

# 2022 ESG Report

**re**: respect  
energy





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# Letter from Sebastian Jabłoński, Chairman of the Management Board of Respect Energy Group



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Ladies and Gentlemen,

It is my great pleasure to present the first sustainability report of a company whose very essence and core of operations is sustainable development. Respect Energy is a pioneer of the energy transition in Poland. We are helping thousands of businesses to transition to the renewable, green reality. From the very beginning of our existence, we have set ourselves ambitious goals related to creating a better future for our planet. Our business model is geared towards combating climate change, and our offer supports the implementation of the global goal set by the Paris Agreement to limit the increase in the Earth's temperature.

We are one of the major independent energy market players in Poland and one of the largest companies in the country offering energy from 100% renewable sources. We work with more than 600 energy producers in Poland and account for around 20% of the local renewable energy market. The holding's turnover exceeded PLN 11 billion in 2022 and the last 12 months have been a time of tremendous growth. Please read our report to learn more about our activities.

One of the key highlights of Respect Energy's operations in 2022 was the commissioning – together with Goldbeck Solar – of the largest photovoltaic power plant in Central and Eastern Europe. The photovoltaic farm in Zwartowo, Pomerania, with a target capacity of 290 MWp, will be able to generate enough energy to power 153,000 households. The first phase of its construction, with a capacity of 204 MWp, was completed in September 2022. Thanks to the generation of energy from the panels in Zwartowo, approximately 200,000 tonnes less CO<sub>2</sub> will be released into the atmosphere annually.

With the ongoing war in Ukraine, the development of renewable energy and the creation of new generation capacity takes on a different meaning. Thanks to investments such as the Zwartowo farm, we feel even more strongly that our actions contribute not only to mitigating climate change, but also to improving our country's energy security. For this reason, we are also actively supporting the development of small modular reactor technology in Poland. At the end of 2022, we signed a cooperation agreement with the French company EDF for the exclusive joint development of nuclear power projects in Poland based on SMR NUWARD™ technology.

We are also becoming more and more international every year. We are already operating our energy wholesale business in 23 European markets. In April 2022, we joined the US Nasdaq Commodities. We also have plans to expand our activities related to the sale and repurchase of energy from generators in foreign markets, starting from Germany, Italy, Spain and the UK.

Respect Energy's success is a credit to all our employees. In 2022, we employed more than

150 people in the company and benefited from the expertise of nearly 60 specialists working with us under arrangements other than an employment contract. In total, this amounted to more than 200 people. We already know that in 3Q2023 this number was doubled. We are creating a corporate culture to combine the flexibility and openness of a start-up with the solidity and momentum of a large corporation. We have on board both experienced experts and young people who are just starting their careers. All of them can be reassured that they will find a respectful and value-based job at our company, where they will be appreciated for what they do, leveraging and further developing their skills and competencies. We want everyone to feel welcome here, which is why we are building a diverse team. We strongly oppose discrimination, bullying and other socially unacceptable behaviour. You can read about all initiatives targeting our employees in the report.

Respect Energy's development also presents challenges in the area of corporate governance. We are consistently adapting our processes and structures to the needs of a rapidly growing company. We not only want to meet regulatory requirements, but also ultimately go beyond them. As a member of the UNGC, we have declared our adherence to the 10 Principles of the UN Global Compact and are also a Strategic Partner of the Responsible Business Forum.

We believe in a carbon-free future and want to be an example of sustainability to other companies in the industry. Our actions not only support fulfillment of environmental requirements but, above all, respond to the growing expectations of a society for which climate change is becoming an increasingly tangible issue. Our aim is to influence the future energy market by enabling our users to achieve Net-Zero targets.

I hope you will enjoy reading our report.

Kind regards,

**Sebastian Jabłoński**  
Chairman of the  
Management Board  
Respect Energy Group





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# 2. Respect Energy

## 2.1 About us

[3-3 Innovation, industry, infrastructure]

We are a Polish energy company whose business model is oriented towards environmental care and combating climate change.



We were the first in Poland to offer our customers 100% green energy - from the sun, wind, water and biogas.

We have 10 years of experience in the market. We currently trade energy in 24 markets in Europe. We operate mainly in Poland, Germany, Austria, Italy, France and Hungary.

In Poland, we work with a group of approximately 600 green energy producers from whom we purchase green energy (EE), guarantees of origin (GP) and property rights (PM), distributing them to more than 15,000 consumers - small, medium and large enterprises. We also invest in wind and photovoltaic farms, thus extending our offer to customers.



**Respect Energy S.A. is present in 24 energy markets** (as of September 2023), including: Poland, Germany, France, Czech Republic, Slovakia, Hungary, Switzerland, Italy, Latvia, UK, Austria, Netherlands, Belgium, Ireland, Bulgaria, Serbia, Spain, Sweden, Norway, Finland, Denmark, Iceland, Romania and Slovenia.



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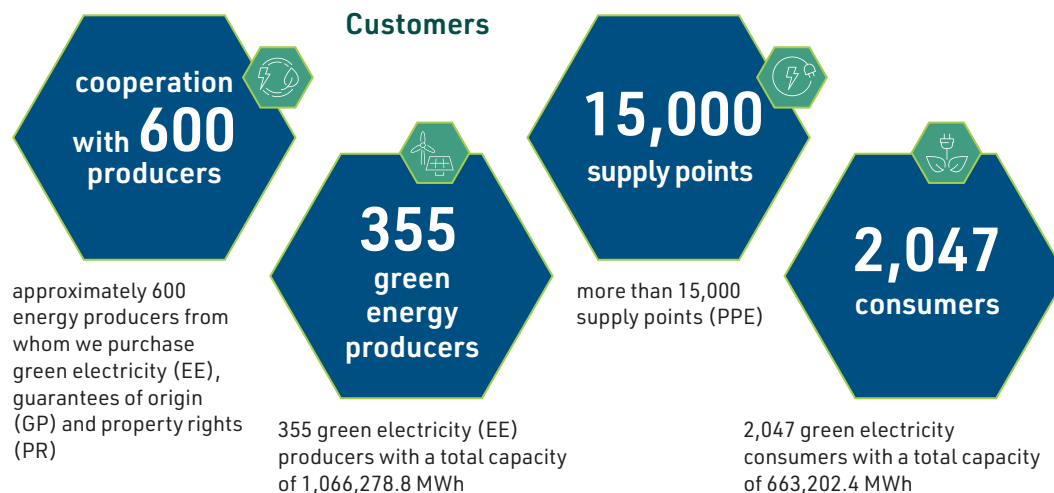
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# Respect Energy in numbers

**re: RESPECT ENERGY is a strong, economically stable, modern and innovative business group**

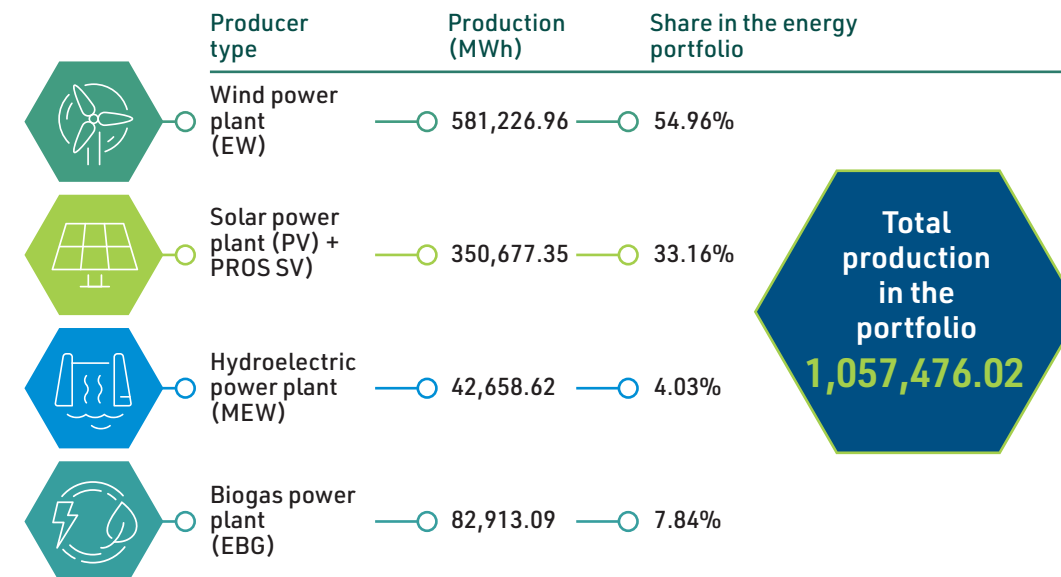
To achieve our vision, we are guided by the following values:

- Flexibility • Speed of action • Innovation
- Expertise • Integrity • Teamwork

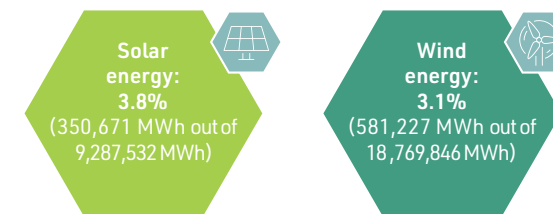


[Own indicator]  
**Capacity of installed RES**

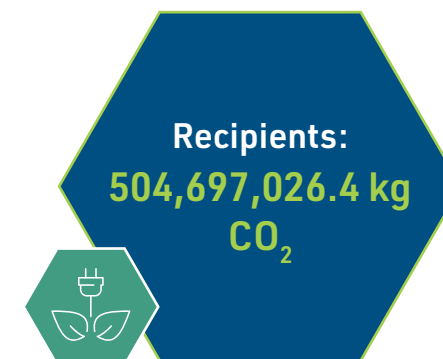
RES source	Contracted capacity [MW]		
	December 2021	December 2022	Change in contracted capacity [%]
Solar power plant (PV + PROS SV)	197.80	557.66	181.9%
Wind power plant (EW)	159.19	402.68	153.0%
Hydroelectric power plant (MEW)	37.93	12.41	-67.3%
Biogas power plant (EBG)	23.49	30.45	29.7%
<b>Total contracted capacity (MW)</b>	<b>419.41</b>	<b>1003.2</b>	<b>58.3%</b>



**Respect Energy's share of energy production from renewable sources in Poland**



**Reduction of CO<sub>2</sub> emissions**





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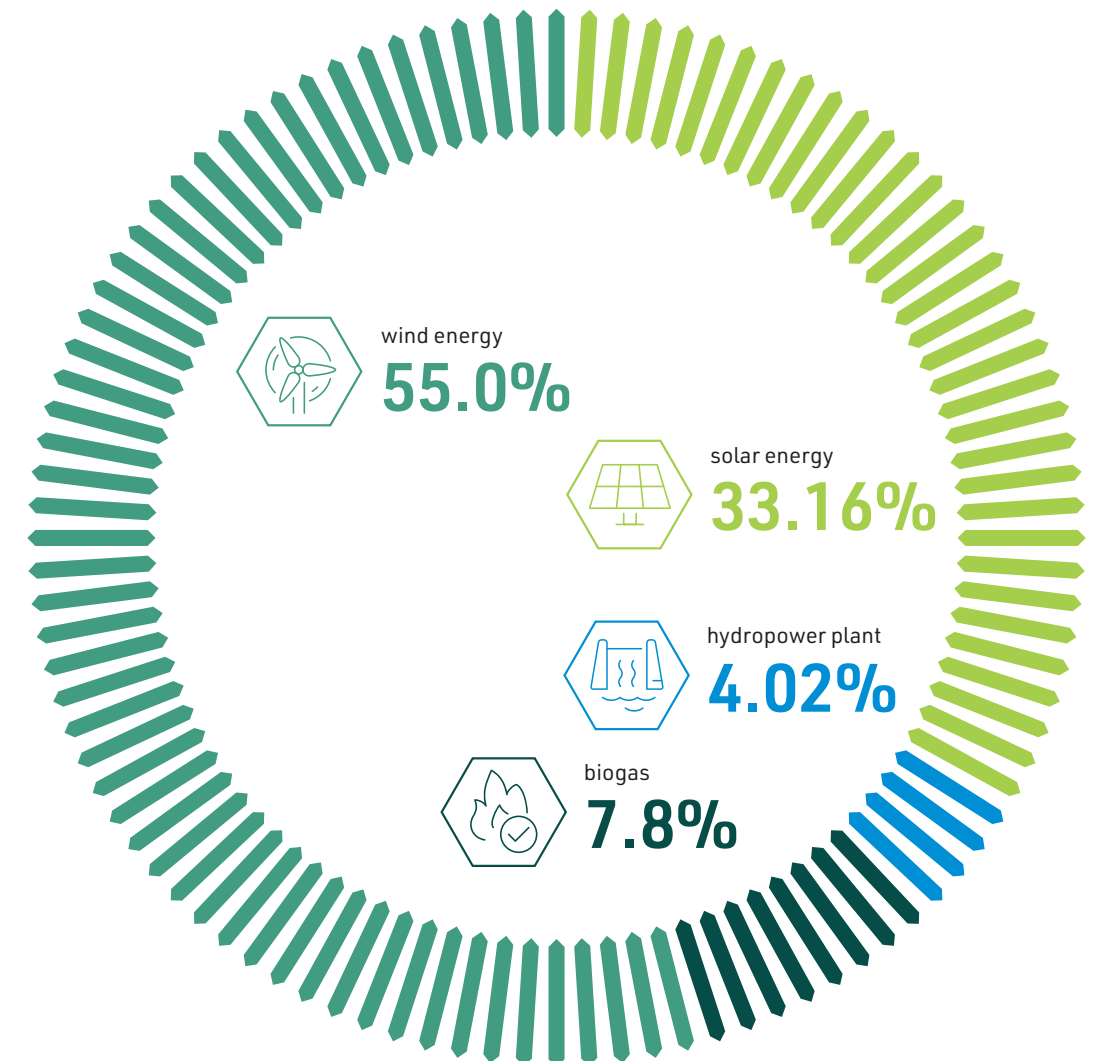
## 2.2 Business model

[2-6]  
 Respect Energy is one of the largest independent players in the electricity market in Poland. Our business model is oriented towards combating climate change and caring for the environment. We sell, buy and trade green energy only.



**We supply energy from 100% renewable sources.**

### Where do we get our energy from?

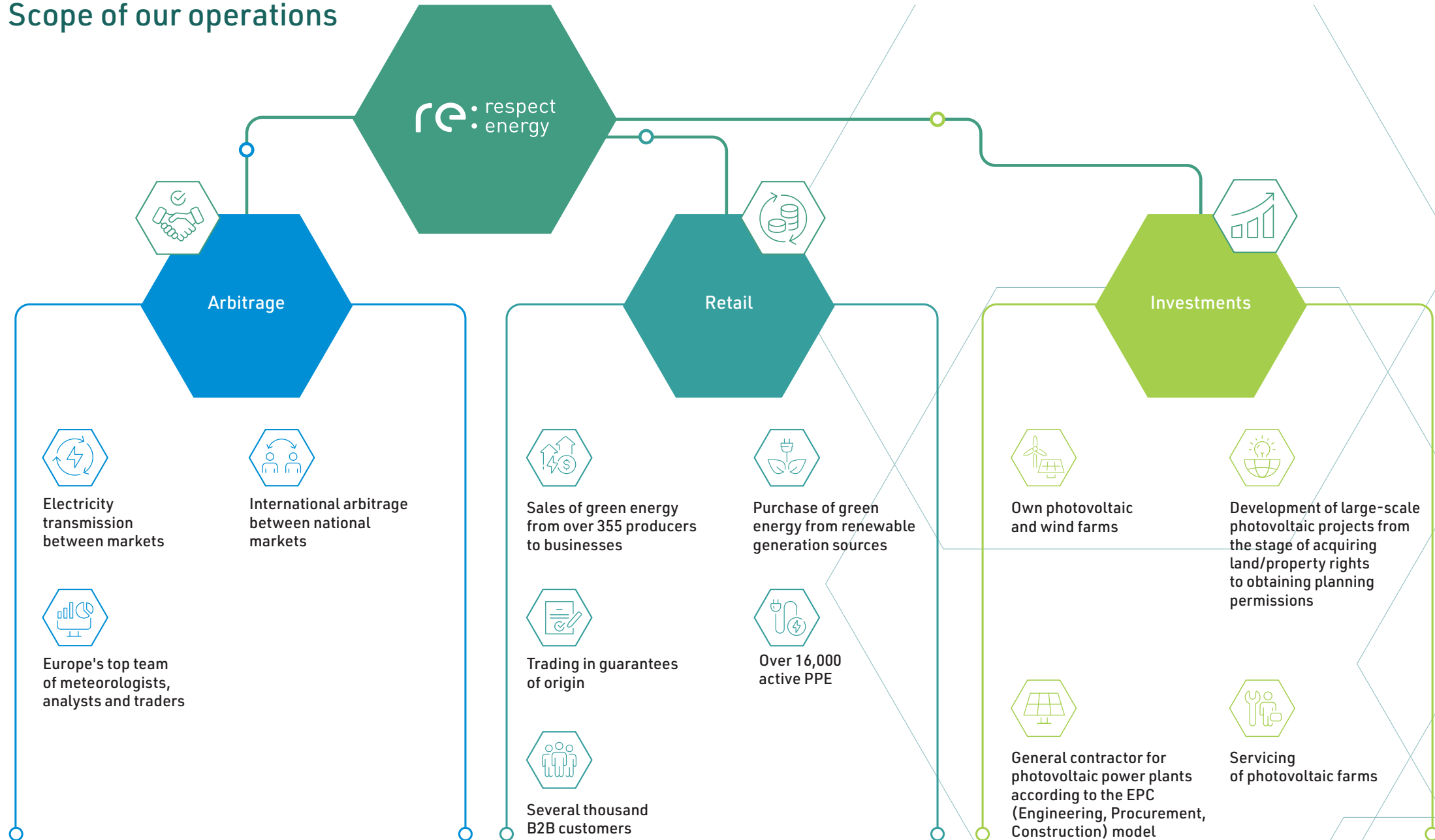




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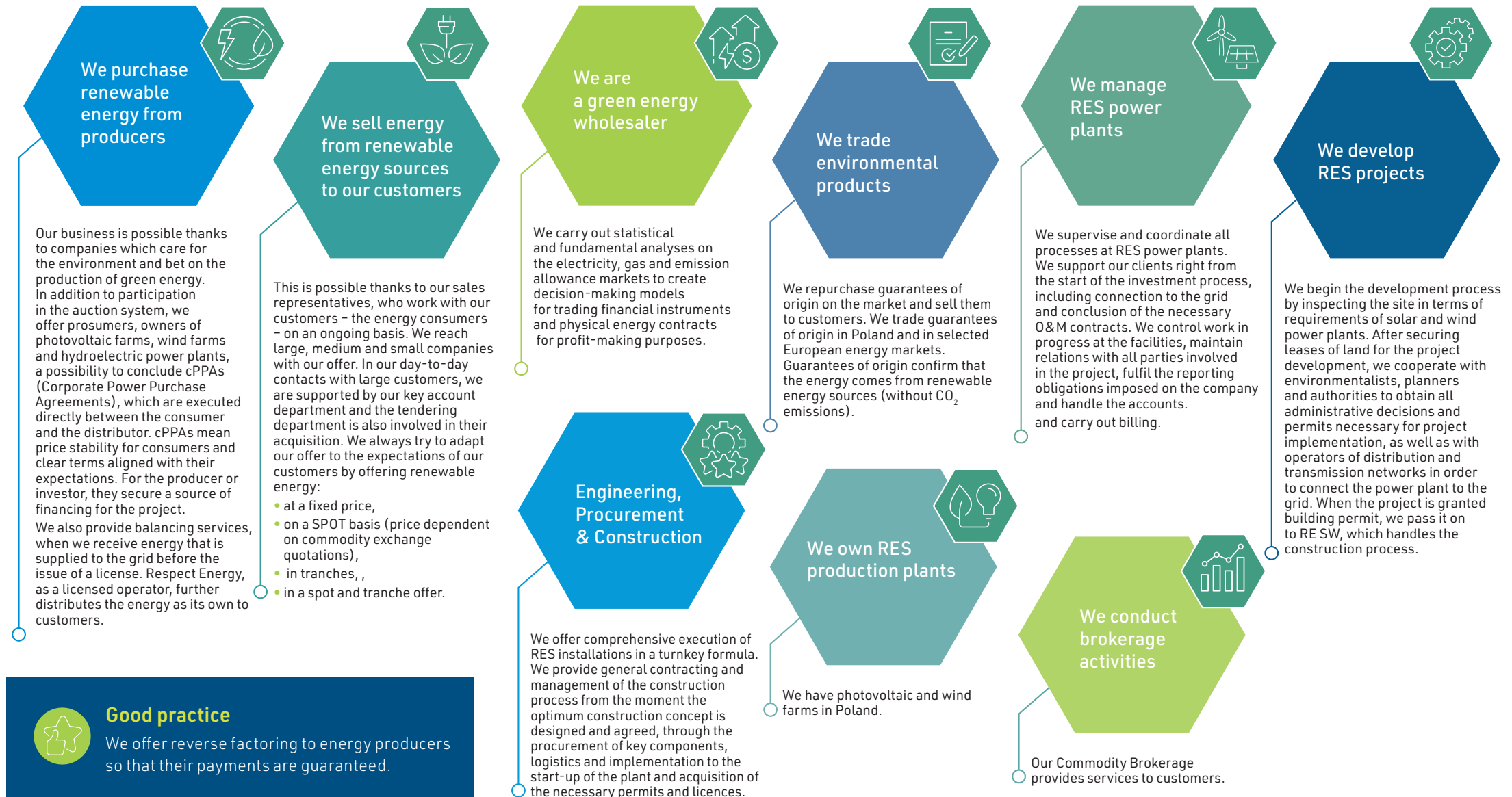
# Scope of our operations



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# How we operate



**Good practice**  
 We offer reverse factoring to energy producers so that their payments are guaranteed.



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## Customer comes first



**Grzegorz Bruski,  
Member of the Management  
Board, Respect Energy S.A.**

Awareness of the importance of green energy sources is growing among companies. Nowadays, not only large corporations opt for green electricity, but more and more often also small and medium-sized enterprises. Thanks to the guaranteed origin of our energy that comes from 100% renewable sources, thousands of companies in Poland have trusted us. And now we want to take this success to foreign markets. One of the most important milestones for our company is to start retailing energy in Western European countries, such as Germany, France, Italy and the UK.

Our success depends on our customers. Our customers' interest in green energy is a result of increased awareness of the environment and climate change, but also of regulatory and market pressures stemming from, for example, the EU's ambitious Green Deal policy. Conscious companies are transforming their business models to low- or zero-carbon in order to maintain a competitive edge and ensure their energy security, and we support them in this process. Our sales staff dedicated to customer service is divided into 6 regional teams. All our sales representatives participate in a series of training courses on the energy market. Their knowledge is progressively developed and upgraded through workshops and webinars. The Sales Department is supported by the Tenders

Department, the Key Account Department and people employed by Call Centre and the back office team. We also work with 50 agents who are not employed by our company and are tasked with customer acquisition. We strive to adapt our offering to the needs of our clients all the time.

The quality of service and satisfaction of our customers is our priority. We are committed to high sales standards, both in terms of business and ethics. Our salespeople are prohibited from signing a contract during the first meeting with a client. We want the first visit to be a time for getting to know each other, explaining our offer and how the market works. All sales representatives are required to follow the principles of contact with customers.


### What makes us stand out on the market is

- 100% renewable energy
- Fixed price guarantee
- Comprehensive agreements, e.g. also including charging stations for company cars
- Reactive power compensation service
- Possibility to sign a contract via text message or online
- Professional sales team



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**Tomasz Zadroga,**  
Member of the Management Board of Respect Energy Group

In April 2022, Respect Energy joined the Nasdaq Commodities energy trading platform and our logo appeared on the NASDAQ TOWER in Times Square, in New York. For our company, this was a symbolic event, confirming that we are becoming an international, or even global, company. This is also evidenced by our investments. In 2022 we opened the largest photovoltaic farm in Central and Eastern Europe, but at the same time, in faraway Australia, we are running largest offshore wind farm project in the world with a capacity of approximately 6 GW. We are becoming an important player in the renewable energy market on a macro scale, and I am pleased that the competence of our team is increasingly being recognised outside Poland.

### Respect Energy on commodity energy exchanges

Respect Energy participates in energy exchange transactions, where energy is bought or sold before it is delivered by the transmission and distribution networks to end users. In the case of Respect Energy, these are our business customers.

In 2022, we had a participant status and traded in 23 energy commodity exchanges in Europe. We carry out most transactions on the Polish Power Commodity Exchange (TGE).

Market participants include electricity producers, suppliers who sell electricity to end-users, as well as trading companies.

When trading energy on a forward or spot market, all participants benefit from the same transparent rules.

According to the regulations, wholesale energy trading i.e. buying and selling, takes place through commodity power exchanges. Energy with the lowest variable generation cost, i.e. energy from renewable sources, enters the system first, but at the same time prices are set in reference to the most expensive means of generation i.e. fossil fuels. Therefore, further development of renewable energy and increasing its share in Poland's energy mix, at the expense of fossil fuel energy, will reduce electricity prices.

We are also present on the European Power Exchange (EpeX) and other power

exchanges in Europe. In each country, we track changes and meet the requirements of local laws. This applies to entry into the power exchange and subsequent operation in the local market. When making transactions, we benefit from cooperation with power exchanges and brokers and also communicate with the transmission network operators about the planned commercial volumes of energy.





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### Dariusz Bliźniak Member of the Management Board of Respect Energy Group

In Poland, we are slowly reaching a situation where the challenge is not so much energy from renewable sources, but the capacity to transmit it. Unfortunately, the dynamic growth in the number of RES installations - both small individual installations and large commercial farms - is not being matched by the necessary changes to the grid infrastructure. The vast majority of overhead lines and transformer substations are at least several decades old, which means that they were not designed for a two-way flow of energy, both to and from consumers.

In order for green energy to thrive, it is absolutely essential that the state invests quickly in modernising the grid. If this is not done, many RES projects will become non-viable, as there is no point in producing energy if it cannot be delivered to where it is needed.

For many years, the energy market - both globally and locally - has been based on two interrelated key paradigms: volatility and security. The primary drivers of volatility in the energy market - in addition to geopolitical events like the war in Ukraine - are climate change, changes in the regulatory environment and consumer expectations. The answer to the challenges of changing climate and regulatory and consumer related volatility for the Polish energy sector should be Energy 3E (E3E), as the basis for further human development in harmony with nature. E3E means: flexibility of electricity generation based on renewable sources, flexibility of its transmission and flexible management of consumption, especially by consumers.

### Green energy market in Poland

In Poland, the key regulations for the operations of the RES market and its further development are:

- Energy Law of 10 April 1997 which governs the connection of new generation sources to the electricity grid and licensing.
- Renewable Energy Sources Act of 20 February 2015 which regulates RES support mechanisms such as the auction system, certificates of origin, guarantees of origin, feed-in tariff and feed-in premium system, prosumer system and energy cooperatives.
- Act on the Promotion of Electricity Generation in Offshore Wind Farms of 17 December 2020 which sets forth support mechanisms for offshore wind energy.

In 2020, the share of RES in Poland's energy mix was 17%. In contrast, 70% of energy was obtained from coal and another 10% from gas. According to forecasts, the share of the RES market will grow in the next few years. According to the European Union's target, by 2030 Poland's energy mix should include at least 32% of energy from RES. According to forecasts already in 2030, the share of RES in Poland could reach 76%, and of coal 13%.

In this modelling, energy production from renewable sources in 2040 could have a 90% share in Poland's energy mix<sup>1</sup>. According to other projections, by 2050 wind and solar energy could account for half of Poland's energy needs<sup>2</sup>.



<sup>1</sup>Instrat, The Way To Go (Droga do celu), <https://instrat.pl/wp-content/uploads/2021/03/Instrat-Droga-do-celu-v1.3.pdf>

<sup>2</sup>Energy Forum, Climate Neutral Poland 2050, Warsaw, 2020, <https://forum-energii.eu/pl/analizy/integracja-sektorow>

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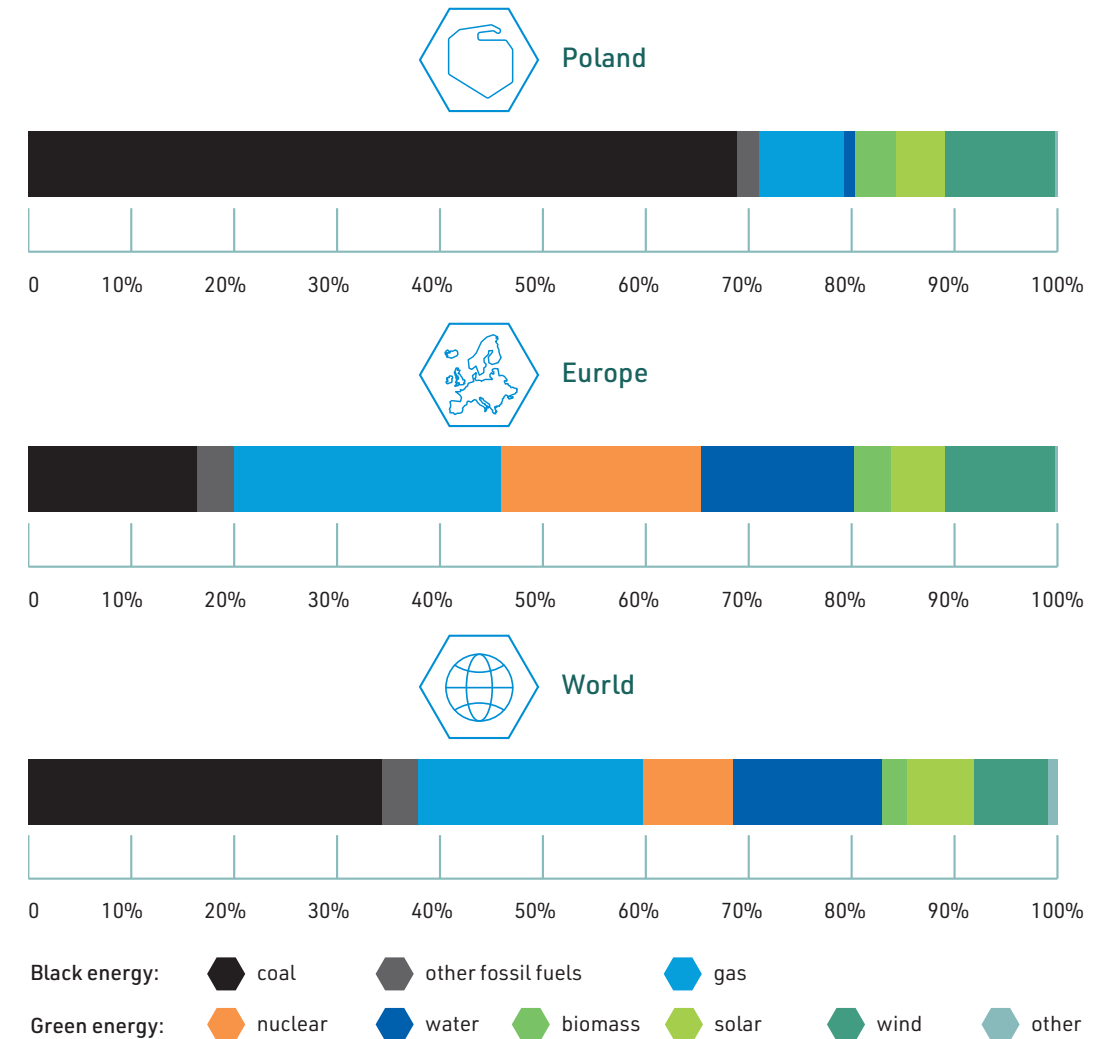
At the same time, the rapid development of RES in Poland faces obstacles such as lengthy planning and administrative procedures. For a photovoltaic farm, the acquisition of required permits and construction can take from one to several years. For wind power plants, the timelines are even longer, and on top of that in many places no new wind turbines can be erected, as a result of the 10H rule<sup>3</sup>. The much-anticipated amendment to the Distance Law, which was supposed to liberalise and unblock the wind energy market, in its final form did not result in unblocking of the market as the industry had expected. However, the most important issue slowing down the development of renewable energy is infrastructural shortcomings, namely the lack of connection capacity. In 2021 alone, decisions refusing to connect RES installations to the power grid were issued for a total capacity of around 14.5 GW<sup>4</sup>.



<sup>3</sup>The minimum distance of wind turbines from residential buildings must be equal to ten times the height of the wind turbine measured from ground level to the highest point of the wind turbine at maximum rotor blade elevation.

<sup>4</sup>URE, Report on the Activities of the President of the Energy Regulatory Office, Warsaw, p. 123 <https://www.ure.gov.pl/urząd/informacje-ogolne/>

### Energy mix in Poland, in the European Union and worldwide (Ember 2022 report)





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## 2.3 Relations with stakeholders

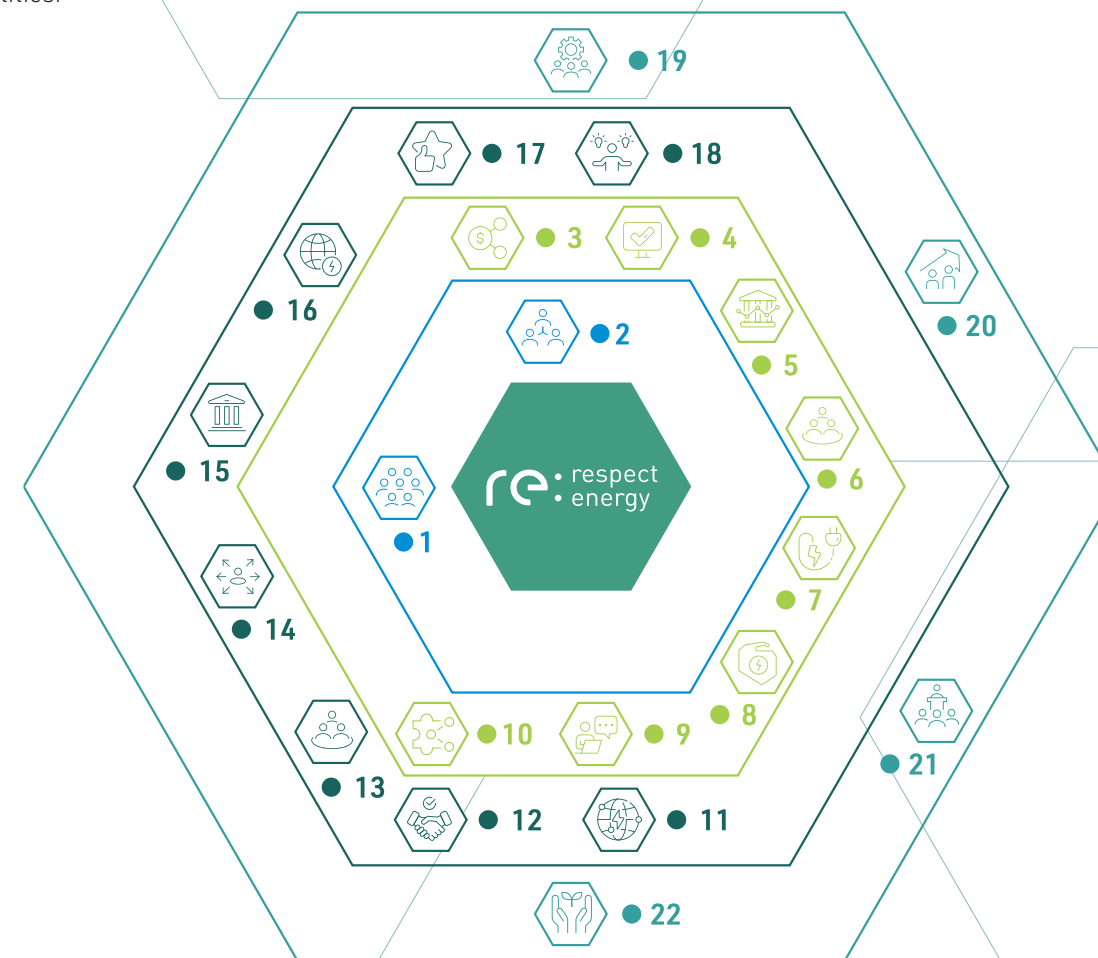
[2-29]

We develop relationships with our stakeholders based on dialogue, integrity and partnership.

We have identified our key stakeholders and our communication is tailored to their needs and capabilities.

### Key stakeholders and how we communicate with them

No	Stakeholder group	Communication details
1	employees and prospective employees	Management Board meetings, meetings and team-building events, intranet, newsletter, intranet surveys, engagement surveys as of 2023
2	shareholders - owners	Management Board meetings, reports, meetings
3	clearing houses	official correspondence
4	media	briefings and press conferences, press releases, one-on-one meetings
5	Energy Commodity Exchanges	official correspondence
6	prospective employees	job fairs, job advertisements, media messages
7	key accounts - energy consumers	Individual meetings with sales representatives, participation in conferences, trade fairs, business meetings
8	regulatory environment - Poland	participation in industry conferences, debates, dialogue through industry organizations such as PSEW or Lewiatan, participation in working groups developing proposals and demands for RES
9	opinion leaders	individual meetings, cooperation on projects related to energy and climate and environment
10	industry organizations	participation in working groups, support of projects and initiatives dedicated to RES
11	key accounts - energy producers	individual meetings with trade representatives, participation in conferences, fairs, business meetings
12	business partners	meetings, joint projects
13	local community	one-on-one meetings with municipality officials, sponsorship of local events, support of local needs
14	distribution system operators	formal correspondence
15	financial institutions	reports, surveys, individual meetings
16	regulatory environment - foreign countries	official correspondence
17	social media	briefings and press conferences, press releases, individual meetings
18	other customers	one-on-one meetings with sales representatives, participation in conferences, fairs, business meetings
19	transmission system operators	official correspondence
20	brokers	one-on-one meetings, conferences, fairs
21	universities and students	meetings at universities, job fairs
22	environmental organizations, NGOs	individual meetings, participation in events such as conferences, fairs, webinars



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## Relations with local communities

As part of our cooperation with local communities in 2022, we focused primarily on dialogue with the municipalities where our RES farms or our offices are located. Our aim is to ensure that our activities, including our investments, are perceived positively by local communities and local authorities and that the conducted works have no negative impact on the residents of a given community.

### In 2022, we carried out a number of activities for local communities:

- reconstruction and repair of road surface totalling approximately 5 km – always to a better standard than before,
- road construction for the village
- installation of photovoltaic panels on a school building in Choczewo
- support for local community events in Wojciechów, Borkowo Lęborskie and Grudziądz.
- participation in Christmas charity campaigns, parcels for children as part of the Noble Parcel activities
- support for the Zamość Chess Club
- sponsorship of the 41st Bronisław Malinowski International Run in Grudziądz.



### Good practices



#### Support for the Zamość Chess Club

Analytical and strategic thinking, the ability to anticipate, mathematical skills and patience are competences that the game of chess develops and strengthens and that are very important from our company's perspective. This is why, since 2022, Respect Energy has been a sponsor of the Zamość Chess Club. Thanks to our support, the club can organise and participate in chess competitions and reward participants in tournaments. With the support of Respect Energy, the Zamość Chess Club has organised the Provincial Chess Tournament Zamość Chess Cup 2022, the 2nd International Chess Tournament Zamość Chess Cup 2023 and eight local tournaments.

We are all the more pleased with the successes of the club members. In February 2023, Bartosz Ożóg, member of the club, took first place in the under-12 group, in the Grand Finals of the National Eco-Logic Chess Tournament, organised by the Regain the Environment Foundation.



#### 41st Bronisław Malinowski International Run in Grudziądz

Respect Energy also supports initiatives that contribute to the promotion of physical activity. That is why we became a sponsor of the 41st Bronisław Malinowski International Run in Grudziądz. This is the largest running event in Grudziądz which took place on 4 June 2022 at the Central Stadium in Grudziądz. Nearly 2,500 participants took part, 500 in the 10-kilometre run and 2,000 children and young people in runs taking place over shorter distances. The runs were accompanied by a family picnic, where whole families could take part in various sports competitions.



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[2-17]  
 In 2022, the Management Board of Respect Energy decided to join the Responsible Business Forum, one of the oldest and most active organisations working to promote sustainable development strategies in companies. This decision was an outward expression of the company's intention to develop its business based on the principles of sustainable development, taking into account and respecting all stakeholder groups and areas of influence, and to expand its knowledge, including that of the Management Board members, in the area of sustainable development.



**Good practice**  
 We are also a member of the United Nations Global Compact and are committed to the UNGC's 10 principles related to human rights, labour standards, environmental protection and anti-corruption. By joining this initiative, Respect Energy has officially confirmed that it wants to base its entire business strategy on the principles of sustainable development.



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**Jola Wąs**  
**Head of Communication & Marketing of Respect Energy Group**

In superhero movies, you often hear that with great power comes great responsibility. At Respect Energy, we believe that the larger our market share, the more widely we should share our knowledge and experience. We promote our best business practices most often by participating in congresses, conferences and trade fairs, both in Poland and abroad. This is an excellent opportunity not only to present the company and its offerings, but also – and perhaps most importantly – to learn about stakeholder expectations, present our point of view and take part in discussions about the global challenges facing the energy market.

### Responsible marketing and communication

We also realise that due to the scale of our company and our position on the Polish market, we largely contribute to the image of the entire RES industry in Poland. We promote best practices related to renewable energy on our social media channels on Facebook, Instagram and LinkedIn, where we are followed by thousands of users. We also have an ongoing presence in the national news and industry press. Management members and other Respect Energy experts present our company's activities and take part in key discussions and interviews on the future of energy industry.

Participation in trade fairs and conferences is a very important part of our activities. In 2022, we took part in events such as the Re-Source Poland Conference, the Polish Wind Energy Association Conference, the Energy Fair, the Food Market and Trade Forum, the Renewable Energy Areopag and PRECOP 27, among others. These events were attended by a total of more than 7,500 people.

### PRECOP 27

One of the major events in which we participated was PRECOP 27. The aim of this two-day conference was to develop Poland's position for the Climate Summit in Egypt (UN Climate Change Conference 2022 – COP 27). Among experts, business but also government representatives, a common position on the most important topics to be discussed during the Climate Change Summit – COP27 was worked out. Respect Energy not only became a sponsor of the event, but above all presented the three most important demands in our opinion, which are necessary to address the climate challenges of today.



Respect Energy postulates presented at PRECOP 27:

- Moving away from setting increasingly ambitious targets and starting to take firm actions
- Establishing a parallel financial system to finance zero-emission investments
- Stopping the export of pollutants to developing countries

Our Management Board representatives took an active part in all discussions.

6

industry conferences

7 500

participants

20+

hours of panels and speeches featuring Respect Energy experts



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### Highlights of 2022

#### February 2022

- Purchase of a wind farm, located in the coastal municipality of Wicko. In cooperation with Dom Maklerski BOŚ SA and Bank Ochrony Środowiska S.A., we issued a series of green bonds from which the company raised PLN 60 million for this investment.
- Nasdaq Commodities – Respect Energy joining Nasdaq’s European Commodities market.

#### September 2022

- Official opening of the Zwartowo farm – the largest photovoltaic farm in Central and Eastern Europe located in the Pomeranian Voivodeship. The farm is located on an area of 300 hectares and has a capacity of 204 MWp (target capacity planned at 290 MWp).

#### November 2022

- Respect Energy is expanding its portfolio with wind farms. Installations in Jędrzychowice and Zgorzelec with a total capacity of 50 MW officially join the company’s portfolio.

#### December 2022

- Signing of a cooperation agreement by Respect Energy and EDF for the exclusive joint development of nuclear power projects in Poland based on SMR NUWARD™ technology.
- At the end of 2022, Respect Energy Holding S.A. records a turnover of PLN 11 bn



In 2022, Respect Energy Holding S.A. saw tremendous growth, which was also reflected in the granted awards and recognitions:



#### Platinum Megawatt

for the highest activity in the Guarantees of Origin Register in 2021 and in 2022.



°CICERO Shades of Green

**Dark Green rating** from CICERO Shades of Green – the highest rating for RES investments owned by Respect Energy Holding S.A.



#### Rzeczpospolita

47th place in the ranking of the 500 largest Polish enterprises of the Rzeczpospolita daily. A big leap from 93rd place in 2022 and 175th place in 2021.



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# 3. Environment

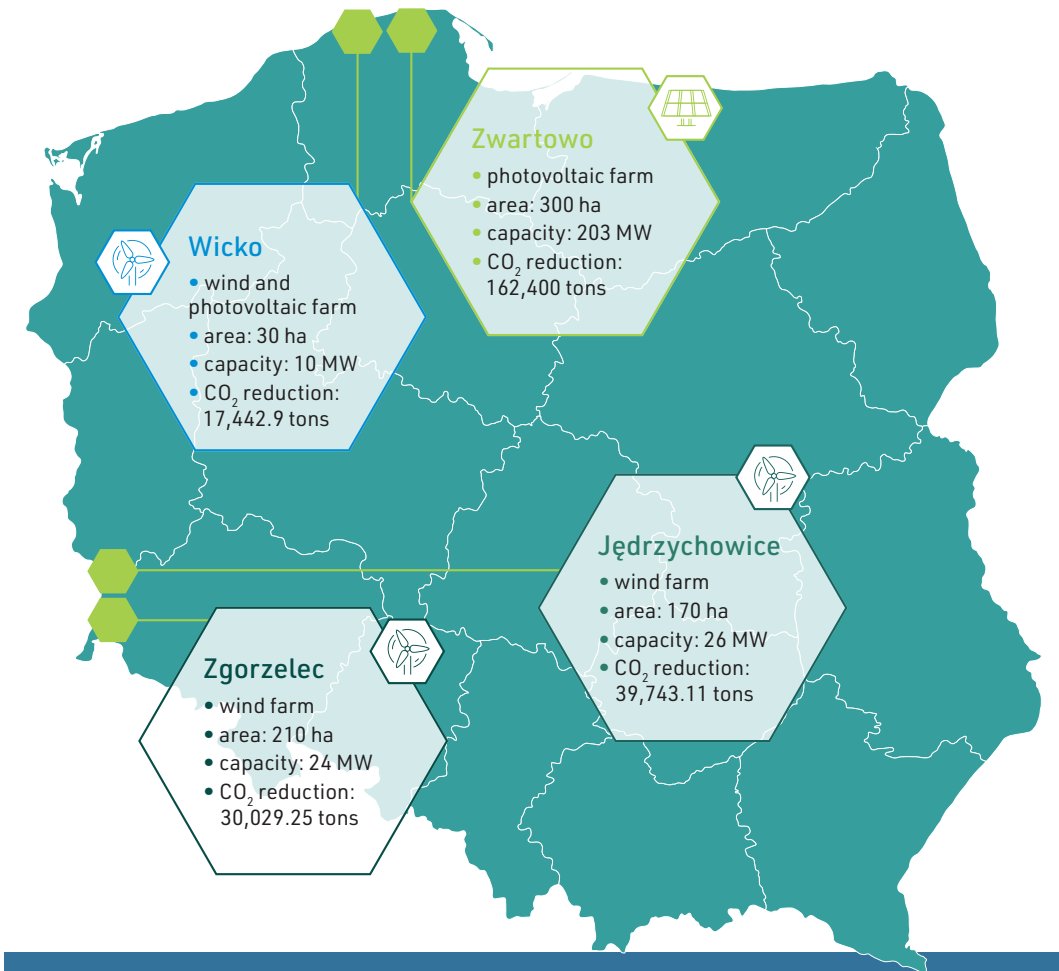
## 3.1 Solutions that are good for the climate

[3-3 Climate change] Environmental protection is embedded in our company’s mission and forms the basis of our operations. Our energy mix includes only energy from renewable sources and we are one of the largest companies in Poland to offer a 100% environmentally friendly product. We work with more than 600 energy producers in Poland, who watch over the quality of the energy produced on a daily basis. In Poland, we account for about 20% of the renewable energy market, we have 16,000 active power delivery points and several thousand business customers.

**In 2022, we traded 32,923,173 MWh of electricity.**  
 Our work supports the implementation of the EU energy and climate target for Poland. By 2030, Poland’s energy mix should include at least 32% of energy from RES. In 2021, it was approximately 17%.

We purchase electricity from environmentally friendly sources, but at the same time we consistently invest in our own RES. We own Central and Eastern Europe’s largest photovoltaic farm in Zwartowo. On an area of 300 hectares, we generated more than 200 MW of power in 2022 and our ultimate target is more than 300 MW.

[304-1] Our wind and solar power plants are not located in or in close proximity to protected or valuable natural areas. The photovoltaic and wind power plants are built on leased low-quality agricultural land, which does not adversely affect biodiversity and may even benefit various plant and animal species.



Respect Energy financed the purchase of the wind farm in the Wicko municipality with Green Bonds worth PLN 60 million. The Green Bonds issue was arranged by the Brokerage of Bank Ochrony Środowiska, and all of the securities were subscribed for by Bank Ochrony Środowiska.



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### Good practice

**Renewable energy sources are inherently green. At Respect Energy, however, we take care to ensure that our investments are made with respect for the environment and biodiversity. We have set up special wildlife, dendrology and archaeological supervision teams in our company.**

- The Wildlife Supervision Team is responsible for overseeing construction work and carrying it out in a way that allows for continuation of work during periods of animal activity in the area. The Team's experts also develop guidelines for agro-technical work so that cultivation is possible during the project execution and after its completion.
- The Dendrological Supervision Team is responsible for all trees on the grounds of our investment projects.

- The Archaeological Supervision Team deals with conservation procedures, including, in particular, the protection of archaeological sites located on the grounds of our investment projects. The Team's task is to carry out the entire administrative procedure with the Conservation Officer, to determine the plan of archaeological works, including supervision, until release of the site from the conservation protection.

The teams proved their effectiveness during the investment in Zwartowo. The Wildlife Team prepared a detailed cultivation programme with the selection of pasture and meadow sward species and the development of cultivation technology. As part of the work, the composition of the meadow was selected for the time of construction, paying attention to very rapid greening and the mix of meadow undersowns for the time after the completion of the work, in order to introduce honey-making, slow-growing species of plants into the sward. Guidelines

for the recovery of the areas between the photovoltaic panels and the meadow mowing plan have also been prepared. Due to the very rapid colonisation of the site of the photovoltaic farm in Zwartowo by birds such as the Montagu's harriers and skylarks, time and area restrictions on mowing were introduced. The Team also prepared a plan for the placement of beehives with bees, and the whole area was populated with a flock of heather sheep to assist in the process of removing vegetation from under the photovoltaic panels.

The Dendrological Team has ensured that maintenance and pruning of the trees in Zwartowo was carried out using minimally invasive mountaineering methods. Self-propelled grinding robots were used to remove shrubs, and the biomass left behind increased soil fertility.





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## Top rating confirming the greenness of our investments

**°C** | CICERO Shades of Green

### Respect Energy Holding Green Bond Second Opinion

13 September 2021, revised 14 June 2022

Respect Energy Holding is a Polish company that offers renewable energy from green hydrogen, wind, and photovoltaic power to its customers. The company generated 845 GWh in 2021 and expects to generate 10,779 GWh in 2025. Respect Energy Holding has 98% shares. Respect Energy Holding and its subsidiaries (SPVs) can issue green bonds under the framework of the Zwartowo photovoltaic power plant and hydroelectric power plant projects financed under this framework. The generation of renewable energy from the Zwartowo photovoltaic power plant and hydroelectric power plant projects as the construction of the Zwartowo photovoltaic power plant and hydroelectric power plant projects in Poland but also in the EU and other countries.

**°C** | CICERO Shades of Green

**In 2022, our efforts in generating, selling and promoting green energy to date were recognised by CICERO Shades of Green. This organisation that reviews environmentally friendly projects around the world has awarded Respect Energy with its highest "Dark Green" category.**

## We use state-of-the-art digital technologies

As of 2022, our operations are supported by artificial intelligence (AI). Initially, we focused on using AI in the wholesale market to make accurate market forecasts. Consequently, we were able to make more precise and profitable investments and better manage our arbitrage activities in the green energy market. Although AI has not yet been fully used to optimise our energy production and distribution in 2022, the ability to make highly accurate market forecasts has significantly improved our effectiveness and sustainability. More reliable market forecasts have allowed us to use resources more efficiently, and in the future, technology will help us optimise our environmental, social and governance impacts.

In 2023, we plan to use artificial intelligence algorithms to coordinate energy consumption and production. We want to introduce a range of digital tools that will allow our customers to coordinate their consumption and production better. In addition, our plans also include further use of AI for economic purposes such as price management, supply and demand management and market forecasting. In this way we will be able to predict market changes better, adapt our strategies accordingly and be more proactive in our actions.



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## 3.2 Concern for the environment

We make our business decisions taking into account their impact on the environment. In assessing them, we apply the precautionary principle, within the meaning of Principle 15 of the Rio Declaration. According to this principle, where there are any concerns as to whether an action may be harmful to the environment, until the issue is fully clarified, it is treated as if it caused environmental harm. This approach avoids negative environmental impacts and ensures that our actions do not harm the environment. We treat omissions or actions leading to intentional burdening or contamination of the environment as gross misconduct.

We help our customers to run their businesses in an environmentally friendly manner and we do not forget the need to minimise our own impact on nature. In recent years, we have, for example, installed photovoltaic panels on the roof of our Grudziądz branch. The 28.8 kW installation produced some 27.467 MWh of energy in 2022. We have set up beehives and insect houses next to the offices to support pollinators that play an important role in the entire ecosystem.

We have also committed to replacing our entire car fleet with electric vehicles by the end of 2024. We bought our first electric



cars in 2022 and more in 2023. Currently, 1/3 of our fleet is made up of zero-emission vehicles.

### Three scopes of CO<sub>2</sub> emissions

When supplying our customers with electricity from renewable sources, we do not forget about our own carbon footprint and energy consumption. For the first time, we calculated Respect Energy S.A.'s carbon footprint. We did this from the first time for all three GHG Protocol scopes and therefore 2022 became our baseline year and the benchmark for measuring the effectiveness of our actions to reduce our carbon footprint.

We present Respect Energy S.A.'s emissions in tonnes of carbon dioxide equivalent, which includes carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). This is a universal way of presenting the carbon footprint, which takes into account different greenhouse gases with different volumes and impacts on climate change.



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[305-1] [305-2] [305-3]

### Gross greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in 2022

Scope 1	185,032
Scope 2 (location-based)	63,283
Scope 2 (market-based)	63,283
Scope 3	275,426
Scope 1 + 2 (location-based)	356,200
Scope 1 + 2 (market-based)	248,315
Range 1 + 2 + 3 (location-based)	631,627
Scope 1 + 2 + 3 (market-based)	523,742

In Scope 1 of GHG Protocol, we included the combustion of fuels in mobile sources, i.e. combustion and hybrid cars which were under the control of Respect Energy. At the same time, the company did not use fuels in its processes or for heating or cooling.

The indirect emissions from Scope 2 of GHG Protocol were calculated using two methods: location-based and market-based. The former assumes an averaged CO<sub>2</sub>e emission factor for the whole country (in the case of Respect Energy, the emission factor for electricity comes from the National Balancing and Emissions Management Centre/Institute for Environmental Protection). The market-based method, on the other hand, uses emission factors of individual electricity suppliers, taking into account differences in their energy mix. Scope 2 includes emissions from electricity and heat used.

[302-1]

### Energy consumption in the organisation in 2022

Total energy consumption in the organisation	1214,265 GJ
Total energy consumption from non-renewable sources	1164,811 GJ
Electricity	548,568 GJ (152380 kWh)
Thermal energy	620,243 GJ (172289,915 kWh)
Total energy consumption from renewable sources	45,454 GJ (12626 kWh)
Electricity from RES	45,454 GJ (12626 kWh)

Under Scope 3 of GHG Protocol, we have included emissions from business travel (including hotel stays), employee commuting, remote working, consumed materials (paper) and water, and emissions from the management of the company's car fleet. The conventional energy in the mix is due to the lack of our capacity to convert to renewable energy in the buildings leased by Respect Energy S.A. Therefore, the company's Management Board decided to offset the Scope 2 issue by purchasing Guarantees of Origin.





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## 4.1 Cooperation energy

[3-3] [2-30] Employees and associates in the value chain

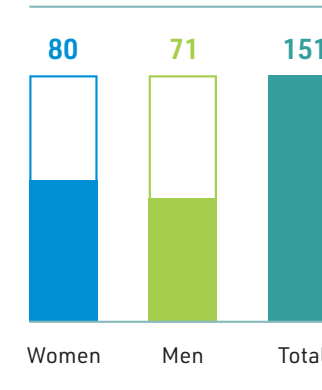
We create a modern, interesting and engaging organisational culture based on values and clear and fair rules. We value a non-corporate working atmosphere, a culture of honest discussions, the opportunity to learn from mistakes and an 'open door' policy. Thus, we encourage employees to share ideas, innovations or improvements in their daily work. At the same time, however, we require compliance with established rules. All employees are bound by the Work Regulations, which set out the organisation and order of work and transparently define the rights and obligations of the employer and employees. No collective labour agreement has been in effect in the company.

[2-7] [2-8]

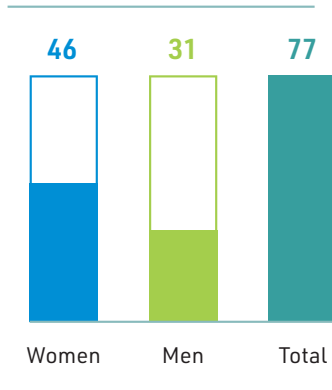
At the end of 2022, Respect Energy S.A. had more than 150 employees, the vast majority under full-time contracts. The company does not offer positions with non-guaranteed working hours. We also drew on the expertise of 57 specialists not employed permanently, including IT specialists, software developers and analysts.



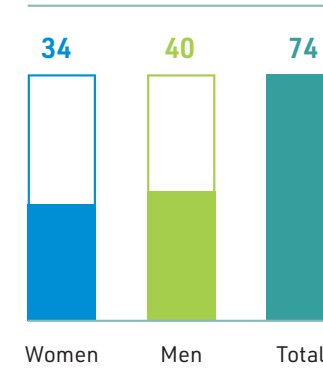
Number of employees by gender:



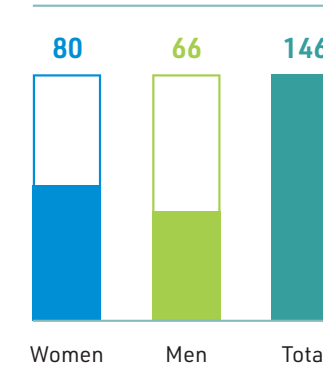
Employees with indefinite-term employment contracts:



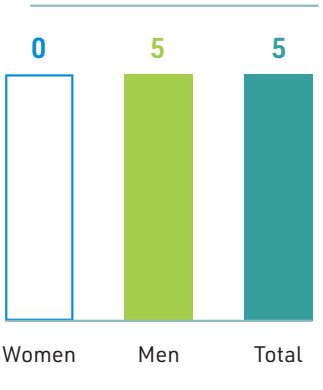
Employees with fixed-term employment contracts:



Full-time employees:



Part-time employees:



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[2-19] [2-20]

At Respect Energy S.A., we offer competitive salaries that take into account the level of responsibility, competence and experience of employees. Remuneration is based on the Remuneration Regulations, and salary ranges are defined for individual positions in the company. In determining and regularly updating them, we take into account, among other things, reports of companies that study the level of earnings in the market.

**Good practice**

Respect Energy employees may not earn less than the minimum provided in the salary range for their position. If, during the recruitment process, a candidate requests a lower salary, he or she is offered a salary within the prescribed salary range.



The total earnings of most employees consist of a basic salary and bonuses depending on performance evaluation and company results. Separate bonus systems apply to sales staff and the company's management. In the case of sales team members, the amount of the bonus depends on the contracts closed, while in the case of the management, it depends on the performance of the company's projects. No severance payments were paid by Respect Energy in 2022, nor did any employee retire.



[401-2]



<sup>5</sup>For employees who communicate in foreign languages at work



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**Kamila Towalska**  
**Head of People**  
**Respect Energy Group**

In discussions about the labour market, it has often been said that employees are now looking not only for financial stability in their workplace, but also for some kind of a greater purpose. At Respect Energy, we are fortunate that the foundation of our business is deeply rooted in ecology and combating climate change. This ensures that so many employees identify with the mission of our organisation and understand that what we do every day has an indirect but tangible impact on the lives and health of millions of people. Regardless of the job role, department or workplace - as a company, we form a team of experts strongly committed to sustainable change in every market where we have a presence.

At Respect Energy, we value the experience of our staff members and want to use it to the benefit of the company and further enable career development within the organisation. We aim to reduce our employee turnover rate, knowing that with each departure we lose a certain amount of business knowledge and know-how. At the same time, due to the company's growth new employees are needed. Therefore, we have implemented a referral programme in the company to support recruitment activities. Employees who recommend a candidate for a job receive a one-off salary supplement when the terms of the programme have been met.

In 2023, we conducted our first Engagement Survey. The return rate was 89% and the average job satisfaction rating was over 80%. Areas that employees rated the highest included atmosphere at work and satisfaction with the activities carried out, but also the company's diversity climate, which makes everyone feel accepted regardless of their gender, age, sexual orientation or race.



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**Good practice**

We adhere to our own standards in the recruitment process:

- **We respect job candidates** – any discriminatory behaviour is prohibited. We also strive to always respect the time that job applicants give us.
- **We make sure that the job offers we publish are specific and clearly worded** – at the stage of preparing the ad, we always try to give as much detail as possible and highlight our expectations of the candidates.
- **At each stage of the recruitment process, we ensure efficient exchange of information** – we make every effort to ensure that, at every step, candidates have full knowledge of the stage of the recruitment process in which they are participating.

- **A good atmosphere is crucial** – during interviews with candidates, we ensure a friendly working atmosphere to avoid unnecessary stress and make everyone feel comfortable.
- **We are open to contacts with job candidates** – you can always call us or write us if you have additional questions.
- **Feedback is a priority for us** – whether the decision is positive or negative we get back to candidates with a feedback.

The recruitment process involves an HR employee and the prospective employee's line manager. The only criteria for assessing candidates are their competences and alignment with the organisational culture.

We also facilitate the start of work at Respect Energy. Onboarding at the company always begins with a one-day training in Warsaw, during which a member of the management board introduces the company.

Employees also learn about the bonus system and benefits and the basic rules in force in the company and receive information security and health and safety training.





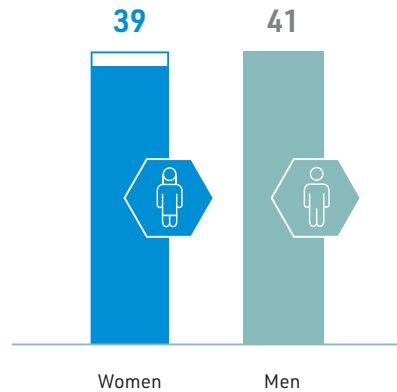
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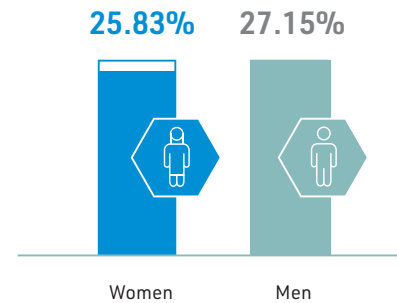
[401-1]

**Total number and percentage of new Respect Energy S.A. employees hired and total number of departures during the reporting period**

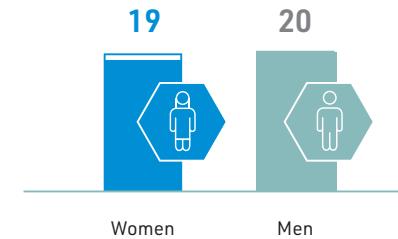
Number of new employees by gender:



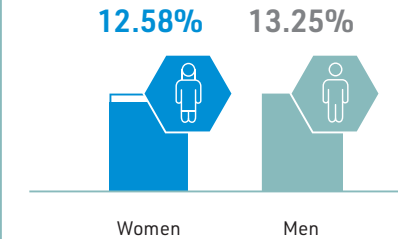
Rate of newly hired employees by gender:



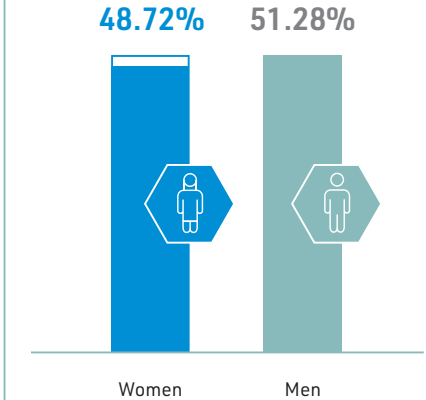
Total number of employees who left the organisation during the reporting period by gender:



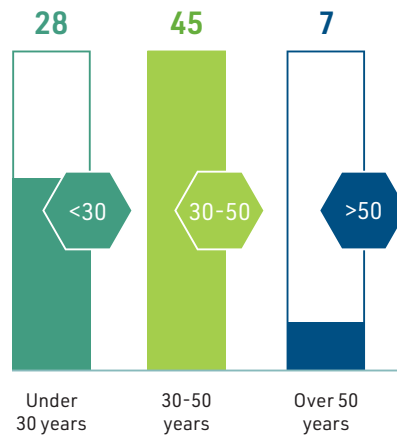
Employee turnover rate by gender during the reporting period:



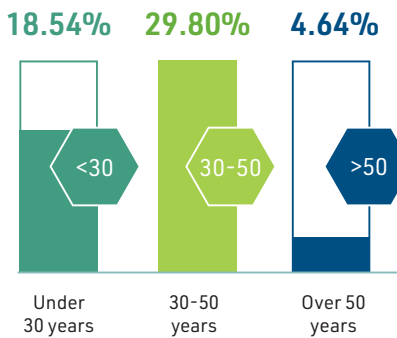
Rate of employees who left the organisation during the reporting period by gender:



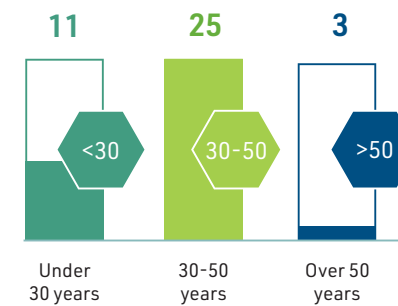
Number of new employees by age:



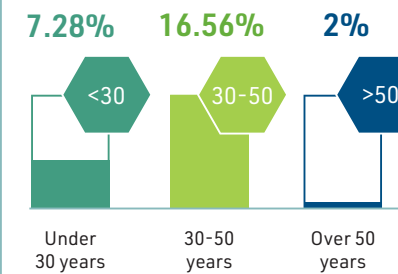
Rate of newly hired employees by age:



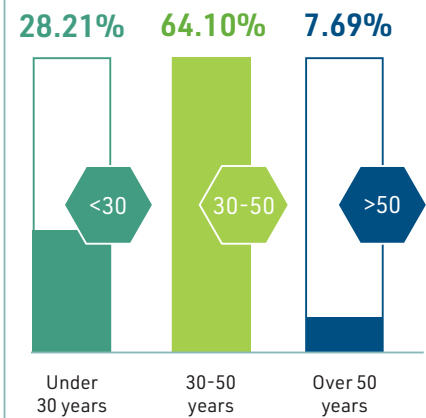
Total number of employees who left the organisation during the reporting period by age:



Employee turnover rate by age during the reporting period:



Rate of employees who left the organisation during the reporting period by age:



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## Safe work

[403-1] [403-3] [403-7] [403-8] [403-9] [403-10]

Work at Respect Energy is always safe. The company has an Occupational Health and Safety Management System in place, developed based on statutory requirements, and all employees are bound by the Respect Energy Group’s Occupational Health and Safety Assurance Policy, which describes health and safety risks and hazards. Our Health and Safety Expert is responsible for health and safety management. Employees have constant access to information on occupational safety on the intranet. In 2022, no occupational accidents or cases of occupational diseases were recorded at the company.

[403-2] [403-5]

Every person working in the company has been trained in occupational health and safety. Mandatory general instruction is supplemented by job training, and occupational safety knowledge is periodically updated. The company has an occupational risk assessment system in place for different groups of employees based on the Risk Score methodology and the biggest identified risk is associated with driving trucks up to 3.5 tonnes. Compliance with and control of the risk assessment system is the

direct responsibility of the Health and Safety Expert, and the system is overseen by the Respect Energy Management Board. All work-related risks and potentially hazardous situations can be reported directly to the Health and Safety Expert. Each report is analysed and possible actions to reduce the risks are implemented. The company also has special procedures in place, which provide for a team to be appointed each time to investigate the circumstances of any accidents.

[403-4]

Due to the size of the company’s workforce, there is no obligation to set up the OHS Committee. The Health and Safety Expert meets with the company’s Management Board every two weeks to discuss the current state of occupational health and safety and the future plans.



 **Good practice**

In 2022, work began at Respect Energy to set up an Occupational Risk Assessment Team. The team was finally established in 2023 with a staff representative as a member.

[403-6]

### We care for the health of our employees.

Before starting work at the company, all employees undergo an initial medical examination. During their employment, they are also referred for periodic or follow-up examinations. Employees are also offered private medical care and the company has developed a reimbursement policy for corrective eye glasses.

Through the MyBenefit platform, employees can also subscribe to a MultiSport card, which offers discounts or free access to more than 4,000 centres in Poland.





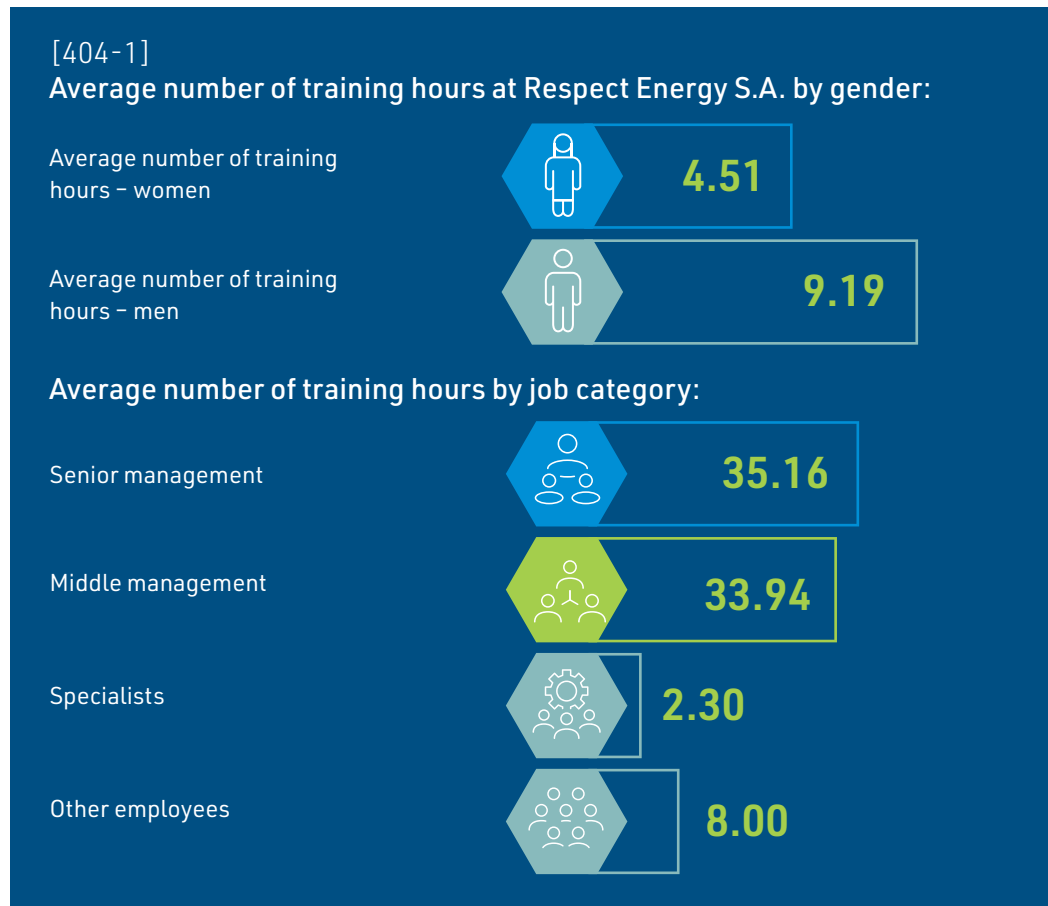
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## 4.2 Development at Respect Energy

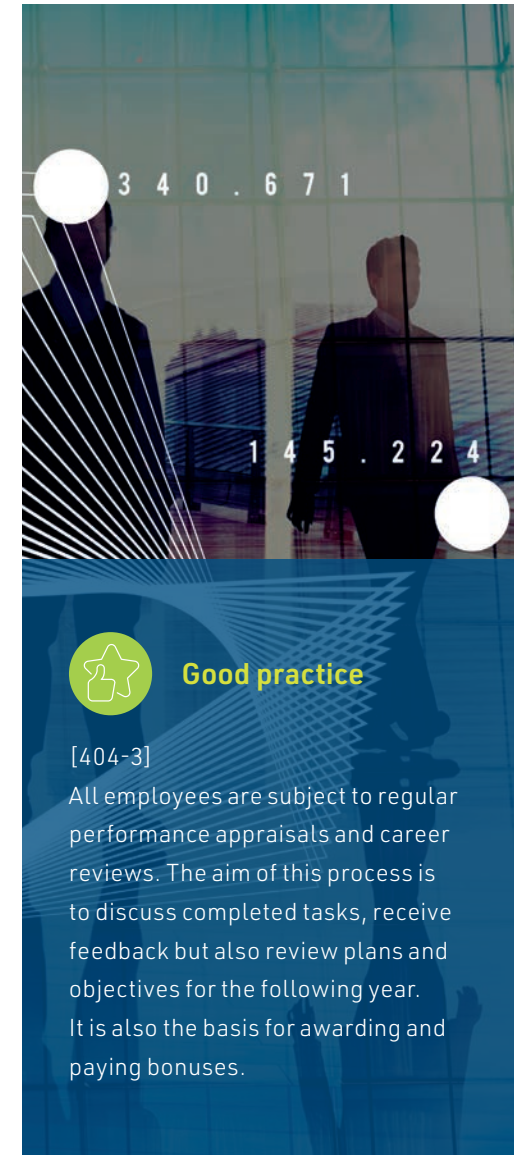
There are more than 150 people working at Respect Energy S.A. who, through their commitment, are effectively influencing the company’s development and, at the same time, developing themselves along with our growth. We work and build competences in diverse teams creating opportunities for growth, tailored to interests and skills. We value career ambitions and welcome the opportunity to support them.

In 2022, each new employee received training in health and safety rules and information security. Each of these training events lasted one hour. Moreover, 6 employees took part in an additional English language course, apart from the courses available on the e-tutor platform, as part of their employee benefits.



[404-2]

In 2022, we took the decision to centralise and structure the training system and create a separate job role for the person responsible for employee development as of 2023. The new arrangements will replace the current practice whereby each department has its own training budget and employees individually apply for external training, having first agreed this with their manager. In 2022, the Sales Department has been undergoing training: each sales person receives two weeks of preparatory training and annual refresher training. Ultimately, we want the company to have a year-round training calendar from 2024, developed on the basis of a training needs survey conducted in 2023.



**Good practice**

[404-3]

All employees are subject to regular performance appraisals and career reviews. The aim of this process is to discuss completed tasks, receive feedback but also review plans and objectives for the following year. It is also the basis for awarding and paying bonuses.

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### Good practice

In 2023, we launched the Respect Energy Leadership Development Programme. It is a set of classroom training courses for managers aimed at developing soft skills in the area of people management. The programme consists of three modules on improving team communication, dealing with difficult managerial situations, motivating people, delegating tasks and giving constructive feedback.

The training series is designed to shape the leadership attitudes desired in the organisation in relation to different work situations and to create a coherent and engaging organisational culture. After the training, the manager has the knowledge, awareness and ability to put into practice the methods and tools learnt for team management.

Each two-day training module ends with a 4-hour online follow up, a summary of the knowledge and practice gained. The content and topics of the individual modules are adapted and updated after each training session. The programme is attended by both senior and middle managers and team leaders.





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## Equality and diversity

[406-1]

We work in diverse teams at Respect Energy – we are committed to inclusiveness and equal treatment of all team members. We consider the competences of the people we employ to be the most important criterion for evaluating employees and also the source of our market success. We are completely neutral with regard to gender and any other non-occupational characteristics of employees and these are never taken into account in either the appraisal or recruitment process, including for the most important positions in the organisation. Although we have not established a separate diversity policy within the organisation, we consider any form of discrimination or socially unacceptable behaviour to be completely unacceptable in the company. We are pleased that this approach is shared by all our employees. In 2022 we did not record a single case of discrimination, bullying or sexual harassment.



### Good practice

Since 2023, the company has had an Anti-Harassment and Anti-Discrimination Policy in place at Respect Energy Group.

The gender of employees has no impact on remuneration at Respect Energy. All employees in the sales and trading department have the same basic salary, with bonuses depending on individual performance.

[405-2]

Ratio of women's **basic pay** to men's basic pay by job role:

Ratio of women's **total pay** to men's total pay by job role:



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[405-1]

### Percentage of management bodies' members by gender:

Women	0%
Men	100%

### Percentage of management bodies' members by age:

Under 30 years	0%
30-50 years	33.33%
Over 50 years	66.66%

### Percentage of employees in the following diversity dimensions - gender

Women	
Senior management	75.00%
Middle management	42.86%
Specialists	51.82%
Other employees	83.33%
Men	
Senior management	25.00%
Middle management	57.14%
Specialists	48.18%
Other employees	16.67%

### Percentage of employees in the following diversity dimensions - age

Under 30 years	
Senior management	0.00%
Middle management	28.57%
Specialists	21.17%
Other employees	66.67%
30-50 years	
Senior management	75.00%
Middle management	50.00%
Specialists	67.88%
Other employees	16.67%
Over 50 years	
Senior management	25.00%
Middle management	21.43%
Specialists	10.95%
Other employees	16.67%

### Percentage of employees in other diversity dimensions:

Employees with a disability certificate	2.65%
Foreigners	1.99%

[401-3]

### Parental leaves Employees entitled to parental leave

Women	18
Men	N/A

### Employees who have taken parental leave

Women	3
Men	0

### Employees who have returned to work after parental leave

Women	2
Men	0

### Total number of employees who returned to work after parental leave and were still employed by the organisation 12 months after returning to work

Women	2
Men	0

### Rate of employees who have returned to work after parental leave

Women	66,67
Men	0

### Retention rate of employees who have taken parental leave

Women	100
Men	0





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# Corporate governance



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[cpu] done / done / access / complete / operation 122 334  
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[cpu] negative / analyzing / operation 552 390  
[cpu] preparation complete / code xxx000000000
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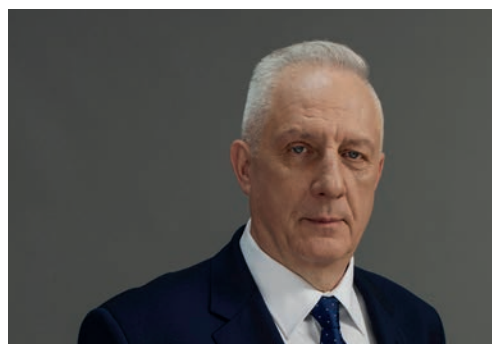
# 5. Corporate governance

## 5.1 Management

In 2022, the composition of the Management Board of Respect Energy S.A. changed and on 31 December 2022 it consisted of:



**Sebastian Jabłoński** In November 2022 resigned as Chairman of the Management Board of Respect Energy S.A. and since 9 February 2023 has held the position of Chairman of the Management Board of Respect Energy Holding S.A.



**Dariusz Bliźniak**  
Member of the Management Board



**Tomasz Zadroga**  
Member of the Management Board



**Grzegorz Bruski**  
Member of the Management Board

[2-9] [2-10] [2-11]

The authorities of Respect Energy S.A., a company which belongs to Respect Energy Holding S.A., are the Supervisory Board and the Management Board. In accordance with the Statutes, the Supervisory Board appoints the members of the Management Board for a term of five years. The selection criteria include their knowledge, competence and experience. The opinions of stakeholders, including shareholders, and the criteria of diversity and independence are also taken into account in the appointments.

No Supervisory Board Committees have been established at Respect Energy S.A., however, the company's activities are supported by committees established at Respect Energy Holding S.A., including, among others, the Audit Committee. Each member of the Management Board has the necessary competences and experience in relation to the areas of Respect Energy S.A.'s business managed, including geographical area, sectors and products. The biographies of the Management Board Members are available on our website.



**Diana Skotnicka**  
Head of Finance  
Respect Energy Group

In 2022, Respect Energy Holding's turnover exceeded PLN 11 billion for the first time. This is a huge amount of money, with a great responsibility attached to it. Therefore,

a fundamental role in the company's structure is played by the Finance Office, which includes Controlling, Treasury, Reporting and Accounting, where we take care of financial liquidity and the company's ability to meet its payment obligations, including data transparency. The Finance Department is also responsible for reporting the results of the various operating divisions and for financial reporting. Our analyses and forecasts support the Management Board in making key decisions, as well as the business in its day-to-day operations.



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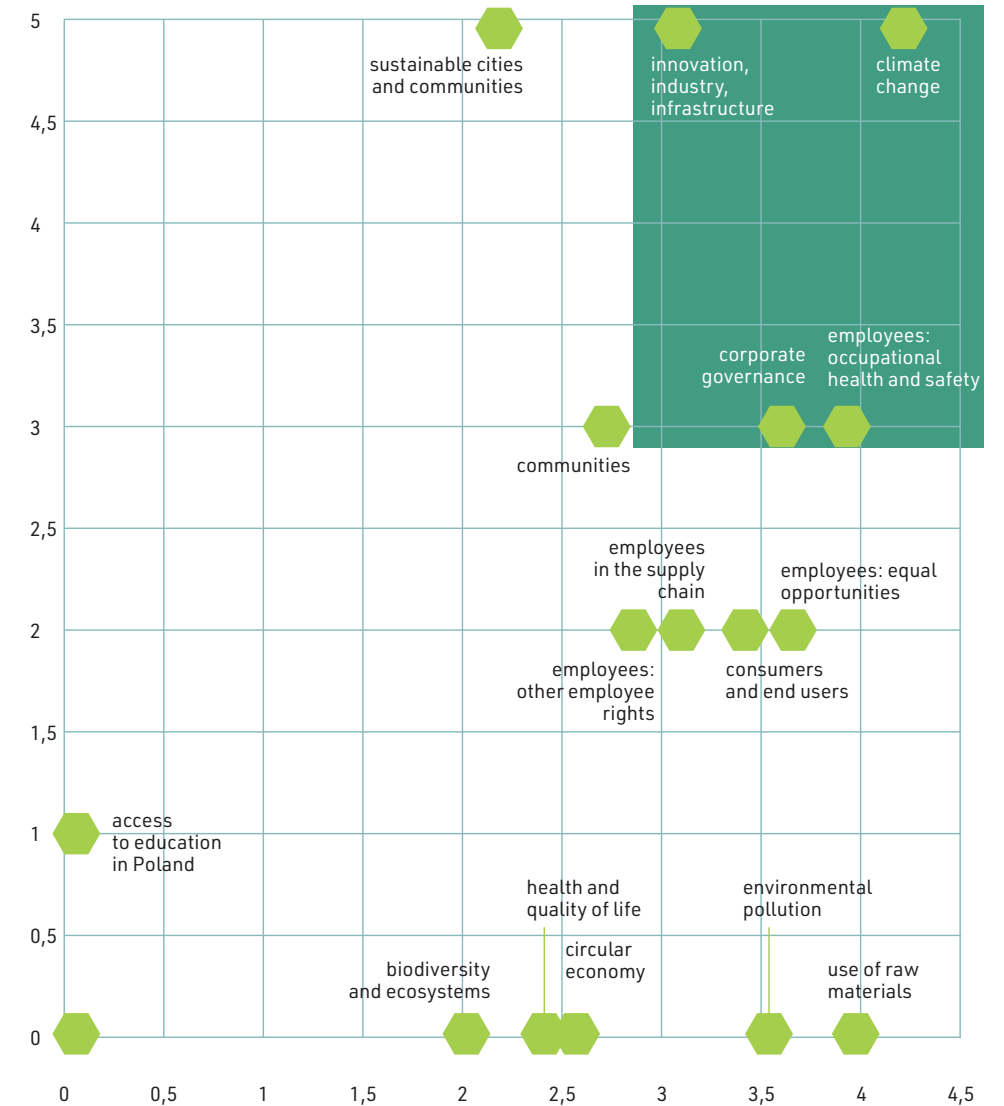
# Sustainable development

[2-23] [2-24]  
 Respect Energy's sustainable development stems directly from the company's business profile and is described in internal policies and procedures, which refer, among other things, to OECD guidelines and the protection of human rights. An important element of all processes within the company is the due diligence process and the precautionary principle. It is the responsibility of each and every one of our employees to comply with the obligations set forth in the policies and procedures. Oversight and responsibility in this regard rests with senior management and is assigned on the basis of the distribution of competences and delegated tasks throughout the organisation.



<sup>6</sup>in addition to Respect Energy's own documents, the company is also bound by the regulations of the Respect Energy Group

## Materiality matrix of Respect Energy



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In addition, Respect Energy’s sustainability activities are guided by the UN Sustainable Development Goals (SDGs) and the 10 Principles of the UN Global Compact, which are derived from the provisions of the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. These are universal principles concerning human rights, labour, environment and anti-corruption that are incorporated into the company’s strategy and operations.



### 10 Principles of the UN Global Compact

1. Support and respect the protection of internationally proclaimed human rights.
2. Ensure that business practices are not complicit in human rights abuses.
3. Uphold the freedom of association and recognize in practice the right to collective bargaining.
4. Eliminate all forms of forced and compulsory labour.
5. Contribute to effective abolishment of child labour.
6. Eliminate discrimination in employment and occupation.
7. Adopt a precautionary approach to environmental challenges.
8. Conduct environmentally responsible activities.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Fight corruption in all its forms including extortion and bribery.

Respect Energy’s sustainability priorities are the material topics identified by stakeholders, as discussed in more detail in Chapter 6. These have been reviewed by the company’s management for their impact on the organisation and approved by the Management Board. The result of the process is a materiality matrix.

The key topics from the materiality matrix fit into the implementation of the UN Sustainable Development Goals below:





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[2-12] [2-13] [2-18]  
 Respect Energy’s Management Board and senior management play a key role in developing, approving and updating the organisation’s goals, values and mission with strategy and policies that are based on sustainability principles. The business strategy, which takes into account the economic, social and environmental impact of our organisation, is approved by the Supervisory Board. Its implementation is overseen by the Management Board, which also decides on the delegation of specific tasks to the relevant departments and employees. The Management Board informs the Supervisory Board of the implementation of the strategy by providing quarterly activity reports.

In accordance with applicable law, the Management Board of Respect Energy S.A. is subject to evaluation by the Supervisory Board. The members of the Management Board are appointed and dismissed in accordance with the provisions of the Commercial Companies Code. In 2022, the company did not have procedures in place that assume the evaluation of the Management Board performance in terms of overseeing the impact on the economy, society and people. The Supervisory Board conducts an evaluation from the company’s activities on the basis of the financial results presented, which are audited by an external entity.

[2 -13]  
 In 2022, there were no separate structures dedicated to sustainability or ESG topics at Respect Energy. However, due to increasing regulatory pressure and as a result of the analysis carried out, it was decided to establish a separate ESG manager position and create appropriate governance mechanisms in 2023.



Good practice

[2-16]  
 Critical issues are communicated to the Management Board in accordance with the procedures adopted for the business areas concerned. In 2022, two issues were considered critical – the war in Ukraine and the statutory freezing of energy prices in Poland.



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# Risk management

[3-3 Corporate governance]

At Respect Energy, work began in 2022 on systematising its approach to risk management and compliance assurance. The aim of this work is to protect Respect Energy's interests and ensure that it operates in compliance with applicable laws and the company's internal regulations.

As part of Respect Energy's risk management, internal inspections and audits may be carried out. If irregularities or areas for improvement are identified, recommendations are made for implementation.

Respect Energy's organisational culture contributes to risk mitigation. It consists of management attitudes, accepted ethical standards, communication of objectives and clear assignment of tasks and competences to individual departments and

employees. The company has established ways of making decisions and delegating authority and responsibility to lower levels of the organisation. The building of an organisational culture is supported by the company's training and mutual sharing of knowledge among employees.

[2-25]

In 2022, the company started to set up structures responsible for risk minimisation, negative impact and remediation processes. In 2022, we did not diagnose any negative

impact from Respect Energy. Negative impact is minimised and any signals of possible impact are passed on to the affected department which analyses the report and, if a negative impact is identified, corrective action is taken with a subsequent monitoring of its effectiveness. Stakeholders who may be affected by the organisation's negative impact are involved throughout the process.

**In 2023, Respect Energy the following policies were introduced or updated:**

- Internal Control and Audit Policy
- Non-Compliance Management Policy
- Commercial Risk Management Policy
- Credit Risk Management Policy
- Information Security Policy
- Project Implementation Policy



**Szymon Bliźniak**  
Member of the Management Board of Respect Energy Group

Structured processes and clear procedures make it easier for everyone in the organisation to work. The changes we are making to corporate governance are intended to facilitate achievement of the goals we have set for ourselves. In our actions, we do not forget to take into account the needs of Respect Energy's various stakeholders, who should have access to information about our goals and our ways of work. We can see how much we still have to do in this area, but we are motivated by the fact that we are already seeing the first results.



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## 5.2 Ethics

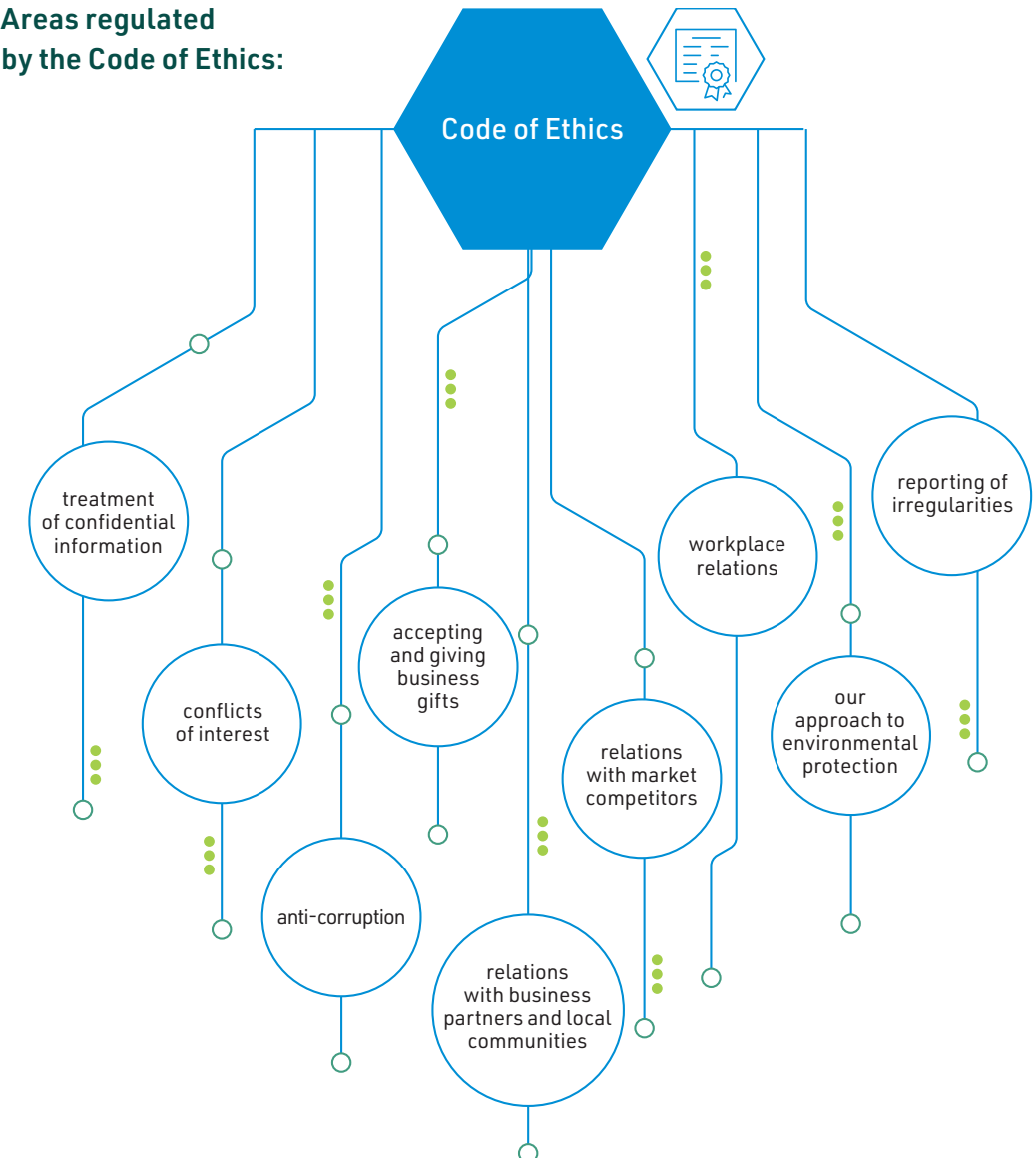
[2-27]

At Respect Energy, it is not only ,what we do' that matters, but also ,how we do it'. We are a company set on a strong ethical foundation, where sticking to principles and values is an important part of market success. In 2022, we did not record a single instance of non-compliance with the law or other regulations.

Our ethical principles and preferred behaviours and attitudes are described in the Code of Ethics of the Respect Energy Holding S.A. Group. The document, adopted in the first months of 2023, replaced the previous ethical regulations adopted when our company was named TREW Obrót. The principles of the Code, as well as all policies and procedures, apply to all employees working in Respect Energy Group companies.



### Areas regulated by the Code of Ethics:



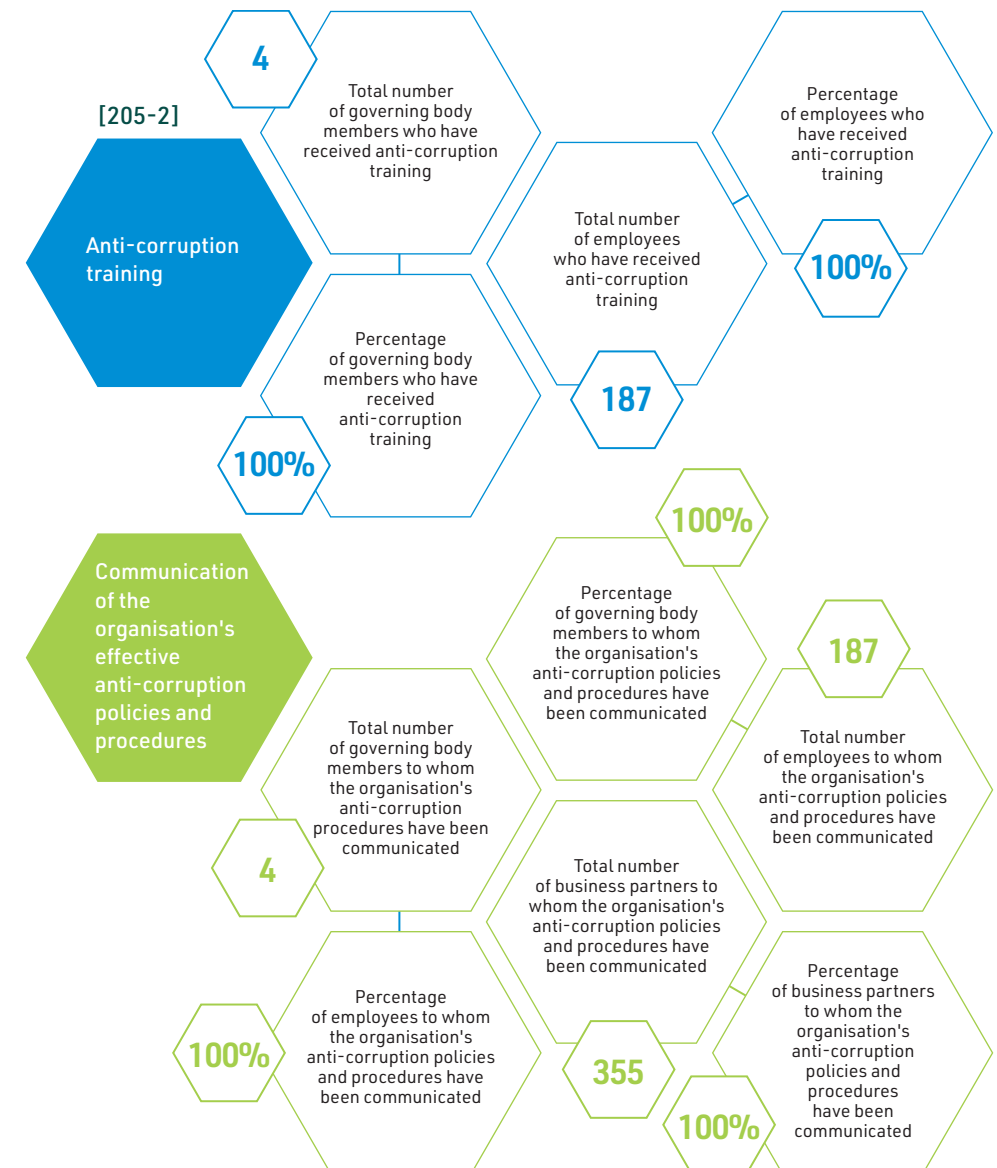
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# Anti-corruption

[205-1]  
 We do not tolerate corruption in any shape or form. The Code broadly defines the understanding of corrupt behaviour and requires zero acceptance of corruption by all employees, suppliers and business partners, regardless of their function and position. Employees should contact their manager if they are unsure of how to behave in a situation of potential corruption. In case of reasonable doubts, the opinion of the compliance function may also be sought. All operations conducted by our company are reviewed for corruption. We regulate business gifts precisely in the Code of Ethics.

We recognise that occasional gifts, invitations and other acts of hospitality worth up to EUR 100 are a legitimate practice to support the courteous process of establishing, maintaining and developing meaningful business relationships. However, we strongly emphasise that the nature and value of such gifts must not in the slightest degree raise ambiguous expectations regarding the recipients' actions. Giving gifts, invitations or offering acts of hospitality to government officials or employees of contractors is permissible to the extent that they do not exceed customary forms of courtesy, and their value must not give rise to controversy or suspicion of unethical behaviour.





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## Conflicts of interest

The prevention of conflicts of interest in our company is governed by the Respect Energy Group Code of Ethics. In accordance with its provisions, Respect Energy S.A. employees should avoid situations in which their personal interests could potentially give rise to the suggestion of a conflict of interest. If the risk of such a situation arises, the employee is obliged to immediately notify his/her immediate superior of the potential conflict. The Code pays particular attention to situations involving the employment of family members in our company's organisational units. We consider it unacceptable to employ members of an employee's family in any business subordination with each other.

The actions taken to eliminate identified conflicts of interest are monitored by the compliance department. Once a year, department staff also report information on reported conflicts of interest to the Management Board. Conflict of interest information is disclosed to stakeholders and includes personal relationships, shareholding relationships with suppliers and other stakeholders, the presence of a controlling shareholder and relationships, transactions with and receivables from related parties.

Potential conflicts of interest are also analysed and assessed during the selection of job candidates and the appointment of Management Board members.

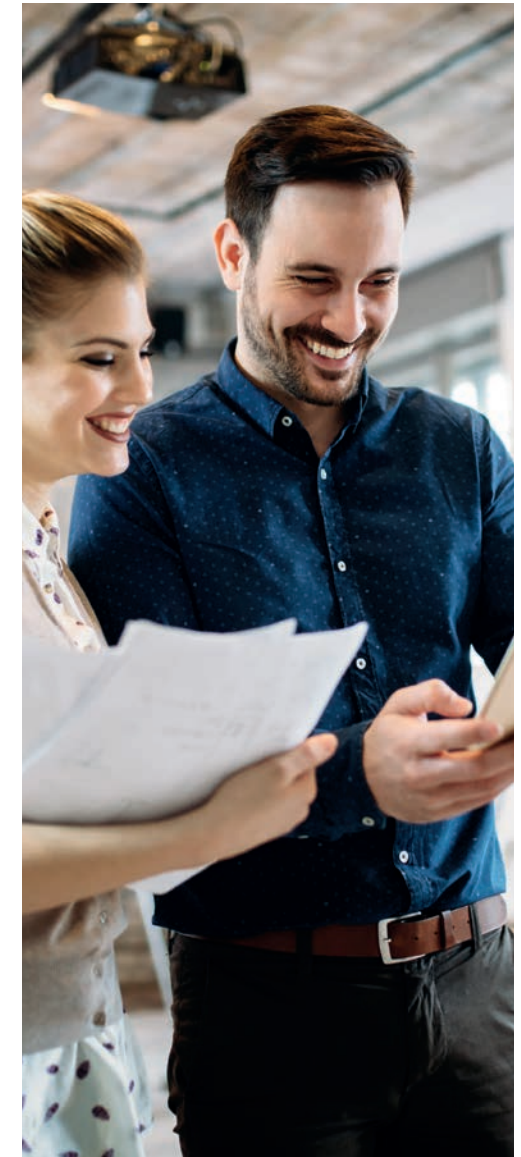


## Reporting irregularities

We make it easy for employees to report all potential irregularities and behaviour that does not comply with the Code or other regulations. In accordance with the provisions of the Code of Ethics, in the event of a suspected breach of the rules or any concerns about potential conflicts of interest or ethical dilemmas, an employee shall, to the best of his or her ability, secure evidence of irregularities and notify the compliance function.

We protect whistleblowers. Employees who provide information in good faith cannot be held accountable or stigmatised in any way. All information is treated tactfully and confidentially, and information can be provided not only by name but also anonymously.

At the same time, as Respect Energy grows, we will further develop our corporate governance model and expand the opportunity for all stakeholders to seek advice in the area of compliance and raise their concerns. We are keeping an eye on the development of the Whistleblowers Act to legally comply with all the requirements regarding the future whistleblowing mechanism.





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# About the report



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## 6. About the report

[2-1] [2-2]  
 This sustainability report concerns Respect Energy joint-stock company with its registered office at ul. Ludwika Rydygiera 8, Warsaw (01-793). The company's policies and procedures have been adopted at Respect Energy Group level. However, the figures presented refer to Respect Energy S.A. as the leading company in the Group, unless otherwise has been clearly indicated in the text. The figures presented in the report cover the period from 1 January 2022 to 31 December 2022 and include Respect Energy S.A.'s operations in Poland, unless otherwise indicated in the text. The report has been prepared in accordance with GRI Standards 2021.

[2-3] [2-4]  
 Published on 30 September 2023, this report is Respect Energy's first sustainability report. The organisation has decided that subsequent reports, as well as financial reports, will be published annually.

[2-14] [3-1]  
 More than a dozen company employees and staff were involved in the preparation of this report. Respect Energy's Management Board was responsible for reviewing and approving the reported data, as well as accepting material topics.

The process of identifying material topics for Respect Energy S.A. was carried out in accordance with the GRI standard. We developed a stakeholder map and then sent the most important stakeholders an online survey to assess areas of sustainability. It was completed by 134 stakeholders: employees, suppliers, NGOs, industry organisations, customers, representatives of the media, banks and the commodity exchange. We asked everyone to rate each topic on two criteria: impact and materiality.

[3-2]

**List of material topics:**

Environment	Society	Corporate governance
Climate change	Employees and associates in the value chain	Innovation, industry, infrastructure
		Corporate governance

[2-3] [2-5]

The report has not been externally verified. For questions, concerns or suggestions related to the report and broadly understood sustainability issues, please contact:

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## GRI table

<b>Statement of application GRI standards application</b>	Respect Energy Holding S.A. submitted a report in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
<b>GRI 1 applied</b>	GRI 1: Foundation 2021
<b>Applicable GRI sector standards</b>	Not applicable

Gri standard / other source	Disclosure	Page number	Exclusions		
			Requirements (excluded)	Reasons	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	47			
	2-2 Entities included in the reporting of sustainability issues	47			
	2-3 Reporting period, frequency and contact details	47			
	2-4 Restatement of information	47			
	2-5 External assurance	47			
	2-6 Activities, value chain and other business relationships	8			
	2-7 Employees	27			
	2-8 Workers who are not employees	27			
	2-9 Highest governance body structure and composition	38			
	2-10 Nomination and selection of the highest governance body	38			
	2-11 Chair of the highest governance body	38			
	2-12 Role of the highest governance body in overseeing the management of impacts	41			
	2-13 Delegation of responsibility for managing impacts	41			
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	47			
	2-15 Conflict of interest	45			
	2-16 Communication of critical concerns	41			
	2-17 Collective knowledge of the highest governance body	17			
	2-18 Evaluation of the performance of the highest governance body	41			



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Gri standard / other source	Disclosure	Page number	Exclusions		
			Requirements (excluded)	Reasons	Explanation
	2-19 Remuneration policies	28			
	2-20 Process to determine remuneration	28			
	2-21 Annual total compensation ratio		The data required by the indicator was not disclosed	Business confidentiality	The organisation regards the data as confidential and does not make it publicly available
	2-22 Statement on sustainable development strategy	4			
	2-23 Policy commitments	39			
	2-24 Embedding policy commitments	39			
	2-25 Processes to remediate negative impacts	42			
	2-26 Mechanisms for seeking advice and raising concerns	45			
	2-27 Compliance with laws and regulations	43			
GRI 2: General Disclosures 2021	2-28 Membership associations	17			
	2-29 Approach to stakeholder engagement	15			
	2-30 Collective bargaining agreements	27			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	47			
	3-2 List of material topics	47			
<b>Corporate governance</b>					
GRI 3: Material Topics 2021	3-3 Management of relevant topics	42			
GRI 205: Anti-Corruption 2016	205-1 Actions reviewed for corruption	44			
	205-2 Training for employees and managers on anti-corruption policies and procedures	44			
	205-3 Confirmed cases of corruption and actions taken in response to them	44			
<b>Innovation, industry, infrastructure</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	6			
	Custom indicator: RES installed capacity	7			
<b>Employees and workers in the value chain</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	27			

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Gri standard / other source	Disclosure	Page number	Exclusions		
			Requirements (excluded)	Reasons	Explanation
GRI 401: Employment 2016	401-1 Total number and percentage of new employees and total number of employees who left the organisation during the reporting period	31			
	401-2 Additional benefits (perks) provided to full-time employees	28			
	401-3 Parental leave	36			
GRI 403: Health and safety 2018	403-1 Occupational health and safety management system	32			
	403-2 Hazard identification, risk assessment and incident investigation	32			
	403-3 Unit responsible for the management of occupational health and safety	32			
	403-4 Worker participation, consultation and communication of occupational health and safety	32			
	403-5 Worker health and safety training	32			
	403-6 Health promotion among employees	32			
	403-7 Prevention and reduction of occupational events and incidents affecting workers' health and safety	32			
	403-8 Workers covered by the occupational safety management system	32			
	403-9 Work-related injury rates	32			
	403-10 Occupational disease rate	32			
GRI 404: Training and education 2016	404-1 Number of training hours per year per employee by employment structure	33			
	404-2 Professional competence development programmes	33			
	404-3 Percentage of employees subject to regular performance evaluation and career development reviews, by gender and employment category	33			



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Gri standard / other source	Disclosure	Page number	Exclusions		
			Requirements (excluded)	Reasons	Explanation
GRI 405: Diversity and equal treatment 2016	405-1 Composition of supervisory bodies and staff by gender, age, minorities, and other diversity indicators	36			
	405-2 Ratio of male to female base salary by position held	35			
GRI 406: Anti-Discrimination	406-1 Cases of discrimination and corrective action taken	35			
<b>Climate change</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	21			
GRI 305: Emissions 2016	305-1 Total direct greenhouse gas emissions (Scope 1)	25			
	305-2 Total indirect greenhouse gas emissions (Scope 2)	25			
	305-3 Other indirect greenhouse gas emissions (Scope 3)	25			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	25			
GRI 304: Biodiversity 2016	304-1 Owned, leased, or managed sites located adjacent to protected areas or areas of high biodiversity value outside protected areas	21			