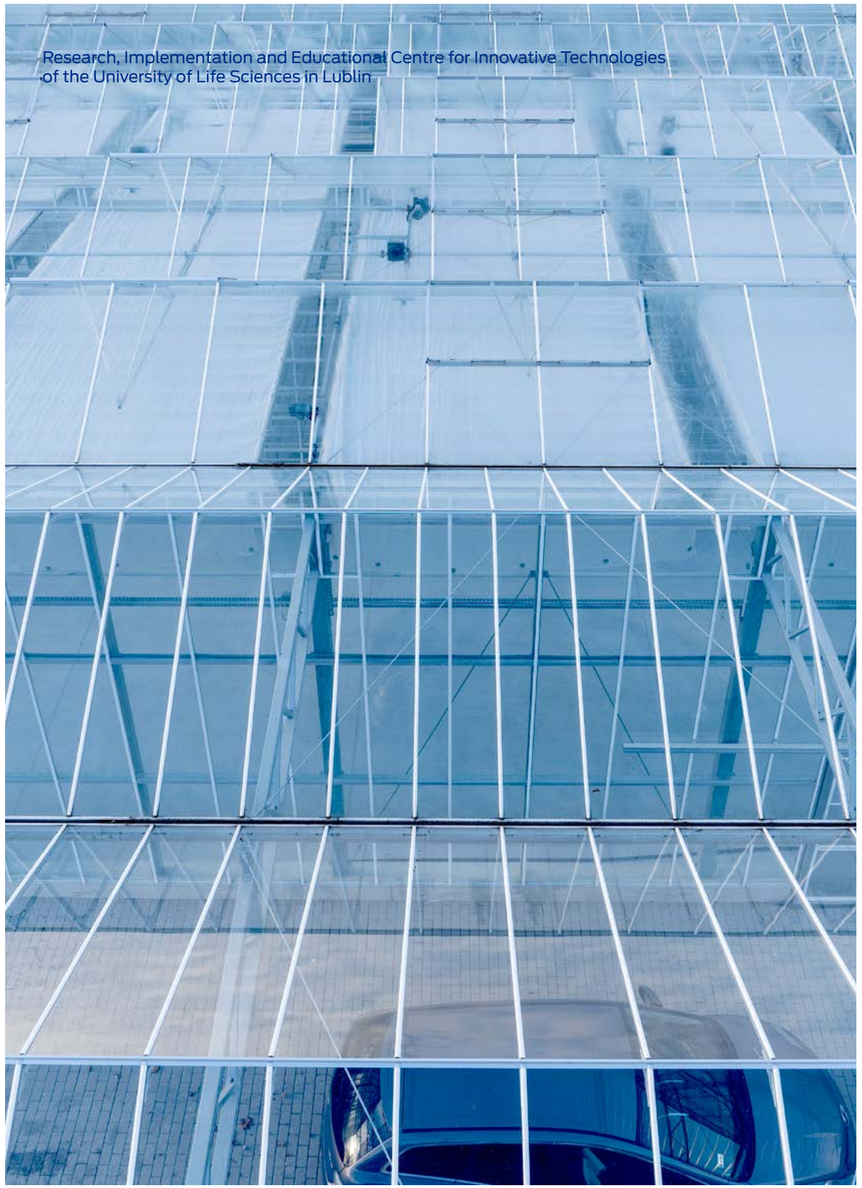
In 2023, we started anti-corruption training sessions for Group personnel, and in 2024 we plan to implement an e-learning platform through which training on ethics and corporate culture, diversity or anti-fraud will be delivered.

All policies are included in the onboarding process for new hirees, and through internal communication channels (e.g. newsletters, posters, intranet) we remind about them to everybody working in the Group. External stakeholders can consult the documents on our website.

Our operations comply with international standards:

- The United Nations Universal Declaration of Human Rights
- United Nations Global Compact Principles
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- United Nations Convention against Corruption
- International Labour Organisation Declaration on Fundamental Principles and Rights at the workplace
- International Labour Organisation, United Nations United Nations Convention against Corruption


A façade of a primary school at the Złocień Housing Estate in the City of Kraków


Research, Implementation and Educational Centre for Innovative Technologies of the University of Life Sciences in Lublin

Governance fundamentals

In the Group, we develop compliance structures and build a comprehensive compliance system that meets today's challenges. New compliance teams led by Compliance Officer working in newly established position, have started working on procedures and solutions in the legal, management and audit, risk management and controlling areas. The common goal of this work is to prevent legal risks in the Group.

[2-27]

Our operations in compliance with the applicable regulations are confirmed by the fact that in 2023 we did not record a single case of non-compliance with the law and no fine was imposed on our Group.

The individual member companies in our Group have Integrated Management Systems (IMS) in place, detailed descriptions of which can be found in the safety and environment sections of this Report. In 2023, efforts were taken in the Group - also by compliance structures - to harmonise existing policies and internal procedures across the organisation.

The Integrated Management System at our parent company is based on three systems that comply with renowned standards. A management system quality compliant with ISO 9001:2015 and AQAP 2110:2016, an environmental management system certified for compliance with ISO 14001:2015 standard and EMAS, and an occupational health and safety system certified for compliance with ISO 45001:2018.

Selected scope of responsibilities of Compliance Officer at the ERBUD Group:

- **to develop strategy and an operational plan for the law compliance activities,**
- **to initiate, prepare and implement the organisation's procedures and internal standards on ethics and operational procedures,**
- **monitoring, internal audit and control of the activities carried out to check compliance with law and in-house procedures,**
- **to secure confidential information management and personal data protection standards,**
- **advisory services on applicable legislation, rules and codes of conduct, market standards and good practice,**
- **to prevent conflicts of interest, monitoring of contracts with contractors and their compliance,**
- **to arrange whistleblowing channels aimed at more effective detection of activities that go beyond accepted and applicable standards and operational principles,**
- **to identify and assess risks arising from legal requirements,**
- **personnel education, introduction of standards and raising of compliance awareness among members and personnel of the organisation.**

Ethics and anti-corruption measures

[3-3]

Corporate culture and anti-corruption measures

We build, work and behave ethically. All of our Group's activities are based on a solid foundations of ethics, which we have formalised in an organisation-wide Code. The ERBUD Group's Code of Ethics is divided into three main sections - RESPONSIBILITY, INNOVATION and SAFETY. In each area, we define broadly our approach, commitments and expected attitudes. A description of the whistleblowing procedure is also part of the Code - we investigate in detail any indication of behaviour that is not in line with the Code.



Ethics is perceived by the ERBUD Group as one of the key drivers of the sustainable development of the organisation, and the Code of Ethics is a fundamental tool that defines our approach to the ESG issues. We describe therein what we want to do, but above all - how we want to do it.

We have proved over the decades of ERBUD's, and later the entire Group's activities that it is possible - also in the construction sector - to achieve success keeping in mind values, respect, honesty and business decency.

Mariusz Moczydłowski
Director of ERBUD Legal Division

Selected principles of the ERBUD Group’s Code of Ethic:



RESPONSIBILITY:

- we dassess the knowledge of employees and enable the development of competencies
- we remunerate our personnel on merit-driven basis
- we respect the diversity and differing opinions of employees - we treat equally and fairly
- we provide access to promotion
- we do not accept discrimination, harassment, mental and physical abuse we are able to admit mistakes we respect employees' rights
- we respond to behaviour that does not comply with
- we respond to behaviour that does not comply with our
- values and regulations.
- we are responsible
- we are responsible for information security:
  - we protect the personal data of our stakeholders
  - we comply with data protection laws
  - we protect information obtained in the course of our activities
- we counteract corruption
  - we do not tolerate corruption in any dimension
  - all forms of hospitality and gifts are within the bounds of moderation and must not create an obligation for the recipient to the donor
  - we do not fund political parties
  - we prevent money laundering
- we run business in a reliable manner
  - we provide reliable information,
  - we keep accurate and complete business records,
  - we communicate decisions transparently and ensure a regular exchange of information between managers and employees
  - we avoid conflicts of interest
  - we treat our competitors as partners
  - we support local and nation-wide initiatives
  - we are responsible for total assets and protect individual assets

INNOVATION:

- our state-of-the art products are based on state-of-the-art technologies,
- we test innovative solutions in a reliable manner,
- we build sustainably, ecologically, economically and with respect for the environment
- we work continuously on the improvement of our environmental performance
- we comply with health, safety and environmental regulations

SAFETY:

- safety at work is our top priority
- we are active in the Polish Construction Safety Alliance
- our goal is bring severe and fatal accidents to 0 level
- we take care for OH&S training
- we do not tolerate any form of child labour, forced or compulsory labour
- we respect workers' right of association



Good practice

The Code of Ethics principles were presented by the Management Board during ERBUD100% town hall meeting - the first ever online meeting with employees across the entire Group in Poland, Germany, Belgium and Lithuania. Following the presentation of the Code, employees had the opportunity to ask questions in a chat room.

The Code of Ethics provisions are detailed and supplemented in other internal documents of our Group. Key documents in this area are as follows:

- Human and Labour Rights Policy
- Anti-Corruption Policy
- Whistleblowing Regulations and Procedure
- Information Security Policy

SEE MORE

Key documents related to responsible ESG management practices - including ethics and anti-corruption issues - can be found on our website.

[2-26]

Anyone who has information or suspicion about a breach of ethical standards or applicable laws by our personnel or associates, or who wishes to report their concerns or opinions about a negative impact - can safely and confidentially share such information with our Group. This is governed in detail by our Whistleblowing Regulations and Procedure. We accept personal and anonymous reports. We also strictly protect whistleblowers from any retaliation for disclosing information contained in a report.

Whistleblowing channels in the ERBUD Group:

- **by e-mail – at naruszenia@erbud.pl or radanaruszenia@erbud.pl**
- **by post**
- **in person or via phone calling the ComplianceOfficer**

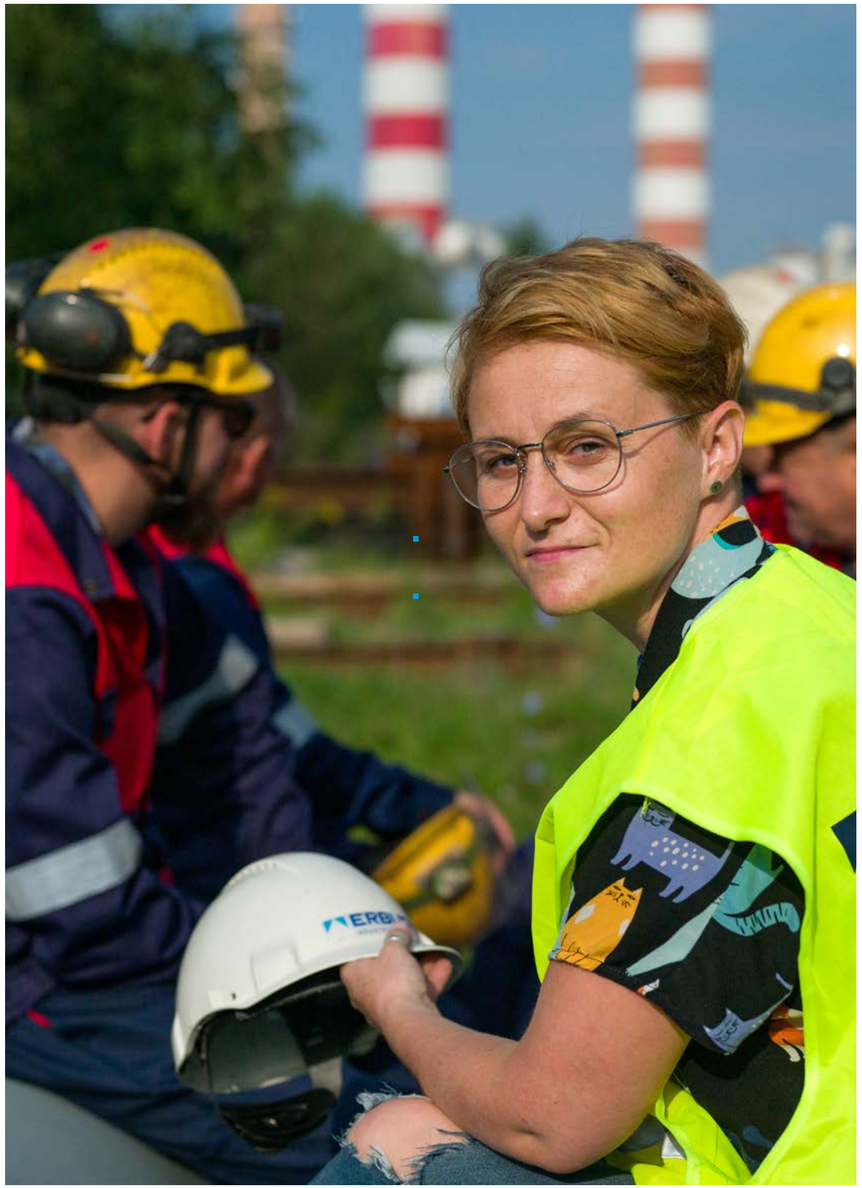
In accordance with the procedures in place, all information contained in reports is checked and investigated. After an initial assessment of credibility by the Compliance Officer, we set up an Investigation Committee, which comprises the Compliance Officer. The Committee - following an investigation - recommends to the Company's Management Board concerned that appropriate proceedings be initiated or that the case be closed. If appropriate proceedings have been initiated, the Investigation Committee, chaired by the Compliance Officer, fully investigates the matter and prepares a detailed report with a recommendation for further action. The report is discussed by the Management Board, which decides whether to settle the case and whether to hold the breaching party legally, criminally, disciplinarily or civilly liable.

Our opposition to any corrupt practices, as signalled in the Code of Ethics, is discussed at length in the Anti-Corruption Policy.

We comply with all national and international anti-corruption laws, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Commercial Transactions, the United Nations Convention against Corruption and the Criminal Law Convention on Corruption Convention of the Council of Europe. Offering, promising, giving, accepting or soliciting undue benefits whether financial or whether financial or non-financial, is unacceptable in the Group.

In our Anti-Corruption Policy we define corruption very broadly, indicating that we also consider it to include, inter alia, trading in influence, bribery, managerial bribery or manipulation of tenders - both in the private and public sectors. We have zero tolerance for any involvement of the ERBUD Group in such behaviour.





[205-1] [205-3]

In the ERBUD Group, from the corruption risk perspective, we analyse 100% of activities - in 2023 we did not record a single case of corrupt behaviour.

Our Anti-Corruption Policy also regulates the giving and receiving of business gifts.

In the Group, we never offer excessive forms of hospitality and under no circumstances do we regard such situations as an essential means of establishing and maintaining good business relations. A gift may only be accepted by an employee if it is of an advertising or promotional nature, or is an item of a value not exceeding PLN 200, which is customarily given on festive occasions and does not make the recipient feel obliged to reciprocate. When the item has a value exceeding PLN 200 or is difficult to determine, the receipt of the item should be reported to the employee's superior who, while agreeing to accept such a gift, at the same time enters the received gift into the Register of Benefits.

Those responsible for the appointment of suppliers are not entitled to accept gifts from those making their proposals of cooperation to the Group. In accordance with the Anti-Corruption Policy, the Compliance Officer records reported attempts and violations of the rules on giving and accepting gifts in the Register and investigates the circumstances.

All activities that do not comply with the Anti-Corruption Policy can be reported using the Whistleblowing Regulations and Procedure.

[205-2]

The anti-corruption procedures are known to all persons employed by the Polish Group member companies, including managers. Information about the Anti-Corruption Policy, its scope and regulations has been communicated broadly in the companies and on the construction sites - including such communication channels as posters, the ERnews corporate newsletter, the Intranet and direct mailing campaigns sent to all workforce of the Polish companies; the document is also available on the ERBUD website.

In 2024, we will also start communicating the policy to our business partners.

In order to upgrade our knowledge of corruption risks, in 2023 we launched a series of specialist training courses on anti-corruption activities. In the first edition, we invited people who are particularly exposed to this risk - members of the Management Boards of ERBUD Group member companies and managerial staff, while in the ONDE company, the training was attended by the representatives of various functions. 276 people completed the training course - 9% of all employees and associates in the Group and 100% of the members of the Management Board. In the second edition in 2024, we intend to train those involved in purchasing decisions - including salesforce and the purchasing department. Our goal for the whole of 2024 is also to launch a dedicated e-learning platform that will allow us to train all personnel, and ultimately suppliers and business partners, on ethics. Training on corruption will be an integral part of training on the entire scope of our Code of Ethics.

	No. of trainees	Percentage of trained persons
Management Board	3	100%
Total workforce	276	9%

Refers to the region of Poland, whereas the region of Lithuania has been omitted due to law materiality level.

Disclosure does not include a breakdown by job posts due to inability to separate people working under B2B contracts.

[206-1]

We also comply with the principles of fair competition. In 2023, no legal action was taken against any of the Group companies for anti-competitive behaviour or practices in breach of antitrust regulations.

[2-15]

We also manage conflicts of interest responsibly, countering situations where non-professional relationships influence business decisions. We have implemented procedures for identifying such conflicts of interest and how to deal with when they occur. Members of the Management Board or Supervisory Board are required not to engage in professional or non-professional activities that could lead to conflicts of interest or adversely affect his or her reputation as a member of a corporate body and, if a conflict of interest arises, he or she should disclose it immediately.

The members of the Management or the Supervisory Boards shall inform the Management Board or the Supervisory Board, as appropriate, about any conflict of interest that has arisen or may arise and shall not take part in the consideration of a matter in relation to which a conflict of interest may arise.

ERBUD has Regulations in place for entering into transactions with related parties. The adopted procedure ensures adequate protection of the company's interests and full transparency. The Management Board and employees authorised to enter into transactions on behalf of the company are required, before entering into each 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 related party transactions with ERBUD once every six months.

About Report

[2-1]

[2-2] [2-3] [2-4]

The ESG report covers the period from 1 January to 31 December 2023 and concerns the Erbud Group.

Unless otherwise stated, the report relates to the following companies:

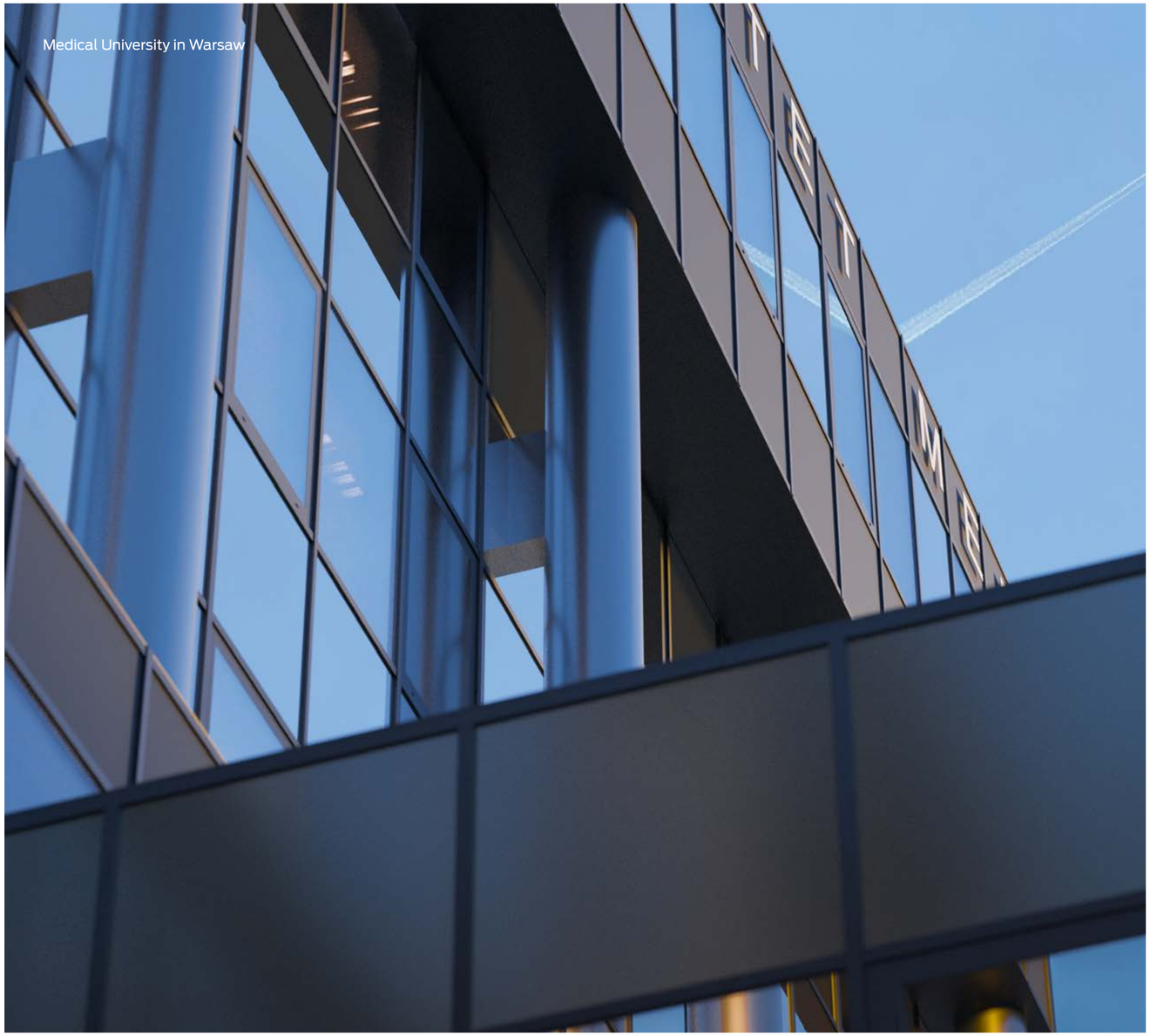
- ERBUD S.A.
- Grupa ONDE including IDE Projekt Sp. z o.o.
- MOD21 Sp. z o.o.
- MOD21 GmbH
- Erbud International Sp. z o.o.
- Erbud Industry Centrum Group (Erbud Industry Sp. z o.o.; Satchwell Polska Sp. z o.o.)
- Erbud Holding Deutschland (w tym IVT Menzenbach GmbH; IVT Weiner + Reimann GmbH; IKR GmbH)
- JV WMER Matoc Poland Sp. z o.o.
- JV PABC Sp. z o.o.
- Erbud Shared Services Sp. z o.o.

The remaining member companies of the ERBUD Group included in the financial reporting, but not included in this report have been omitted due to the absence of a material impact on the environment. Financial control was selected as the consolidation criterion.

The parent company of the Group is ERBUD S.A. with its registered office at ul. Franciszka Klimczaka 1, Warsaw (02-797).

The Report contains a description of the business model and a description of the activities of the various business segments in our Group and provides non-financial information in accordance with the requirements of Articles 49b, para 1 and 55, para 2 of the Accounting Act. It discloses relevant data and information on the policies and procedures applied to the activities undertaken and their results.

The Report depicts our approach to social and labour issues, human rights, anti-corruption and information on the management of environmental issues.


Medical University in Warsaw

This publication is based on the updated version of the Global Reporting Initiative (GRI) international standard.

The table entitled 'GRI Table' indicates where specific information about the ERBUD Group has been disclosed.

The material topics covered in the report have been developed in accordance with the guidance provided in the European Sustainability Reporting Standards (ESRS 1 'General Requirements') - a detailed description and process for identifying material topics is presented in the section Process for defining materiality.

We report on non-financial issues annually in our Group, while financial reporting is carried out on a quarterly and annual basis. The ESG Report does not include adjustments to the 2022 information.

If you have any questions or queries related to the 2023 ESG Report of the ERBUD Group please feel free to contact any of the persons listed below:



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Materiality defining process

[3-1]

aterial topics for the ERBUD Group identifying - in accordance with Global Reporting Initiative (GRI) standards - our key environmental impacts were determined during a multi-stage process. The completeness of the approach and the multiplicity of perspectives was ensured during the process by using a variety of tools and by acquiring the buy-in of stakeholders.

The double materiality analysis was used to identify material topics, in line with the guidance provided in the European Sustainability Reporting Standards (ESRs 1 'General Requirements') and additional EFRAG publications. The process, carried out with an third party advisor, involved analysis and discussions, including two workshops attended by representatives of key business units and the Management Board - one on organisational impact and the other on financial materiality.

The workshop discussed the ERBUD Group's business areas, business model, value chain and business relationships. Special focus was on the value chain in terms of both business relationships and geographical areas. The value chain was also included in the identification of the Group's significant impacts, risks and opportunities.

- The value chain is described in the chapter 'ERBUD Group Strategy",
- The business model is described in chapter "ERBUD Group Strategy",
- Our business segments are described in chapter "ABOUT ERBUD"".

In adherence to the ESRS-based methodology, the workshop participants discussed the two-tiered reporting of sustainability information, which includes an assessment of impact materiality as well as financial materiality. Under impact materiality, all impact criteria were analysed in depth:

- positive,
- negative,
- real,
- potential,
- calculation method.

The scale parameters that were assessed in order to identify correctly the magnitude of a given impact were also scrutinized at length, i.e.:

- scale,
- scope,
- irreversible nature.

While determining financial materiality, consideration was given to how to identify risks and opportunities, including dependence on natural and social resources in the short, medium and long time perspective. The scale used for financial materiality assessment was also considered in depth, i.e.:

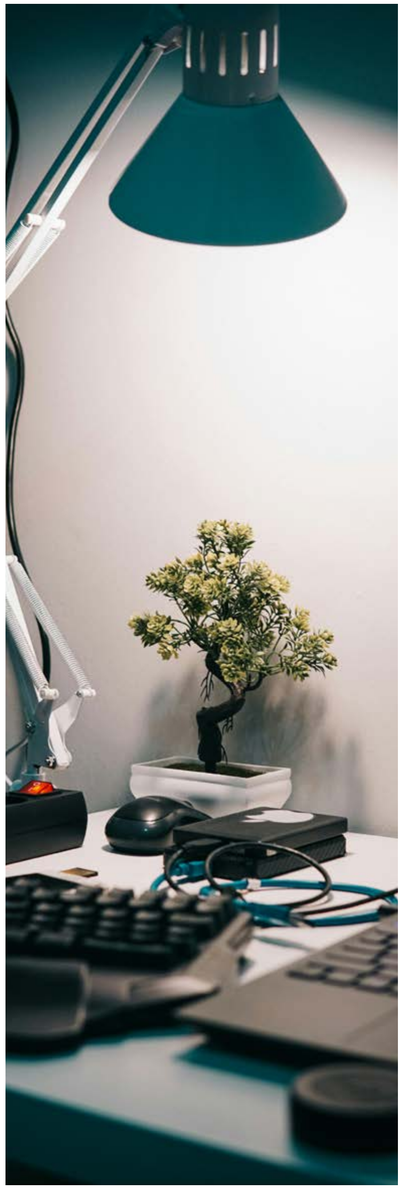
- potential magnitude,
- probability of occurrence.

To determine materiality, questionnaires in Polish, English, German and Ukrainian were also developed and sent out to the stakeholders to assess the impact of our Group and its scale on the issues concerned. From 4 December 2023 to 4 January 2024, a total of 226 respondents sent in their answers. The respondents included members of the Management Board and Supervisory Board, shareholders, bondholders, analysts, suppliers of materials and service providers, competitors, financial institutions, customers/investors, employees and interns/students, opinion leaders/ journalists and subcontractors.

The stakeholder assessment was taken into account during the organisation's impact workshop, where decisions were made on the materiality of the impact of the themes identified in the ESRS. The list of material areas was mapped to specific sub- or sub-sub-topics in line with ESRS 1 AR 16. In addition to the results of the stakeholder survey, we also used the results of the value chain analysis and the conclusions drawn from the benchmarking exercise to make the overall assessment.

The financial materiality workshop also identified risks and opportunities. Participants also discussed topics outside the catalogue of areas listed by the ESRS that could generate risks or opportunities for individual companies as well as the Group as a whole. Risks and opportunities were linked to the standards and their sub- and sub-sub-topics. In identifying them, the entire value chain and dependencies on natural, human and social resources were taken into account. In accordance with the methodology derived from the ESRS, all risks and opportunities were assessed in terms of the potential for a given risk to occur and evaluated on a scale of potential magnitude of impact and probability. The result of this workshop was a list of risks and opportunities from a financial materiality perspective mapped to specific sub- or sub-topics in accordance with ESRS 1 AR 16.

Each stage of the process was agreed upon and approved by senior management and board members, including representation from the ERBUD S.A. Board and the ESG Committee. As a result of the workshops, the dialogue with stakeholders, the assessment of the Board and the supervisory bodies, a list of relevant topics was identified.



[3-2]

Following a dual materiality process and the identification of material topics, a list of material topics. was developed for the 2023 ESG Report.

Material GRI topic	Material ESRS sub-topic	Material ESRS sub-sub-topic
Climate Change	Climate Change	▪ Adaptation to climate change ▪ Climate change mitigation ▪ Energy
Pollution	Pollution	▪ Soil pollution ▪ Substances potentially dangerous ▪ Substances of very high concern
Water	Water and resources	▪ Water consumption
Biodiversity	Biodiversity and ecosystems	▪ Land degradation ▪ Soil sealing ▪ Land use change, Freshwater and marine water use change ▪ Pollution ▪ Direct exploitation
Use of raw materials and waste management	Circular economy	▪ Resource impacts, including resource use ▪ Waste
Personnel well-being	Personnel	▪ Working time ▪ Work-life balance
Working environment	Personnel	▪ Social dialogue ▪ Freedom of association, existence of works councils and workers' rights to information, consultation and participation ▪ Collective bargaining, including the percentage of employees covered by collective agreements ▪ Occupational health and safety Working conditions (own sub-topic) - staff turnover and staffing gaps
Equal treatment and equal opportunities for all	Personnel	▪ Training and skill development ▪ Diversity
Supplier relations and working environment in the value chain	Personnel in value chain	▪ Working time ▪ Occupational health and safety ▪ Training and skills development ▪ Diversity ▪ Working conditions (own sub-theme) – personnel turnover and staffing gaps in the subcontractors' base
Supplier relations and working environment in the value chain	Communities	▪ Appropriate housing conditions
Corporate culture and anti-corruption measures	Running one's own business	▪ Corporate culture ▪ Whistleblower protection Corruption and bribery - incidents ▪ Corruption and bribery - prevention and detection, including training ▪ Supplier relationship management, including payment practices



[2-5]

The ERBUD Group's ESG report was subject to independent third party verification. This service was delivered by PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k.

The report on the independent assurance service is presented below.

Third party revision

Application Statement	The ERBUD Capital Group has submitted a report in compliance with the GRI standards for the period from 1 Jan. 2023 to 31 Dec. 2023.
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	5, 7, 178				No
	2-2 Entities included in the sustainability reporting framework	5, 15-31, 178				No
	2-3 Reporting period, frequency and contact data	178				No
	2-4 Information adjustments	178				No
	2-5 Third party revision	182				No
	2-6 Activities, value chain and other business relationships	12, 34, 46				No
	2-7 Personnel	120-121				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	162-166				Yes
	2-10 Appointment and election of members of top management bodies	162				No
	2-11 Chairman of the top management body	166				No
	2-12 The role of the top management body in overseeing impact management	168				No
	2-13 Delegating impact management responsibilities	170				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 sustainable development issue	168				No
	2-15 Conflict of interests	177				No
	2-16 Communicating critical issues	170				No
	2-17 Collective knowledge of the top management body	167				No
	2-18 Performance evaluation of the top management body	126-127, 168				No
	2-19 Remuneration policy	126-127				No
	2-20 Wage determination process	126-127				No
	2-21 Total annual wage index	126	The ratio of the percentage increase of total annual remuneration for the best-paid person in organisation in each country where the organisation has significant operations, to the median percentage increase in annual total remuneration for total workforce (excluding the highest paid individual).	When calculating the ratio, the following were not included ERBUD Group companies in Germany. In the case of the companies in Poland the organisation has changed the method of data consolidation, which affects the option of calculating the relative percentage increase in total remuneration for the best-paid individuals to the median percentage increase in annual total remuneration.	With the maintenance of the adopted method of data consolidation it will be possible to calculate ratio of the percentage increase of salary of the best-paid person to the median percentage wage increase in the organisation.	No
	2-22 Statement on sustainable development strategy	3				No
	2-23 Commitments incorporated in the policies	171-172				No
	2-24 Implementation of commitments incorporated in the policies	172				No
	2-25 Corrective processes concerning negative impact	55, 64				No
	2-26 Mechanisms for seeking advice and raising concerns	176				Yes
	2-27 Compliance with laws and regulations	173				Yes
	2-28 Membership in associations and organizations	57				No
	2-29 Approach to stakeholder buy-in	51-54, 56				No

GRI standard / Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General disclosures 2021	2-30 Collective labour agreements	125				No
GRI 3: Material topics 2021	3-1 Material topic identification process	180				No
	3-2 A list of material topics	181				No
Climate change						
GRI 3: Material topics 2021	3-3 Material topic management	64				No
GRI 201: Performance 2016	201-2 Financial implications, other risks and opportunities arising from climate change	64				No
GRI 302: Energy 2016	302-1 Energy consumption by organisation	65				Yes
GRI 302: Energy 2016	302-3 Energy intensity	67				Yes
GRI 305: Emissions 2016	302-4 Reduction of energy consumption	67				No
GRI 305: Emissions 2016	305-1 Direct GHG emissions (scope 1)	68-69				Yes
GRI 305: Emissions 2016	305-2 Indirect GHG emissions (scope 2)	68-69				Yes
GRI 305: Emissions 2016	305-3 Other indirect GHG emissions (scope 3)	72-73				No
GRI 3: Material topics 2021	305-5 GHG emission limitations	68				No
Pollution						
GRI 3: Material topics 2021	3-3 Material topic management	74				No
GRI 305: Emissions 2016	305-7 NOx, SOx emissions and other material air emissions	74				No

GRI standard / Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
Water						
GRI 3: Material topics 2021	3-3 Material topic management	83				No
GRI 303: Water and wastewater 2018	303-1 Use of water as a shared resource	83-84				No
	303-5 Water consumption	83-84				No
Biodiversity						
GRI 3: Material topics 2021	3-3 Material topic management	90				No
GRI 304: Biodiversity	304-2 Material impact of activities, products, services on biodiversity	90-91				No
Use of raw materials and waste management						
GRI 3: Material topics 2021	3-3 Material topic management	85				No
GRI 306: Waste 2020	306-1 Generation of waste and material waste-related impacts	85-87				No
GRI 306: Waste 2020	306-2 Management of material waste-related impacts	85-87				No
GRI 306: Waste 2020	306-3 Generated waste	88-89				No
Personnel well-being						
GRI 3: Material topics 2021	3-3 Material topic management	128				No
GRI 401: Employment 2016	401-1 Total number and percentage of new hirees and total number of leavers during the accounting period	122-123				Yes
	401-2 Fringe benefits (perks) provided to full-time personnel	128				No
	401-3 Parental leaves	129				No

GRI standard / Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
Working environment						
GRI 3: Material topics 2021	3-3 Material topic management	119, 130				No
GRI 402: Employee /managerial relations 2016	402-1 Minimum advance notice period for operational changes	127				No
GRI 404: Training and education 2016	404-1 Number of training hours per year per employee by employment structure	150	No breakdown by grade is included.	No option to extract data by grade in some ERBUD Group member companies..	With the disclosure in subsequent years, the indicator will also be reported by grade.	Yes
	404-2 Professional competency development programmes	146-149				No
	404-3 Percentage of personnel subject to regular work quality assessments and career development reviews, by gender and employment category	151				Yes
GRI 403: Health and safety 2018	403-1 Employee health and safety management system	134				Yes
	403-2 Hazard identification, risk assessment and accident investigation processes	131-136, 141				Yes
	403-3 Entity responsible for the management of occupational safety	131				No
	403-4 Personnel participation, consultation and communication on occupational safety issues	133				No
	403-5 Personnel occupational safety training	142-144				Yes
	403-6 Health promotion among personnel	128, 145				No
	403-7 Prevention and reduction of occupational events and incidents affecting the health and safety of personnel	130				No
	403-8 Personnel covered by the occupational safety management system	145				No
	403-9 Work-related injury rate	137-140				Yes
	403-10 Occupational disease rate	137				Yes

GRI standard / Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
Equal treatment and equal opportunities for all						
GRI 3: Material topics 2021	3-3 Material topic management	152				No
GRI 405: Diversity and Equal Treatment 2016	405-1 Composition of supervisory bodies and staff by gender, age, minority membership and other diversity indicators	153				Yes
	405-2 Ratio of men's basic wage to women's wage by position held	154	Only the basic pay was taken into account.	The reason is the inability to retrieve data from the system in some companies	The planned implementation of the system expansion will enable full data extraction in the following year.	Yes
GRI 406: Counteracting discrimination 2016	406-1 Total number of discrimination cases	155				No
Supplier relations and working environment in the value chain						
GRI 3: Material topics 2021	3-3 Material topic management	46-50				No
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers that have been verified using environmental criteria	49				No
GRI 414: Supplier social evaluation 2016	414-1 Percentage of new suppliers assessed according to social criteria	49				No
Corporate culture and anti-corruption						
GRI 3: Material topics 2021	3-3 Material topic management	174				No
GRI 201: Performance 2016	201-1 Direct economic value generated and distributed	8				No
GRI 205: Anti-Corruption 2016	205-1 Actions analysed for corruption	177				No
	205-2 Training for employees and managers on anti-corruption policies and procedures	177	No breakdown by grade is included.	Unable to isolate associates due to lack of data.	As more training is carried out in companies, data will be collected by grade.	Yes
	205-3 Confirmed corruption cases and actions taken in response to them	177				No
GRI 206: Anti-competitive behaviour 2016	206-1 Legal action taken regarding anti-competitive behaviour and practices in breach of antitrust regulations	177				No
GRI 207: Taxes 2019	207-1 Approach to tax management	58				No
GRI 415: Public policy	415-1 Total financial and in-kind donations to political parties, politicians and institutions of a similar nature	57				No
TAXONOMY		92-117				Yes

Raport niezależnego biegłego rewidenta z usługi atestacyjnej dającej ograniczoną pewność dotyczącej weryfikacji wybranych informacji niefinansowych za rok 2023

Do Zarządu ERBUD S.A.

Wstęp

Zarząd ERBUD S.A. („Spółka"), na podstawie umowy z dnia 16 stycznia 2024 r., zaangażował nas do przeprowadzenia usługi atestacyjnej dającej ograniczoną pewność w odniesieniu do wybranych informacji niefinansowych zaprezentowanych w Raporcie ESG Grupy ERBUD za rok 2023 r.

Opis przedmiotu zlecenia i mające zastosowanie kryteria

Zarząd Spółki sporządził Raport ESG dla Grupy ERBUD za okres od 1 stycznia 2023 r. do 31 grudnia 2023 r. ("Raport ESG"). Raport ESG zawiera informacje niefinansowe (ilościowe i jakościowe), sporządzone zgodnie z odpowiednimi Standardami GRI wydanymi przez Global Reporting Initiative ("Standardy GRI"), art. 8 Rozporządzenia Parlamentu Europejskiego i Rady (UE) 2020/852 z dnia 18 czerwca 2020 r. w sprawie ustanowienia ram ułatwiających zrównoważone inwestycje oraz Rozporządzeniami Delegowanymi Komisji Europejskiej uzupełniającymi Rozporządzenie 2020/852 ("Taksonomia UE") oraz metodykami opracowanymi przez Spółkę i ujawnionymi w Raporcie zrównoważonego rozwoju (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.

Przedmiotem zlecenia były następujące informacje niefinansowe za rok zakończony 31 grudnia 2023 r. zawarte w Raporcie ESG zgodnie z tabelą ujawnień zawartą na stronach 183-188 Raportu ESG ("Wybrane Informacje"):

- 2-7 Pracownicy
- 2-8 Osoby świadczące pracę na rzecz organizacji, które nie są jej pracownikami
- 2-9 Struktura zarządcza i skład organów zarządczych
- 2-26 Mechanizmy zasięgania porad i zgłaszania obaw
- 2-27 Zgodność z prawem i regulacjami
- 205-2 Komunikacja i szkolenia w zakresie polityki i procedur antykorupcyjnych
- 302-1 Zużycie energii w organizacji
- 302-3 Energochłonność
- 305-1 Bezpośrednie emisje gazów cieplarnianych (zakres 1)
- 305-2 Pośrednie emisje gazów cieplarnianych (zakres 2)
- 401-1 Łączna liczba i odsetek nowych pracowników zatrudnionych oraz łączna liczba odejść w okresie raportowania
- 403-1 System zarządzania zdrowiem i bezpieczeństwem pracowników
- 403-2 Procesy identyfikacji zagrożeń, ocena ryzyka oraz badania wypadków
- 403-5 Szkolenia pracowników w zakresie bezpieczeństwa pracy
- 403-9 Wskaźnik urazów związanych z pracą
- 403-10 Wskaźnik chorób zawodowych
- 404-1 Liczba godzin szkoleniowych w roku przypadających na pracownika według struktury zatrudnienia
- 404-3 Odsetek pracowników podlegających regularnym ocenom jakości pracy i przeglądom rozwoju kariery zawodowej, według płci i kategorii zatrudnienia
- 405-1 Skład ciał nadzorczych i kadry pracowniczej w podziale na kategorie pracowników według płci, wieku, przynależności do mniejszości oraz innych wskaźników różnorodności
- 405-2 Stosunek podstawowego i całkowitego wynagrodzenia kobiet do wynagrodzenia mężczyzn według zajmowanego stanowiska
- Ujawnienia taksonomiczne wymagane przez art. 8 Rozporządzenia Parlamentu Europejskiego i Rady (UE) 2020/852 z dnia 18 czerwca 2020 r. w sprawie ustanowienia ram ułatwiających zrównoważone inwestycje.

Przedmiotem naszego zlecenia były jedynie Wybrane Informacje za rok zakończony 31 grudnia 2023 r. 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.

Odpowiedzialność Zarządu

Zarząd Spółki odpowiedzialny jest za:

- ustanowienie wewnętrznych metodyk i wytycznych dla przygotowania i raportowania Wybranych Informacji zgodnie z Kryteriami raportowania;
- sporządzenie Wybranych Informacji 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.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.,
ul. Polna 11, 00-633 Warszawa, Polska, T: +48 (22) 746 4000, F: +48 (22) 742 4040, www.pwc.com

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 526-021-02-26. Siedzibą Spółki jest Warszawa, ul. Polna 11.

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

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 Grupy;
- sprawdzenie czy zastosowano formuły kalkulacji Wybranych Informacji (dotyczy informacji ilościowych) zgodne z Kryteriami raportowania oraz sprawdzenie matematycznej poprawności sporządzenia Wybranych Informacji;
- dla Wybranych Informacji ujętych w Raporcie ESG, uzgodnienie, na wybranej próbie, odpowiednich atrybutów do otrzymanej od Spółki dokumentacji źródłowej.

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

Nieodłączne ograniczenia

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.

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.

Jakub Waszkiewicz
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Warszawa, 26 marca 2024

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2023 ESG REPORT

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