



WE CREATE ENERGY OF THE FUTURE

ONDE GROUP

SUSTAINABLE DEVELOPMENT REPORT

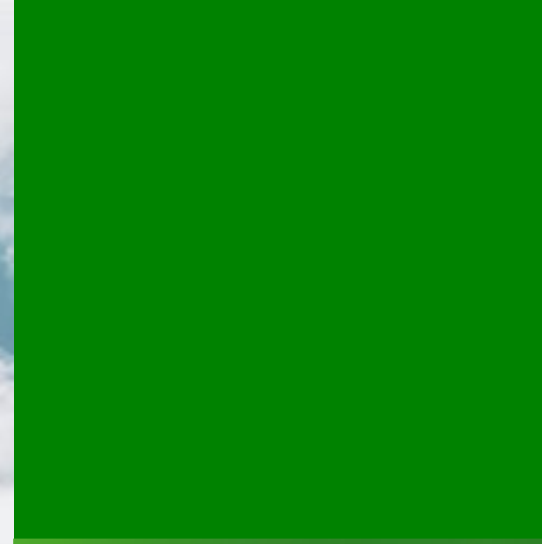
2022

(This report represents a statement on non-financial information drawn up in accordance with the requirements of Articles 49b.2 to 49b.8 of the Accountancy Act)

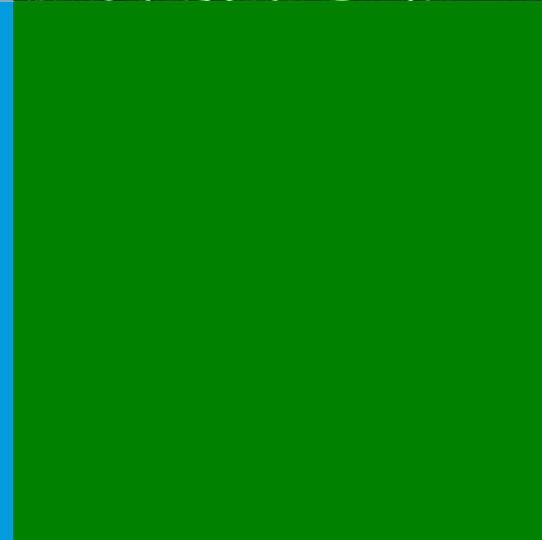
TABLE OF CONTENTS

1. Management Board's Letter	4	4. Employers	
		4.1. Recruitment and development	52
2. About Onde	5	4.2. Health and safety	56
2.1. Business model	6		
2.2. Management	10	5. Diversity and human rights	64
2.3. Customers	13		
2.4. Ethics and corruption prevention	14	6. About this report	67
2.5. Stakeholder relationships	15	6.1. Process for defining significance	68
2.6. Sponsoring activities	19	6.2. Material topics	69
3. Environment	20	GRI table	72
3.1. Biodiversity	21		
3.2. Circular economy	22		
3.3. Climate	24		
3.4. Taxonomy	36		
3.4.1. Minimum guarantees	36		
3.4.2. KPI Turnover	37		
3.4.3. KPI Capex	41		
3.4.4. KPI Opex	46		

4. Employees 51



01



MANAGEMENT BOARD'S LETTER

Dear Sirs and Mesdames,

[2-22] as the ONDE Group, we are lucky, because our basic operations are inextricably linked with sustainable development. We do not have to look for sustainable justifications for services rendered by us - on the contrary, our services respond to modern environmental challenges. Construction of renewable energy sources - which was particularly noticeable in 2022, a very specific year for the energy market - has become a necessary response not only to climate changes in the world. Thus, with even greater pride we would like to invite you to read our new ESG report, in which we present aspects of importance to us in the environmental and social areas, and how we create responsible corporate governance in the ONDE Group.

In the history of our company, the past year was an exceptional time, filled with symbolic events. It was in 2022 that the one thousandth wind turbine in construction of which we participated, started to generate energy. This means that our Group helped to erect every third wind turbine in Poland. Today, renewable energy sources constructed by ONDE, both wind and solar ones, generate nearly 4 GW of power. The boundaries which not so long ago appeared impossible to reach, today are becoming history, and we are looking further and further ahead, and do not limit ourselves just to Poland. In 2022, ONDE started to perform a contract in Lithuania - it is our first construction abroad, but already today, at the beginning of 2023, we can say that it is definitely not the last one. For us, the Lithuanian market, due to its RES-supporting legislation, is an excellent place to gain international experience and, as we are deeply convinced, a beginning of ONDE's expansion abroad in the coming years.

We are also developing a portfolio of our own RES resources. Our first project, the photovoltaic farm "Cyranka", is already operating and its size is truly impressive. With over 33 thousand modern photovoltaic modules and the capacity of 18 MW, it can supply power for eight thousand households a year. "Cyranka" is the first, but not last in our own portfolio of green energy sources.

To us, "what we construct" is as important as "how we construct". We want - and can - construct environmentally friendly energy supply solutions in an environmentally friendly way. ONDE is one of the first companies in Poland that operate in accordance with the requirements of ISO 45001, and this makes us an authorised supplier of energy solutions according to global standards. Furthermore, we implemented the Climate Policy at the company, the aim of which is to specify management control over challenges associated with prevention of the negative climate change, and establishing ONDE climate objectives together with specifying mechanisms for their performance.

At the same time, we ensure the highest safety standards for our employees - this has always been and will remain our absolute priority. In this respect, our strategic objective is to eliminate severe accidents, i.e., the Zero Accidents Policy. Our efforts undertaken to achieve this objective as soon as possible are described in this Report.

In ONDE, 2022 was a year of training sessions. We had over 8.5 thousand training hours, and over 400 out of 545 of the Group employees participated in at least one training initiative. We improved technical competencies of our employees, but also helped with development of soft competencies, on a previously unseen

scale. Furthermore, in 2022 we also formalised something that had probably always been obvious to everybody in ONDE, that is, no discrimination and respect for diversity. We adopted necessary policies, definitions, and procedures, and those provisions were presented to all employees.

At the end, we would like to mention one more initiative of importance for the ONDE Group. We are very happy with the increasing popularity of our grant programme, Science Onde Flow Innovation Academy, or SOFIA. We consider the fact that with each year the increasing number of students, PhD students and innovators are interested in renewable energy and wants to develop it as a positive forecast for future changes in the Polish power supply sector. In ONDE we want to support that interest as far as we are able to, not only through a

system of grants but also by sharing our knowledge and experience in RES.

Dear Sirs and Mesdames, we are presenting to you our ESG report for 2022 feeling certain that we did not waste that time. Sustainable development allowed us to become a stronger organisation, ready to face the challenges of the future.

Yours sincerely,

Paweł Średniawa Piotr Gutowski Marcin Szerszeń
 President of the Management Board Vice-president of the Management Board
 Vice-president of the Management Board





ABOUT ONDE

2.1

BUSINESS MODEL

In the 20th century, Albert Einstein said, “everything is energy”, and in the 21st century we, in the ONDE Group, add: “renewable”.

[2-6] In the 20th century, Albert Einstein said, “everything is energy”, and in the 21st century we, in the ONDE Group, add: “renewable”. We brought together a team of experts, specialists and visionaries, to manage together a company that constructs the largest wind and photovoltaic farms in Poland, and establishes standards for RES constructions. In our history, we participated or participate in

construction of wind farms of the capacity exceeding 3.2 GW, of which nearly 2.5 GW is already generated. It is over 30% of the total energy generated by onshore wind farms in Poland. Apart from RES constructions, we also specialise in road and engineering constructions, for which we also use our own bitumen mass manufacturers. Welcome to the ONDE Group!

THE ONDE GROUP IN 2022

3.9 GW

of power of all farms completed and being constructed since the beginning of the Company's existence

733 MW

total capacity of constructed wind farms at the end of 2022

453 MW

total capacity of constructed photovoltaic farms by the end of 2022

11 started

constructions of wind farms of the total capacity of ca. 449 MW

27 started

constructions of photovoltaic farms of the total capacity of ca. 78 MW

629 employees and partners,

35 more when compared to the end of 2021

PLN 1093 million

of turnover

FIRST

project executed abroad


What do we precisely do at the ONDE Group? Our main segment - Renewable Energy Sources - executes contracts for the wind and photovoltaic farms sector. We perform “turn over” projects, and we have experience in RES designs, obtaining relevant permits, and comprehensive constructions together with power works and medium and high voltage cables. We also design and construct foundations, access roads to farms, and manoeuvring yards. At solar farms, we independently install photovoltaic modules of high capacity, construct connections and perform system start-ups. At wind farms, we leave the supply and installation of wind turbines at a site prepared by us to entities specialising in this area. We also provide professional service for already operating facilities.

Our portfolio includes the Potęgowo Wschód-Zachód Wind Farm of the capacity of 219 MW and Banie/Kozielice I&II Wind Farm of the capacity of 106 MW.

In 2022, ONDE completed execution of 20 wind projects and 26 photovoltaic farm projects, of the total generating capacity of nearly one GW. In 2022, the company started execution of 11 wind farms of the total capacity of ca. 449 MW and contract value exceeding PLN 502 million, and of 27 photovoltaic farms of the total capacity of ca. 78 MW and the total contract value of nearly PLN 125 million.

For the first time, we also started our operations outside Poland. In September 2022, we signed a contract of a value of EUR 3.3 million for construction of foundations for wind turbines, as a part of the construction of a farm in Lithuania. We regularly gain experience and references in the Lithuanian market. Taking into account the geopolitical situation, very good wind conditions

and favourable legislation in the Lithuanian market, we notice its attractive business potential. At the beginning of 2023, we signed a contract for works for construction of a wind farm in the Lithuanian market of the total connection capacity of 80 MW. The agreements concern construction of foundations and laying of medium and high voltage cables.



The green transformation is happening here and now, and we are glad to see that the discussion whether it is really necessary has ended. The question is not “if”, but how and when. The core of ONDE’s operation is taking successive, increasingly faster steps on a way to climate neutrality. Of course, we earn money - and I am very happy about that. But at ONDE, we can be proud not only of our economic results, but we can also, or actually, be particularly proud of what we do and the effects of our work for the generations to come. We have a clean, green conscience, which is not a standard thing in the business. It is a great privilege to work in such organisation.

Since 2021, we have been supplementing projects executed for our customers with construction of our own Renewable Energy Sources. We purchase land and construct photovoltaic and wind farms, and then sell them in the market. Our first project of this kind is “Cyranka”, a photovoltaic

farm in the Warmińsko-Mazurskie Voivodeship. On over 37 thousand sqm of the land, we installed 33,332 modules of the total area of 5.7 ha. The farm capacity is 18 MW - during a year it can supply energy to eight thousand households. In 2022, the ONDE Group expanded in the RES sector with three special purpose vehicles Neo Solar Kazimierz Biskupi Sp. z o.o., PV Kadłubia 2 Sp. z o.o., and PV Szczepanów Sp. z o.o). Furthermore, we performed the final contract of purchase of the remaining 50% of shares in the special purpose vehicle Elektrownia DEPVPL 22, an owner of the photovoltaic plant “Rejowiec” in the Lubelskie Voivodeship, of the capacity of 40 MW.

[201-4] [3-3] We finance our investments from various resources, mainly from own funds or loans. In 2022, the ONDE Group also received the de minimis assistance in the amount of PLN 131,205.44, which was used for training sessions for employees.

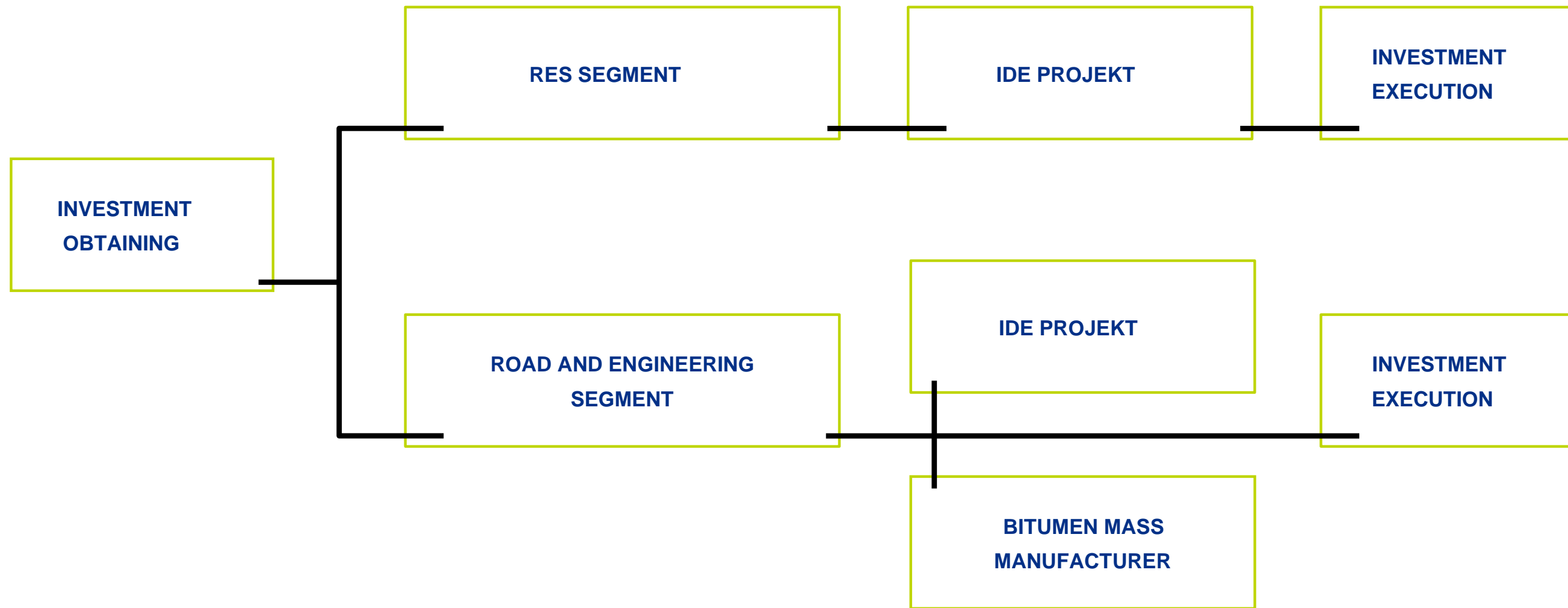
At ONDE, we supplement the segment of the Renewable Energy Sources with road and engineering constructions. We construct safe roads, remembering to minimise their impact on their surroundings and the environment. Our projects are accompanied by special crossings for small and large animals, cycling tracks in towns, modern lighting, and plenty of new green areas on their sides. Roads are necessary, but at ONDE we show that they can also be durable, safe, and associated with care for reduction in emissions. We have competencies to execute projects in the Design and Construct mode, predominating in road construction tenders. A large part of construction works is executed using our own machines. Our specialisation in the road construction sector - apart from individual projects - increasingly often is combined with the RES sector.

The ONDE Group ecosystem is supplemented with the company IDE Projekt, which high class specialists prepare, among other, comprehensive photovoltaic and wind farm designs. The company also develops construction and execution designs concerning construction and modernisation of existing components of a road system and energy generating facilities. Having the design agency within the Group eliminates a need to outsource this service, ensures its reliable performance and does not generate additional costs. For our customers, this means an option to perform the entire investment at one place and guarantees good cooperation between designers and contractors.

[2-1] The registered office of our Group is located in Toruń, but we operate in all Poland and in Lithuania. The ONDE Group structure facilitates a transfer of competencies between segments of activities, as a long-term experience gained in one sector may be used during implementation of projects in other areas. Furthermore, ONDE uses advantages related to being a part of the ERBUD Group, which has over 30 years of experience in the construction industry.

The ONDE mission is to support the energy transition in Poland and, in consequence, participation in execution of a vision of the climate neutral economy respecting principles of sustainable development. Our strategic objective is to create value for shareholders through ensuring of further growth of the Group, consolidation of its position as a leader in environmentally friendly and modern solutions for renewable energy and road sectors in Poland, as well as further expansion of conducted activities with purchase and construction of photovoltaic systems, and then sale according to the *develop, build and sell* model, or operation of the system by the Group within this model.

VALUE CHAIN OF THE ONDE GROUP



Highly qualified and experienced **PERSONNEL**

Own **MACHINE POOL**

Environmental management systems **EMAS**

STANDARDS ISO 45001:2018, ISO 14001:2015

BASE of proven **SUBCONTRACTORS**

GOOD PRACTICE

[308-1] [3-3] We identify and analyse environmental management risks (and opportunities), including those associated with the supply chain. The suppliers are evaluated by the Trade/Production Preparing Department Manager already at the bid stage, with the participation of the Project Manager responsible for the executed project. The process of negotiations of contractual provisions is the next stage of assessment of suppliers and their environmental impact, which finally results in appropriately formulated contractual provisions. Suppliers are assessed by a construction site manager in terms of their potential negative environmental impact. This evaluation results in identification of environmental aspects of importance for a given construction site and drawing up an environmental programme for it. The environmental programme, together with resultant preventive actions, are closely monitored by managing persons at the construction site.



[207-1] [3-3] Taxes

ONDE is a part of the tax group ERBUD and executes the tax strategy consistent with the ERBUD Group. It is provided on the [ONDE](#) website. The main assumption of the tax strategy is striving to pursue all reasonable actions ensuring correctness, completeness, and punctuality of tax settlements and to minimise tax risks. The Company uses tax preferences according to their purpose and strives to ensure transparency in its relations with tax organs. To ensure high quality and effectiveness of performance of tax processes in the entire ERBUD Group, Erbud Shared Services, an entity specialising in accounting and tax services, operates in the Group, acting as the “shared services centres”. The company outsourced

the majority of tasks from the tax settlements area to Erbud Share Services, while maintaining the control and supervision over operations of that entity and implementing processes ensuring cooperation and the flow of information in both directions.

Due to frequent changes in the legislation, the tax strategy is verified according to changes and business needs, e.g., when new operating segments are created. The tax strategy is also verified in terms of the business strategy.

The company Management Board plays an active role both in the process of an analysis of tax implications of planned important business activities, and of the tax risk management. In terms of new or non-standard transactions and activities, or those of importance in terms of business or value,

the Company performs a tax analysis at the planning stage. These analyses are performed with the support of SSC experts and external tax counsellors.

The company and SSC strive to select solutions minimising a risk of a dispute with tax bodies and continuously cooperate with companies providing tax counselling services. When there are any doubts concerning application of the tax law to important tax issues, the company applies for individual tax interpretations.

The tax strategy supports the business and the sustainable development strategies. However, due to the tax safety of the ERBUD Group, the conformance to the regulatory compliance is the priority.



2.2

MANAGEMENT

The Management Board also ensures observance of policies and procedures in force in the Group, – including in the area of sustainable development.

Management Board and Supervisory Board

[2-9] [2-10] The statutory organs of ONDE SA are the General Shareholders Meeting, Supervisory Board, and the Management Board. Competencies of the General Meeting include:


- ☞ approving Management Board reports and financial statements;
- ☞ decisions on profit appropriation;
- ☞ electing members of the Supervisory Board;
- ☞ approving strategic plans of the Company;

The ONDE Supervisory Board exercises a continuous supervision over the Company operations. According to the Articles of Association, the Board consists of three to five people, and each term of the office lasts three years. At ONDE, the Board, among others, approves Company long-term plans and annual financial plans, selects auditing companies, and gives a consent for ONDE to join associations and organisations. The Board tasks also include election of the Company Management Board and specifying remuneration of people operating in it.

The term of office of the ONDE Management Board lasts three years. The main task of the President and Members of the Management Board is to handle the Company affairs and represent it outside. The Management Board also ensures that policies and procedures in force in the Group are followed, also in terms of the sustainable development, including social involvement, employee issues, natural environment, observance of human rights, and prevention of corruption.

In 2022, and as of a day of publication of this report, the criteria of independence, specified in the Act of 11 May 2017 concerning expert auditors, auditing companies, and public supervision and in Rule 2.3 of the Best Practice for WSE Listed Companies 2021, are met by the following members of the ONDE SA Supervisory Board:

- ☞ Jacek Socha, Deputy Chairman of the Board
- ☞ Michał Otto, Member of the Board
- ☞ Mirosław Godlewski, Member of the Board
- ☞ Michał Hulbój, Member of the Board

Detailed components the ONDE corporate governance are described in the Company's Articles of Association, available here. 



[2-9] [2-11] The ONDE Management Board did not change in 2022.

Its members are:

- ☞ Paweł Średniawa, President of the Management Board
- ☞ Piotr Gutowski, Vice-President of the Management Board
- ☞ Marcin Szerszeń, Vice-President of the Management Board

Biographies and scope of duties of Members of the Management Board are described [on the website](#) of our Group.

As of 31 December 2022, the ONDE Supervisory Board consisted of six people. In May 2022, the ONDE General Shareholders Meeting decided to appoint previous five members for the new term of office of three years, and at the same time, appointed Michał Hulbój as a Member of the Board.

ONDE Supervisory Board:

- ☞ Jacek Leczkowski, Chairman
- ☞ Jacek Socha, Deputy Chairman
- ☞ Agnieszka Głowacka
- ☞ Michał Otto
- ☞ Mirosław Godlewski
- ☞ Michał Hulbój

Biographies of Members of the Supervisory Board are provided on [the Group corporate websites](#)

A permanent audit committee, appointed by the Supervisory Board and chaired by Michał Otto, and a remuneration committee operate at ONDE, The Supervisory Board can also establish other committees, in particular, a nominations committee.

Between 01/01/2022 and 31/12/2022, the Audit Committee of ONDE SA was formed by:

- ☞ Michał Otto – Committee Chairman (independent Committee Member)
- ☞ Jacek Socha – Committee Member (independent Committee Member)
- ☞ Agnieszka Głowacka – Committee Member (independent Committee Member)

Mr Michał Otto and Mr Jacek Socha meet criteria of independence provided for members of the audit committee in the Act of 11 May 2017 concerning expert auditors, auditing companies, and public supervision and in the Best Practice for WSE Listed Companies 2021.

On 01/06/2022, the ONDE SA Supervisory Board appointed Members of the Remuneration Committee of its previous composition for the next joint term of office of three years. This means that between 01/01/2022 and 31/12/2022, the ONDE Remuneration Committee was formed by:

- ☞ Jacek Leczkowski, Chairman of the Committee
- ☞ Agnieszka Głowacka, Member of the Committee
- ☞ Mirosław Godlewski, Member of the Committee

[2-15] The Company observes the best practices concerning the conflict of interests. A member of the Management Board or the Supervisory Board informs about the existing or potential conflict of interests and does not participate in handling of an affair in which a conflict of interests may occur in their case. In 2022, no conflict of interests was found.

ESG Management

[2-12] Issues related to sustainable development are handled by competence teams responsible for a given area. It is them who notify higher management the need to implement a new procedure, solution or a policy. They present reasons and estimate costs, and necessary commitment. If the project is accepted by the Management Board, it is implemented. Depending on implemented solutions, the Management Board or its individual members can be involved at the operating stage in a counselling capacity.

The ESG team consists of a coordinating team and sub-teams responsible for individual areas (OHS and environmental protection responsible for the environment and employees' safety; personnel and HR departments responsible for social aspects; legal, financial and ownership supervision departments responsible for compliance and corporate governance). Leaders in these areas are higher management personnel reporting to the Management Board. The sustainable development objectives are developed by Team Leaders, and then presented to the Management Board for approval and including into the business strategy. Implementation, i.e., achievement of objectives is coordinated by area leaders and their teams.

[2-13] [2-16] The Management Board delegated the responsibility for management of influence to people responsible for the environmental, social, and corporate governance areas. Those people are responsible

for defining objectives and report directly to the Management Board. Results and effects of their work are cyclically discussed at the Management Board meetings and, twice a week, at Management Meetings. The Management Board is responsible for supervising and approving guidelines and integrating ESG criteria with the general business strategy in short-, medium-, and/or long-term perspective.

At our Group, the Management Board is also responsible for acceptance of all crucial policies and procedures concerning ESG risks. In the Group, we identified social, environmental, employee, human rights, and corruption-related risks. We also analyse the influence of climate-associated opportunities and risks on business operations, a strategy, and financial plans on a short, medium, and long-term basis.

RESPONSIBILITY FOR INFLUENCE MANAGEMENT IN AREAS



GOOD PRACTICE

Since December 2021, we conduct cyclic ESG Materiality Assessment at the ONDE Group, in form of questionnaires and dialogue sessions with internal and external stakeholders, e.g., suppliers, subcontractors, investors, financial institutions, investment funds and banks.

[2-16] We define and implement risk management solutions on a regular basis. In this respect, we take into account changes occurring in the Group profile, markets in which we operate, and the current economic, political, social and climate situation, as well as regulatory requirements and best market practices. We measure the undertaken risk and specify the best return conditions for the acceptable risk level on a regular basis.

[2-14] The Management Board is responsible for reporting sustainable development issues. Following an analysis of significance by a team responsible for non-financial reporting, the planned disclosures are presented to the Management Board for acceptance. Leaders of the environmental, social, and corporate governance areas are responsible for reported data. The Management Board receives the collected data for acceptance before they are provided to an external auditor.

[2-17] The ESG team is responsible for regular improvement of ESG competencies, including:

- ☞ refreshing knowledge of the Management Board, concerning legal requirements and standards;
- ☞ current analyses good market practices and trends;
- ☞ case studies concerning innovative ESG solutions;
- ☞ recommendations concerning current actions and implementations;
- ☞ ESG risks and opportunities assessment.

The ESG section is present at regular Management Meetings held twice a year, and is a permanent item in the Management Board agenda. ESG risks are a subject of the Audit Committee meetings.

[2-18] Concerning evaluation of results of the Management Board supervision over the ESG issues, the ERBUD Group is currently preparing regulations consistent for all companies of the Group, and therefore, including ONDE. In 2022, the evaluation of the results of the top managing body covered only financial performance.

Policies and commitments

[2-23] Concerning responsible business management, at ONDE we operate, among other, in accordance with OECD guidelines for multinational enterprises, the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organisation. We forbid discrimination, bullying and harassment, do not use labour of children and minors and forced labour, and guarantee a freedom of association, collective bargaining, decent wages, a right to rest, and a right to holiday. We require from all our contractors to declare that they observe human rights and expect them to make a statement confirming that they operate in accordance with relevant legislation and ethical standards recognised by ONDE.

In particular, we are bound by:

- ☞ The Best Practice for WSE Listed Companies 2021;
- ☞ Standards recommended by the conformance management system in the area concerning anti-corruption and the whistleblower protection system at companies listed in markets organised by the Warsaw Stock Exchange;
- ☞ ISO 45001:2018
- ☞ The Construction Safety Partnership.

[2-24] Each employee is responsible for performance of obligations resulting from internal ONDE documents. Heads of organisational units are responsible for supervising teams in this respect. The Management Board also has a general supervision over performance of obligations by employees, while the Supervisory Board and committees operating within it. e.g., the Audit Committee, supervise it to some extent.



2.3

CUSTOMERS

At the ONDE Group we have larger and smaller customers, but we do not have more and less important ones.

At the ONDE Group we have larger and smaller customers, but we do not have more and less important ones. We approach each project and order with full commitment, for years working for a reputation of a trustworthy and reliable contractor and gaining trust of customers from various sectors. Our history taught us that fulfilling your obligations - regardless of the scale and the level of implemented investments - is the best form of marketing.

Our customers are companies and private corporations from Poland and abroad, as well as public institutions, especially the General Directorate for National Roads and Motorways and local governments.

The expertise developed for several years, unique competencies assembled in the organisation, and the support of the strong ERBUD Group bear fruit. With each year, we are enjoying increasingly greater projects requiring more extensive competencies, and adding of the design company IDE Projekt to the ONDE Group facilitates their performance for us - and for our customers. With diversified sectors, we can independently design and perform complex, modern projects responding to the changing needs of the changing world.

IN 2022,

we were trusted by

19 new
customers

we performed or are

performing **43**
projects

[417-3] [418-1] [3-3] In 2022, we did not note any case of noncompliance with regulations and voluntary codes governing issues of the marketing communication, or no justified complaint concerning loss of customers' privacy or loss of data.

2.4

ETHICS AND CORRUPTION PREVENTION



We respect rules - written and unspoken - and require the same from our stakeholders. We believe that business ethics first of all mean daily choices, minor and important decisions, and consistent development of a specific culture within the company. Respect, honesty, empathy, and human kindness are values we instigate in each employee from the first day of their employment at the ONDE Group. We included our values and convictions, for example, in our Policy for Diversity Management and Prevention of Unequal Treatment (it is described in more detail in the chapter Biodiversity and human rights). During onboarding trainings, we clearly communicate to our employees that in our organisation there is no place for any forms of mobbing, discrimination, harassment, or aggression. Furthermore, we strictly observe any external legal standards and approach the rivalry with our market competitors in a spirit of fair play.

We also combat corruption and bribery with our full power. In 2022, we adopted the Anti-Corruption Policy, which extensively defines the scope of corruption and represents our declaration of promoting and undertaking actions clearly

rejecting any form of corruption. The aim of the Policy is, among others, to structure rules for giving and receiving gifts in business relations, and to implement transparent procedures for verification and acceptance of costs and expenditures, and for cooperation with third parties. The Policy is binding for all employees.

In the Policy we undertake, among the others, to:

- ☞ ensure transparency of transaction processes;
- ☞ ensure transparency of processes of concluding all agreements;
- ☞ minimise the risk of conflicts in relations with third parties;
- ☞ verify contractors in terms of a risk of corruption and malpractices;
- ☞ include in agreements with contractors clauses forbidding corruptive activities.

[2-27] Neither in 2022 nor in previous years – we did not note in the ONDE Group any case of corruption or illegal activities.

[2-26] We expect ethical behaviours from our employees and do not tolerate any breach in this respect. We facilitate for everybody reporting to us unacceptable behaviours in the organisation. Notifications can be sent by email or by post directly to a member of the Management Board, or directly to the Supervisory Board when the report concerns a member of the Management Board. When a notice of this kind is received, an investigation is initiated no later than within seven days. All provided information is treated as confidential. A report from the investigation is presented at the Management Board meeting, and the Board can decide to discontinue the proceedings or to initiate disciplinary, criminal, administrative, or civil law proceedings against the person being in breach. Each employee reporting a breach in a good faith is guaranteed a right to remain anonymous and a full protection against any retaliation.

We send the complete information on ways of notifying irregularities to all employees by e-mail.

2.5

STAKEHOLDER RELATIONSHIPS

We adopt communication channels, a way of presenting data, and a place and time to the needs of each group of stakeholders.

[3-3] The scope of our services as the ONDE Group is extensive - and so are the ranks of our stakeholders. From very small local communities up to huge financial corporations - we meet with those groups that we influence, and those that influence us. However, regardless of who we talk with we remember that good and honest communication is another value that builds the ONDE Group brand. Furthermore, we have never been committed to the idea of bureaucracy. Unless it is strictly necessary, we do not require completing special forms, submitting official letters, or getting certificates if you want to learn something about ONDE or provide any kind of feedback. At our companies, doors are always open (during working hours). We're looking forward to seeing you.

[2-29] We develop our relations with the stakeholders in a way ensuring appropriateness of subjects and understanding of what we want to say. We adopt communication channels, a way of presenting data, and a place and time to the needs of each stakeholder group. We organise meetings at our offices, but also go to specific locations, for example, to talk about photovoltaic or wind farms with inhabitants at a local fire brigade station.

ONDE is a stock exchange listed company, and this means specific reporting and informing obligations for it. Reliable current and periodic reports are regularly published on company websites, once a quarter we organise meetings presenting our performance, and General Shareholders Meetings are convoked at least once a year.





We do not always tell everybody what they want to hear. But we always speak in a way ensuring we are understood. For investors, we have presentations filled with indices and figures, for customers, we provide an offer clearly stating how we can help them, and for inhabitants interested in RES construction plans we ensure fully empathic communication dispelling their doubts. However, first of all, in each case, we carefully listen to what others say. We assume that stakeholders' opinion is the most valuable feedback for the organisation that can be used to become a better company in the future.

[2-25] We also strive to provide the most complete information about environmental safety of our investments. At each construction site, we install OHSE information boards and environmental marking visible from outside. We also provide contact details to employees authorised to represent the Company for IMS and EMAS issues - to simplify this communication, we established one e-mail address, srodowisko@onde.pl.

We reduce the environmental impact of our construction site through, for example:

- ☞ preventing dust formation and wind erosion;
- ☞ paving main functional areas of the construction site;
- ☞ establishing a speed limit for vehicles moving around the construction site;
- ☞ geotextiles on fences, which are additionally sprinkled with water and form an effective barrier to the dust;
- ☞ limiting as far as possible the time of exposure of a surface at risk of wind erosion;
- ☞ mechanical compacting or sowing fast growing plants on site;
- ☞ selecting methods reducing impact on buildings in the construction site neighbourhood;
- ☞ installation of soundproof barriers;
- ☞ securing environmentally valuable components, trees and bushes;
- ☞ tree logging only in accordance with permits, after an ornithologist verifies that there are no bird habitats;
- ☞ reducing water runoff to neighbouring plots;
- ☞ creating barriers to amphibians and other small animals, and minimise losses in their populations during construction works;
- ☞ tightly sealed places for washing concrete mixers and pumps;
- ☞ washing wheels of vehicles and machines leaving the construction site with water in the closed circulation system.

All these actions help to minimise number of complaints from local communities and interventions of external bodies established to protect the environment.

GOOD PRACTICE

[413-1] We performed an assessment of the minimisation of the impact of our first investment for internal needs - the construction of the Cyranka photovoltaic farm - on the local community. In consequence, we changed the route of medium voltage cable lines to an alternate one, running through the fields, and not through the centre of the town of Giżycko. The construction of the line in its initial form would lead to long-term communication problems in the main access road and in Giżycko, and troubles to local inhabitants. The use of drillings and shielding pipes during the line construction minimised duration of possible problems.



GOOD PRACTICE

[413-1] We organise our own initiatives concerning environmental protection and support those of our employees.

- ☞ The S3 motorway construction as a part of implemented environmental initiatives, a feeding rack for wild animals present around the newly constructed S3 road was organised in cooperation with the Forest District;
- ☞ At the end of March and beginning of April 2023, a planned activity of restocking of the Bóbr River will be performed in cooperation with an ichthyologist;
- ☞ At WMB in Toruń, a feeder was constructed and 14 trees were planted.
- ☞ WMB employees organised collection of waste from the surrounding forest area along the road and the cycling track at Łukasiewiczza Street in Toruń, as a part of the „Clean Up The World initiative.
- ☞ FW Rąbin educational activities concerning environmental subjects at the primary school in Rąbin.

[2-29] [413-1] Main methods for dialogue and communication with stakeholders and for involving them

Stakeholders	Main methods for dialogue, communication and involvement
Business partners (customers) ☞ investors, ☞ potential customers	<ul style="list-style-type: none"> ☞ We meet in person and online. ☞ We ensure regular written and oral communication. ☞ We focus on increasing customers' awareness of OHS and environmental protection by communicating our IMS Policy. ☞ We update our website and are active in social media.
Subcontractors	<ul style="list-style-type: none"> ☞ We meet in person and online. ☞ We ensure regular written and oral communication. ☞ We focus on increasing our business partners' awareness of OHS and environmental protection by communicating our IMS Policy. ☞ We provide briefings on OHS and environmental protection, as well as participation in additional initiatives (e.g. the Safety Week). ☞ We consult functioning of the ONDE Integrated Management System with our subcontractors and are always open to proposed improvements. ☞ We provide our subcontractors with additional information materials concerning correct attitudes and safety at the construction site. ☞ On our websites, we provide information on standard of cooperation with subcontractors. ☞ We update our website and are active in social media.
Employees ☞ current employees ☞ managing personnel ☞ potential employees	<ul style="list-style-type: none"> ☞ We ensure continuous open, two-way communication between the management, including the Management Board, and employees - we have the "open door policy" and maintain regular contacts by telephone and e-mail. ☞ We organise internal and external training sessions, and are open to training courses suggested by our employees. We provide training courses in communication, especially for the managing personnel, to ensure good practices in a continuous dialogue with employees. ☞ We organise integration events, for the entire company (at least once a year) or for teams. ☞ We consult functioning of the ONDE Integrated Management System with our employees and are always open to proposed improvements. ☞ We regularly evaluate satisfaction with recruitment and onboarding processes, and analyse results according to quantitative and qualitative criteria. ☞ We conduct development talks. ☞ Every year, we offer places in an internship programme, with an option for employment. ☞ We participate in job fairs, in person and online. ☞ We publish current vacancies on our website and recruitment portals.
Suppliers	<ul style="list-style-type: none"> ☞ We meet in person and online. ☞ We ensure regular written and oral communication.
Local communities ☞ direct neighbours of the company and investments conducted by ONDE) ☞ representatives of local administration	<ul style="list-style-type: none"> ☞ We organise meetings with commune authorities and citizens. ☞ We organise information points at construction sites. ☞ We gather complaints and conclusions of citizens, if any appear, and handle them. ☞ We conduct education activities, including those addressed to children and youth. ☞ We update our website and are active in social media.
Capital market environment ☞ shareholders ☞ investors ☞ analysts ☞ capital market institutions, including the Warsaw Stock Exchange	<ul style="list-style-type: none"> ☞ We convoke General Meetings at least once a year. ☞ We organise meetings discussing our performance at least once a quarter. ☞ We meet individually and in groups, in person and online. ☞ We prepare reliable and exhaustive current and periodic reports. ☞ We ensure regular written and oral IR communication. ☞ We update our website and are active in social media.

Stakeholders	Main methods for dialogue, communication and involvement
Media (and opinion leaders) <ul style="list-style-type: none"> ☞ sector and subject ☞ economic ☞ regional and local 	<ul style="list-style-type: none"> ☞ We prepare a quarterly information about the ONDE financial performance. ☞ We ensure regular written and oral communication by telephone or email, including interviews with the Company representatives. ☞ We provide the most important information from the Company life, e.g. about executed projects or new contracts, on a regular basis. ☞ We update our website and are active in social media.
Sector organisations <ul style="list-style-type: none"> ☞ The Construction Safety Partnership at the District Labour Inspectorate in Bydgoszcz (PBB) - an active member ☞ Polish Association of Wind Energy - an active member ☞ Polish Association of Energy Storage - a member ☞ Polish Association of Photovoltaic - an active member ☞ Polish Association of Solar Energy - a member ☞ Polish Chamber of Road Building - Chairman of the Board of the Kujawsko-Pomorskie Voivodeship Chamber 	<ul style="list-style-type: none"> ☞ We organise conferences with participation of representatives of those associations. ☞ We participate in establishing joint OHS standards. ☞ We exchange OHS knowledge and experience with other PBB signatories. ☞ We provide and receive alerts concerning accidents and near misses. ☞ We exchange knowledge and experience on RES with other members of associations and participate in sector initiatives.
Beneficiaries of ONDE CSR schemes	<ul style="list-style-type: none"> ☞ We involve beneficiaries into activities as a part of ONDE FLOW. ☞ We participate in our own or top-down assistance initiatives. ☞ We support sports teams, as well as sports and cultural events. ☞ We support grassroot charity initiatives of ONDE employees. ☞ We ensure regular written and oral communication. ☞ We update ONDE and ONDE FLOW scheme websites and are active in social media.
Scientific milieu <ul style="list-style-type: none"> ☞ universities ☞ students and PhD students ☞ scientific milieu representatives 	<ul style="list-style-type: none"> ☞ Every year, we offer practical training and internship schemes for students, also as a part of regular cooperation with several Polish universities (see Practical training and internship in the Report). ☞ We organise conferences with participation of representatives of the scientific milieu. ☞ We share our knowledge on RES on an invitation from student scientific clubs. ☞ We participate in job fairs, in person and online.

Opinions of key stakeholders of the ONDE Group are important guidelines for us when making decisions. To ensure that our development remains sustainable, we take into account the outlook and needs of our environment, both in our daily activities and in strategic plans. On the basis of results of stakeholders surveys, we determined materiality of various aspects of our activities for sustainable development of the ONDE Group.

Preparing our sustainable development report for 2022, we conducted a survey among representatives of 16 crucial groups of stakeholders. The assessment concerned the ONDE Group influence on 18 ESG issues. The representatives were asked to evaluate whether our Group influences each of these issues, and if yes, in which way (positive/negative/neutral). In the stakeholders' opinion, the ten most material topics are:

Subject	Mean impact score	Number of respondents who noted that the ONDE Group has an influence on a given subject	Influence type
Climate change (e.g., greenhouse gases emissions or a RES energy share in the energy mix)	3.86	115	positive
Employees: working conditions, employee health and safety, employee well-being	3.71	114	positive
Consumers and final users (e.g., responsible marketing, responsible sales, quality of services)	3.41	108	positive
Innovativeness, industry, infrastructure (including sustainable infrastructure, sustainable innovations and industry)	3.38	109	positive
Use of raw materials (e.g., use of renewable and non-renewable resources)	3.28	102	positive
Local communities (e.g., a dialogue or involvement in relations with communities influenced by the organisation's activities)	3.19	102	positive
Employees in the value chain (e.g., respecting human rights by ONDE subcontractors/suppliers)	3.18	100	positive
Environmental pollution (e.g., air, water or soil pollution)	3.11	98	positive
Employees: other employee rights (e.g., employee privacy at work, human-rights related incidents among employees, or strikes)	2.88	92	positive
Employees: equal rights, e.g., equal remuneration for women and men	2.78	88	positive

[2-28] We share our knowledge, experience and best practices with the market by being members of the sector organisations. In the ONDE Group, we are members of:

- ☞ The Construction Safety Partnership at the District Labour Inspectorate in Bydgoszcz (PBB)
- ☞ Polish Wind Energy Association
- ☞ Polish Energy Storage Association
- ☞ Polish Photovoltaics Association
- ☞ Polish Chamber of Road Building
- ☞ Association POLISH FORUM OF ISO 14000 - a supporting member

Our awards

With great satisfaction, we accept recognition of our activities by independent experts. In 2022, we had a pleasure to receive:

- ☞ Forbes Diamonds, in the category of companies with income exceeding PLN 250 million. - we took the 1st place in the Kujawsko-Pomorskie Voivodeship and 15th place in Poland.
- ☞ The "Made in Toruń" mark for companies characterised by the highest quality.
- ☞ We also took the second place in the "Construct Safely" competition, for construction of the S3 motorway.

2.6

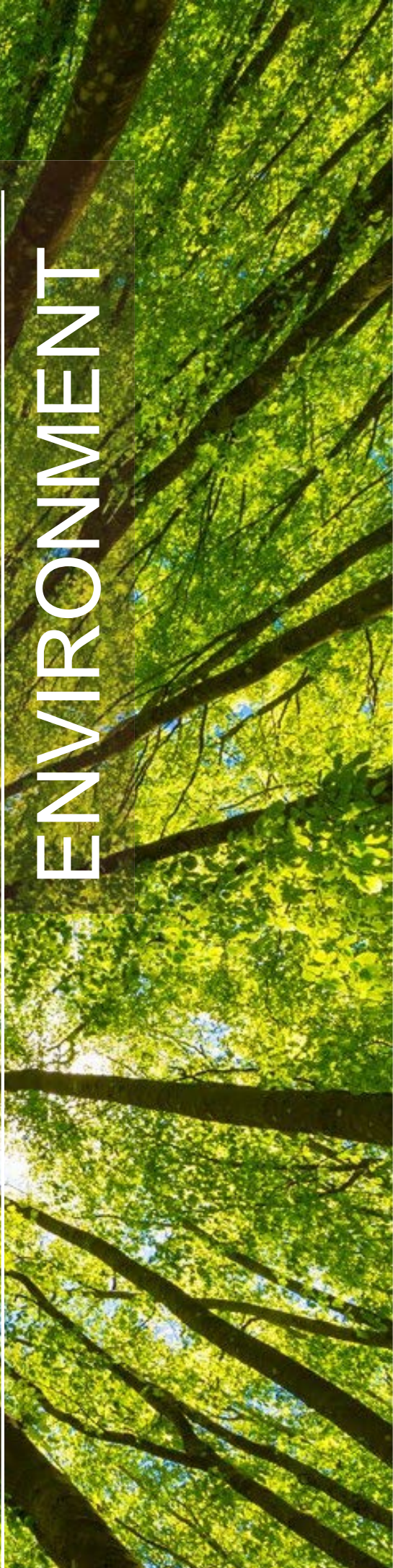
SPONSORING

For many years, we have sponsoring agreements with two clubs: speedway riders from the Sport Club Toruń and with basketball players from the sport club Twarde Pierniki Toruń.

We also support the Toruń Hokey Club, and in 2022, several smaller organisations and associations could also count on ONDE's financial assistance. In total,

we spend over 825 thousand zloty on sports sponsoring and support for local cultural initiatives.





03

ENVIRONMENT



in



3.1

BIODIVERSITY

At ONDE, biodiversity was qualified as a direct important environmental aspect and is regularly monitored for each investment.

[304-2] [3-3] At ONDE, at a central level, in accordance with the integrated management system requirements, we identified all direct and indirect environmental impacts, i.e., so-called environmental aspects. Additionally, at each construction site, its manager is obliged to determine aspects specific for a given project. For each identified aspect, actions preventing possible negative environmental impact are established. Furthermore, people responsible for their future implementation are appointed.

At ONDE, biodiversity was qualified as a direct important environmental aspect and is regularly monitored for each investment.

At ONDE, we have a minimum impact on soils and on reduction in biodiversity, but we still try to participate in works on improving the current level of biodiversity. Our procedures provide for, among others:

- ☞ locating construction site facilities, warehouses, etc., mainly at areas already developed and transformed;
- ☞ restoring a site of works to its initial condition before the construction;
- ☞ transferring plants to new locations, and compensation planting;

- ☞ minimising tree cutting as far as possible;
- ☞ protecting trees within the construction site influence zone against mechanical damage;
- ☞ moving amphibians and reptiles from water reservoirs colliding with conducted works to new habitats;
- ☞ transporting materials and raw materials mainly using already designated road courses;
- ☞ suspending construction works when any animals appear in the investment zone;
- ☞ adapting the works schedule to the natural cycle.

If any machine breakdown occurs at a construction site, necessary works are conducted using absorbent mats securing the ground against penetration of hazardous substances. Protective trays and basins are used in warehouses of hazardous substances and waste. An instruction of actions in case of finding any spillage of a hazardous substance is in force in all ONDE organisational and production units.



3.2

CIRCULAR ECONOMY

[301-1] [3-3] At our construction sites, the non-renewable materials are the most important, such as concrete and aggregates used for construction of roads, and their summed up values expressed as tonnes (A ratio), and limestone dust, aggregates and asphalt in case of production of mineral and asphalt masses (B ratio). Constructing photovoltaic and wind farms, ONDE purchases significant quantities of cables, therefore in 2022, they were also qualified as an important material.

The consumption of materials was referred to the quantity of mineral and asphalt mass manufactured (B ratio) at the Bitumen Mass Manufacturers, and to income expressed as PLN million (B ratio) at construction sites. ONDE closely

monitors the production process at the Bitumen Mass Manufacturer, conducting it in accordance with established recipes and technological regimes provided in the plant production control.

For subcontractor companies used by ONDE, required materials are specified in the design documentation. At ONDE, we control materials most dependant and usually purchased directly by the Company, i.e., concrete, steel, aggregate, and materials used for production of mineral and asphalt masses. We also introduce tools for recording quantities of materials built in by subcontractors, and we will report such data for 2023.

Construction materials consumption	Unit	A ratio		B ratio		R=A/B		CHANGE 2022-2021 (%)
		consumption		income (as PLN thousand)				
		2021	2022	2021	2022	2021	2022	
Concrete consumption	Mg	90589.29	37135.2	1,217,445	1,092,852	0.07	0.034	-54.334
Steel consumption	Mg	3921.88	3559.33	1,217,445	1,092,852	0.00	0.003	1.103
Aggregate consumption	Mg	686557.56	259024.47	1,217,445	1,092,852	0.56	0.237	-57.971
Cables	km	-	4055.37	1,217,445	1,092,852		0.004	-
Total material consumption, excluding cables	Mg	781068.73	299719	1,217,445	1,092,852	0.64	0.274	-57.252
Materials	Unit	A ratio		B ratio		R=A/B		CHANGE 2022-2021 (%)
		consumption		production				
		2021	2022	2021	2022	2021	2022	
Total materials consumption for production of mineral and asphalt masses at the Bitumen Mass Manufacturer	Mg	91479.00	46771.22	83331.05	48146.14	1.10	0.971	-11.508

At ONDE, waste is generated in consequence of conducted construction work, operations of plants at the bitumen mass manufacturers in Toruń and in Koszalin, as well as maintenance and repairs of vehicles and equipment at the equipment service and facilities. ONDE conducts operations aiming at minimising quantities of generated waste and conducts cyclic training sessions shaping the environmental awareness of employees and subcontractors. At the Company, we aim at increasing the level of construction waste sorting to 60%.

At ONDE, the waste management is conducted in accordance with rules specified in the Waste Act, in a way ensuring protection of human life and health, and of the environment. First, the waste is subject to recovery or disposed of at a place of its generation. When it is not possible for technological reasons, it is transferred outside a construction site for recovery, reuse, or disposal.

All waste, including hazardous, is transferred solely to recipients holding required permits. In 2022, 104,622.32 Mg of waste in total were generated in ONDE SA. More than 99.9% of it (104,518.98 Mg) represented waste other than hazardous. Hazardous waste represents only 0.1% (103.35 Mg) of all waste generated at the Company.

[306-3] In 2022, the quantity of hazardous and non-hazardous waste generated at ONDE amounted to 104,622.33 Mg. Sources of data to obtain information about the quantity of waste generated are taken from the Ministry BDO database. When referred to the income, the ratio of waste generated amounted to 92.72 Mg/PLN million. A significant increase in this ratio was caused by several factors:

- ☞ over 70% of the weight of all waste is formed by waste from the soil and ground category. This results from works conducted on the largest road investment, S3, but also from improving circulation of forms for soil transfer to natural persons, in accordance with current legal regulations.
- ☞ a significant increase was also noted in the subgroup of demolition and concrete waste, which were generated in relation to the won and executed scope of demolition works associated with construction of Bulwar Filadelfijski.

In 2022, the waste management at ONDE was conducted on the basis of the issued administrative decision for waste processing WGK.6233.GO.16.2015.RT of 16/02/2015, together with amending Decisions WGK.GO.6233.23.2019.RT of 20/12/2019 and WGK.GO.6233.7.2022.RT of 22/02/2022).

Waste	Unit	A ratio		B ratio		R=A/B		Change 2022–2021 (%)
		consumption		income (as PLN thousand)				
		2021	2022	2021	2022	2021	2022	
Hazardous waste	Mg	313.82	103.35	1217445	1092852	0.0003	0.0001	-63.31
Non-hazardous waste	Mg	39199.51	104518.98	1217445	1092852	0.03	0.10	197.03
		39513.33	104622.33	1217445	1092852	0.03	0.10	194.96

Waste subcategory code	Waste subcategory name	Waste weight [Mg]	
		2021	2022
01 04	Wastes from physical and chemical processing of non-metalliferous minerals	526.54	204.38
07 02	Waste from the manufacture, formulation, supply and use of plastics, synthetic rubber and manmade fibres	0.52	0.5
08 01	Wastes from the manufacture, formulation, supply, use and removal of paint and varnish	0	0.005
13 02	Waste engine, gear and lubricating oils	3.44	2.69
14 06	Other halogenated solvents and mixtures Other halogenated solvents and solvent mixtures	0.3	0.05
15 01	Packaging (including separately collected municipal packaging waste)	22.79	119.311
15 02	Absorbents, filter materials, wiping cloths and protective clothing	2.582	0.59
16 01	End-of-life vehicles from different means of transport (including off-road machinery) and wastes from dismantling of end-of-life vehicles and vehicle maintenance (except 13, 14, 16 06 and 16 08).	8.16	9.29
16 02	Wastes from electrical and electronic equipment	0.1	24.18
16 05	Gases in pressure containers and discarded chemicals	0.18	0
16 06	Batteries and accumulators	0	0.4
17 01	Waste of construction materials and elements, and road infrastructure (e.g., concrete, bricks, tiles and ceramics)	4775.60	25221.28
17 02	Wood	19.71	11.42
17 03	Bituminous mixtures, coal tars and tarred products	806.22	982.26
17 04	Iron and steel	10.31	7.766
17 05	Soil and stones other than those mentioned in 17 05 03	33087	77855.27
17 06	Insulation materials other than those mentioned in 17 06 01 and 17 06 03	0.5	0.16
17 09	Mixed construction and demolition wastes other than those mentioned in 17 09 01, 17 09 02 and 17 09 03	249.39	182.78
TOTAL		39513.33	104622.33

3.3

CLIMATE

The ONDE Group is aware that the main cause of climate change is the increasing emission and too large greenhouse gases accumulation in the Earth atmosphere.

The real proof for the greenhouse effect existence is, among other, a significant, occurring for over 150 years, annual increase in temperatures and occurrence of extreme weather incidents (storms, heavy rainfalls, hurricanes, droughts, flash floods) and the climate changes (including an increase in the average yearly temperature, a decrease in the average precipitation, a lowering of surface and ground water table, and progressing steppe-formation of the land) at latitudes where ONDE operates.

ONDE is aware of the RES constructions role in reducing emissions of anthropogenic greenhouse gases to the atmosphere. The importance of climate-related issues is reflected in the profile of ONDE activities. Projects associated with renewable energy sources are the pillar of these operations, and in 2022, they represented 80% of the income. ONDE monitors resolutions of successive World Climate Summits concerning global actions and the European Union decisions in terms of the assumption of being a leader in reduction of GHG emissions (according to the European Green Deal and achieving climate neutrality). It also monitors the national policy towards transformation and reorienting

the fuel energy mix at our country, as well as focusing on development of the low-emission economy, with a strong emphasis on RES development (as specified in the Energy Policy for Poland until 2040). We also observe actions of foreign and Polish companies that implement the UN Sustainable Development Goals (SDGs) specified in so-called Agenda 2030, including goal 12 (responsible consumption and production) and goal 13 (undertake urgent actions to prevent climate change and consequences).

These actions were conducted by ONDE in a systemic way, proposed, first of all, by the European Commission Communication, representing guidelines concerning reporting on non-financial information: A supplement on reporting climate-related information (2019/C 209/01) together with an appendix in form of Recommendations for the Task Force on Climate-related Financial Disclosures (TCFD) (in its part concerning Materials and Buildings Group) and second, by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending

Regulation (EU) 2019/2088, introducing the so-called taxonomy of the sustainable activities, together with Commission Delegated Regulations (EU) 2021/2078 and 2021/2139, and taking into account the Commission Delegated Regulation (EU) 2022/1214 amending the above ones, and treating these documents together as expansion of provisions of the Directive of the European Parliament and of the Council on Non-Financial Reporting (2014/95/EU) and Guidelines on non-financial reporting (OJ C 215 of 05/07/2017), implemented in Poland on 1 January 2017 (by changing provisions of the Accountancy Act).

Determining the significance of climate-related information for the entire ERBUD Group was a task having a priority over above activities. Thus, in 2019, workshops were organised for the managing personnel of individual companies in the Group, including ONDE (as PBDI S.A.). The workshops were conducted by experts from the AGH University of Science and Technology in Krakow, and from the Institute of Accounting and Taxation in Warsaw. In November 2022, in the face of further, progressing climate changes (see AR6), but also taking into account more detailed analytical materials provided, concerning the climate prospections for the area of ONDE business operation (e.g., the Climate Portal KLIMADA 2), another workshop was held, conducted by experts from the AGH University of Science and Technology in Krakow. This event allowed verification, more precise specification, and updating of previously developed assumptions and the remaining elements of a system for management of climate aspects by entire ONDE, adaptation to climate changes in the view of new AR6 prospections, as well as a significantly greater need to reduce the carbon footprint by the entire Group in terms of the analysed time, reflecting this way the increased ONDE ambitions in that area. The conclusions from the workshops also

became a road sign for ONDE. The workshops also pointed towards a need to develop a separate Climate Policy for ONDE.

The method used during the workshops was an analysis of double materiality of climate-related issue (introduced with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by the Communication of the European Commission, representing guidelines for non-financial reporting: A supplement on reporting climate-related information (2019/C 209/01) and an analysis of sustainable development issues in the Directive of the European Parliament and of the Council (2022/2464/UE) (...) used as a basic principle in relation to sustainable development reporting and accountancy standards related to sustainable development prepared on its basis, ESRS 1: General requirements and ESRS E1: Climate change. On the basis of this methodology, another analysis was performed (the first one took place at the end of 2019) and then the significance level for climate-related information was specified as high for the ONDE Group, with this significance considered as high on a short, medium, and long-term basis, as well as in the entire value chain of the ONDE Group.

The following was assumed:

The short-term basis was understood as the perspective until 2030, with an intermediate milestone in 2025.

The medium-term basis was understood as the perspective until 2040, in which the end of the process of the basic group of activities aiming at the carbon footprint reduction was specified in the EU European Green Deal, corresponding to the implementation of the Energy Policy for Poland until 2040.

The long-term basis was understood as the perspective until 2050, in which the achievement of climate neutrality in the European Union is assumed in the European Green Deal.

At the same time, it should be emphasised that at the level of the entire Group, legislative requirements, associated e.g., with implementation of the “Fit for 55” package are monitored with possible necessary revisions of assumed climate goals on the medium-term basis.

In 2022, as well as in the future periods of time, ONDE did and will not have a significant impact on the climate, but this impact may be negative and noticeable in some part. Basic materials (steel, cement, and other) used by ONDE for production are manufactured by sectors (steel mills, cement production) that have a significant impact on the climate. Therefore, the significant impact on the climate change, probable changes in legislation, and burdens associated with greenhouse gases emissions in these sectors must be considered, and they may have a negative influence, e.g., on the ONDE financial performance.

It was also emphasised that when the climate change is considered in a wider perspective, the intensified weather anomalies may affect performance of investments conducted by ONDE. During workshops of November 2022, conducted in that part on the basis of methodology for determining the ONDE Group susceptibility to the climate change, with its step by step estimation on the basis of exercises determining exposure, sensitivity, a potential impact, and the preparatory abilities of the Group, going through indications of Tables 1, 2 and 4 of the Communication of the European Commission, forming guidelines on non-financial reporting, in the analytical process: A supplement on reporting climate-related information (2019/C 209/01). The discussed workshops were based on the

current report on the Earth climate of 2021,

– Sixth Assessment Report Intergovernmental Panel on Climate Change – so-called AR6. The study was prepared by the Intergovernmental Panel on Climate Change (IPCC), on the basis of scenario analyses for four scenarios: RCP2,6, RCP4,5, RCP6 and RCP8,5, for which the International Energy Agency (IEA) was responsible. The RCP4,5 and RCP8,5 scenarios were mainly used. Furthermore, climate and weather changes (until 2050) associated with the scenarios were also considered, shown on ISOK (Informatyczny System Osłony Kraju, see: <https://imgw.isok.gov.pl/mapy-klimatologiczne.html>) and Klimada 2 (see: <https://klimada2.ios.gov.pl>) websites. This resulted in determining the level of influence of those changes (climate and weather hazards) on assets held, as well as their management by the entire Group and its value chain, including, of course, ONDE itself.

Simultaneously with the above, the social and environmental materiality of ONDE was also analysed in terms of the Group's impact on the climate. In this respect, a significant participation of the Group in limiting the climate change was indicated. The fact that ONDE (also as a part of the ERBUD Group) meets expectations associated with the climate change as it has knowledge, skills and competencies needed to design environmentally friendly systems, in particular, photovoltaic farms, but also of wind farms, biogas plants, and other, is crucial for the above. The fact that ONDE joins processes of restructuring power and heating generating plants in Poland, so they start to use desirable low and zero emission sources of energy, should also be emphasised. As a part of the EMAS declaration, a third party auditor found that the Group had

necessary resources, knowledge, and competences, and dynamically and extensively contributed to processes of replacing sources used for production of electricity, heat and cold in Poland and Europe with low and zero emission energy sources. It was also established that the Group itself, in its internal processes, conducts activities minimising its carbon and environmental footprints.

Summing up the above, a thesis may be proposed that ONDE SA (also as a part of the ERBUD Group) meets and will meet in the nearest future restrictive regulative standards, as well as expectations of its customers in terms of crucial indexes for its impact on the climate and resistance to the climate change.

Using the methodology presented in the European Commission Communication, forming guidelines on non-financial reporting: A supplement on reporting climate-related information (2019/C 209/01) and an analysis of sustainable development issues in the Directive of the European Parliament and of the Council (2022/2464/UE) (...) for sustainable development reporting) and accountancy standards related to sustainable development prepared on its basis, ESRS 1: General requirements and ESRS E1: Climate change, it was found that the materiality described above is of the financial nature (from the outside in) and of environmental and social nature (from the inside out).

The crucial determining factors for the high level of importance of the climate issues for ONDE were developed during workshops in November 2022, confirming and expanding results of the first workshops in 2019. They are presented in the table below:

[201-2] Importance of climate issues for the ONDE Group, together with a type of their influence on the Group:

Financial importance		Environmental and social importance	
Factor	Opportunities /risks	Factor	Opportunities/risks
Conducting and executing investments during winter	+	Emitter of greenhouse gases (GHG), but not in a direct system (in this respect, ONDE is presented as a leader in low emissions). This concerns, in particular, the use of products from sectors that have a significant impact on the climate (e.g., concrete and cement production, steel works)	-
Occurrence of excessively warm and dry summers, when works cannot be performed	-	A will and a possibility to participate in the energy transition in Poland (as the RES leader) due to its competences in conducting investments in constructions for RES (photovoltaics + wind farms), and this fits into performance of provisions of the European Green Deal and the Energy Policy for Poland	+
Occurrence of weather anomalies that may negatively affect the investment execution process	-		
Performance of the objective of minimising own construction assets	+		
ONDE activities concerning investments for environmentally friendly energy sources, including construction of RES systems (photovoltaics + wind farms) and replacement of high-emission fuels with zero-emission (electrical, hydrogen, powered by human muscles) and low-emission (including hybrid and co-generation solutions) ones in terms of GHG.	+		
ONDE activities related to investments in industrial sectors considered to be high-emission ones in the GHG terms.	-		
Conducting construction activities on lands potentially exposed to the climate change risk, mainly in terms of the weather changes, reflected in the reduced availability of the site of works	-	Knowledge of the technology and conducting constructions aiming at adaptation to the climate change	+
The increase in quantity and availability of wind and sun due to the climate change, offering an option to increase production of energy from these sources	+	High emissions from bitumen masses	-





[201-2] Importance of the climate issues versus business model, the strategy and financial plans of the Company

ONDE SA, as a leader in the RES construction sector, aims at continuous development in accordance with principles of sustainable development and responsible business. The Group's business model and strategy are a part of global climate challenges aimed at reducing the pace of adverse climate changes. Being aware of the important role of RES development in the social, economic and legislation environment, ONDE will increase intensity of its efforts concerning actions aiming at reducing the impact on the climate on the micro and macroeconomic level, while using the associated opportunities. For the RES construction sector, the climate change is important in the context of weather phenomena and regulatory changes, as well as social development, and interest and awareness of the power supply sector.

During the workshops in November 2022, described above, the scenarios of ONDE business models and strategy resistance to the climate change were analysed on the short-, medium- and long-term basis. This review allowed to avoid a potential negative impact on business operations, in terms of financial losses, future legislative burdens, and lack of social acceptance for conducted activities. In its analyses of the business model resistance, the Group uses the UN model, – Intergovernmental Panel on Climate Change, based on the RCP 4,5 (Warming on a level of up to 1.5°C. Scenario 1) and RCP 8,5 (Warming on a level exceeding 4.5°C. Scenario 2) scenarios. This assumption is consistent with assumptions of the ERBUD Group. A monitoring of resistance of the ONDE business model to the climate change has become a common practice in the Group.

The analysis for Scenarios 1 and 2 was conducted following four stages: establishing a model of the company-climate impacts, calculation of associated costs of security, a safety analysis for the current portfolio of ONDE products and services, and proposals for additional securities for the products and services. Considering the time frames and analysing previous results concerning significance, ONDE business model in:

- ☞ the short-term perspective: is sufficiently resistant, or even is a pioneer in actions limiting the negative climate change, and faces risks in this respect;
- ☞ the medium- and long-term perspective, is sufficiently resistant to the climate change.

For ONDE, the Integrated Management System implemented in the Group is also crucial, as it is a set of standards for environmental, quality, and occupational safety management. The Integrated Management System was created and implemented in accordance with the requirements and with ISO 45001:2018, and ISO 14001:2015, as well as with the eco-management and audit scheme EMAS according to the Regulation of the European Parliament and of the Council (EC) No. 1221/2009, as amended, and this is confirmed by relevant validations by third party auditors supported by certificates of compliance received by ONDE.

[201-2] Opportunities for ONDE associated with the climate changes

Its efforts to achieve the long-term objective of the Group (climate neutrality by 2050) create for ONDE also opportunities on a long- and medium-term basis. The climate change and protection offer opportunities for further development, financial and social

(non-material) in terms of increasing the social RES awareness, their acceptance, and therefore, perspectives for the future income. The specific character of a portfolio of conducted investments - especially photovoltaic and wind farms together with accompanying infrastructure, indicates ONDE's high understanding of the climate change, not only for the natural environment, but also for development of the further competitive edge for ONDE. Offered products and creation of new, "environmentally-friendly" work places fit into the main goals of the EU strategy of the European Green Deal, for example:

- ☞ reduction of the carbon footprint to ensure that Europe achieves climate neutrality;
- ☞ reduction of the environmental footprint towards the resource efficiency concept through implementation of principles of the circular economy;
- ☞ fair social transformation, creation of new work places in low- and zero-emission sectors.

The first objective is integrated with the climate change, and further, with the level of emissions of greenhouse gases (GHG), that cause the greenhouse effect. Construction, transport, and power supply represent basic sectors on which we should focus when we talk about main streams where greenhouse gases emissions need to be restricted. The offered ONDE services represent a direct response (in the operating context) to the need to implement the set objective in the strategy for the European Green Deal and a mechanism to reduce the emission levels, through offering construction services for the power supply infrastructure required to reduce emissions from the energy mix.

The second of the listed European Green Deal goals is related to the resource efficiency, When

business activities are reviewed in a context of the entire value chain and the products life cycle, the company operations can be designed in a spirit of the circular economy and keeping raw materials in circulation as long as possible. The circular economy represents an important part of the European Industrial Strategy, and the European Commission indicates and emphasises sectors with the highest consumption of resources, while having a potential for circular economy. They include the construction industry. The activities associated with implementation of the circular economy within services offered by ONDE and internal company processes represent another fundamental component of the Group attitude and plans.

The third of the mentioned objectives concerns investing in new environmentally friendly work places. It should be emphasised that the European Green Deal declares a transition that is socially fair, and strongly emphasises a challenge of new work places in a context of liquidation of high consumption industry in favour of low- and zero-emission economy, which in general, offers lower well-being and reduces, e.g., investment capacities of local governments. Winning new projects and investments for the Group is associated with a continuous demand for employees. Therefore, the actual participation of the Group in the transition towards climate neutrality reduces its social costs.

The climate change in terms of ONDE strategy and financial plans

In a context of the financial impact on the climate change, the market situation stimulates a need to diversify the project portfolio and achieve income on sale of electricity, to further strengthen the ONDE financial position. A continuous search

for technical, technological, organisational, and management solutions will contribute to strengthening of ONDE in terms of implementation of assumptions of ESG ratings and minimising its impact on the climate. A simultaneous identification of business partners' involvement with pro-climate aspects and maintaining documentation at the operating and strategic level will support actions and decisions concerning further creating of the Group strategy for development and cooperation. An increase in ambitions of all parties involved in the ONDE value chain, through the access to knowledge, and accompanying large awareness of climate problems will translate into benefits for ONDE, as well as for business opportunities for suppliers in the entire chain. Following the TCFD recommendations, the ONDE strategy should be strengthened into even more mechanisms concerning climate aspects in a context of its monitoring and further updates.

The strategy and other organisational documents should take into account the issues of the Group's impact on the climate, as well as climate risks, especially acute physical risks, and long-term physical risks associated with locating of a new investment.

ONDE wants to participate in fulfilling obligations of the climate neutral economy, directing its activities in a way enabling identification of those having a potentially negative impact on the climate and of the climate change impact on ONDE. This approach meets the Group obligations in the sustainable development and ESG areas, as well as contributes to implementation of the EU Climate Policy. Being aware of local and global challenges associated with the climate change, and the influence of the construction sector on a transition towards zero- and low-emission economy, the Climate Policy of the ONDE Group, presented below, was adopted in December 2022.

Climate policy

The dedicated Climate Policy of the ONDE Group aims at specifying management control over challenges associated with prevention of the negative climate change, and establishing ONDE climate objectives together with specifying mechanisms for their performance. Risks were identified and their impact on the business model was assessed, together with the influence of the climate change on operations of individual business sectors, basic indices were defined, as well as reductions in Scope 1 and Scope 2 emissions were identified and expanding of activities aiming at reductions with Scope 3. The study ensures the application of due diligence processes of the ONDE Group in issues associated with limiting climate changes.

The developed Climate Policy is addressed to internal and external stakeholders. The substantive support for the study was provided by experts from the organisational structure of the ONDE Group, as well as specialists from the AGH University of Science and Technology in Krakow. The Policy in its form presented below was adopted by the ONDE SA Management Board.

The ONDE Group Climate Policy for 2023–2050

The Management Board has a control over implementation of the ONDE Group Climate Policy. It declares that it will make all efforts possible to ensure that in 2022–2050 the established objectives concerning limiting of the climate change and its negative consequences are met. Our ambitions to intensive pro-climate actions of ONDE have been implemented for several years, and they are reflected in the Group priorities and objectives. The Climate Policy objectives are consistent with the objectives of the ERBUD Group. These objectives were divided into three groups (Group 1, Group 2, and Group 3).



GROUP 1

OBJECTIVES OF THE ONDE GROUP CONCERNING REDUCTION IN GREENHOUSE GASES (GHG) EMISSION LEVELS

SHORT-TERM BASIS:

by 2030

30%

reduction in direct emissions

40%

reduction in indirect emissions (Scope 2) through actions promoting efficiency and by using renewable energy sources at a level of 80%.

-10%

Completing calculations of indirect emissions and their reduction



Including climate aspects in modelling the portfolio of orders.

MEDIUM-TERM BASIS:

by 2040

40%

reduction in direct emissions

NEUTRALITY

in indirect emissions (Scope 2) through actions promoting efficiency and by using renewable energy sources.

20%

reduction in indirect emissions

LONG-TERM BASIS:

by 2050

CLIMATE NEUTRALITY

achieving climate neutrality, including through reduction and assimilation of emissions of the remaining greenhouse

ZERO CARBON FOOTPRINT

offering solely products with zero carbon footprint at phase A of the life cycle of a product/building according to PN-EN 15804.

The baseline year for reduction in the GHG emissions was 2020 for Scope 1 and 2, and 2024 for Scope 3.

GROUP 2

OBJECTIVES OF THE ONDE GROUP FOCUSING ON IMPROVING ENERGY EFFICIENCY AND REDUCING THE CARBON FOOTPRINT IN THE ENTIRE VALUE CHAIN OF THE GROUP BY 10 % (to limit the negative climate change):

REDUCTION IN ENERGY CONSUMPTION BY 10%

on the basis of the analysis of the index of energy consumption to revenues generated on ongoing investments.

IMPROVEMENT IN THE STRUCTURE

of the use of renewable energy sources on ongoing investments in relation to the total costs of energy consumption by 10%.

GROUP 3

OBJECTIVES IDENTIFIED FOR THE ONDE GROUP AIMING AT SIGNIFICANT MITIGATION OF PHYSICAL CLIMATE-RELATED RISKS (to adapt to the climate change):

RISK MITIGATION

involving the organisation in the process of mitigating the acute physical risk and long-term physical risk for its customers by preparing products that truly mitigate it.

ZERO RISK

failure to execute constructions and construction products at locations exposed to identified acute and/or long-term physical risk.

The full text of the policy was published at www.onde.pl



Identification of main climate risks and their management by the ONDE Group

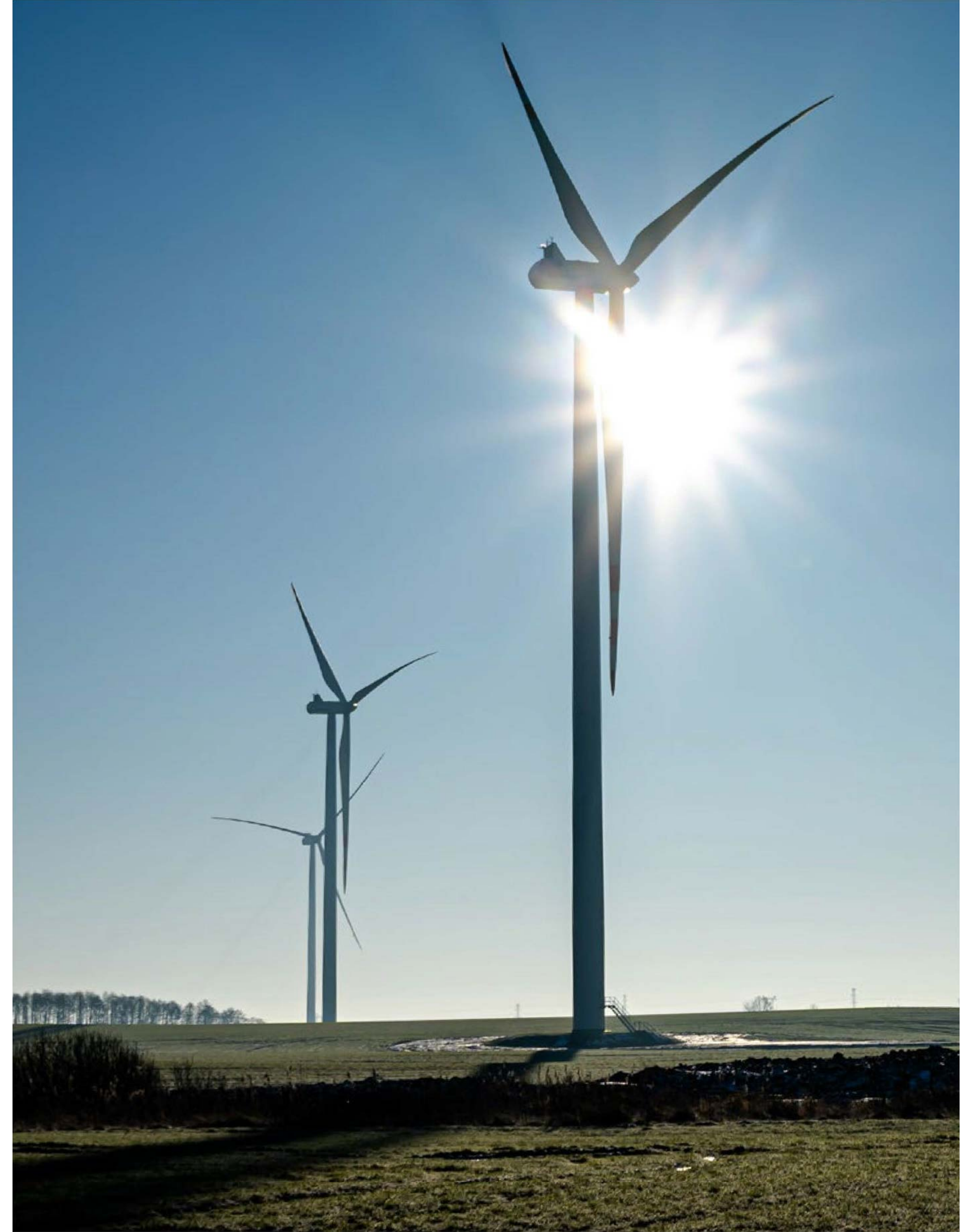
Climate risks for ONDE and methods for managing identified risks were determined. Main risks are noticed not in the area of investments directly executed by ONDE, but in the indirect scope. This results from the fact that subunits used in the ONDE production process require for their production raw materials having significant environmental impact, like steel, cement, and other. Therefore, it should be emphasised that ONDE indirectly has the environmental impact, when the entire value chain is considered, and thus that impact can be negative and noticeable.

Risks associated with the climate change were identified for ONDE on a short- (2022–2030), medium- (by 2040) and long- (by 2050) term basis. The regulatory requirements concerning the climate were taken into account. The assumptions from the Supplement of the European Commission (2019/C 209/01) concerning reporting climate-related information and TFCF guidelines (from the Materials and Buildings Group) were used. Identification and assessment of two categories of climate risks and opportunities were conducted in relation to the scope of the ONDE investments, in accordance with risks definitions and classifications from the Commission Communication (2019/C 209/01):

- ☞ The risk associated with ONDE's negative impact on the climate (the risk associated with the transition concerning political, legal, technological, market, and loss of reputation aspects).
- ☞ The risk associated with the climate negative impact on ONDE (a physical risk: acute and long-term physical risks).

Identified risks are presented as a matrix of risks and opportunities associated with the climate change. The specified risks are regularly reviewed, allocated, and assessed, with identification of a risk owner and their mitigation. Using TCFD guidelines, information on the financial influence on risks can be obtained, related, among others, with income, costs and expenditures, and assets and liabilities.

In accordance with the Integrated Management System and the risk management policy in the ONDE Group, the ONDE Management Board is responsible for controlling risks associated with the climate. Later (2023), further ONDE development documents will be developed, e.g., concerning works on even greater integration of the process for management of climate-related risks and regulatory requirements, and with the existing risk management process within the functioning Environmental Management System (confirmed with a certificate of conformance with ISO 14001:2015 and EMAS) at ONDE. At the current (2022) stage, management of the risk associated with the climate change can be consolidated with one of six risks identified for ONDE non-financial issues - "The risk associated with a potentially negative impact on the climate, and the influence of the climate change on the Group".



Climate risks established for the ONDE Group:

Risk type	Transition related risk	CONCERNING POLITICAL ASPECTS	RISK MITIGATION WILL BE PERFORMED BY
		Strengthening conditions of energy efficiency in relation to the climate change and the limited access to water, or an overload of the energy system	<ol style="list-style-type: none"> 1. Application of the ONDE Climate Policy 2. Implementation and updating of the ONDE Strategy 3. Adopting the ONDE Strategy to guidelines resulting from the EU climate policy 4. Conducting operations in a spirit of sustainable development across the value chain. 5. Adopting investment plans to the climate-related regulatory requirements 6. An increase in capital expenditures on low- and zero-emission manufacturing assets 7. Continuous monitoring of regulatory requirements 8. Even greater intensification of investments in terms of quantity for renewable power generation 9. Contacts with teams providing opinions for climate-related projects at the Polish and the European level 10. Intensifying activities supporting the circular economy 11. Gradual withdrawal from the use of anthropogenic energy sources from fossil fuels and promotion of electromobility 12. A dialogue and transparent cooperation with business partners using anthropogenic energy sources from fossil fuels 13. Continuous search for technical, technological, and organisational solutions minimising the climate impact 14. Continuous professional improvement in terms of the climate change through training and improving the working culture
		CONCERNING LEGAL ASPECTS	
		Legislation risks associated with potential litigation when the regulatory requirements are not met	
		CONCERNING TECHNOLOGICAL ASPECTS	
		A risk of not using a technology with a smaller adverse impact on the climate	
		CONCERNING MARKET ASPECTS	
		A risk of orienting choices of business customers towards solutions and constructions, which have even more passive influence on the climate	
		CONCERNING REPUTATION LOSS ASPECTS	
		A risk of a failure to attract new customers and retain old ones when ONDE operations are considered harmful to the climate.	
		A risk of a failure to attract new employees and retain old ones when ONDE operations are considered harmful to the climate.	
		A risk of a failure to attract new investors and retain old ones when ONDE operations are considered harmful to the climate.	
		A risk of a failure to attract new suppliers and retain old ones when ONDE operations are considered harmful to the climate.	

Risk type	Physical risk	Acute physical risk		<ol style="list-style-type: none"> 1. Application of the ONDE Climate Policy 2. Developing long-term climate scenarios and monitoring the weather in the real time and the long-term basis 3. Insuring of Company assets 4. Adapting preparation of ongoing investments to possible consequences of weather variability 5. Monitoring and maintaining machines and technical equipment in the required operating condition 6. Physical adaptation of the Company assets to possible consequences of weather phenomena
		Long-term physical risk	<ul style="list-style-type: none"> ☞ Intense weather phenomena ☞ Rising of the groundwater table ☞ High temperatures, droughts, desertification ☞ Increase in the atmosphere temperature ☞ Unfavourable weather conditions restricting RES operation, and no demand for investments ☞ Temperature deviations and a drop in the demand volume for products offered by ONDE ☞ Increased ratio of failures of ONDE devices caused by the climate change (droughts and other) 	

ONDE SA, as a listed company (having a status of a public company) observes with due diligence principles of corporate governance specified in the Best Practice for WSE-Listed Companies 2021, including guidelines for ESG environmental areas. It should also be noted that ONDE, as a participant in the power sector transformation, depends on regulations at the national and the EU levels, however, it undertakes efforts going beyond legal regulations and assumes responsibility, in particular, for consequences of the indirect consumption of raw materials (steel, aluminium, and other), and established demanding objectives for itself, managing them through

the developed risk management system. Furthermore, high standards of policies and due diligence processes at ONDE are distinguished by the development of the ONDE Group Climate Policy, in accordance with assumptions of the European Commission Communication (2019/C 209/01), as well as guidelines and TCFD Report, and by strict adherence to their provisions. Furthermore, as a part of the ONDE Integrated Management System conforming to ISO 9001:2015; ISO 45001:2018, ISO 14001:2015 and EMAS, the said Policy of the Integrated Management System (IMS Policy) was adopted. Climate-related due diligence processes will be included into the risk management associated with the potentially

negative environmental impact, a risk of the climate impact, a risk associated with social protest, a risk of a reputation crisis, and a risk of a potential ESG breach in the supply chain.

ONDE will strive to create the ESG-related strategy. In this aspect, the main role will be to structure, coordinate and harmonise all ESG-related issues and objectives from the operative point of view, as well as integration with strategic objectives, including those covering social and employee areas. This results, among others, from a fact that a need to manage human capital in the area of professional improvement, training, workshops and tutoring in a context of climate-supporting actions and a need to intensify actions in this area were identified.

ONDE undertakes cooperation with non-business partners to prevent the excessive climate change, and is an author of the Grant Programme SOFIA designated for young innovators from renewable energy areas, as well as a participant in public discussions on the energy transition and an opportunity offered by RES in this respect. ONDE is

an organiser of the RES Conference Nowe Trendy and a member of work teams, and cooperates with the academia - the Bydgoszcz University of Science and Technology, the Nicholas Copernicus University in Toruń, or the AGH University of Science and Technology in Krakow.

[308-2] In accordance with IMS In force, ONDE, identifies and analyses environmental management risks (and opportunities), including those associated with the supply chain.. The suppliers are evaluated by the Trade/Production Preparing Department Manager already at the bid stage, with the participation of the Project Manager responsible for the executed project.

The process of negotiations of contractual provisions is the next stage of assessment of suppliers and their environmental impact, which finally results in appropriately formulated contractual provisions signed with selected suppliers of services and materials. A supplier selected this way is evaluated by a construction site manager in terms of its potential negative environmental impact at the execution stage. This evaluation results in identification of environmental aspects of importance for a given construction site and drawing up

an environmental programme for it. The environmental programme, together with resultant preventive actions, are closely monitored by managing persons at the construction site.

In successive years, we will pay a particular attention associated with monitoring of the influence of greenhouse gases emissions of Scope 3 to the identified intermediate aspect related to supplies of materials/services due to vehicle transport used for this purpose.

[3-3] Energy mix

[302-1] [302-5] In 2022, we significantly increased the share of renewable sources in our energy mix of the ONDE Group. We also reduced the total energy consumption, despite the increase in our market activity and the Group development.

In 2022, the total consumption of energy (including energy from fuel burning) from renewable and non-renewable energy sources by the ONDE Group amounted to 73947.76 GJ (20541.04 MWh), and this means a drop by nearly 8% versus the previous year, and by as much as 14.91% versus the baseline year 2020.

The size of consumption was referred to the ONDE Group revenues for 2020 (PLN 586,315 thousand), 2021 (PLN 1,217,445 thousand), 2022 (PLN 1,092,852), and we noted a slight increase by 2.58% versus 2021; however, when we referred it to the baseline year (2020), this drop amounted to as much as 54.35%.

In 2022, the consumption of electricity alone amounted to 3,136.71 GJ (871.31 MWh), and this means a drop by 43.46% versus the previous year, and by as much as 68.61% versus the baseline year. This is caused by a reduction in the energy consumption

at WMB (Bitumen Mass Manufacturer), used for production process, and the increase in a number of photovoltaic farms constructed in the portfolio of revenues, versus the previously executed wind farms and road constructions. The construction of photovoltaic farms is characterised by a lower demand for electricity; sometimes, power supply is generated by generators (requiring diesel fuel) due to problems with availability of a permanent power connection. A higher percentage of the portfolio income generated by RES in the ONDE Group may lead to further positive reductions in the total energy demand.

Simultaneously with the demonstrated reduction in the energy consumption, the ONDE Group significantly increased its use of the renewable energy. The ONDE Group totally compensated its emissions from the electricity consumption by purchasing Guarantees of Origin for 1500 MWh. The percentage ratio of renewable energy sources referred to the total energy used by the ONDE Group is 4.24%.

The total energy efficiency was calculated at the ONDE Group, taking into account:

- ☒ electricity;
- ☒ heat;
- ☒ energy from fuels burned in vehicles and machines (gasoline, diesel oil, LPG);
- ☒ natural gas energy;
- ☒ energy from coal dust and heating oil.

The data on emissions was referred to the ONDE Group revenues for 2020 (PLN 586,315 thousand), 2021 (PLN 1,217,445 thousand), and 2022 (PLN 1,092,852 thousand). The results indicate a significant drop in the total electricity consumption by 37.01% versus 2021, and an improvement of that ratio by 83.16% versus the baseline year of 2020.



[302-1] Energy consumption in the organisation

Energy consumption in the ONDE Group broken by individual energy sources

Energy from individual sources	2020 as GJ	2020 as MWh	2021 as GJ	2021 as MWh	2022 as GJ	2022 as MWh	Change 2022/2021 [%]	Change 2022/2020 [%]
Electricity	9993.42	2775.95	5547.6	1541	3136.71	871.31	-43.46	-68.61
Heat energy	no data	no data	1951.42	542.06	1852.7	514.64	-5.06	no data
Energy from burning fuel in vehicles and machines	33433.24	9287.01	39669.77	11019.38	47139.89	13094.41	18.83	41.00
Energy from burning of natural gas	19139.08	5316.41	20833.67	5787.13	14757.26	4099.24	-29.17	-22.89
Energy from burning of coal dust	22748.08	6318.91	11049.88	3069.41	6609.51	1835.98	-40.18	-70.94
Energy from burning of heating oil	1592.03	442.23	1255.07	348.63	451.69	125.47	-64.01	-71.63
TOTAL ENERGY FROM ALL SOURCES	86906.05	24140.57	80307.4	22307.61	73947.76	20541.04	-7.92	-14.91

[302-3] Intensity of consumption of individual energy sources versus revenues:

Energy from individual sources	Intensity of energy consumption in 2020 [GJ/PLN thousand]	Intensity of energy consumption in 2021 [GJ/PLN thousand]	Intensity of energy consumption in 2022 [GJ/PLN thousand]	Change 2022/2021 [***]	Change 2022/2020 [***]
Electricity	0.017	0.005	0.003	-37.01	-83.16
Heat energy	-	0.002	0.002	5.77	no data
Energy from burning fuel in vehicles and machines	0.057	0.033	0.043	32.38	-24.36
Energy from burning of natural gas	0.033	0.017	0.014	-21.09	-58.63
Energy from burning of coal dust	0.039	0.009	0.006	-33.37	-84.41
Energy from burning of heating oil	0.003	0.001	0	-59.91	-84.78
TOTAL ENERGY FROM ALL SOURCES	0.148	0.066	0.068	2.58	-54.35

Year	income, as PLN thousand
2020	586,315
2021	1,217,445
2022	1,092,852

[302-4] At ONDE, we undertake regular activities associated with shaping of employees' awareness on reducing electric power consumption in offices and construction sites, economic driving, and optimising drives. Additionally, activities are developed that contribute to reduction in energy consumption directly at construction sites.

GOOD PRACTICE

In October 2022, on one of the road construction sites in Koszalin, we put into operation a pioneer photovoltaic system. 20 modules of the total capacity of 10 kWp supplies green energy for the construction site facilities on the voivodeship road 152. The system was developed in a way enabling its simple and cost-effective dismantling, and after arriving to a relevant site, reassembling to get clean, green energy again. Additionally, in months favourable for photovoltaics (March to September) the system may guarantee that 100% of the energy for the facilities is generated by the sun. The system is a pioneer solution at the level of our entire Group. If the conducted analysis confirms that the use of this solution is justified, these modules will become a frequent feature of our site facilities.

The entire system was developed and constructed internally, involving several ONDE departments.



[3-3] Greenhouse gases emissions

[305-1] [305-2] In calculations of greenhouse gases emission, 2020 was adopted as a baseline year. No changes in methodology for calculation of greenhouse gases emissions occurred versus the baseline year. 2020 was chosen as a baseline year due to structuring methods for data collection, by implementing the eco-management and audit scheme EMAS. The financial controlling was selected as a consolidation criterion.

Emission levels were calculated on the basis of the GHG Protocol – Revised Edition methodology, supported by additional guidelines of ISO 14067:2018, and individual indices the National Centre for Emissions Management (KOBiZE) and the Energy Regulatory Office (URE). In 2022, the calculations of direct greenhouse gases emissions of the ONDE Group included emissions of CO₂, CH₄ and N₂O using calculations to CO₂e in accordance with the Global Warming Potential provided in edition V of the Intergovernmental Panel on Climate Change (IPPC) report. The emission ratio for cooling agents R134A and R1234YF comes from the base published by the Department for Environment, Food and Rural Affairs (DEFRA) - hereinafter, the DEFRA base.

Emissions of greenhouse gases defined as direct are emissions from sources being owned by an enterprise submitting the report or controlled by it.

Indirect greenhouse gases emissions are emissions from generation of obtained and consumed electricity, steam, heat or cold. In 2022, calculations of indirect greenhouse gases emissions of the ONDE Group included CO₂ emissions calculated using location-based and market-based methods. Heat emissions

were calculated on the basis of the value presented in invoices, while emissions from electricity are an estimation based on real data (such as costs of energy consumption). All indices and calculations used to calculate carbon footprint were taken only from the resources specified above (URE, KOBiZE, DEFRA – Department for Environment, Food and Rural Affairs).

[2-4] In the lists of greenhouse gases emissions, data for indirect energy-related greenhouse gases emissions in 2020 were changed. The report published for 2021, as a part of the location-based method, included information that we did not have any data to publish, while a value was provided for the market-based method. In accordance with the assumed methodology for calculation of emissions, consistent with the GHG Protocol, the value should be provided for the location-based method, and “no data” for the market-based method. The emissions for market-based were not calculated, because the structure of the energy suppliers was unknown and we did not use the Guarantee of Origin. In the future, we plan to calculate the emissions for 2020 also for the market-based approach.

The calculation results for Scopes 1 and 2 are presented below. In 2022, the total greenhouse gases emissions generated by the ONDE Group in Scope 1 and Scope 2 amounted to 5884.43 kg CO₂e (carbon dioxide equivalent) according to the market-based method. This means a drop in the emission levels versus 2021 by 12.56%. The total GHG emissions according to the location-based method were higher when compared to the results obtained with the market-based method and amounted to 5762.07 tCO₂e, as this method does not take into account guarantees that energy comes from RES or differences in emission levels for individual suppliers. Nevertheless, a drop by 12.46 was noted in emissions calculated with the location-based method versus 2021.

Levels of greenhouse gases (GHG) emissions

	for 2020	for 2021	for 2022	change 2022/2021	change 2022/2020
TOTAL DIRECT CO ₂ EMISSIONS (SCOPE 1) [tCO ₂ e]	6,377.32	5,318.51	4,955.65	-6.82%	± 22.29
TOTAL INDIRECT CO ₂ EMISSIONS (SCOPE 2) [tCO ₂ e] (market-based method)	no data	565.93	189.53	-66.51%	no data
TOTAL INDIRECT CO ₂ EMISSIONS (SCOPE 2) [tCO ₂ e] (location-based method)	1,937.61	1,263.93	806.42	-36.20%	± 58.38
TOTAL CO ₂ EMISSIONS (SCOPE 1 + SCOPE 2) [tCO ₂ e] (market-based method)	no data	5,884.43	5,145.18	-12.56%	no data
TOTAL CO ₂ EMISSIONS (SCOPE 1 + SCOPE 2) [tCO ₂ e] (location-based method)	8314.933	6582.43	5,762.07	-12.46%	± 30.70

For the first time, the Company publishes separate emissions of methane and nitrous oxide from burning of various types of fuels. Emissions were calculated on the basis of GHG Protocol, in accordance with the Global Warming Potential provided in edition V of the Intergovernmental Panel on Climate Change (IPPC) report.

CH₄ and CO₂ emissions are a part of direct emissions disclosed in the index 305-1. Values for CH₄ and N₂O in 2022:

CH ₄ and N ₂ O	2022
Value of CH ₄ emissions as tCO ₂	15.63
Value of N ₂ O emissions as tCO ₂	9.97

In 2022, for the first time, biogenic emissions were also calculated at ONDE. They are reported as “Outside of scopes” in accordance with the GHG Protocol guidelines. They were calculated using the CO₂ emission ratios from the base published by DEFRA in 2022.

Biogenic emissions	Type of fuel	tCO ₂ result
	gasoline	48.47
	fuel oil	84.09
	TOTAL	132.56

[305-4] Levels of greenhouse gases (GHG) emissions versus revenues

	Baseline year 2020	2021	2022	Change 2022/2021	Change 2022/2020
Direct emission levels (Scope 1) per unit of income on sales [tCO ₂ e/PLN thousand]	0.0109	0.0044	0.0045	3.80%	-58.31%
Indirect emission levels (Scope 2, market-based method) per unit of income on sales [tCO ₂ e/PLN thousand]	none	0.0005	0.0002	-62.69%	none
Indirect emission levels (Scope 2, location-based method) per unit of income on sales [tCO ₂ e/PLN thousand]	0.0033	0.001	0.0007	-28.92%	-77.67%
Direct and indirect emission levels (Scope 1 and 2, market-based method) [tCO ₂ e/PLN thousand]	none	0.0048	0.0047	-2.59%	none
Direct and indirect emission levels (Scope 1 and 2, location-based method) [tCO ₂ e/PLN thousand]	0.01418	0.0054	0.0053	-2.48%	-62.82%

Data on greenhouse gases emissions were referred to the ONDE Group revenues for 2020 (PLN 586,315 thousand), 2021 (PLN 1,217,445 thousand), and 2022 (PLN 1,092,852 thousand). The results indicate that the level of direct and indirect energy emissions per unit of income decreased by 2.48% y-o-y. It is another improvement in results. When this result is compared to the baseline year, the drop amounts to 62.82 %. Similarly as for the energy consumption and energy efficiency, the conscious Management Board policy and strategy concerning building of the portfolio of orders and maintaining/increasing a high share of income from RES constructions (wind and photovoltaic farms), which by their nature generate less emissions than traditional constructions and involve less machine units (fuel consumption) and energy demand during construction, have a significant influence on the ONDE Group result.

[2-25] Negative repair processes

When executing wind and photovoltaic farms projects, we analyse in detail all potential

negative impacts, introduce preventive measures, secure, train, and inform local inhabitants. Our priority is care for natural animal habitats and protection of ecosystems. If necessary, we perform environmental compensations preventing destruction of the natural environment. The Company, as one of the leaders in the sector, undertakes activities aiming at shaping of the ecological awareness of a local community. ONDE actively participates in education, presenting its competencies in practical activities.

Furthermore, we conduct the dialogue through:

- ☞ installing OHSE information boards and other environmental markings on each construction site, also available to the external environment.
- ☞ telephone and/or e-mail contacts with employees who are authorised to represent the Company outside on IMS and EMAS issues; to simplify the communication, we created one e-mail address rosdowisko@onde.pl,

- ☞ discussions with a local community before starting and during construction works,
- ☞ regular informing neighbours about planned scopes of work and their impact,

Typical activities performed operatively to prevent their negative impact on the environment and a local community were described in chapter 2.7 of the EMAS environmental declaration available at https://www.onde.pl/wp-content/uploads/2022/12/Onde_deklaracja_2022_09_last.pdf

All above aspects are analysed before starting each investment in accordance with the adopted environmental management systems ISO 14001:2015 and EMAS as provided for in the Regulation of the European Parliament and of the Council (EU) No. 1221/2009, as amended. The analysis results in identification of significant negative impacts on the environment and the neighbours, and in development of remedy programmes (environmental programmes) monitored on a regular basis. The structured actions enable us to eliminate complaint processes from local communities and interventions of external bodies established to protect the environment. The best proof for this situation is an entry in the EMAS register, which was preceded by a multi-stage verification by the General Director for Environmental Protection and all institutions competent for a given company location, responsible for supervision over areas of company operations in terms of environmental aspects. The General Director for Environmental Protection analyses, for example, complaints and proceedings conducted in relation with breaches concerning environmental protection. EMAS registration processes did not demonstrate any complaints or nonconformities.



3.4

TAXONOMY

How and to what extent the ONDE Group activities are associated with the business activities qualifying as environmentally sustainable.

Below, we present information on how and to what extent the ONDE Group activities are associated with the business activities qualifying as environmentally sustainable (activities compliant with the systematics), in accordance with Article 8 of the Regulation (EU) 2020/852 (Taxonomy). Crucial indices for results were prepared in accordance with the requirements presented in the Delegated Regulation (EU) 2021/2178, in accordance with our best knowledge and acting with due diligence.

The evaluation of business activity compliance to the systematics, for individual crucial indices for results, was conducted on a basis of technical criteria specified in delegated acts (EU) 2021/2139 and 2022/1214.

3.4.1. Minimum guarantees

The ONDE Group meets minimum guarantees provided for in Article 18 of the Regulation (EU) 2020/852. The assessment of meeting minimum guarantees was conducted on a basis of requirements recommended for entities being subject to CSRD in accordance with the report of the EU Platform for sustainable financing, published in October 2022.

In accordance with the requirements presented in the said report, a failure to meet minimum guarantees is understood as occurrence of at least one of two assumptions in four areas of activities:

- ☒ Human rights
- ☒ Corruption
- ☒ Taxes
- ☒ Fair competition

An analysis of internal policies, regulations, and procedures in force in the ONDE Group showed that none of the above assumptions occurred.



Activities associated with nuclear energy and natural gas

Row	Activities associated with nuclear energy	
1	The enterprise conducts research, development, demonstration, and spacing of innovative systems for electricity generation, generating energy as a part of nuclear processes with minimum quantities of waste from the fuel cycle, finances such activities, or is exposed to it.	YES/NO
2	The enterprise conducts construction and safe operation of new nuclear facilities to generate electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production, as well as their modernisation in terms of safety, using the best available technologies, finances such activities or is exposed to them.	YES/NO
3	The enterprise conducts safe operation of existing nuclear facilities generating electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production from nuclear energy, as well as their modernisation in terms of safety, finances such activities or is exposed to them.	YES/NO
Activities associated with natural gases		
.1	The enterprise conducts construction or operation of systems for generating electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
2	The enterprise conducts construction, modernisation and operation of systems for co-generating heat/cold and electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
3	The enterprise conducts construction, modernisation and operation of systems for generating heat, generating heat/cold using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO

Business activities compliant with the systematics (denominator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	994,726,542.8	91.1	836,608,707.4	76.6	158,124,323.60	14.5
8	The total applicable crucial result ratio	99 4726 542.8*	91.1	836,608,707.4	76.6	158,124,323.60	14.5

Business activities compliant with the systematics (numerator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a numerator of the applicable crucial result ratio	99 4726 542.8*	91.1	836,608,707.4	76.6	158,124,323.60	14.5
8	The total amount and the total share of other types of business activities compliant with the systematics, as a numerator of the applicable crucial result ratio	99 4726 542.8*	91.1	836,608,707.4	76.6	158,124,323.60	14.5

Business activities qualifying for the systematics, but non-compliant with the systematics

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	4,312,371.643	0.4				
8	The total amount and the total share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, as a denominator of the applicable crucial result ratio	4,312,371.643	0.4				

Business activities not qualifying to the systematics

Row	Types of business activities	Amount	Percentage share
1	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
2	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
3	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
4	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
5	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
6	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
7	The amount and share of other types of business activities not qualifying for the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	93,497,059.19	0.85
8	The total amount and the total share of types of business activities not qualifying for the systematics, as a denominator of the applicable crucial result ratio	93,497,059.19	0.85

Accounting principles

- ☞ How was the turnover established and allocated to the numerator.
- ☞ The basis for calculating the turnover, including all assessments concerning allocation of income or expenditures to various types of business activities.

Information on the assessment of compliance to Regulation (EU) 2020/852

Individual categories of the ONDE Group income were analysed in terms of qualifying to the systematics. This process covers an analysis of activities qualifying for the systematics, defined in Regulation (EU) 2021/2139 and Regulation (EU) 2022/1214. On the basis of the conducted analysis, three activities qualifying for the systematics were identified:

6.13.	Infrastructure for the needs of personal mobility, bicycle logistics
6.15.	Infrastructure supporting low-emission road transport and public transport
7.6.	Installation, maintenance and repairs of renewable energy technologies

Individual activities were analysed in relation to the technical criteria specified for individual operations in Regulation (EU) 2021/2139. The analysis was conducted by a project team, and requirements of the individual technical criteria were consulted and confirmed with people in the organisation having necessary knowledge, enabling confirmation whether a given technical criterion was met.

Due to specific character of activities conducted by the ONDE Group, the analysis was conducted in relation to individual

projects managed by the Group. Following the conducted analysis it was found out that:

- ☞ as a part of each of the three activities, some of the income meets criteria of compliance to the taxonomy;
- ☞ as a part of activities 6.13 and 6.15, some of the income does not meet criteria of compliance to the taxonomy.

The compliant activities cover:

- ☞ construction of the road infrastructure;
- ☞ engineering constructions;
- ☞ assembling the infrastructure for the needs of generating energy from renewable sources.

As a part of qualifying activities, projects are realised that have the same characteristics as projects realised as a part of compliant activities.

To avoid double counting, individual amounts of the income were allocated to one activity. Following allocation to a given activity, they were not included in further analyses.

Contribution to implementation of many objectives

Not applicable. None of compliant activities brings any significant contribution into the implementation of more than one objective.

Disaggregation of crucial result ratios

Not applicable.

Contextual information

The total income disclosed in the numerator of the crucial result ratio comes from agreements with customers. Both in the numerator of the crucial result ratio and as a part of the qualifying activities, no amounts concerning activities conducted for own consumption of the Group were disclosed.

Activities associated with nuclear energy and natural gas

Row	Activities associated with nuclear energy	
1	The enterprise conducts research, development, demonstration, and spacing of innovative systems for electricity generation, generating energy as a part of nuclear processes with minimum quantities of waste from the fuel cycle, finances such activities, or is exposed to it.	YES/NO
2	The enterprise conducts construction and safe operation of new nuclear facilities to generate electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production, as well as their modernisation in terms of safety, using the best available technologies, finances such activities or is exposed to them.	YES/NO
3	The enterprise conducts safe operation of existing nuclear facilities generating electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production from nuclear energy, as well as their modernisation in terms of safety, finances such activities or is exposed to them.	YES/NO
Activities associated with natural gases		
.1	The enterprise conducts construction or operation of systems for generating electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
2	The enterprise conducts construction, modernisation and operation of systems for co-generating heat/cold and electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
3	The enterprise conducts construction, modernisation and operation of systems for generating heat, generating heat/cold using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO

Business activities compliant with the systematics (denominator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	193,750.72	1.7	193,750.72	1.7	0	0
8	The total applicable crucial result ratio	193,750.72	1.7	193,750.72	1.7	0	0

Business activities compliant with the systematics (numerator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a numerator of the applicable crucial result ratio	994,726,542.8	91.1	836,608,707.4	76.6	158,124,323.60	14.5
8	The total amount and the total share of other types of business activities compliant with the systematics, as a numerator of the applicable crucial result ratio	193,750.72	1.7	193,750.72	1.7	0	0

Business activities qualifying for the systematics, but non-compliant with the systematics

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	1,180,403.73	10.3				
8	The total amount and the total share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, as a denominator of the applicable crucial result ratio	1,180,403.73	10.3				

Business activities not qualifying to the systematics

Row	Types of business activities	Amount	Percentage share
1	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
2	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
3	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
4	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
5	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
6	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
7	The amount and share of other types of business activities not qualifying for the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	10,130,932.26	88
8	The total amount and the total share of types of business activities not qualifying for the systematics, as a denominator of the applicable crucial result ratio	10,130,932.26	88

Accounting principles

The basis for calculating the crucial result ratio concerning the capital expenditures were capital expenditures [source]. The costs allocated to the KPI Capex denominator are settled on a basis of:

- a. IAS 16 Property, Plant and Equipment, sections 73.e.(i) (i) and 73.e.(ii);
- b. IAS 38 Intangible Assets, section 118.e.(i);
- c. IAS 40 Investment Property, sections 76.a and 76.b (for the fair value model);
- d. IAS 40 Investment Property, sections 79.d.(i) and 79.d.(ii) (for the model based on the purchase price or the cost of manufacturing);
- e. IAS 41 Agriculture, sections 50.b and 50.e;
- f. IFRS 16 – Leases, section 53.h.

Information on the assessment of compliance to Regulation (EU) 2020/852

Individual categories of the ONDE Group capital expenditures were analysed in accordance with provisions of the Regulation (EU) 2021/2178 Annex I section 1.1.2.2, to establish whether they meet one of the following conditions:

- a. concern assets or processes associated with business activities compliant with the systematics;

- b. are a part of a plan aiming at expanding business activities compliant with the systematics or enable business activities qualifying for the systematics to adapt to the systematics (“a capital expenditure plan”) in accordance with the conditions specified in paragraph two of this section 1.1.2.2;
- c. concern purchases of products from business activities compliant with the systematics and individual measures enabling the target activities to become low-emission ones, or enabling them to reduce greenhouse gases emissions, in particular, types of activities listed in sections 7.3 to 7.6 of Annex I to the Delegated Climate Act, as well as other types of business activities listed in Delegated Acts adopted in accordance with Article 10.3, Article 11.3, Article 12.2, Article 13.2, Article 14.2 or Article 15.2 of Regulation (UE) 2020/852, and provided that these measures are implemented and put into operation within 18 months.

On the basis of the conducted analysis, one activity compliant with the taxonomy was identified:

7.6	Installation, maintenance and repairs of renewable energy technologies
-----	--

Expenditures associated with activity 7.6 cover installation of photovoltaic panels enabling the target activity to limit its greenhouse gases emissions, therefore, they were considered compliant with the condition (a) provided above.

As a part of the analyses, one activity qualifying for the taxonomy was also identified:

6.5.	Transport by motor bikes, cars and light utility vehicles
------	---

All capital expenditures associated with activity 6.5. cover purchases of hybrid or electric cars, enabling the target activity to limit its greenhouse gases emissions, therefore, they were considered compliant with the condition (a) provided above. As it is not possible to clearly confirm that a product was purchased from activities consisted with the taxonomy, these expenditures were allocated as qualifying for the taxonomy and not as compliant ones.

The ONDE Group does not have a capital expenditure plan provided for in section 1.1.2 of Annex I to Regulation (UE) 2021/2178, so no capital expenditures meeting the criteria specified in condition (b) above were found.

As it is not possible to clearly allocate individual capital expenditures to specific projects, and thus it is not possible to determine whether these expenditures are associated with activities compliant with the taxonomy or qualify to the taxonomy, no capital expenditures meeting condition (a) above were identified. All remaining capital expenditures were disclosed as not qualifying for the taxonomy.

Contribution to implementation of many objectives

Not applicable. No capital expenditures related to activities contributing to achievement of more than one environmental objective were identified.

Disaggregation of crucial result ratios

The crucial result ratio was not disaggregated.

Contextual information

The capital expenditures disclosed in the numerator of the crucial result ratio are associated with business activities conducted by the ONDE Group.



Activities associated with nuclear energy and natural gas

Row	Activities associated with nuclear energy	
1	The enterprise conducts research, development, demonstration, and spacing of innovative systems for electricity generation, generating energy as a part of nuclear processes with minimum quantities of waste from the fuel cycle, finances such activities, or is exposed to it.	YES/NO
2	The enterprise conducts construction and safe operation of new nuclear facilities to generate electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production, as well as their modernisation in terms of safety, using the best available technologies, finances such activities or is exposed to them.	YES/NO
3	The enterprise conducts safe operation of existing nuclear facilities generating electricity or technological heat, including for the needs of a heating system or industrial processes, such as hydrogen production from nuclear energy, as well as their modernisation in terms of safety, finances such activities or is exposed to them.	YES/NO
Activities associated with natural gases		
.1	The enterprise conducts construction or operation of systems for generating electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
2	The enterprise conducts construction, modernisation and operation of systems for co-generating heat/cold and electricity using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO
3	The enterprise conducts construction, modernisation and operation of systems for generating heat, generating heat/cold using gaseous fossil fuels, finances such activities, or is exposed to them.	YES/NO

Business activities compliant with the systematics (denominator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	36,493,114.02	97.1	17,843,562.26	49.6	18,649,551.76	47.5
8	The total applicable crucial result ratio	36,493,114.02	97.1	17,843,562.26	49.6	18,649,551.76	47.5

Business activities compliant with the systematics (numerator)

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities compliant with the systematics referred to in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities compliant with the systematics referred to in section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities compliant with the systematics referred to in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities compliant with the systematics referred to in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities compliant with the systematics referred to in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities compliant with the systematics referred to in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a numerator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities compliant with the systematics, not listed in rows 1–6 above, as a numerator of the applicable crucial result ratio	36,493,114.02	97.1	17,843,562.26	49.6	18,649,551.76	47.5
8	The total amount and the total share of other types of business activities compliant with the systematics, as a numerator of the applicable crucial result ratio	36,493,114.02	97.1	17,843,562.26	49.6	18,649,551.76	47.5

Business activities qualifying for the systematics, but non-compliant with the systematics

Row	Types of business activities	Amount and share (information should be presented as financial amounts and percentage values)					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
2	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
3	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
4	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
5	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
6	The amount and share of business activities qualifying to the systematics, but non-compliant with the systematics, provided for in section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0	0	0	0	0
7	The amount and share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	213,033.59	0.5				
8	The total amount and the total share of other types of business activities qualifying to the systematics, but non-compliant with the systematics, as a denominator of the applicable crucial result ratio	213,033.59	0.5				

Business activities not qualifying to the systematics

Row	Types of business activities	Amount	Percentage share
.1	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.26 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
2	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.27 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
3	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
4	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.29 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
5	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.30 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
6	The amount and share of business activities provided for in row 1 of template 1, being business activities not qualifying for systematics in accordance with section 4.31 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 as a denominator of the applicable crucial result ratio	0	0
7	The amount and share of other types of business activities not qualifying for the systematics, not listed in rows 1–6 above, as a denominator of the applicable crucial result ratio	899,216.08	2.4
8	The total amount and the total share of types of business activities not qualifying for the systematics, as a denominator of the applicable crucial result ratio	899,216.08	2.4

Accounting principles

The basis for calculating KPI Opex in accordance with provisions of Annex I to Regulation 2021/2178 was [source], associated with:

- ☞ research and development activities;
- ☞ building refurbishment activities;
- ☞ short-term lease;
- ☞ maintenance and repairs, and
- ☞ all other direct expenditures related to regular servicing of components of tangible fixed assets by an enterprise or a third party, to which actions necessary to ensure continuous and effective functioning of these assets were outsourced, which could be wholly allocated to the Opex denominator.

Information on the assessment of compliance to Regulation (EU) 2020/852

Individual categories of the ONDE Group operating expenditures, disclosed in the denominator of the crucial result ratio, were analysed in accordance with relevant provisions, to determine whether they meet one of the following conditions:

- a. concern assets or processes associated with business activities compliant with the systematics, including

training and other needs related to adopting human resources and direct non-capitalised costs representing research and development;

- b. are a part of a plan aiming at expanding business activities compliant with the systematics or enable business activities qualifying for the systematics to adapt to the systematics (“a capital expenditure plan”) in accordance with the conditions specified in paragraph two of this section 1.1.2.2;
- c. concern purchases of products from business activities compliant with the systematics and individual measures enabling the target activities to become low-emission ones, or enabling them to reduce greenhouse gases emissions, in particular, types of activities listed in sections 7.3 to 7.6 of Annex I to the Delegated Climate Act, as well as other types of business activities listed in Delegated Acts adopted in accordance with Article 10.3, Article 11.3, Article 12.2, Article 13.2, Article 14.2 or Article 15.2 of Regulation (UE) 2020/852, and provided that these measures are implemented and put into operation within 18 months.

On the basis of the conducted analysis, operating expenditures were identified, related to six activities compliant with the taxonomy, which were considered compliant in accordance with condition (a) provided above.

6.13.	Infrastructure for the needs of personal mobility, bicycle logistics
6.15.	Infrastructure supporting low-emission road transport and public transport
7.6.	Installation, maintenance and repairs of renewable energy technologies

Only operating expenses associated with projects conducted as a part of a given activity, meeting the criteria for compliance with the taxonomy, were considered compliant.

On the basis of the conducted analysis, operating expenditures associated with four activities qualifying for the taxonomy were also identified:

6.13.	Infrastructure for the needs of personal mobility, bicycle logistics
6.15.	Infrastructure supporting low-emission road transport and public transport

To avoid double counting, individual cost items were allocated to one project. When it was not possible to clearly allocate a cost to a project, it was considered as non-qualifying.

The ONDE Group does not have a capital expenditure plan provided for in section 1.1.2.2 of Annex I to Regulation (EU) 2021/2178.

As a part of the analyses, no costs concerning purchases of products and individual measures enabling the target activities to become low-emission ones, or enabling them to reduce greenhouse gases emissions purchased from activities qualifying for the systematics were identified.

Other costs allocated to the denominator of the crucial result ratio, not related to activities that are compliant with or qualify for the taxonomy, were considered as costs not qualifying for the taxonomy.

Contribution to implementation of many objectives

Not applicable. None of compliant activities brings any significant contribution into the implementation of more than one objective.

Disaggregation of crucial result ratios

Not applicable.

Contextual information

Operating expenditures disclosed in the numerator of the crucial result ratio and considered as qualifying for the taxonomy, are wholly associated with activities that are compliant with or qualify for the taxonomy, conducted by the ONDE Group. Both in the numerator of the crucial result ratio and as a part of the qualifying activities, no amounts concerning activities conducted for own consumption of the Group were disclosed.





ni

04

EMPLOYEES

4.1

RECRUITMENT AND DEVELOPMENT

Atmosphere, climate, relations, smile, empathy and respect and dialogue [...] are a key to the success of our company.

Atmosphere, climate, relations, smile, empathy and respect, as well as dialogue. At the ONDE Group, we are not able to calculate these values, present them in tables, draw a chart or present them as ratios. However, at the same time we

know that they are a key to the success of our company. For years, they have been forming the foundation of the Group's organisational culture, and this attitude is advantageous not only for ethical, but also for economic reasons. 2–7.



Company	Employment term		Employment form		total
	permanent	temporary	full-time	part-time	
ONDE SA					516
women	99	43	137	5	142
men	272	102	371	3	374
IDE PROJEKT SP. Z O.O.					29
women	8	5	13	0	13
men	14	2	16	0	16
TOTAL EMPLOYEES					545

Group ONDE

	Employment term		Employment form		total
	permanent	temporary	full-time	part-time	
women	107	48	150	5	155
men	286	104	387	3	390
total	393	152	537	8	545

Data expressed as a number of people at the end of the year (31/12/2022). No significant differences occurred in employment during a given reporting period, and when compared to the previous reporting period.

At the end of 2022, we employed 545 people, 25 more than in 2021. The times when we all were on the first-name terms are long gone, but the same relations remained, as in those days when our Company was much smaller. We still believe that appropriate communication is most important in management of people. We talk with our employees openly and frequently, not only about nice things, but also about challenges and problems. We listen and want to be heard - a dialogue was and will remain a foundation for development of the organisational culture in the Group.

This openness also has a business dimension. The employees use competences of other team members, and share knowledge and support between themselves in their daily practice.

Two departments, Personnel Department and HR Department, monitor the quality of work at ONDE.

☞ The Personnel and Payroll Department, together with the Legal Department, is responsible for creating, supervision of the implementation, and updating of applicable policies, regulations and procedures. Furthermore, the Department employees supervise authorisations of all employees specified and approved in the organisational regulations.

☞ The HR Department conducts recruitment, onboarding, and training processes, development talks, and manages issues associated with career pathways in the organisation.

[2-8] As of 31 December 2022, 80 people, i.e, 6 more than as of 31 December 2021, performed work for our Group under agreements other than an employment agreement.

Our partners that are not employed under an employment agreement, perform supporting activities, including accounting, programming, and those associated with specific projects.

	agreement for a specific task	B2B	total
ONDE SA	15	64	79
IDE Projekt Sp. z o.o.	0	1	1
ONDE Group	15	65	80

Data for the end of the financial year (31/12/2022). People working for the Organisation while not being its employees, perform supporting activities, including accounting, programming, and those associated with specific projects.

In the Group, we observe all Labour Law regulations. We supplement those regulations with formal frameworks for operation and due diligence procedures. These frameworks are formed by:

- ☞ The Work Regulations of Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego SA¹, specifying responsibilities and authorisations of each employee.
- ☞ The Remuneration Rules establishing principles for remuneration, including granting of benefits, and amounts of severance pays.
- ☞ Occupational Health and Safety procedures and instructions.

[2-19] [2-20] We operate in a competitive market and we remunerate our employees in a competitive way. Our Management Board and managing personnel receive fixed remunerations. In the case of technical managing personnel at construction sites, their remuneration consists of a basic salary and a fixed flat rate amount for working in overtime.

[201-3] We guarantee retirement and disability benefits for our employees that exceed standard amounts. They depend on their tenure, so the benefit is 100%, 150% and 200% of the monthly remuneration for people who worked with us for less than five years, for 5–10 years, and with longer tenure, respectively.

¹ In 2021, Przedsiębiorstwo Budownictwa Drogowo- Inżynieryjne SA changed its name to ONDE S.A.

In the ONDE Group, the system of bonuses is mainly based on a principle of rewarding for achieved results. Our strategic objectives are translated into tasks for relevant structures, and then into individual tasks. With such cascading, everybody every day executes a relevant business context of the Company. We split large objectives into smaller ones and assign them to specific employees or departments. At the end of 2022, we started works at establishing ESG objectives for Management Boards of Companies and senior management personnel.



We translate our vision concerning our influence on people and the environment into operational activities. We translate the strategic objectives into a direction for the organisation, which, in turn, is reflected in the business process, common goals, which then are used to establish personal objectives. The communication of the strategy and education of our employees in ESG is the last level, but one of the most important for us (we have been providing ESG training sessions to all employees since 2023). The common goals are established in talks between managers and their personnel. This way we, as the ONDE Group, improve our chances to implement our strategy and understanding by our employees of their role in the organisation, and in the care for the environment and equal opportunities.

GOOD PRACTICE

Furthermore an informal procedure on granting appreciation bonuses, including annual bonuses, has been in force in the ONDE Group for years. Members of managing personnel inform directors of their departments about bonuses granted, who in turn provide that information to the Personnel and Payroll Department. The procedure requires acceptance of the awarded bonus by the Management Board.



[401-1] [3-3] Newly recruited people

	gender		age			region	
	women	men	< 30 years	30-50 years	>50 years	Poland	Lithuania
ONDE SA	47	123	82	68	20	168	2
ratio of newly recruited people	0.09	0.24	0.16	0.13	0.04	0.33	0.004
IDE PROJEKT SP. Z O.O.	4	7	10	.1	0	11	0
ratio of newly recruited people	0.14	0.24	0.34	0.03	0	0.38	0
ONDE GROUP	51	130	92	69	20	179	2
ratio of newly recruited people	0.09	0.24	0.17	0.13	0.04	0.33	0.004

The ratio of newly recruited people was calculated as a ratio of a number of new employees recruited between 01/01/2022 and 31/12/2022 to all employees employed as of 31/12/2022.

[401-1] [3-3] Organisation leavers

	gender		age			region	
	women	men	< 30 years	30-50 years	>50 years	Poland	Lithuania
ONDE SA	37	114	53	77	21	151	0
turnover ratio	0.07	0.22	0.1	0.15	0.04	0.29	0
IDE PROJEKT SP. Z O.O.	3	8	8	3	0	11	0
turnover ratio	0.1	0.28	0.28	0.1	0	0.38	0
ONDE GROUP	40	122	61	80	21	162	0
turnover ratio	0.073	0.224	0.112	0.147	0.039	0.297	0

The turnover ratio was calculated as a ratio of employees who left the organisation between 01/01/2022 and 31/12/2022 to all employees employed as of 31/12/2022.

[2-21] The total annual remuneration ratio

	ONDE SA	IDE Projekt Sp. z o.o.	ONDE Group
The ratio of the total annual remuneration for a person receiving the best remuneration in the organisation in each country in which the organisation conducts important operations to a median of the total annual remuneration of all employees (excluding a person receiving the best remuneration).	2.49	3.14	2.82
The ratio of the percentage increase in the total annual remuneration for a person receiving the best remuneration in the organisation in each country in which the organisation conducts important operations to a median of the percentage increase in the total annual remuneration of all employees (excluding a person receiving the best remuneration)	-2.13	1.6	-0.27

[401-2] [3-3] [403-6] We combine the financial remuneration with a package of benefits. Regardless of the type of the working time, all our employees can count on a health and life insurance, the access to private health care and disability pension system, and a multisport card. We also ensure a continuous access for an emergency psychological support and individual or group mindfulness trainings.

Details of benefits available to our employees are presented in the table:

	ONDE SA	IDE Projekt Sp. z o.o.
life insure	yes	yes
Healthcare	yes	yes
Insurance in case of life altering injuries	no	tak
Employee shares/stocks	no	no
Sport packages	yes	yes

[2-30] ONDE employees did not establish a trade union, and the Company did not implement a collective labour agreement.

[404-2] We expect competencies from our employees, but also help to gain them. At ONDE, 2022 was definitely the year of training. We provided nearly 7.8 thousand training hours, covering "hard" (tools), soft (concerning communication and social competencies) and language skills. Nearly 30% of training sessions were conducted using our own internal experts, so we could promote the "learning share" concept in ONDE. Nearly 450 of the employees participated in at least one training initiative.

We are very glad with a positive reception of the project #mowy rok, under which we organised webinars in interpersonal communication, online training sessions and training sessions in communication held on site. Over 75% of participants in those sessions said that knowledge gained helped them to improve their communication with other people.

Many people employed at ONDE remember especially the training in seniors' experiences. Wearing special outfits, employees could experience how does it feel to perform daily activities when you are an elderly person and must overcome various limitations in motion, hearing and sight. This training evoked many emotions and definitely contributed to an increase in the empathy for people from the "silver" generation.

At ONDE, we offer both generally available training sessions, as well as those tailored to the needs of individual jobs. The generally available courses concern, among others:

- ☞ software used in a daily work – MS Excel, Power Query, ZW cad, MS Project;
- ☞ Construction Law;
- ☞ language skills - group and individual;

Specialist trainings include:

- ☞ Academy of Surveying;
- ☞ Academy of Managers;
- ☞ Negotiations;
- ☞ Norma Pro.

Each year, we also invite to ONDE students for internships and practical training courses - we want not only to share our knowledge, but also to inspire the young generation, and at the same time, encourage them to seek employment with our organisation in the future. We have been regularly cooperating with the Academy of Energy organised by the A. Paga Foundation, as well as with Warsaw University of Technology, Nicholas Copernicus University in Toruń, Bydgoszcz University of Science and Technology, and AGH University of Science and Technology. These universities play an informal role of ONDE S.A. ambassadors among potential employees. Internships and practical training courses in the ONDE Group usually take one to three months. Internships and practical trainings are either paid or unpaid, depending on individual arrangements. The best internship participants are offered employment at companies from our Group.

[404-3] A percentage of employees undergoing regular assessment of the quality of their work and reviews of their professional career, by sex and employment category

IDE Projekt sp. z o.o.	[***]
Women	46
Men	100
Line positions	0
Administration and office	75
Technical positions	100
Management Board, Directors, Deputy Directors	50
ONDE SA	[***]
Women	28
Men	14
Line positions	0
Administration and office	28
Technical positions	29.5
Management Board, Directors, Deputy Directors	30
ONDE Group	[***]
Women	29.5
Men	17.5
Line positions	0.00
Administration and office	32.8
Technical positions	32.1
Management Board, Directors, Deputy Directors	35.7

The ratio was calculated as a ratio of all employees covered by evaluation between 01/01/2022 and 31/12/2022 and employed at the end of 2022 (31/12/2022) to all employees employed at the end of 2022 (31/12/2022).

[404-1] The number of training hours in 2022 per employee according to the employment structure

Number of training hours per employee	16	
Number of training hours for women	56	
Number of training hours for men	22	
Employment categories	Number of training hours	An average number of hours per employee according to the category
Administration and trade employees (ADH)	4941	25
Technical employees (T)	1862	14
Line workers (L)	1300	7
Management Board, Directors, Deputy Directors (ZD)	527	53
TOTAL	8631	16

The ratio was calculated as a ratio of a number of training hours performed in 2022 for all employees according to their employment category to all employees employed as of 31/12/2022.

[401-3] Parental leaves

Company	ONDE SA		IDE Projekt Sp. z o.o.		ONDE Group	
	women	men	women	men	women	men
The total number of employees authorised to receive a parental leave in the reported period	8	9	10	18	18	27
The total number of people who used a parental leave in the reported period	8	9	2	1	10	10
The total number of employees who returned to work after a parental leave in the reported period	3	9	0	1	3	10
The total number of employees who returned to work after a parental leave and after 12 months from their return to work were still employed with the organisation	3	9	0	0	3	9
The ratio of return to work of employees who used the parental leave [%]	37.5	100	0	10	37.5	52.63
The ratio of retaining employees who used the parental leave [%]	100	100	0	0	100	90

4.2

HEALTH AND SAFETY

We focus on procedures and believe that only their strict adherence will enable us to achieve a high level of safety in our daily work.



[3-3] The highest standards

Safety of our employees has a top priority at the ONDE Group. It is an ambition of our Group to ensure a safe working environment for all employees. We do not accept temporary solutions or even minor deviations from our safety rules. We focus on procedures and believe that only their strict adherence will enable us to achieve a high level of safety in our daily work. We provide necessary protective equipment and remind about a need to use it, and relevant regulations of safe work are known to all employees. We always verify validity of licenses of people working at our construction sites.

[403-1] At ONDE SA, we implemented the Occupational Health and Safety Management System confirming to ISO 45001:2018 (HSMS). The certificate of conformity was awarded following the external audit

conducted by the Quality Certification Centre of the Military Technical Academy, and its scope covers:

- ☞ General contractor services in the construction sector for RES, power lines, and engineering and road building sector.
- ☞ Construction of wind and photovoltaic farms, engineering and technical facilities, including for the power supply sector and the industry, large-size structures with accompanying infrastructure, and maintenance, overhaul and refurbishment works.

The system was implemented on the basis of assumptions of ISO 45001:2018 (previously PN N 18001 and BS OHSAS 18001). The Company underwent its first certification by an external accredited certification body (PCA accredited) in October 2015, and was certified for compliance with PN N 18001 and BS OHSAS 18001. Immediately after publishing of a new standard, ISO 45001:2018, necessary changes were implemented in the system, and they were certified for

their compliance with provisions of the new standard in October 2018. The last supervisory audit by an external certifying body took place in August 2022, and the currently issued OHS management system certificate is valid until 9 August 2024. The scope of the system covers all employees as understood by ISO 45001:2018, i.e., all ONDE employees, all subcontractors and suppliers of services, including suppliers of materials. Therefore, it covers all people who are controlled by the organisation according to the quoted standard. All provisions of the current system become an integral part of contractual provisions for any entity with which ONDE initiates cooperation, and are monitored on a regular basis during performance of each investment.

[403-8] Employees covered by occupational safety management system

Number of employees covered by the system	610
Percentage of employees covered by the system	100%
Number of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system	1032
Percentage of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system	100%
Number of employees covered by the system, which was internally verified/audited	580
Percentage of employees covered by the system, which was internally verified/audited	95%
Number of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system, which was internally verified/audited	1032

Percentage of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system, which was internally verified/audited	100%
Number of employees covered by the system, which was audited or certified by an external body	580
Percentage of employees covered by the system, which was audited or certified by an external body	95%
Number of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system, which was audited or certified by an external body	1032
Percentage of employees who are not company employees, but whose work and/or place of work is controlled by the organisation, who are covered by the system, which was audited or certified by an external body	100%

[403-1] The company IDE Projekt did not undergo external certification due to a specific character of conducted activities and associated risks. However, the company IDE Projekt implements all system assumptions.

We meet all requirements foreseen by external regulations, and our OHS management system exceeds them in many areas. By continuously increasing and moving to successive levels of employees' safety awareness, we respond to market standards and requirements of our customers.

[3-3] OHS strategy

[403-7] Safety is an integral part of the ONDE Group strategy and a component of other processes performed by the company. We believe that standards applying to life and health will be combined with guidelines supporting environmental neutrality to an increasingly greater extent

– we want this holistic approach to become one of our distinguishing features and advantages in coming years.

Thinking about safety of all people involved in works on projects executed by ONDE - their health and life - we developed an OHS strategy called 7 pillars of safety:

1. Development of procedures and occupational safety scenarios.
2. Disqualification of all compromises concerning safety.
3. Education and awareness building showing that construction investments can be accident free.
4. Development of standards and continuous building of safety standards among contractors.
5. Promoting of positive attitudes of OHS leadership, regardless of a position.
6. Continuous improvement of standards of work organisation for teams, technological training courses, and processing of technical solutions.
7. Implementation of adopted safety standards at each level of the organisational structure.

All ONDE S.A. employees and the Company Management Board are involved in implementation of the OHS strategy, and main areas of these activities cover:

- ☞ commitment and leadership,
- ☞ adherence to the highest standards of safety,
- ☞ planning and monitoring,
- ☞ training,
- ☞ internal consultations.

OHS and environmental issues are present at each stage of our investments - from bidding, through selection of subcontractors, performance of their works, up to the stage of construction works completion. This approach

allows us to significantly reduce situations and incidents caused by activities of different entities performing works at our construction sites, thus minimising a number of hazardous behaviours and associated risks. We believe that each entity correctly informed about our requirements means less risks at the execution stage.

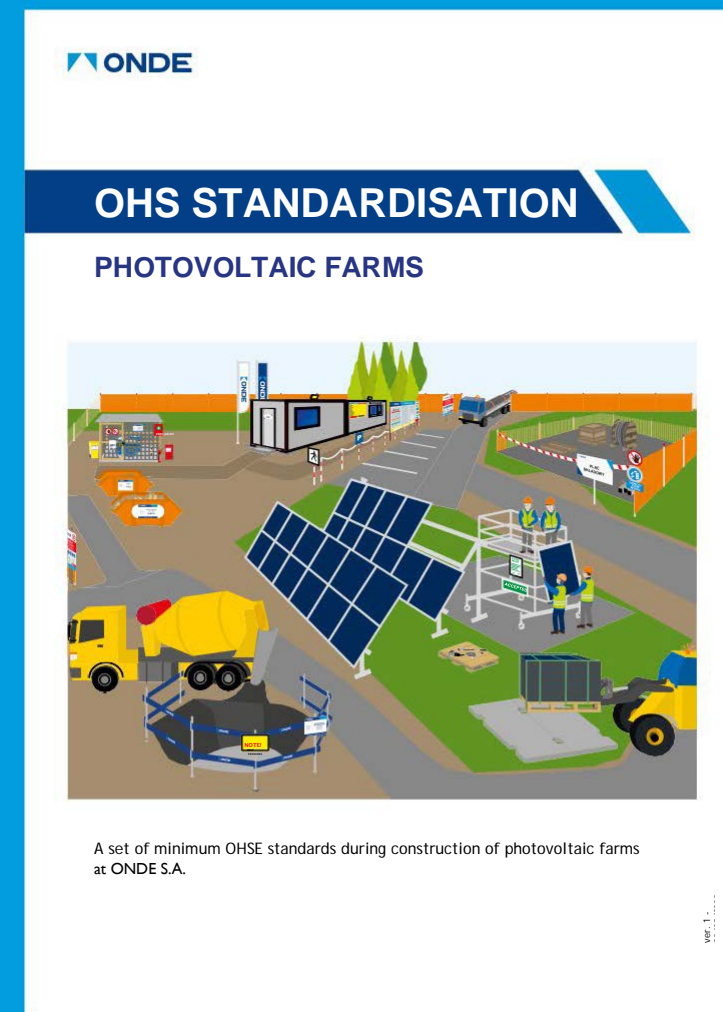
Verification of subcontractors is of a crucial importance for us:

1. BIDDING:
 - ☞ A request for proposals together with provision of OHS terms and conditions;
 - ☞ Analysing scope of works and developing a schedule for them.
2. NEGOTIATIONS AND CONTRACT:
 - ☞ Negotiations with a customer - Employees' qualifications, form of employment, machines, personal protective equipment, social facilities, first aid, OHS standards applied;
 - ☞ Verification, presenting of contractual terms and conditions, a kick-off meeting.
3. PREPARING FOR EXECUTION OF WORKS:
 - ☞ HASP schedule, required documents: OHS training courses, medical screening, licences;
 - ☞ Development of method statements together with RATs for tasks, appointment of an OHS Coordinator;
 - ☞ Briefing.
4. PROJECT IMPLEMENTATION:
 - ☞ Regular updating of documentation (method statements, lists of employees and machines);
 - ☞ An obligation to report near misses and accidents;
 - ☞ Coordinating meetings.

GOOD PRACTICE

At ONDE, we use services of subcontractors and wish that cooperation to be safe. A precondition for cooperation with our Company is observance of our OHS rules, and we inform about this already at the bidding stage/ From our subcontractors we require, among others, employing people with required qualifications and licenses, appointment of an OHS Coordinator, providing of personal protective equipment and equipment for work in a good operational condition, as well as necessary social facilities for employees. Subcontractors are also obliged to draw up a method statement, report, in accordance with the ONDE standard, all accidents and near misses, and participate in coordination meetings.

In 2020, we prepared a special documents for subcontractors, specifying a set of ten minimum OHS and environmental protection standards during construction of wind farms. In 2022, a similar document, containing six, and eventually nine standards- was created for photovoltaic farms. During the negotiation process, each subcontractor



is informed about requirements resulting from these standards - about technical and organisational measures that need to be implemented when performing works ordered by ONDE.

[403-3] Our structure includes the OHS Department reporting directly to the President. Its tasks include development and implementation of the safety policy and monitoring of OHS status during investment execution. Each year, the OHS Department thoroughly analyses safety issues, including OHS risks, and the results of that analysis are used, among others, to improve OHS procedures and improve employees commitment to issues of safe work. Each year, the annual OHS objectives are communicated to business centres and strictly monitored.

In the Group, OHS risks are evaluated:

- ☞ For the organisation at the central level - the risks are updated once a year;

- ☞ During bidding for each contract;
- ☞ At the preparation stage;
- ☞ During performance of works, when developing working methods;
- ☞ During monitoring.

From the very beginning, each construction project executed by the Group has a “carer” assigned - an OHS Specialist, who, together with the supervising personnel, participates in and creates safe and healthy working conditions. The entire OHS performance is regularly discussed at OHS meetings at each level in the organisation.

We inform employees about all safety-related procedures, instructions and guidelines from the **FIRST DAY** of their work in the Group, during onboarding.

New rules and implementations are **REGULARLY COMMUNICATED** through an OHS application and by e-mail.

EMPLOYEES HAVE ACCESS to internal drives/intranet with current BHP information.

GOOD PRACTICE

At ONDE, we implemented a special OHS application, enabling experts - specialists in occupational safety to receive immediately information about new contracts and manage OHS levels. With this application, it is, e.g., possible to see all recorded accidents and near misses at a specific construction site and to determine "OHS trends", allowing to undertake necessary corrective actions at a right time;

[3-3] OHS risks

[403-9] At ONDE – similarly as in the ERBUD Group – six main risk categories that have the greatest potential for serious injuries were identified. These risks result from statistics of previous accidents in the organisation, long-term statistics collected by the

Construction Safety Partnership, and results of statistics presented by the National Labour Inspectorate in its reports. We believe that by eliminating risks in those main categories we will be able to avoid severe and fatal accidents.

Item	Main risk categories in relation to conducted works with the highest severe and fatal potential	Main directions for preventive actions in the organisation
1	Being buried/work in a trench	<ol style="list-style-type: none"> 1. Planning at each step, 2. Execution of works in accordance with implemented guidelines of systemic collective safety measures - selection of engineering safety selection of engineering safety measures eliminating human errors and extraordinary situations; 3. A thorough monitoring of performance of works in accordance with the plan and the guidelines
2	Fall from height	<ol style="list-style-type: none"> 1. Planning at each step, 2. Execution of works in accordance with implemented guidelines of systemic collective safety measures - selection of engineering safety selection of engineering safety measures eliminating human errors and extraordinary situations; 3. A thorough monitoring of performance of works in accordance with the plan and the guidelines
3	Vertical/horizontal transport	<ol style="list-style-type: none"> 1. Correct planning of works in accordance with developed safety instructions for transport works; 2. A process for training signallers and riggers at construction sites, 3. Implemented transport rules consistent with the developed leaflet for vertical transport in the Construction Safety Partnership; 4. A close monitoring of works in accordance with developed instructions;
4	Work within machines and equipment zones	<ol style="list-style-type: none"> 1. Specifying methods and ways for execution of works in Method Statements for individual scope of works; 2. Eliminating a need for people to remain in the danger zone of machines and equipment work; 3. Establishing danger zones for machines, 4. Acoustic signals for working machines, 5. Monitoring of performed work,
5	Works under traffic	<ol style="list-style-type: none"> 1. Eliminating (if possible) works under traffic by separating a relevant traffic lane 2. Plans for traffic organisation taking into account a specific nature of conducted works. 3. Adhering to assumptions included in the project; 4. Monitoring of performed work,
6	Electrical works on systems/electric shock	<ol style="list-style-type: none"> 1. Implementation of a procedure and an instruction for performance of electrical works, taking into account the specific nature of conducted works; 2. Technical measures preventing human errors; 3. Monitoring of implementation of the above in accordance with implemented solutions.

[403-2] We implement the process of risk identification at several levels of the company operations:

- ☞ At the central level, we evaluate risks and opportunities associated with functioning of the entire organisation
- ☞ At the central level we identify and evaluate risks for individual positions
- ☞ As a part of preparation for implementation of the bid, we evaluate OHS risks and opportunities influencing the future construction;
- ☞ At the execution stage:
 - ☞ we evaluate risks when preparing the HASP schedule;
 - ☞ we evaluate risks for individual scope of works specified in method statements;
 - ☞ we evaluate risks for individual positions;
 - ☞ we conduct the last minute risk assessment (LMRA) when issuing written permits for work and during morning briefings (start sheets).

The above solution enables us to identify all routine and non-routine actions and works planned and resulting from works specifications and conditions at relevant construction sites.

As a part of the functioning OHS management system, an instruction for “Risks and opportunities assessment” was implemented. Under this process, persons responsible for correct performance of the risk identification process at each stage were planned, and a clear way for agreeing and accepting results of those analyses was indicated. The results are presented as:

- ☞ Risks and opportunities card;
- ☞ HASP schedule;

- ☞ Method statement with a task risk assessment;
- ☞ Risk assessments for individual positions;
- ☞ Work permits and start sheets.

These documents are drawn up by appointed people or teams, and then clearly specified people verify provisions and approve the above documents. In accordance with the established instruction, we apply the principle of the control hierarchy specified in ISO 45001.

In accordance with the instruction “Risks and opportunities assessment”, we implemented a hierarchy of control over safety:

Hierarchy	Action description
risk elimination;	avoidance of risks, adopting the work to employees, e.g., a change in the technology, a change in the project; creating a physical separation between pedestrians and vehicles;
replacement	replacement of hazardous operations with those that are not hazardous or are less hazardous; fighting of sources of hazards; adapting to technical progress, e.g., replacing solvent-based paints with water-based ones, replacing formworks without systemic platforms with systemic formworks with complete access routes;
technical measures	implementation of collective protective measures, e.g., collective protective measures at a construction site - balustrades, nets, etc., that always have a priority before personal protective measures; separation; machine protection; ventilation systems; mechanical manipulations;
organizational measures	appropriate instructions for employees, standards, guidelines, e.g.: periodic maintenance of safety equipment; coordination of health and safety issues with subcontractor activities; licenses; rotation of employees;

Hierarchy	Action description
personal protective equipment	providing appropriate personal protection and instruction concerning its use and maintenance, e.g.: safety footwear, safety goggles; hearing protection; chemical resistance gloves; gloves protecting against electricity; cut resistant gloves. In the hierarchy, personal protective equipment is used as a final resort, when the above measures cannot be implemented or did not eliminate the hazard completely.

Each employee at ONDE has a right to refuse performance of work when the conditions of work deviate from occupational health and safety regulations and pose a direct hazard to the Employee's health or life, or when work performed by them poses such hazard to other people. When refraining from performance of works does not eliminate the hazard, the employee can leave the hazardous location, immediately notifying their manager. The employee cannot suffer any unfavourable consequences of refraining from performance of works or leaving a hazardous location in cases described above. The relevant provisions in this regard are included in work regulations in force at the employer. ONDE also has a guaranteed right to suspend and remove from work those employees of subcontractors who create dangerous situations and generate unacceptable risks by their behaviour.

Employees have guaranteed protection against retaliation in consequence of reported incidents, risks, hazardous situations, and opportunities in established systems of provisions in the leadership instruction and in the instruction of readiness for and reaction to emergencies. The senior management at each level of the organisation was obliged to protect employees against retaliation associated with reporting events of this type.

GOOD PRACTICE

All employees can report risks associated with work and hazardous situations by:

- ☞ participation of representatives of specific positions in a team evaluating risks
- ☞ risk assessment at a stage of the method statement development by subcontractors;
- ☞ participation in OHS status inspections;
- ☞ coordinating meetings at construction sites;
- ☞ safety walks performed by the OHS coordinator at each construction site;
- ☞ morning briefings.



We train in safety

[403-5] We require safe work from our employees, but we comprehensively prepare them to such work. Each our employee must be provided, among others, OHS information training, an instruction conducted by their manager, a training in methods of work performance included in method statements, a special instruction before performance of hazardous works, training sessions and drills in readiness to react to emergency situations, and dedicated trainings for individual types of work. We remind everybody about OHS responsibilities both every day, from the moment of

entering the construction site, and during regular periodic training courses. We supplement induction training sessions with specialist training sessions and courses, to obtain or maintain necessary licenses.

An instruction “OHS training” is in force as a part of the implemented OHS management system. At each construction site, training sessions are specified more precisely in a HASP schedule developed for hazards.

The table below shows in detail types of training provided for employees, together with its frequency, form and objective.

Training type	Frequency	Addressee	Form	Objective
OHSE briefing	On entering every construction site	All employees and visitors	On-job instruction	Informing about hazards and rules at the construction site
Induction training	One time and at each change of a position and conditions (e.g., move to another construction site)	Each employee	On-job instruction	Performance of an obligatory training in compliance with the regulations
Onboarding	On employment	All new employees	Online	Acquainting with the policy, systems and standards in force at ONDE
Periodic training sessions for employees at blue-collar positions	Every year	Blue-collar positions/verification of an obligation towards employees Subcontractors	On-job instruction	Refreshing knowledge on hazards and their elimination
Periodic training sessions for people managing employees	Every 5 years	People supervising employee works	On-job instruction	Refreshing knowledge on hazards and their elimination
Training provided to signallers and riggers	Depending on conditions at a construction site	Appointed people for vertical transport;	On-job instruction	Refreshing knowledge on safe transport at construction sites
First-aid training	As required	Persons appointed to provide first aid at a construction site	On-job instruction	Gaining knowledge and skills required to provide first aid at a construction site

Training type	Frequency	Addressee	Form	Objective
Licences of operators of equipment subject to technical oversight	In accordance with provisions of the handling equipment regulation	Operators	Course	Obtaining skills and licences for equipment operation
Licenses of machine operators for earth, construction, and road works	In accordance with provisions of the regulation	Operators	Course	Obtaining skills and licences for machine operation
Class D and E electrical installation contracting licenses	Every 5 years	People performing work on power equipment regulated in OHS regulation	Course	Obtaining skills and licences for operation of power equipment
Work at heights using PPE	Depending on a type of performed works	Employees performing works at height	On-job instruction	Improving knowledge and awareness in methods in safe performance of works at height
Scaffolding fitters	In accordance with regulations	People erecting/dismantling scaffoldings	Course	Obtaining skills and licences for erecting metal scaffoldings
Daily briefings (toolboxes)	Daily	All employees (Subcontractors)	Training	Clear allocation of tasks, the last risk assessment and verification of methods of work
Instruction before hazardous works	In accordance with the HASP schedule	Employees (subcontractors)	On-job instruction	Improving knowledge and awareness in principles of safe performance of hazardous works.
Training as a part of the Safety Week	Once a year	Employees (subcontractors)	Presentations	Improving employees knowledge and awareness
Drills in emergency situations at construction sites	Depending on specific conditions at a construction site	Employees (subcontractors)	Drills	Verification of various scenarios of readiness to emergency situations at a construction site and increasing employees' awareness about procedures
Dedicated training sessions resulting from specific aspects of a construction site				
Drills in emergency situations at construction sites	Depending on specific conditions at a construction site	Employees (subcontractors)	Drills	Verification of various scenarios of readiness to emergency situations at a construction site and increasing employees' awareness about procedures

Once a year we additionally organise the “Safety Week”. In 2022, 819 employees, 354 people from ONDE and 465 people from subcontractors, participated in 54 events as a part of the “Safety Week”.

[403-2] We act to prevent accidents, but we are also ready for situations when they did or could occur. We focus not only on investigating accidents at work, but in accordance with the incident definition in ISO 45001, we also investigate “events resulting from or during works that may or may not cause damages and poor health”, as well as hazardous behaviours. This is in line with the accidents pyramid.

The process for identification and assessment of accidents and near misses is each time conducted in accordance with the instruction “Readiness, emergency reactions, and handling of incidents”. Each incident, concerning ONDE or subcontractors’ employees alike, is reported in the internal OHS application. Depending on its type and determined category, various scenarios are implemented. In the case of the most severe incidents, a special team is appointed, responsible for a detailed analysis of causes and developing preventive actions for the future. In the remaining cases, corrective actions concern solely those construction sites or departments which were affected by the incident.

Item	Incident type	Reporting	Team composition	Procedure	Corrective actions
1.	Near misses, environmental incidents, fires, failures with a low potential of injuries or damage to property	Registration in the OHSE application - every person managing employees on the same day	HSE Specialist	Only a report	-
2.	Incidents from top risk categories and with severe damage to property and to the environment	Registration in the OHSE application - every person managing employees on the same day	Responsible Director, Responsible department/construction site manager or other person managing employees, OHSE Specialist	Incident reporting, extended analysis	Yes
3.	Accident at work:	Registration of in the OHSE application - every person managing employees on the same day	Responsible Director, Responsible department/construction site manager or other person managing employees, OHSE Specialist	Accident reporting, post-accident report, expanded analysis	Yes
4.	Severe, fatal, and collective accidents, including accidents at a supplier of services	Registration in the OHSE application - every person managing employees on the same day	Responsible Director, Responsible department/construction site manager or other person managing employees, OHSE Specialist	Accident reporting, post-accident report, expanded analysis	Yes
4.	An accident at a supplier of services - other accidents	Registration in the OHSE application - every person managing employees on the same day		Accident reporting, an extended analysis (concerns main risk categories), post-accident proceedings on the basis of findings of the accident investigation team at the supplier of services	Yes (concerns main risk categories)
5.	An accident on a way to/from work	Registration in the OHSE application - every person managing employees on the same day	HSE Specialist	Reporting of the accident, an accident form	-



[403-10] [403-7] In 2022, we did not record any cases of occupational diseases at the ONDE Group. As hazards to health, we identified hearing losses, vibration syndrome, carpal tunnel syndrome, and chronic disorders of the locomotor system.

The hazards were identified by analysing the Cabinet Regulation concerning occupational diseases, Journal of Laws 2022.0.1836, consolidated text - The Cabinet Regulation of 30 June 2009 concerning occupational diseases and referring a list of occupational diseases to results of occupational risk assessments (concerning types of works executed at the construction site) for individual positions.

Hazards/consequences	Mitigating activities
<ul style="list-style-type: none"> ☞ hearing loss caused by work in noise ☞ vibration syndrome caused by operating vibrating machines and equipment 	<ul style="list-style-type: none"> ☞ monitoring of noise and vibration levels at individual positions ☞ equipping with machines generating noise and vibrations at lower levels ☞ personal protective equipment
<ul style="list-style-type: none"> ☞ chronic locomotor systems disorders 	<ul style="list-style-type: none"> ☞ minimising manual transport and replacing it with mechanical transport ☞ manual transport solely in accordance with standards and observing rules of ergonomics ☞ restricting to a minimum work in a kneeling position, e.g., by using appropriate devices for mechanical laying of paving blocks
<ul style="list-style-type: none"> ☞ carpal tunnel syndrome 	<ul style="list-style-type: none"> ☞ ergonomic equipment at administrative workstations

[403-9] Ratio of work-related injuries¹

In 2022, the strategic objective of 0 severe, fatal and collective accidents was achieved once again, while maintaining a very good ratio for accidents at a level of 3.25 for own personnel, and at a level of 1.93 with subcontractors included. In 2022, 4 light accidents were recorded for our personnel and 3 light accidents were reported at our subcontractors.

Furthermore, it should be noted that severity of accidents at work decreased significantly, amounting to 8 in 2022.

¹ Methodology: To calculate manhours for employees, a list of employment for individual months was used, completed on a regular basis in the OHS application. Employees were divided into three groups: supervisors, administration and office, and blue-collar workers. To calculate manhours, the following factor was used in each month: supervisors - 184 h, administration and office - 168 h, and blue-collar workers - 184 h. The average employment at subcontractors is determined on a basis of monthly registers from construction sites, which are entered into the internal system, and then multiplied by 184 h for each month.
* Calculated according to the formula: number of accidents at work x 1,000,000 / number of manhours worked
** Calculated according to the formula: number of lost days / number of accidents at work

A comparison of frequency rates and number of accidents, 2022-2021-2020 at ONDE (for own personnel)

Year	Number of manhours	Number of accidents	Frequency rate*	Number of days lost	Severity**
2022	1,230,104	4	3.25	32	8
2021	1,203,456	5	4.15	170	34
2020	893,872	10	11.19	332	33.32

Accident ratio in the ONDE Group (own personnel)

Year	Number of manhours	Number of accidents	Frequency rate*	Number of days lost	Severity**
2022	1,289,408	4	3.10	32	8
2021	1,263,936	5	3.96	170	34

Accident ratio in the ONDE Group, including subcontractors

Year	Number of manhours	Number of accidents	Frequency rate*	Number of days lost	Severity**
2022	3,626,392	7	1.93	-	-
2021	5,382,408	7	1.30	-	-

Types of injuries	ONDE)	Subcontractors
Sprain	0	2
Cut (wound)	1	1
Fracture of fingers	1	
Bruising	1	
Other injury	1	

Employees who are not company employees, but whose work and/or place of work is controlled by the organisation::

Number of fatalities in consequence of work-related injuries	0
Ratio of fatalities in consequence of work-related injuries	0
Number of severe work-related injuries (excluding fatalities)	0
Ratio of severe work-related injuries (excluding fatalities)	0
Number of work related injuries	3
Ratio of work related injuries	1.28
Number of hours worked.	2,336,984



DIVERSITY AND
HUMAN RIGHTS

[3-3] In the ONDE Group, we are of the opinion that human rights cannot be breached. We conduct our operations in accordance with the Labour Code, the Charter of Fundamental Rights of the European Union, and conventions of the International Labour Organisation. Although we did not adopt a formal separate regulation concerning human rights, we observe all provisions concerning human rights included in the Constitution of the Republic of Poland, the International Charter of Human Rights together with the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

We create an organisation that offers opportunities for development on the basis of different criteria and competencies. We want each employee to be able to fully use their potential and know that this attitude translates into successes of the entire organisation. In 2022, we adopted the Diversity Management and Unequal Treatment Prevention Policy. We undertake to create such working environment in which each employed person feels respected, valued and evaluated fairly. The HR Manager is responsible for implementing the Policy.

OBJECTIVES OF THE DIVERSITY MANAGEMENT AND UNEQUAL TREATMENT PREVENTION POLICY

PREVENTION of unequal treatment in recruitment in form of discrimination, indirect discrimination, direct discrimination, mobbing, harassment, and sexual harassment.

RESTRICTING consequences of cases of unequal treatment found.

SPECIFYING CONSEQUENCES including disciplinary, for people being perpetrators of unequal treatment.

PROMOTING the culture of respect for diversity at work and preventing exclusion.

GOOD PRACTICE

In January 2023, as a part of implementation of the Diversity Management and Unequal Treatment Prevention Policy, we organised a training for employees, during which we discussed possible ways of reacting to all forms of discrimination, became acquainted with legislative regulations, and learn the best practices from other companies. The invited expert provided suggestions how we should behave when we are a victim or a witness of discriminating behaviours.

In our Policy, we also undertook to conduct a dialogue with employees focusing on its provisions. This way, we try to learn more thoroughly needs of our employees concerning creation of safe, diversified and inclusive work environment, while influencing their attitudes of openness, commitment to and understanding of provisions included in regulations.

In the Policy, we define extensively meaning of behaviours such as discrimination, harassment, and mobbing. We clearly declare that they are unacceptable in our organisation.

[406-1] In December 2022, we received one notification of a breach of law, procedures and ethical standards at ONDE. This information was provided by the Company partner, after they terminated a cooperation agreement. On 29 December, we organised a meeting with the reporting person, the conclusions of which were provided to a person being a subject of that notification, on 9 January 2023. On 19 January, the Management Board listened to explanations of the person concerned.

Following the arrangements, the reporting person was offered an opportunity to meet and hear explanations for circumstances included in the notification.

what was one of their expectations. The notifying person was informed about this by phone, and later, on 2 February 2023, by e-mail. To the date of developing this report, they did not respond to this invitation.

In accordance with the Policy, all employees who suspect that they are treated unequally, can consult their line manager, a manager at a higher level, or the ONDE SA HR Manager. At the same time, every person who experienced unacceptable behaviours in the ONDE Group, is authorised to report this fact. Reporting breaches, handling notifications and undertaking of follow-up actions

is conducted in accordance with the Regulations for Anonymous Reporting by Employees of Breaches of Law, Procedures and Ethical Standards at ONDE.

[202-1] Amount of remuneration for women and men in relation to the minimum wage

	Initial/basic wage ratio in relation to the minimum wage [%]	Minimum wage assumed in calculations
ONDE SA		3010
women	198.03	
men	188.43	
IDE PROJEKT SP. Z O.O.		3010
women	190.57	
men	252.92	
ONDE GROUP		3010
women	194.3	
men	220.67	

[202-2] [3-3] Out of 19 people forming senior management at the ONDE Group (President, Vice-Presidents, Directors and their deputies), 100% come from the local community.

	The percentage of the top management recruited from a local community at crucial locations [***]
ONDE SA	100
IDE Projekt Sp. z o.o.	100
ONDE Group	100

[405-1] A composition of supervisory bodies and staff, broken by employee categories according to sex, age and other diversity indices

	women	men	total	< 30 years	30-50 years	>50 years
ONDE SA						
Managing bodies	0	3	3	0	2	1
Administration and office	117	60	177	63	102	12
Management Board, Directors, Deputy Directors	2	8	10	1	5	4
Blue-collar workers	8	189	197	37	108	52
Technical positions, supervision	15	117	132	38	72	22
IDE PROJEKT SP. Z O.O.						
Managing bodies	0	2	2	0	2	0
Administration and office	10	10	20	15	5	0
Management Board, Directors, Deputy Directors	2	2	4	1	3	0
Blue-collar workers	0	0	0	0	0	0
Technical positions, supervision	1	4	5	1	4	0

Data presents the number of employees by the employment category, according to their sex and age, as of 31/12/2022.

Group ONDE

	women	men	total	< 30 years	30-50 years	>50 years
Managing bodies	0	5	5	0	4	1
Administration and office	127	70	197	78	107	12
Management Board, Directors, Deputy Directors	4	10	14	2	8	4
Blue-collar workers	8	189	197	37	108	52
Technical positions, supervision	16	121	137	39	76	22

	women	men	< 30 years	30-50 years	>50 years
Managing bodies	0.0%	100.0%	0.0%	80.0%	20.0%
Administration and office	23.3%	12.8%	14.3%	19.6%	2.2%
Management Board, Directors, Deputy Directors	0.7%	1.8%	0.4%	1.5%	0.7%
Blue-collar workers	1.5%	34.7%	6.8%	19.8%	9.5%
Technical positions, supervision	2.9%	22.2%	7.2%	13.9%	4.0%

Data presents the number of employees by the employment category, according to their sex and age, as of 31/12/2022.

[405-2] A ratio of a basic salary for women to a basic salary for men, according to the position held

ONDE Group	Ratio
Administration and office	0.8
Blue-collar workers	0.85
Technical positions, supervision	1.02
Management Board, Directors, Deputy Directors	0.32

The ratio was reported partly, as some data was not available - only a basic salary was taken into account. Full data will be collected and reported for 2023.

The ratio was calculated as a ratio of an average salary for women (employed as of 31/12/2022) to an average salary for men (employed as of 31/12/2022), according to the position held.



006

ABOUT THIS

[2-2] This ESG Report covers a period between 1 January to 31 December 2022, unless the text provides otherwise. Data in the document concern companies ONDE SA and IDE Projekt Sp. z o.o. The report contains a description of a business model and a description of activities of individual operating segments in our Group.

[2-3] [2-4] The ONDE Group reports non-financial issues in an annual cycle, while financial reporting is conducted in quarterly and annual cycles. Our previous report, for 2021, was published on 6 April 2022. The report for 2022 does not contain corrections of information for 2021.

The ESG report for 2022 fulfils our obligations concerning the expanded non-financial reporting. We disclose important data and information on applied policies and procedures, as well as undertaken activities. We also present our attitude towards social and employee issues, human rights, and prevention of corruption, together with an extensive information on management of environmental aspects.

This report was prepared by a team responsible for the ESG area at the parent company of the ONDE Group and was approved by the Management Board. The individual chapters of this report were verified internally by crucial people at the company.

6.1

PROCESS FOR DEFINING SIGNIFICANCE



[3-1] According to the GRI Standards, material topics should reflect the company's impact on its environment. To identify such subjects for the ONDE Group, a three-step process was conducted. To ensure completeness of the approach and take into account various perspectives, the process was conducted using various tools and involving stakeholders.

At the first stage, an analysis of data found was conducted. The analysis covered sustainable development strategies and sustainable development reports of companies accepted as comparable for the ONDE Group (benchmarking). This stage aimed at determining crucial areas of influence, and eventually, material topics identified by other companies from the sector. As a part of this stage, the analysis also covered requirements of selected international ratings and ESG Guidelines, taking into account the sector's perspective and requirements. On a basis of results of this stage, the first, initial lists of important subjects was developed, which was taken into account during further works.

At the last stage of the process of identification of material topics, a survey evaluating the ONDE Group impact on its environment was sent to representatives of crucial internal and external stakeholders. The survey questionnaire contained a list of material topics, taking into account issues specified in the GRI Standards (GRI aspects) and the Sustainable Development Objectives. The questionnaire was completed by 120 people. The majority (69.1%) of respondents were employees and potential employees of the ONDE Group, the remaining 30.9% were external stakeholders, including representatives of shareholders and stock market analysts, suppliers, subcontractors, beneficiaries of the ONDE CSR programs, public and infrastructural institutions, media, or scientific milieu. The stakeholders specified crucial areas of the ONDE Group influence on its environment, both positive and negative. On a basis of the survey results, a list of 10 crucial areas of the ONDE Group influence was developed, used in further works.

6.2

MATERIAL TOPICS

On the basis of the conducted process, a list of material topics was created. It was discussed by the ONDE Group project team, responsible for development of this report. In consequence, a list of material topics was created, which formed a basis for developing a structure, and then the contents of this report.

[3-2] [3-3] A list of material topics identified during the conducted process:

Important issue	Detailed issues	GRI aspect	Report chapter
Management of resources	<ul style="list-style-type: none"> ☞ Materials and raw materials, closed circulation ☞ Sourcing and use of resources ☞ Raw materials use (e.g., the use of renewable and non-renewable resources) ☞ Waste management 	Resources, waste	3.2
Impact on the climate	<ul style="list-style-type: none"> ☞ Renewable energy sources responsible energy production ☞ Renewable power generation and energy management ☞ Share of RES energy in the energy mix ☞ Emissions control ☞ Decarbonisation ☞ Climate change (e.g., greenhouse gases emissions) 	Energy, emissions	3.3
Influence on biodiversity	<ul style="list-style-type: none"> ☞ Biodiversity and use of lands 	Biodiversity	3.1
Recruitment and development	<ul style="list-style-type: none"> ☞ Employees\ employment conditions: ☞ Working conditions, employee rights (e.g., employee privacy at work, human-rights related incidents among employees, or strikes) ☞ Employees development and satisfaction ☞ Human capital development 	Employment Education and training	4.1/ 5
Health and safety	<ul style="list-style-type: none"> ☞ Occupational safety and health ☞ Health and safety of employees, employees' well-being 	Health and safety	4.1/ 4.2

Important issue	Detailed issues	GRI aspect	Report chapter
Diversity and equal treatment	<ul style="list-style-type: none"> ☞ Diversity, equality and inclusion ☞ Equal rights, e.g., equal remuneration for women and men 	Diversity and equal treatment	5
Impacts on the community and economy	<ul style="list-style-type: none"> ☞ Impact on local communities, creation of local jobs ☞ Social relationships ☞ Local communities (e.g., a dialogue or involvement in relations with communities influenced by the organisation's activities) ☞ Innovativeness, industry, infrastructure (including sustainable infrastructure, sustainable innovations and industry) 	Local communities, Indirect economic influence	2.1/ 2.5
Sustainable supply chain	<ul style="list-style-type: none"> ☞ Responsible procurement, correct selection of business partners ☞ Employees in the value chain (e.g., respecting human rights by ONDE subcontractors/suppliers) 	Supplier environmental assessment	2.1
Responsibility towards customers	<ul style="list-style-type: none"> ☞ Quality and safety of products and services ☞ Product designing and management of its life cycle ☞ Safety of customers' data, including cybersecurity ☞ Data privacy and security 	Health and safety of consumers, marketing and labelling	2.3

[2-5] The ONDE Group ESG report underwent an independent external verification. This service was performed by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k.

We present our report on performance of the assurance engagement below.



The independent expert auditor's report on an assurance engagement giving a limited certainty, concerning verification of selected non-financial information for 2022

To the ONDE S.A. Management Board

Introduction

The ONDE S.A. Management Board ("The Company"), under the Agreement of 30/01/2023, engaged us to conduct an assurance engagement giving a limited certainty in relation to selected non-financial information presented in the ONDE S.A. Sustainable Development Report for 2022.

Description of a subject matter of the order and applicable criteria

The Company Management Board drawn up the ONDE S.A. Sustainable Development Report for a period from 01 January 2022 to 31 December 2022 ("Sustainable Development Report"), taking into account the GRI Standards published by the Global Reporting Initiative ("GRI Standards"). The Sustainable Development Report contains non-financial (quantitative and qualitative) information prepared in accordance with the relevant GRI Standards and methodologies developed by the Company and disclosed in the Sustainable Development Report (jointly referred to as "Reporting criteria"). In our opinion, the reporting criteria form appropriate criteria for formulating by us a conclusion giving a limited certainty. The Company Management Board drawn up the Sustainable Development Report to publish it together with the independent expert auditor report on the Company website.

The following non-financial information included in the Sustainable Development Report was verified, in accordance with the GRI content index provided on pages 72–74 of the Sustainable Development Report ("Selected information"):

- GRI 2-7 - Employees
- GRI 2-8 - Workers who are not employees
- GRI 2-9 Governance structure and composition
- GRI 2-26 - Mechanisms for seeking advice and raising concerns
- GRI 2-27 - Compliance with laws and regulations
- GRI 2-28 - Membership associations
- GRI 302-1 - Energy consumption within the organization
- GRI 302-3 - Energy intensity
- GRI 305-1 - Direct (Scope 1) GHG emissions
- GRI 305-2 - Energy indirect (Scope 2) GHG emissions
- GRI 401-1 - New employee hires and employee turnover
- GRI 401-2 - Benefits provided to full-time employees that are not provided to temporary or part-time employees
- GRI 403-1 - Occupational health and safety management system
- GRI 403-2 - Hazard identification, risk assessment, and incident investigation
- GRI 403-5 - Worker training on occupational health and safety
- GRI 403-9 - Work-related injuries

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.,
at 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. is registered in the register of entrepreneurs of the National Court Register (KRS) maintained by the District Court for the capital city of Warsaw with a KRS number: 0000750050, VAT No.: 526-021-02-28. The registered office of the Company is located in Warsaw, at Polna 11.



- GRI 403-10 - Work-related ill health
- GRI 404-1 - Average hours of training per year per employee
- GRI 404-3 - Programs for upgrading employee skills and transition assistance programs
- GRI 405-1 - Diversity of governance bodies and employees
- GRI 405-2 - Ratio of basic salary and remuneration of women to men

Our verification concerned solely selected information for the year ending on 31 December 2022 and we did not conduct procedures for any information presented in the Sustainable Development Report. Therefore, we do not present our opinion about the Sustainable Development Report as the whole.

The selected information should be read and understood together with the Reporting criteria, and the Company bears the sole responsibility for their selection and application. As no established practises are available that could form the basis for assessment and measurements of non-financial information, various measurement techniques can be used, and this may influence comparability of non-financial information. Furthermore, qualification of greenhouse gases emissions is associated with an intrinsic uncertainty due to factors such as emission ratios used in mathematical models to calculate emissions and impossibility to precisely characterise a relation between various input data and resultant emissions by these models. The data concerning the environment and the energy consumption used to calculate greenhouse gases emissions are subject to intrinsic limitations due to the character and methods used to define that data. Selection of various acceptable measurement techniques can result in significantly different measurements.

Management Board's responsibility

The Management Board is responsible for:

- Establishing internal methods and guidelines for preparing and disclosing Selected information in accordance with the Reporting criteria;
- Drawing up the Sustainable Development Report containing Selected information developed in accordance with relevant Reporting criteria;
- Designing and application of an appropriate internal control system associated with the support for the reporting process
- Precision, completeness and methods of presenting Selected information.

Our responsibility

Our task concern formulating a conclusion of limited certainty concerning Selected information presented in the Sustainable Development Report on a basis of procedures conducted by us.

We conducted our assurance works in accordance with the National Standard of Assurance Engagements Other than Audits or Reviews 3000 (Z) in its form consistent with the International Standard on Assurance Engagements 3000 (revised) - *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (NSAE 3000 (Z)). This standard requires from us to observe ethical requirements and to plan



and conduct our works in a way ensuring that we gain limited certainty that the Selected Information is, in all its important aspects, consistent with the Reporting criteria.

The procedures conducted during performance of the assurance engagement giving a limited certainty differ in their type and distribution in time, and have a lesser scope than during performance of the assurance engagement giving a reasonable certainty. The assurance level resulting from the above, obtained during the assurance engagement giving a limited certainty is significantly lower than assurance that would be achieved if the assurance engagement giving a reasonable certainty was performed.

Quality management requirements and professional ethics

We apply provisions of the National Standard on Quality Control 1 in its form consistent with the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* developed by The International Auditing and Assurance Standards Board and adopted with the resolution of the Board of the Polish Audit Oversight Agency. This standard requires from us designing, implementation and operation of the quality management system, including policies and procedures concerning compliance with ethical requirements, professional standards, and current legislation and regulatory requirements.

We observe the requirement of independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) published by the The International Ethics Standards Board for Accountants and adopted with the resolution of the National Expert Auditors Board, which is based on fundamental principles of honesty, objectiveness, professional competencies and due diligence, confidentiality, and professional conduct.

Summary of performed works and limitations of our procedures

The procedures of obtaining a limited certainty conducted by us included by us:

- Interviews with management and employees responsible for preparing Selected information and people coordinating preparation of the Sustainable Development Report;
- Verification of correctness and application of criteria described in section Description of a subject matter of the order and applicable criteria;
- Verification of mathematical correctness of calculation of Selected information (concerns quantitative information);
- Comparing a sample of Selected information disclosed in the Sustainable Development Report with received Company documentation.

We are of the opinion that evidence obtained by us is a sufficient and appropriate basis for us to express the following conclusion.

Conclusion

On the basis of the assurance procedures performed and obtained evidence, nothing attracted our attention, which would indicate that Selected information disclosed in the Sustainable Development Report is not, in all its important aspects, consistent with the Reporting criteria.



Limitations of application

This report was drawn up by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. for the ONDE S.A. Management Board and is designated solely for the purpose described in the part "Description of a subject matter of the order and applicable criteria". It cannot be used for any other purposes.

The ONDE Management Board is responsible for publication, including on the Company website, of the Sustainable Development Report and this assurance report, as well as for reliability of published information. The scope of works performed by us does not include assessment of these aspects. Therefore, we shall not be held liable in any way for any changes that could have been made to information evaluated by us, or for any differences, if applicable, between information covered by the report published by us and information published on the Company website.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. shall not be held liable in any way in relation to this report, and we waive any responsibility resulting from contractual and non-contractual relationships (including for any omissions) in relation to entities other than the Company. The above does not relieve us from responsibility in cases when such waiver is excluded according to the law.

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

Signature Not Verified

The document signed by Jakub Waszkiewicz
Date: 2023.03.29 18:49:13 CEST

Jakub Waszkiewicz ?
Key Expert Auditor
Register number 13836

Warsaw, 29 March 2023

GRI TABLE

Statement on application	The ONDE Group submitted a statement in accordance with the GRI Standards for the period of 01/01/2022–31.12/2022
Applied GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General Disclosures 2021	2-1 Organisational details	7				No
	2-2 Entities included in the organization's sustainability reporting	68				No
	2-3 Reporting period, frequency and contact point	68				No
	2-4 Restatements of information	34/ 68				No
	2-5 External assurance	70–71				No
	2-6 Activities, value chain and other business relationships	6–8				No
	2-7 Employees	52				Yes
	2-8 Workers who are not employees	53				Yes
	2-9 Governance structure and composition	10–11				Yes
	2-10 Nomination and selection of the highest governance body	10–11				No
	2-11 Chair of the highest governance body	10–11				No
	2-12 Role of the highest governance body in overseeing the management of impacts	11				No

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General Disclosures 2021, continued	2-13 Delegation of responsibility for managing impacts	11–12				No
	2-14 Role of the highest governance body in sustainability reporting	12				No
	2-15 Conflicts of interest	11				No
	2-16 Communication of critical concerns	11/ 12				No
	2-17 Collective knowledge of the highest governance body	12				No
	2-18 Evaluation of the performance of the highest governance body	12				No
	2-19 Remuneration policies	53				No
	2-20 Process to determine remuneration	53				No
	2-21 Annual total compensation ratio	54				No
	2-22 Statement on sustainable development strategy	4				No
	2-23 Policy commitments	12				No
	2-24 Embedding policy commitments	12				No
	2-25 Processes to remediate negative impacts	16/ 24				No
	2-26 - Mechanisms for seeking advice and raising concerns	14				Yes

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General Disclosures 2021, continued	2-27 Compliance with laws and regulations	14				Yes
	2-28 Membership of associations	18				Yes
	2-29 Approach to stakeholder engagement	15/ 17				No
	Collective bargaining agreements	54				No
GRI 3: Material topics 2021	3-1 Process to determine material topics	68				No
	3-2 The list of material topics	69				No
IMPACTS ON THE COMMUNITY AND ECONOMY						
GRI 3: Material topics 2021	3-3 Management of material topics	7, 9, 15-19				No
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	7				No
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	66				No
GRI 207: Tax 2019	207-1 Approach to tax	9				No
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	16–17				No
RESOURCE MANAGEMENT						
GRI 3: Material topics 2021	3-3 Management of material topics	22–23				No
GRI 301: Resources 2016	301-1: Materials used by weight or volume	22				No
GRI 306: Waste 2020	306-3 Waste generated	23				No
CLIMATE						
GRI 3: Material topics 2021	3-3 Management of material topics	32–35				No

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	
GRI 302: Energy 2016	302-1 Energy consumption in the organisation	32–33				Yes
	302-3 - Energy intensity	33				Yes
	302-4 Reduction of energy consumption	33				No
	302-5 Reductions in energy requirements of products and services	32				No
GRI 305: Emissions 016	305-1 - Direct (Scope 1) GHG emissions	34				Yes
	305-2 - Direct (Scope 2) GHG emissions	34				Yes
	305-4 GHG emissions intensity	35				No
BIODIVERSITY						
GRI 3: Material topics 2021	3-3 Management of material topics	21				No
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	21				No
RECRUITMENT AND DEVELOPMENT						
GRI 3: Material topics 2021	3-3 Management of material topics	53-54, 65–67				No
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	53				No
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	66				No
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	54				Yes
	401-2 - Benefits provided to full-time employees that are not provided to temporary or part-time employees	54				Yes
	401-3 Parental leaves	55				No

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	55				Yes
	404-2 Programs for upgrading employee skills and transition assistance programs	54-55				No
	404-3 Percentage of employees receiving regular performance and career development reviews	55				Yes

HEALTH AND SAFETY

GRI 3: Material topics 2021	3-3 Management of material topics	54 56 -63				No
GRI 403: Health and safety 2018	403-1 Occupational health and safety management system	56-57				Yes
	403-2 - Hazard identification, risk assessment, and incident investigation	60/ 62				Yes
	403-3 Occupational health services	58				No
	403-5 Worker training on occupational health and safety	61				Yes
	403-6 Promotion of worker health	54				No
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57				No
	403-8 Workers covered by an occupational health and safety management system	57				No
	403-9 Work-related injuries	59/ 63				Yes
	403-10 Work-related ill health	63				Yes

GRI Standard/other source	Disclosure	Location	Omissions			Assurance
			Requirements (omitted)	Reasons	Explanation	

DIVERSITY AND EQUAL TREATMENT

GRI 3: Material topics 2021	3-3 Management of material topics	65-66				No
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	66				Yes
	405-2 Ratio of basic salary and remuneration of women to men	66	Only basic salary was taken into account.	No data for companies for 2022.	Full data will be collected and reported for 2023.	Yes

SUSTAINABLE SUPPLY CHAIN

GRI 3: Material topics 2021	3-3 Management of material topics	8				No
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	8				No

HEALTH AND SAFETY OF CONSUMERS, MARKETING AND LABELLING

GRI 3: Material topics 2021	3-3 Management of material topics	13				No
GRI 417: Marketing and labelling 2016	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	13				No
GRI 418: Customer privacy 2016	Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data.	13				No