



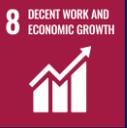
Polenergia Group's
Sustainable
Development Strategy
2023-2030



The energy transition drives sustainable development

The energy sector has a special responsibility for sustainable development. These are energy producers who have a key impact on enabling other market participants, as well as private individuals, to make climate-responsible choices on a daily basis.

In order to meet the expectations of stakeholders, as well as acting in accordance with the adopted Values and the business model, the Polenergia Group sets ambitious goals in this Strategy. Its implementation will ensure the continuity of the Group's sustainable and responsible operations.



Sustainable Development Strategy Goals

The main goal of our Strategy is the continuous development of the Polenergia Group's business while exerting a positive influence and mitigating or preventing negative impacts.

In the Polenergia Group's Sustainable Development Strategy we address topics that are important to us in three areas:



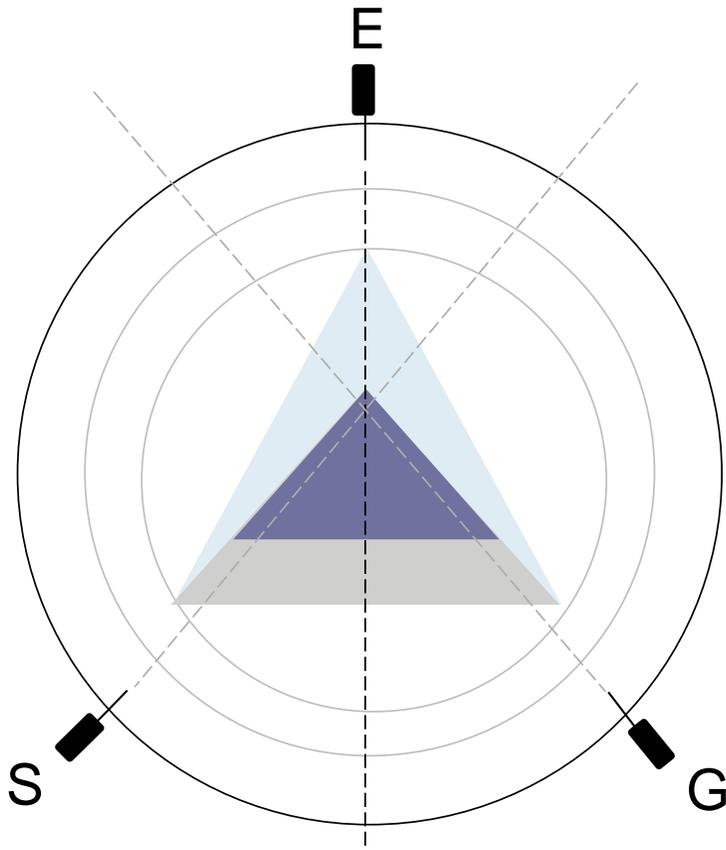
Environmental and climate issues



Issues concerning people and society, including employees



Corporate management and governance



The foundation of the goals of the Sustainable Development Strategy is acting based on the principle of due diligence. At Polenergia, we are aware of the multidimensional impact of business, which is why each of our actions is preceded by research of our impact and effects.



01

Importance of ESG in Polenergia Group

Sustainable Development Strategy
of Polenergia Group



Polenergia Group's Ethical Values

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

Setting ourselves ambitious Strategic goals for the coming years, we act in the spirit of the principles that we, as the entire organization, have adopted as the major guidelines of conduct.



Respecting and supporting human rights and labour standards



Respect and openness



Environmental protection, dialogue and cooperation with local communities



Honesty



Responsibility and commitment



02

Context and trends

Sustainable Development Strategy
of Polenergia Group



Trends and context of the Sustainable Development Strategy of the Polenergia Group

The objectives of the Strategy are influenced by the trends visible within the main ESG areas



Energy transformation, adaptation to climate change



Due Diligence and Diversity



Sustainable investments and corporate governance

Selected regulations, organizations and good practices influencing growth in terms of the trend

EU Taxonomy, CSRD, Science-based Targets initiative, reports IPCC, COP15

EU Taxonomy, CSRD, Corporate Sustainability Due Diligence Directive, EU Gender Equality Strategy 2020-2025

EU Taxonomy, CSRD, Women on Boards Directive



Regulatory trends

▶ EU Taxonomy

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

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

▶ Minimum Safeguards

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

The Polenergia Group performed a multi-level update of the approach in this respect already in 2022. Implementation of the objectives of the Strategy will ensure uninterrupted and effective functioning of due diligence processes and their constant adjustment to regulatory requirements.

▶ Corporate Sustainability Reporting Directive

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

▶ Equality and diversity

On November 22, 2022, the European Parliament formally adopted new rules on the composition of management staff.

By 2026, companies will need to have 40% of the under-represented gender among non-executive directors or 33% of all directors.

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

03

Main objectives of the Strategy

Sustainable Development Strategy
of Polenergia Group





Polenergia Group:

Climate change mitigator

The structure of the Polenergia Group's Sustainable Development Strategy

The Sustainable Development Strategy of the Polenergia Group contains **12 main objectives, within which 29 operational goals have been defined.**



E	6 main objectives 11 operational goals
S	3 main objectives 9 operational goals
G	3 main objectives 9 operational goals



Time horizon of the Strategy



2023 –
Strategy
implementation



Years
2024/2025/2026
– operational
goals time horizon



Year 2030 – horizon
of the Sustainable
Development Strategy
of the Polenergia
Group

Main Strategy Objectives

E

ENVIRONMENTAL AREA

	Main objectives	Metrics and activities
E.1.	Decarbonisation of Polenergia Group's own operations	<ul style="list-style-type: none"> We will reduce the emission intensity index of energy generated in the Group from 150 g CO₂e / kWh (average for 2020-2022) to 50 g in 2025 and to 10 g in 2030 The annual increase in installed RES capacity in the period 2023-2030 according to the Business Development Strategy
E.2.	Supporting the green transformation of customers	<ul style="list-style-type: none"> In the period 2023-2030, we will strive to achieve an average annual increase in the capacity of prosumer photovoltaic installations by an average of 6% per year, to increase a number of installed heat pumps by an average of 13% per year and we will strive for further dynamic car chargers' segment development
E.3.	The Polenergia Group as a leader in innovation - green hydrogen and energy storage	<ul style="list-style-type: none"> We will strive for development of our own installations for the production, storage and distribution of green hydrogen with a capacity of 5MW by 2024 and at least 105 MW by 2030, provided that the economic viability is confirmed and financing is obtained
E.4.	Implementation of the principles of the circular economy in the activities of the Polenergia Group	<ul style="list-style-type: none"> By 2030, we will implement ready solutions in the field of recycling and repowering of dismantled of own wind and photovoltaic installations
E.5.	Development of biodiversity due diligence system	<ul style="list-style-type: none"> Until 2030, we will conduct regular monitoring of biodiversity in a full annual cycle based on the developed due diligence system
E.6.	Study on Polenergia Group spatial impacts	<ul style="list-style-type: none"> By 2024, we will conduct a study of the impact of the Polenergia Group on issues related to impact on space

Main Strategy Objectives

S

SOCIAL AREA

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

Main Strategy Objectives



GOVERNANCE

	Main objectives	Metrics and activities
G.1.	Corporate governance supporting sustainable development	<ul style="list-style-type: none">• By the end of 2024 we will have implemented the evaluation system and from 2025 all planned investments will be evaluated using ESG criteria• By 2024, we will implement the Diversity Policy in the Capital Group
G.2.	Responsible business conduct	<ul style="list-style-type: none">• Starting in 2023, we will provide anti-corruption training to 100% of our new and existing employees• From 2024, we will expect that 100% of our business partners will confirm the use of the Business Partner Principles of Conduct or will apply equivalent practices
G.3.	Effective risk management and high internal control standards	<ul style="list-style-type: none">• From 2024, we will map ESG risks in a semi-annual cycle in the Capital Group

Summary

This **Sustainable Development Strategy of the Polenergia Group** assumes a seven-year horizon of actions until year 2030.



The time horizon of the current Business Strategy of the Polenergia Group has been set for 2024.

A review of the implementation of activities under this Sustainable Development Strategy of the Polenergia Group is planned for 2024. It is our ambition to integrate the goals and ambitions of individual ESG topics referred to in the Sustainable Development Strategy of the Polenergia Group 2023-2030 into the next Polenergia Business Strategy, effective from 2025.



Polenergia SA
ul. Krucza 24/26
00-526 Warszawa

www.polenergia.pl

www.esg.polenergia.pl

Tel.: +48 (22) 522 39 00

Faks: +48 (22) 522 31 61

