



re: respect  
energy

2023

ESG REPORT  
OF RESPECT ENERGY HOLDING GROUP

LETTER FROM THE CHAIRMAN

STRATEGY

ABOUT US

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# LETTER FROM THE CHAIRMAN

2-22

Ladies and Gentlemen,

It is my great pleasure to hand over to you our sustainability report, for the first time covering data for the Respect Energy Group.

From the very beginning of Respect Energy, we have set ourselves ambitious goals to create a better future for our planet. As an energy company that is well aware of the negative impact of traditional energy sources on the climate and the environment, we have based our business 100% on trading in green, renewable energy. Our vision is to provide solutions that not only meet today's needs, but also leave the world in a better shape for future generations. We continued to work towards this goal in 2023 as well

In 2023, the share of renewable energy produced by Respect Energy in relation to total renewable energy produced in Poland was 6% for wind energy and 5.7% for solar energy. This is a very good result and I can already say that it will be even higher in 2024.

We started work on our sustainability strategy in 2023. This year we have finalised it and the Respect Energy Group Sustainability

Respect Energy's production of energy from renewable sources in 2023 totalled **2 287 189,10 MWh**

The number of our green energy customers went up by **129.79%** and of the energy generators we work with increased to **980**.

Strategy 2024–2027 was officially adopted in May. From the outset of this process, it was important to us to create the document in close collaboration with our employees and with strong involvement of the Management Board. The work on the strategy involved 14 people representing key areas and companies of our Group. Milestone workshops were attended by the holding company's Management Board. The process took into account the latest regulatory requirements. The result of our work is a strategic document that sets out three basic objectives and directions for our Group: **Respect Nature, Respect People and Respect Rules**. We have decided that over the next three years we will expand our activities in these three areas. We see 2024 as the baseline year. You can read more about our strategy in the report.

"Energy created with Respect for nature" is our Group's mission statement, which we firmly believe in and are guided by on a daily basis. One of the intrinsic topics related to climate is the challenge of biodiversity conservation. However, it is still very little recognised by business and the general public. That is why we initiated the first publication on the market – "Nature and Business: Navigating Risks and Opportunities in a Changing Landscape". A Guide for Companies to Thrive in the Era of Nature Emergency'. By addressing the topic of biodiversity, we first of all want to draw attention to its relevance and inevitability, but also build awareness of its integral nature to climate protection efforts.

As our employees say: there is a future in what we do. It would not be possible to pursue this claim without a group of 289 managers and experts. We form a diverse and inclusive team of people who work with passion. This is confirmed by the results of last year's engagement survey, where the response rate stood at 89% and the average job satisfaction rating was 80%. This is a very gratifying result, but also a commitment for us to maintain this trend despite the dynamic growth of our company.

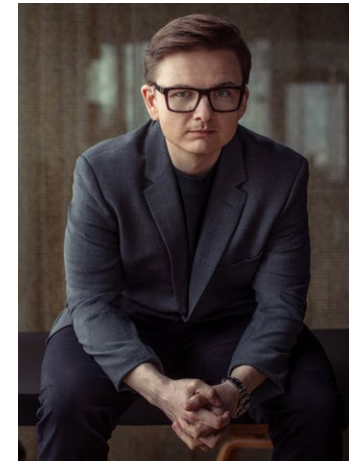
Corporate governance is a very important part of our sustainability strategy. We are constantly adapting and developing our processes to operate in accordance with the principle of due diligence. As a member of the UNGC, we adhere to the "10 Principles of the UN Global Compact" and are a Strategic Partner of the Responsible Business Forum.

We believe that a carbon-free development and future is possible. Our actions respond to pressing environmental needs and the growing expectations of a society increasingly affected by climate change. Our aim is to make a significant and positive impact on the future energy market and support our customers in achieving their ambitious Net-Zero targets. By engaging in innovative solutions and sustainable practices, we aim to be a role model for other companies, demonstrating that the transformation towards a green future is not only possible, but necessary.

I hope you will find our report interesting and useful.

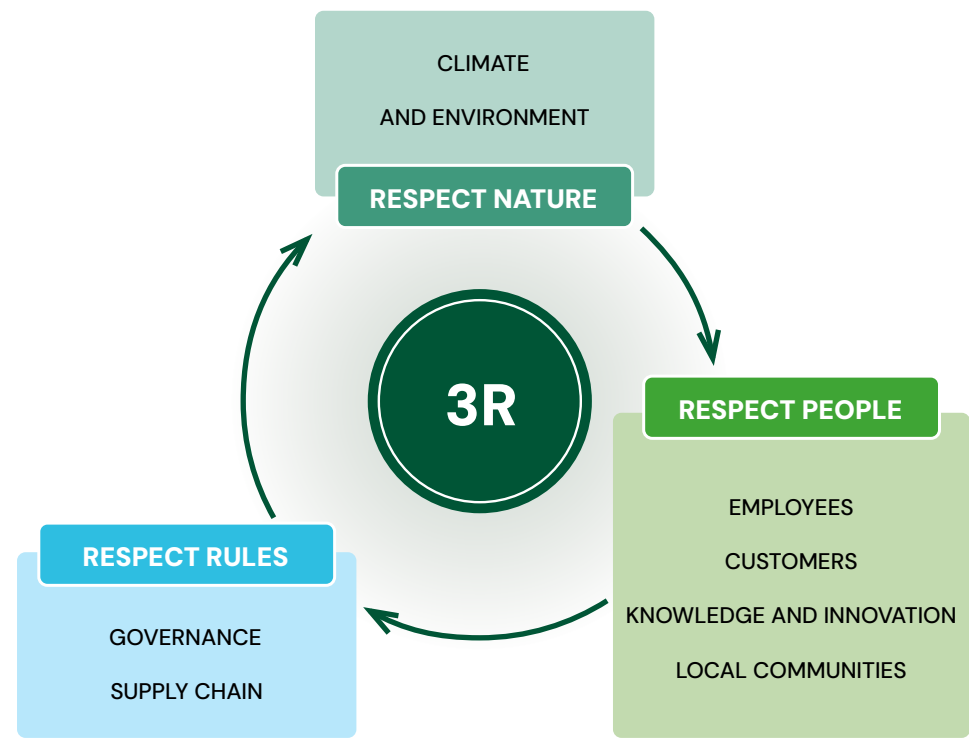
Kind regards,

Sebastian Jablonski  
Chairman of the Management Board  
Respect Energy Holding Group



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# RESPECT ENERGY GROUP SUSTAINABILITY STRATEGY 2024-2027



The main directions and tasks in the Respect Energy Group's Sustainability Strategy are in line with the implementation of the following UN Sustainable Development Goals:

- Affordable and clean energy (SDG 7)
- Decent work and economic growth (SDG 8)
- Industry, innovation and infrastructure (SDG 9)
- Responsible production and consumption (SDG 12)
- Life on land (SDG 15)
- Peace, justice and strong institutions (SDG 16)
- Partnerships for the goals (SDG 17)





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**RESPECT NATURE**

**CLIMATE AND ENVIRONMENT AREA**

**OBJECTIVE: DEVELOPMENT OF SERVICES FOR THE CLIMATE**

- ✓ Increase the volume of emissions avoided through investments.
- ✓ Business objectives that respond to the challenges of sustainable development.

**OBJECTIVE: CARBON NEUTRAL IN OWN OPERATIONS**

- ✓ Achieve zero-carbon in Scopes 1, 2 and 3 no later than 2050.
- ✓ Reduce Scope 1 and 2 greenhouse gas emissions by 90% by 2030 (Scope 1 and 2).
- ✓ Reduce Scope 3 greenhouse gas emissions by 55% by 2030 (Scope 3).
- ✓ Develop a long-term decarbonisation pathway including Scope 1, 2 and 3 (Scope 1,2 and 3).
- ✓ Monitor GHG emissions per unit of revenue (GHGe/PLN).

**OBJECTIVE: RESPONSIBLE WASTE MANAGEMENT**

- ✓ Develop practices to manage waste from our RES installations in a circular model.
- ✓ Gradually scale up recycling in own operations (is/is not).
- ✓ Develop services for customers based on circular management of materials from RES farms.

**OBJECTIVE: TRANSPARENCY REGARDING IMPACT ON BIODIVERSITY**

- ✓ By 2026 publish a biodiversity impact report according to TNFD guidelines as an Early Adopter.
- ✓ Implement biodiversity conservation policies.

**RESPECT PEOPLE**

**EMPLOYEE AREA**

**OBJECTIVE: ATTRACTIVE WORKPLACE AND A STRONG CORPORATE CULTURE**

- ✓ High job satisfaction rate – at least 80%.
- ✓ Ensure attractive working conditions confirmed by a high Employer Value Proposition (EVP) score.
- ✓ Implement a formal diversity policy with outcomes backed up by high employee ratings.
- ✓ Attract ambitious employees, develop people’s talents potential through, among other things, the introduction of a talent management process and satisfactory results of an employee retention survey.
- ✓ Promote Respect Energy’s values to managers and employees.

**CUSTOMER AREA**

**OBJECTIVE: CUSTOMER SERVICE EXCELLENCE**

- ✓ Positive results of the implemented after-sales satisfaction survey system.
- ✓ Grow customer referral rates.

**KNOWLEDGE AND INNOVATION AREA**

**OBJECTIVE: KNOWLEDGE SHARING AND INNOVATION DEVELOPMENT**

- ✓ Cooperate with universities on innovation and development of the RES industry.
- ✓ Provide knowledge-based support to existing and prospective customers – sharing expertise.

**LOCAL COMMUNITIES AREA**

**OBJECTIVE: GOOD RELATIONS FOR SUSTAINABLE**

- ✓ Implement a policy of dialogue and community engagement.
- ✓ Develop educational programmes for schools on climate change and RES.
- ✓ Launch activities for local communities.
- ✓ Engage local communities in assessing Respect Energy-whether the company is a responsible and trustworthy business/partner.

**RESPECT RULES**

**GOVERNANCE AREA**

**OBJECTIVE: STANDARDISATION OF PROCESSES**

- ✓ Standardise internal processes related to ESG.
- ✓ Strengthen the ESG governance structure.
- ✓ Develop ESG reporting.
- ✓ Develop the ESG risk management process (identification and mitigation).
- ✓ Implement ESG regulatory requirements, including EU Taxonomy

**SUPPLY CHAIN AREA**

**OBJECTIVE: BUILDING A RESPONSIBLE SUPPLY CHAIN**

- ✓ Review the Respect Energy Group Sustainability Strategy 2024-2027 and improve the due diligence process to protect human rights in the supply chain.
- ✓ Introduce screening / qualification system and review suppliers in terms of social and environmental factors.
- ✓ Develop an ESG pathway in procurement processes – transparent and understandable to suppliers.



LETTER FROM  
THE CHAIRMAN

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BUSINESS MODEL  
AND OUR OFFER

OUR MAIN ACTIVITIES

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ABOUT REPORT

# ABOUT US

We are the first energy offtaker and supplier in Poland to have offered its customers a 100% green energy mix from renewable sources, including **solar, wind, water and biogas.**



## RESPECT ENERGY

2-1, 2-6, own indicator

The Respect Energy Holding Group<sup>1)</sup> consists of companies specialising in the development of the renewable energy market. As a green energy investor, we have a portfolio of large-scale renewable energy projects, including solar and wind farms. We are a company with entirely Polish capital which has been operating for 11 years and is present in 27 markets.

### OUR PRESENCE IN THE RES MARKET:

We are a Polish company **with a global reach**, which for the last 11 years has been consistently expanding the scale of its operations and entering new markets.

Our mission is to **support energy security** through the dynamic development of RES.

Respect Energy's energy production from renewable sources in 2023 totalled **2 287 189,10 MW**.

Currently, our own generation assets are located in Poland and our total installed capacity is **2 479.83 MWh** and the value of the energy produced in 2023 is 323,608.585 MWh.

We are a co-owner of, among other things, the **largest photovoltaic farm** in Central and Eastern Europe (the Zwartowo farm) and the owners of photovoltaic farms in Objezierz, Kończyce, Hucisko, Zapłuskowęsy, Wojciechowo, Wiązownica, Drzeńsko and Popowo-Borowe as well as wind farms in Wicko, Jędrzychowice Zgorzelec and Sierpc.

We are present on energy exchanges in **27 countries** around the world.

We are growing rapidly and have become a **recognised brand** in Poland and internationally.

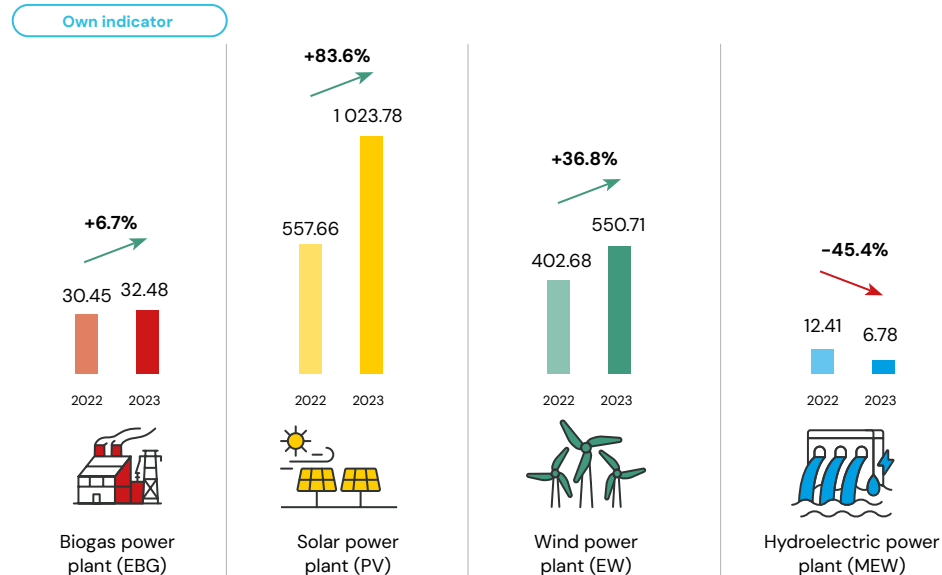
1) Hereinafter, the Group or Respect Energy

- LETTER FROM THE CHAIRMAN
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## DEVELOPMENT IN 2023

- We achieved a **67.68%** increase in installed RES capacity (power contracted from generators and own generation assets).
- The total energy production from our RES sources was **2,287,189.10 MWh** in 2023 (1,066,312.09 MWh in 2022).
- Our workforce **has increased by 89 people**.
- The use of RES energy has allowed our customers to **avoid 959,522,378.29 kg of greenhouse gas emissions<sup>2)</sup>** (90.46% more than last year).
- We are working with **360 more power generators than a year ago**, from whom we buy green electricity, guarantees of origin and property rights.
- The number of our green energy customers **has increased by nearly 130%** (2047 in 2022 vs. **4658 in 2023**).
- Together with EDF – the world’s leading nuclear power plant operator – we are developing nuclear power projects in Poland based on SMR technology

Increase in installed RES capacity<sup>3)</sup>



## AWARDS AND DISTINCTIONS

Our work is gaining wider recognition, as evidenced by the granted awards and distinctions:

- WNP Awards 2023** – for spectacular success in the competitive Polish renewable energy market and for opening up opportunities for others to participate in the green transformation of the economy.
- Platinum Megawatts** – for the highest activity in the Guarantees of Origin Register in 2021, 2022 and 2023
- Ranking of Green Initiatives** – Zwartowo farm – largest photovoltaic farm in Central and Eastern Europe
- Employer of Poland** – for maintaining and even increasing employment in extremely difficult business conditions, as well as offering flexible and effective employment terms.
- Rzeczpospolita 500** – in 2022 and 2023 we were ranked 47th on the list of the five hundred largest Polish companies
- ESG Visionary** – award in the ESG Innovators competition for an innovative approach to the investment land search process (in particular for Renewable Energy Sources) for ‘Promised Land’
- White ESG Leaf from the Polityka weekly** – in 2024 Respect Energy Holding was among the awarded companies



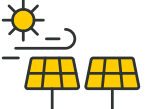

A very important recognition is the special award for CEO Sebastian Jabłoński at the 21st edition of the EY Entrepreneur of The Year competition for his „ambitious and momentum-driven actions in a strategic industry.” The competition promotes the best entrepreneurs who are making a significant impact on the lives of their local communities, their country and the whole world.

2) Avoided emissions resulting from generation volume (780,941,396.20 CO<sub>2</sub> emission reductions) and off-take volume (959,365,684.50 CO<sub>2</sub> emission reductions).  
 3) According to the volume at the end of the reported periods (December of the respective year) was compared



## RESPECT ENERGY IN POLAND AND WORLDWIDE

Respect Energy is one of the largest independent players in the electricity market in Poland. 5.7% of the solar power (PV) and 6% of the wind power (EW) produced in Poland in 2023 will be energy sold by Respect Energy.

RES source	Energy sold (MWh)	RES energy generated in Poland (MWh)	Our share in the Polish RES market (%) in 2023	Our share in the Polish RES market (%) in 2022
 Photovoltaic power plant (PV)	756 099.27	13 208 789.00	5.7%	3.1%
 Wind power plant (EW)	1 324 911.11	22 116 265.00	6.0%	3.8%



18

number of energy exchanges<sup>4)</sup>, on which Respect Energy operates



283

number of employees<sup>5)</sup> Respect Energy Group<sup>6)</sup>



142

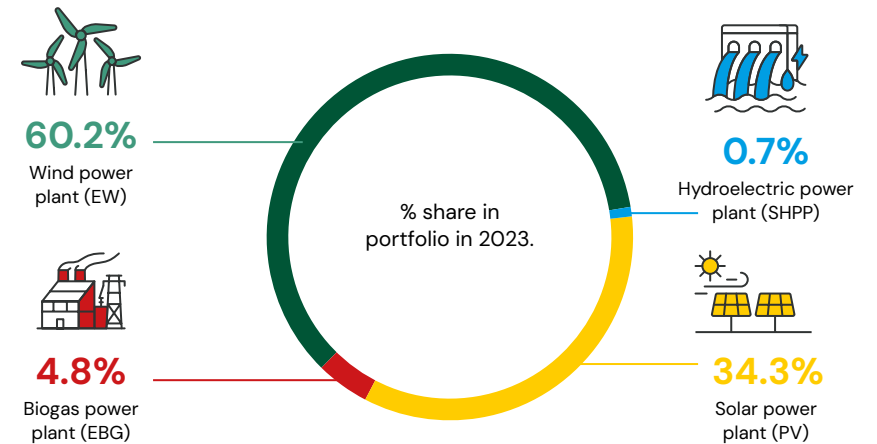
number of employees of the lead company Respect Energy Holding S.A.

4) According to the regulations in force, wholesale energy trading, i.e. buying and selling, takes place via energy exchanges.

5) Number on the last day of the reporting year 2023

6) Hereinafter also the Group or Respect Energy

## % SHARE IN PORTFOLIO IN 2023



We work with green energy producers, from whom we purchase green energy (EE), guarantees of origin (GP) and property rights (PM), distributing them to consumers – small, medium and large enterprises.

- **1 260 664.50 MWh (663 202.4 MWh in 2022) of energy supplied to 4658 energy consumers**
- **2 286 868.70 MWh energy received from 980 generators**
- **Over 19,000 – active energy supply points (PPE)**

## RESPECT ENERGY IN POLAND AND WORLDWIDE

Respect Energy S.A. is present in 27 energy markets (as of August 2024).

These are: Poland, Czech Republic, Slovakia, Italy, Hungary, Austria, Switzerland, Germany, France, United Kingdom, Belgium, Latvia, the Netherlands, Ireland, Serbia, Bulgaria, Croatia, Montenegro, Denmark, Sweden, Finland, Norway, Iceland, Romania, Greece, Slovenia and Spain.

The Respect Energy Group is a leader in the Polish energy market and is present in 27 countries via 18 energy and financial instrument exchanges.

The Group is not only growing by adding new services to its offering, but also by expanding its core business operations (Trading – operations on energy and financial instrument exchanges, Origination – purchase of green energy from RES producers, Retail – supply of green energy to B2B end customers) to other countries. Since 2023, the Group has been developing its activities in the German market through the Origination and Retail channels. It is also gradually expanding the range of services offered in connection with the company's development on the Polish market.

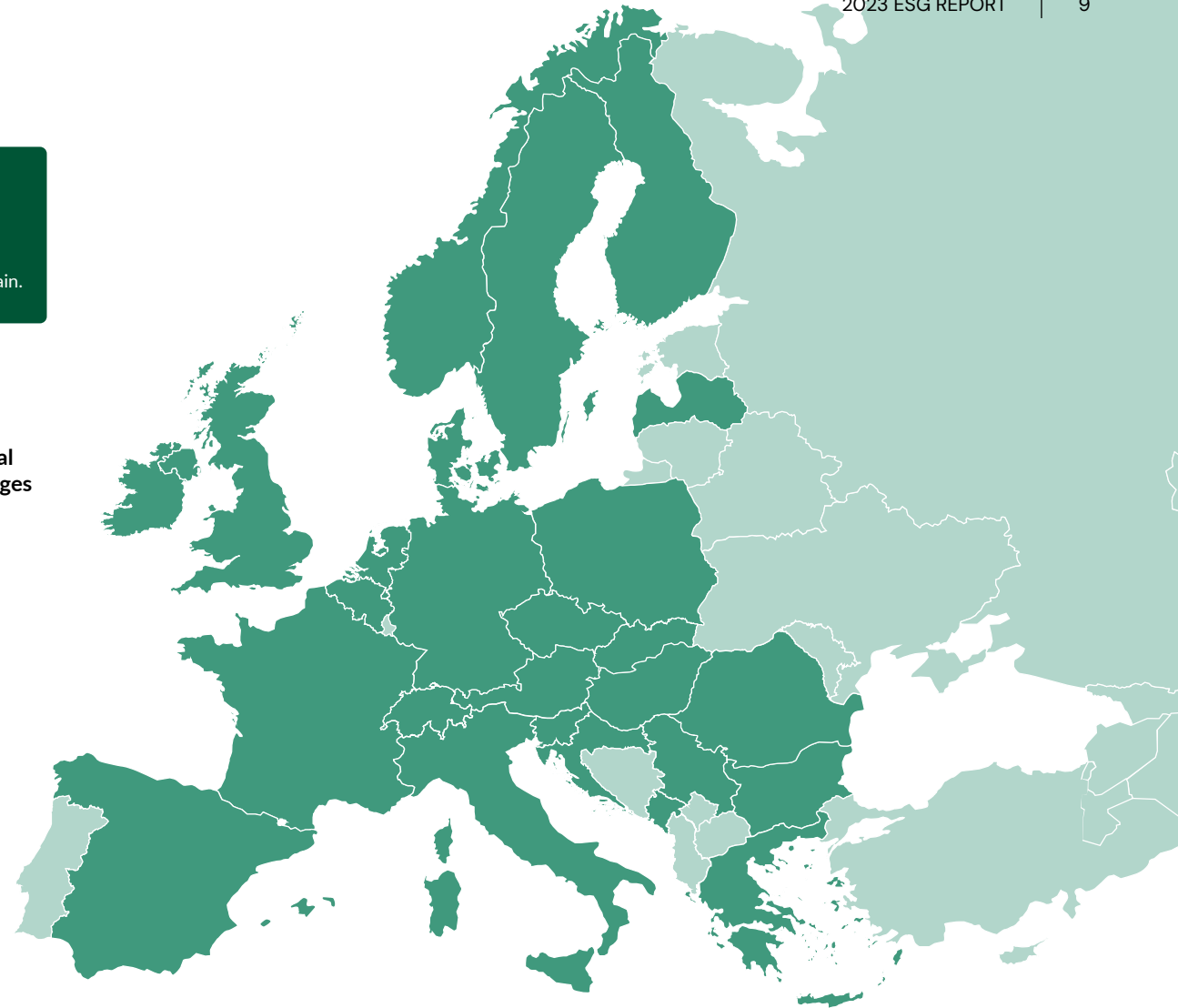
When choosing international expansion directions, there is a strong emphasis on growth potential, bringing innovative solutions to the market and promoting the green energy transition. Following the launch in the German market, the Group plans to expand into other countries. France, Italy, Spain and the UK will be the Group's focus in the coming years.

**18**  
energy and financial  
instrument exchanges

**27**  
countries

**Expansion of  
core business  
operations**

**Trading  
Origination  
Retail**



## BUSINESS MODEL AND OUR OFFER

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Our business model is oriented towards combating climate change and caring for the environment. The energy we offer comes exclusively from renewable energy sources (RES).

### SHARE OF RES SOURCES IN OUR PORTFOLIO



60.2%

Wind power plant (EW)



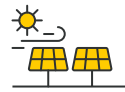
0.7%

Hydroelectric power plant (MEW)



4.8%

Biogas power plant (EBG)



34.3%

Solar power plant (PV)

Part of the energy is generated in our own wind and photovoltaic power plants. We own the largest photovoltaic farm in Central and Eastern Europe in Zwartowo and wind farms in Wicko, Jędrzychowice and Zgorzelec. From 2024, a wind power plant in Sierpc and photovoltaic plants in Drzeńsk, Wiązownia and Objezierz will be added to our investment portfolio. We also buy renewable energy from Partners, RES generators from all over Poland.



## RESPECT ENERGY IS A STRONG, ECONOMICALLY STABLE, MODERN AND INNOVATIVE CAPITAL GROUP

Our values help us to achieve our vision and business goals:





## RESPECT ENERGY GROUP VALUE CREATION MODEL

### TYPES OF CAPITAL WE USE

#### Natural capital

- Current state of the climate
- Renewable energy sources: sun, wind, water, biomass
- Electricity
- Land
- Raw materials needed to manufacture key components, machinery and equipment (including steel, aluminium, silicon, lithium, copper)

#### Financial and operating capital

- Wind, solar, hydroelectric, biogas power plant installations
- Transmission networks
- Vehicles and special equipment
- Company buildings and IT infrastructure

#### Human and intellectual capital

- 283 employees
- Unique expertise and excellent market knowledge
- Europe's best team of meteorologists, analysts and traders

#### Relational and social capital

##### CUSTOMERS

- energy consumers and generators
- companies using our management services related to RES power plants
- companies using our comprehensive turnkey services for renewable energy installations
- participants in the financial markets for guarantees of origin

##### BUSINESS PARTNERS

- distribution and transmission system operators, general contractors and construction companies
- lessees
- suppliers of components and transport services
- other product and service providers

##### LOCAL COMMUNITIES AND SOCIAL PARTNERS

- residents of the local communities where our investments are located
- local authorities and local opinion leaders
- organisations of which we are members

### BUSINESS MODEL



#### RETAIL

- Sale of green energy from over 980 generators to businesses
- Purchase of green energy from renewable generation sources
- Trade in guarantees of origin
- Over 48 000 active supply points
- More than 4,600 B2B customers

#### INVESTMENTS

- Own photovoltaic and wind farms
- Development of large-scale photovoltaic projects from the stage of acquiring land/property rights to obtaining building permit
- EPC (Engineering, Procurement, Construction) contractor for photovoltaic power plants
- Maintenance services for photovoltaic farms

#### ARBITRAGE

- Electricity transmission between markets
- International arbitrage between national markets
- Team of analysts and traders
- 99% of transactions are secure back-to-back deals

### RESULTS AND STAKEHOLDER VALUE

#### Natural capital

- Development of the market of renewable energy sources
- 19 568, 197 MW of installed RES capacity
- 2,286,868.70 MWh of renewable energy generated

#### Financial and operating capital

- 372 PV installations (including 295 micro-installations)
- 13 wind power installations

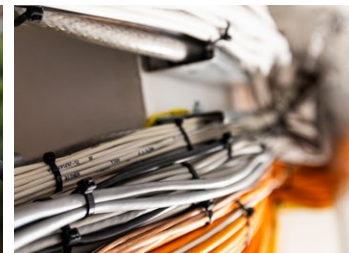
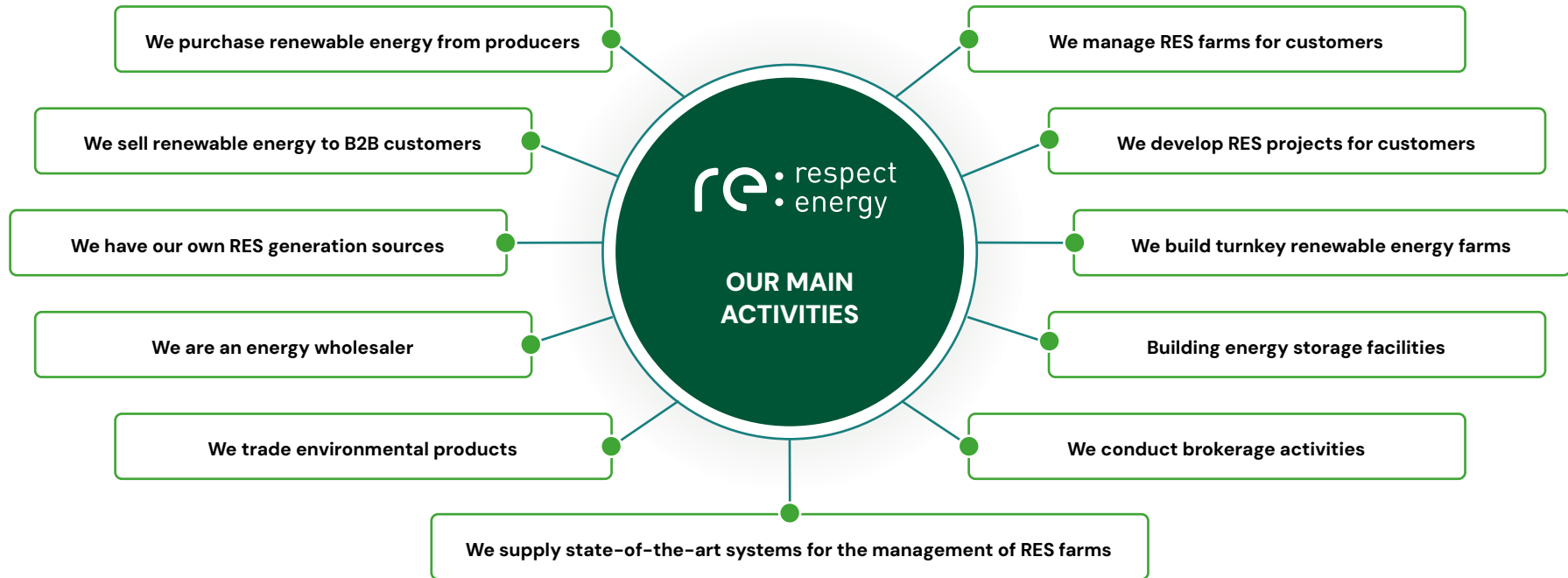
#### Human and intellectual capital

- more than 90% increase in employment vs. 2022
- 24 training hours per employee on average
- development of innovative solutions for the sector such as RE:Schedule, RePoweric or Promised Land.

#### Relational and social capital

- 4,658 energy consumers
- 980 producers we work with
- Active participation in industry organisations and sharing of expertise,
- development of the RES market in Poland and awareness of the importance of energy transition issues

# OUR MAIN ACTIVITIES



## OUR MAIN ACTIVITIES

### WE PURCHASE RENEWABLE ENERGY FROM PRODUCERS

- We buy energy from all types of RES power plants offering different settlement models, tailored to the preferences and capabilities of our partners.
- In addition to participation in the auction system, we offer prosumers, owners of photovoltaic farms, wind farms and hydroelectric power plants a possibility to enter into **cPPAs** (Corporate Power Purchase Agreements), which are concluded directly between the consumer and the distributor.  
**cPPA** – is a model contract which gives the customer price stability and individually tailored terms. In turn, it provides the generator or investor with a source of financing for the project. This is because PPAs, being long-term electricity sales contracts, guarantee stable cash flows and make it much easier to obtain financing for RES projects. For consumers, especially large IT and industrial players, signing a PPA means **reducing the risk of exposure to electricity price volatility**.
- We also provide balancing services when we receive energy that is supplied to the grid prior to obtaining a license. Once licensed, we distribute this energy as our own to customers.

### WE ARE AN ENERGY WHOLESALER

- Our wholesale business relies on advanced big data analytics and artificial intelligence systems to collect and process data on fundamental market factors affecting supply and demand.
- Respect Energy Holding's data collection and processing system (including weather data, power plant availability, cross-border flows, fossil fuel supply and demand data) is successfully used in 24 international markets.

### WE SELL RENEWABLE ENERGY TO B2B CUSTOMERS

This is possible thanks to our sales representatives, who cooperate on an ongoing basis with our customers – consumers of energy. Our offer is addressed to both large and medium and small companies. In day-to-day dealings with large customers we are supported by the Key Account department and the Tendering department is involved in their acquisition. We always try to tailor our offer to the expectations of our customers by proposing renewable energy:

- with a fixed price,
- on a SPOT basis (price dependent on quotations on the energy exchange),
- in tranches,
- in a spot and tranche offer.

### WE HAVE OUR OWN RES GENERATION SOURCES

We own photovoltaic and wind farms in Poland with a total capacity (264 MW) and have plans to expand our own generation portfolio. We are among the first Polish companies to use an innovative method of combining solar and wind energy infrastructure in large-scale investments. Our photovoltaic farms are being equipped with new solutions to improve the efficiency of cooperation between AC-DC power distribution networks in the Polish market.

### WE TRADE ENVIRONMENTAL PRODUCTS

- Respect Energy trades property rights from certificates of origin and guarantees of origin on the Polish Power Exchange (POLPX) and in the OTC market.
- Property rights arise from certificates of origin obtained from:
  - electricity generation from renewable energy sources (green certificates)
  - electricity generation from agricultural biogas plants (blue certificates)
  - production and supply of agricultural biogas to the distribution network (brown certificates)
  - the energy effect achieved by companies investing in energy-saving solutions (white certificates)



## OUR MAIN ACTIVITIES

### WE MANAGE RES FARMS FOR CUSTOMERS

We provide supervision and coordination of all processes taking place at RES power plants. We support customers already at the stage of the investment process starting with the connection of the source to the grid and the conclusion of the necessary O&M contracts for the maintenance of the power plant. We control the work in progress at the facilities, maintain relations with all parties associated with the project, fulfil the reporting obligations imposed on the company and carry out billing.

### WE DEVELOP RES PROJECTS FOR CUSTOMERS

We begin the development process by verifying the site against the requirements of solar and wind power plants. Once we have secured leases for the land to be used for project development, we work with environmentalists, designers and authorities to obtain the administrative decisions and permits necessary for the project, as well as with distribution and transmission network operators to connect the power plants to the grid. We hand over projects which obtain a building permit to RE Solar Wind which carries out the construction process.

### WE BUILD TURNKEY RENEWABLE ENERGY FARMS

We offer comprehensive turnkey construction of RES installations. We provide general contractor services and management of the construction process from the moment of development and approval of the optimum execution concept, through the procurement of key components, logistics and implementation up to energization of the installation and obtaining the necessary permits and licences.

### WE SUPPLY STATE-OF-THE-ART SYSTEMS FOR THE MANAGEMENT OF RES FARMS

We offer customers comprehensive IT solutions based on the latest AI developments to increase efficiency, reduce costs and provide comprehensive control of renewable energy resources such as the RePoweric platform.

### WE BUILD ENERGY STORAGE FACILITIES

We offer energy storage solutions based on LFP (LiFePO4) lithium ferrophosphate cell technology offering a high level of operational safety and a long cycle life.

### WE CONDUCT BROKERAGE ACTIVITIES

Our Brokerage (Towarowy Dom Maklerski) provides market access services to customers.



## CUSTOMER CARE

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In order to provide the highest quality of products and services, we offer our customers tailor-made green energy solutions for companies at attractive prices. We support the sustainable development of Polish companies and together with them strive to reduce CO<sub>2</sub> emissions.

Our customers can take advantage of various forms of energy purchase (tranches, fixed price or SPOT<sup>7)</sup>) and sign a contract for up to 15 years. This means that generators can have a guaranteed income until 2040.

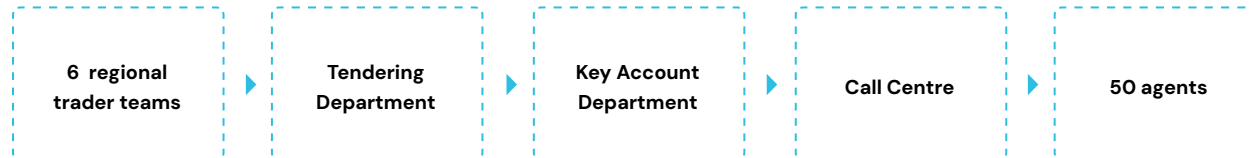
- We respond to customer needs and simplify all contracting procedures. With powers of attorney granted to us, we can take care of all formalities related to changing energy supplier.
- Our trader teams are present in 6 regions. Each trader receives necessary training in energy market.
- We also provide customers with opportunities to expand and improve their knowledge by participating in workshops or webinars.

The Trading Department is supported by the Tendering Department, the Key Account Department, employees of the Call Centre and the back office team. We also work with 88 agents, who are not employees of our company and whose task is to acquire customers.

We are constantly striving to adapt our offer to the needs of the market and our customers.

Our unique advantages include:

- 100% renewable energy
- Fixed price guarantee
- Comprehensive agreements e.g. including charging stations for company cars
- Reactive power compensation service
- Highly professional sales team
- Possibility to sign a contract via SMS/on-line
- Reverse factoring option for generators who need a payment guarantee.



7) SPOT - price dependent on quotations on a commodity exchange.

### OUR GUIDING PRINCIPLE

**Customer satisfaction is crucial to us so we make every effort to ensure that our professional and ethical standards are of the highest level.**

**We treat our first meeting with each customer as an opportunity to get to know each other, present our offer in detail and explain market specifics. For this reason, our traders are not authorised to sign contracts at the first meeting with the customer.**

**We want to ensure that proper standards are maintained in this regard, and we require our sales staff to adhere to these standards.**





LETTER FROM THE CHAIRMAN

STRATEGY

ABOUT US

**ENVIRONMENT**

CONTRIBUTION TO CLIMATE PROTECTION

BIODIVERSITY

WASTE AND THE CIRCULAR ECONOMY

SOCIETY

GOVERNANCE



# E – ENVIRONMENT

**RESPECT RULES – MAIN DIRECTIONS OF THE 2024–2027 SUSTAINABILITY STRATEGY:**

AREA	CLIMATE AND ENVIRONMENT			
GOAL	DEVELOPMENT OF SERVICES FOR THE CLIMATE	ZERO-CARBON OWN OPERATIONS	cRESPONSIBLE WASTE MANAGEMENT	TRANSPARENCY ON IMPACTS ON BIODIVERSITY





## CONTRIBUTION TO CLIMATE PROTECTION

3-3, TCFD

We are a generator, offtaker and supplier of electricity from 100% renewable sources. Our aim is to change the modern world and supply sustainable and nature-friendly energy. Environmental protection is embedded in our company's mission as the foundation of our operations.

### OBJECTIVES AND STRATEGIC MEASURES FOR THE IMPLEMENTATION OF THE RESPECT ENERGY GROUP SUSTAINABILITY STRATEGY 2024-2027

#### OBJECTIVE: DEVELOPMENT OF SERVICES FOR THE CLIMATE

- ✓ Grow value of emissions avoided through investments made.
- ✓ Business objectives that at the same time respond to the challenges of sustainable development.

#### OBJECTIVE: ZERO CARBON OPERATIONS

- ✓ Achieve zero-carbon in Scopes 1, 2 and 3 no later than 2050.
- ✓ Reduce Scope 1 and 2 greenhouse gas emissions by 90% by 2030 (Scope 1 and 2).
- ✓ Reduce Scope 3 greenhouse gas emissions by 55% by 2030 (Scope 3).
- ✓ Develop a long-term decarbonisation pathway COVERING Scope 1, 2 and 3 (Scope 1,2 and 3).
- ✓ Monitoring GHG emissions per unit of revenue (GHGe/PLN).

We have our own RES power plants in Poland. We produce and purchase electricity from environmentally friendly sources. At the same time, we are consistently investing in expanding our own RES sources. In Poland we serve about 20 % of the renewable energy market, and have over 19 000 active supply points and thousands of individual and business customers. We cooperate with **more than 990 energy producers in Poland** (approximately 30% more than last year), who monitor the quality of the generated energy on a daily basis.

Through the work of our photovoltaic and wind installations, we generated more than 2,287,189.10 MWh of energy in 2023.

In 2023, our volume of energy trading on energy exchanges was 36,029,646.92 MWh of electricity (32,923,173 MWh in 2022).

As one of the largest producers of renewable energy in the country, we are making a significant contribution to the EU's energy and climate target for Poland.

## REAL CLIMATE BENEFITS


By working with Respect Energy and using the renewable energy we provide, our customers have avoided significant greenhouse gas emissions, thereby reducing their climate impact.

Greenhouse gas emissions avoided by our customers – RES energy consumers and generators we work with:

Customer category	CO <sub>2</sub> emission reduction [kg]
CONSUMERS (CO <sub>2</sub> emissions avoided)	993 403 626.00
GENERATORS (CO <sub>2</sub> emissions)	808 648 909.60



RES generators who are our customers have avoided **1.8 million tonnes<sup>8)</sup> of CO<sub>2</sub>**

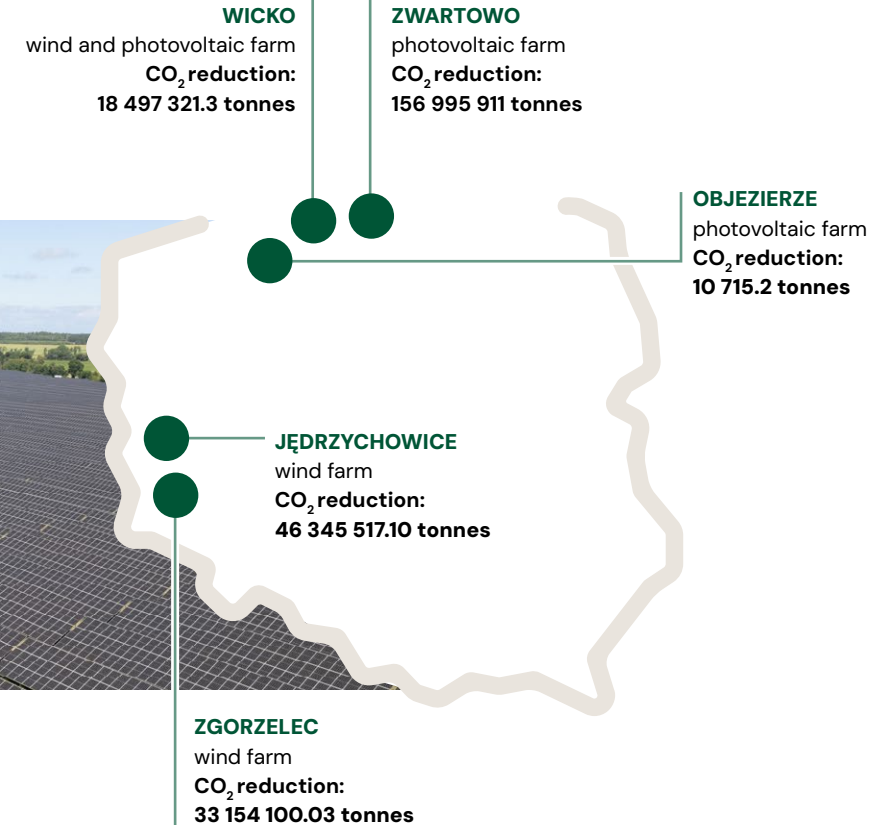


To compare, Poland's emissions in 2023 were **154m tonnes of CO<sub>2</sub>** (emissions covered by the EU ETS including the aviation sector)

Customer category	CO <sub>2</sub> emission reduction [kg]
GENERATORS <sup>9)</sup>	1 802 052 535.60

8) In the adopted method for estimating avoided greenhouse gas emissions of energy generators, the emission factor for electricity produced using the combustion of fossil fuels is 761 kg CO<sub>2</sub>/MWh  
 9) Emission factor for electricity produced by fuel combustion installations = 761 kg CO<sub>2</sub>/MWh

## EMISSIONS AVOIDED IN 2023 THROUGH OUR RES INSTALLATIONS



## DEVELOPMENT OF PRODUCTS AND SERVICES FOR THE CLIMATE

TCFD

One of our Group companies is SolarWind, which specialises in the comprehensive design and construction of solar and wind power plants, photovoltaic installations and energy storage systems. The company offers EPC (engineering, procurement, construction) model of cooperation and provides comprehensive advice and execution services for energy projects.

EPC stands for Engineering, Procurement and Construction. EPC projects and services are often referred to as ‚turnkey‘ projects.

- EPC involves support for the customer from the stage of requirements analysis, through design and selection of appropriate technologies, to system implementation and maintenance. Solar Wind supports investors at every stage of their projects.
- Once the investment has been completed, the company provides monitoring and maintenance services to ensure optimum performance and long-term reliability. Regular inspections and maintenance of the systems guarantee seamless operation to the highest standards.

In 2023, we mainly executed photovoltaic farm projects. The total generating capacity of the investments completed by Solar Wind in 2023 is 14 MW. The company also offers energy storage to customers.

## ENERGY STORAGE – EFFICIENCY AND CUTTING-EDGE SOLUTIONS

The portfolio of products offered by SolarWind, a member of the Respect Energy Group, includes energy storage solutions. Such solutions are critical as they can make the country’s entire energy system far better prepared for the use of RES energy.

The energy storage units make use of the lithium iron phosphate technology (LiFePO4 ) which offers high level of operational safety and long cycle life.

### Our portfolio includes three types of energy storage units:

**Homepack** – this is a storage unit with the smallest capacity of 5.32 kWh. The operating temperature range for this storage is 0°C to 50°C for charging and -10°C to 50°C for discharging. It is for indoor use and has an IP20 rating.



**Cabinet** – this is an energy storage unit with a capacity above 373 kWh and is equipped with an efficient water cooling system. Designed to operate in extreme conditions, it can be used in a temperature range of -20°C to 55°C and has a high IP55 rating which means it remains trouble-free even in the most demanding conditions.

**Container** – with a capacity in excess of 3.44 MWh, this model offers advanced functions for both cooling and water heating, maintaining optimum operating conditions in the temperature range from -20°C to 55°C. With the IP54 protection class, it guarantees high reliability and safe use.

The energy storages are equipped with a safety BMS which guarantees that optimum operating conditions such as voltage, temperature and charge/discharge energy are maintained at all times. The system protects against overvoltage and imbalance, which, together with the fire protection system, ensures complete safety and reliability of use. In addition, it is worth mentioning that the Container-type energy storage units provide both for heating and cooling, so that they can operate over a wide temperature range.

LFP technology is one of the latest developments in the lithium-ion cell field today. The use of an LFP cathode in a lithium-ion cell enables a reduction in the price of the cell, while increasing the chemical and thermal stability of the systems. It is also extremely important that this solution increases operational safety and makes it possible to eliminate some of the critical elements such as nickel and cobalt.

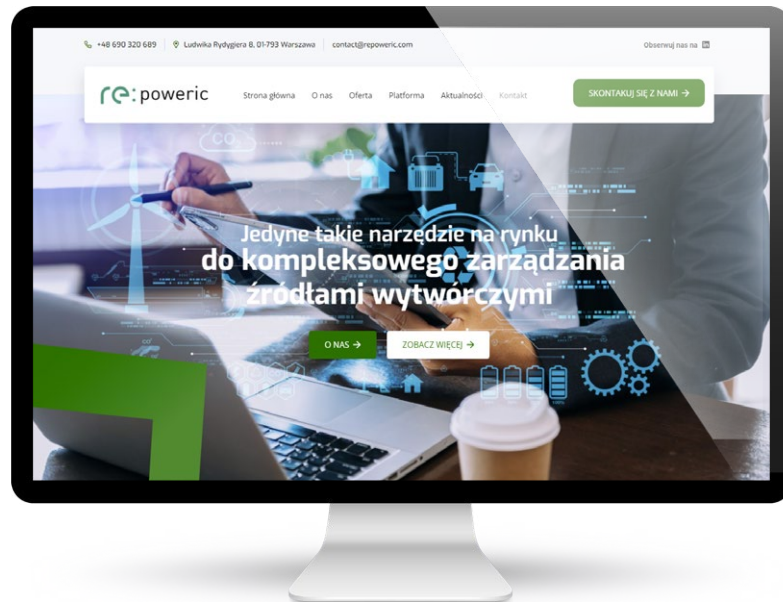


## REPOWERIC

If our power plant is to be profitable, we need to optimise the amount of energy generated. To do this, we must first of all continuously monitor the changing conditions, including both weather and prices, and react appropriately. There are software systems on the market that can make it easier and RePoweric is one example of such a system.

The RePoweric platform is a comprehensive solution to increase efficiency, reduce costs and provide overall control over renewable energy resources. The incorporated Smart Schedule system provides for energy production optimisation against weather conditions and market energy prices.

In addition, RePoweric's software also includes a range of solutions for managing energy storage and multiple generation sources. It is a comprehensive software that allows any generator to significantly increase the profitability of their photovoltaic farm or any other type of RES power plant.



3-3

## THE PROMISED LAND PLATFORM

The Promised Land platform can be used to examine a site in terms of geographical, environmental and social criteria. It enables remote analysis of a site with high accuracy due to the data available in the tool, thus reducing the carbon footprint of the company or the project itself. "Promised Land" is a geospatial IT platform which offers a possibility of an automated assessment of the potential sites for investment, taking into account environmental parameters such as, for instance, distance from national parks and Natura 2000 areas. In this way, investments can be made in areas where their impact on biodiversity is responsibly assessed already at the stage of choosing the location.

Our "Promised Land" Project was awarded in the "ESG Innovator" competition by the jury members and the Executive Board of the Polish ESG Association. We were appreciated for our innovative approach to the process of finding land for investment.

The "ESG Innovator" competition promotes best practices in ESG, CSR and sustainability. It aims to recognise projects that positively impact the environment, employee and community wellbeing and improve transparency and corporate governance in organisations.





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## ENERGY CONSUMPTION AND REDUCTION OF OWN EMISSIONS

302-1, 302-4, TCFD

Reducing the emissions associated with our own operations is one of our environmental strategic priorities. We have plans to develop a long-term decarbonisation pathway towards achieving zero-carbon in Scopes 1, 2 and 3. At the same time, we have set targets to reduce our direct and indirect emissions by 2030.

We will consistently increase the use of renewable energy in our total energy mix. We are also optimising our energy consumption and plan to integrate supplier emission reduction targets more strongly into our procurement strategy and supplier assessment.

### More environmentally friendly transport

- We have planned to replace our car fleet with more ecological vehicles.
- We bought our first electric cars in 2022 and more in 2023.
- Currently<sup>10)</sup> one-third of our car fleet is made up of electric vehicles.
- Additionally, we will keep promoting the use of ecological means of transport among our employees (bicycles, city transit systems, railway, walking).

## ENERGY CONSUMPTION

We are committed to optimising the energy efficiency of our own operations. Decisions such as moving to a modern low-carbon office building are a consequence of our approach to prioritising the reduction of greenhouse gas emissions in all aspects of our business.

The non-renewable energy reported above is due to the fact that it was not possible to switch to renewable energy in the buildings rented by Respect Energy S.A. in 2023. Therefore, the company's Management Board has decided to offset the energy consumed by purchasing Guarantees of Origin. At the same time, we are investing in solutions such as the installation of photovoltaic panels on the roof of our Grudziądz branch. The 28.8 kW installation produced approximately 40,281 MWh of energy in 2023.

10) As at 31 December, 2023.

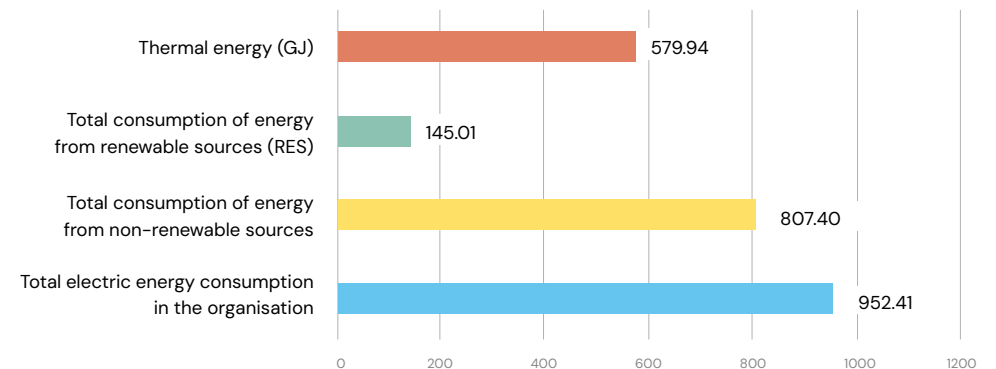
302-1

Energy consumption of the Respect Energy Group (GJ)

	2023	2022
Total energy consumption in the organisation, including:	952.41204 GJ 264.5589 MWh	1214.265 GJ / 337.2958 MWh
Total consumption of energy from non-renewable sources	807.40044 GJ 224.2779 MWh	1164.811 GJ 323.5586 MWh
Total consumption of energy from renewable sources	145.01 GJ 40.281 MWh	45.454 GJ / 12.6261 MWh

The data above refer to all the types of energy used by us i.e. electricity and heat.

Energy consumption in 2023 (GJ)



## MODERN OFFICE BUILDING TO REDUCE ENVIRONMENTAL FOOTPRINT AND PROVIDE COMFORTABLE WORKING ENVIRONMENT

Due to the rapid growth of our company in 2023 and the desire to move to a more modern, larger and greener building, the decision was made to relocate the company’s headquarters. In the first half of 2024, part of the company moved to North Gate. Ultimately, all Warsaw-based units will work there.



The main focus of the design and construction of the new office space was to use the most natural and recyclable solutions possible. For this reason, only environmentally-friendly paints were used, all flooring materials were made from recycled old floors, the wall cladding in some rooms and the acoustic panels used for soundproofing were made from recycled PET bottles. Most of the office furniture has EPDs or Green Cards. The DALI lighting system used in the office allows the light intensity to be adjusted to suit the external conditions and the lighting is controlled automatically: it is switched off when you leave the room. Water filters have been installed in the kitchen and coffee rooms to completely eliminate the purchase of water in plastic bottles. The North Gate building has a BREEAM Excellent certificate.

## AI FOR ENERGY EFFICIENCY

Our business operations are supported by artificial intelligence (AI). In the early stages, we used AI in the wholesale market to make accurate market forecasts. These allowed us to use resources more efficiently and make more accurate and more profitable investments. Since 2023, we have been using AI algorithms to coordinate energy consumption and production. By using the right digital tools, our customers can coordinate their energy consumption and production. Our plans include further use of AI so that we can even better anticipate market changes and make more informed decisions.

305-1, 305-2, 305-3, TCFD

Respect Energy Holding’s gross greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalent CO<sub>2</sub> (tCO<sub>2</sub>e)

Gross greenhouse gas emissions in tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)	2022 <sup>1)</sup>	2023	Y/Y difference
Scope 1	185.03	271.01	↑ 86 tonnes CO <sub>2</sub> e
Scope 2 (location-based)	63.29	58.59	↓ 4.7 tonnes CO <sub>2</sub> e
Scope 2 (market-based)	63.29	58.59	↓ 4.7 tonnes CO <sub>2</sub> e
Scope 3	275.43	101.72	↓ 173 tonnes CO <sub>2</sub> e
Scope 1 + 2 + 3 (location-based)	523.75	431.32	↓ 92.43 tonnes CO <sub>2</sub> e
Scope 1 + 2 + 3 (market-based)	523.75	431.32	↓ 92.43 tonnes CO <sub>2</sub> e

1) Base year

## GREENHOUSE GAS EMISSIONS

We calculated our carbon footprint for the first time in 2022 and analysed it again last year. We did this for all three GHG Protocol scopes. We are now comparing the resulting figures to 2022, which has become our baseline year for measuring actions to reduce our carbon footprint.

We present Respect Energy Holding’s emissions in tonnes of carbon dioxide equivalent. 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.



### METHODOLOGY

In Scope 1 (Scope 1 GHG Protocol), we included the combustion of fuels in mobile sources, i.e. traditional and hybrid cars under the control of Respect Energy. The company did not use fuels in its processes or for heating or cooling.

Scope 2 GHG Protocol indirect emissions 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 for individual electricity suppliers that take into account differences in the energy mix of energy suppliers and the purchase of Guarantees of

Origin for electricity. Scope 2 includes emissions from the electricity and thermal energy used.

The conventional energy figure in the data summary is due to the lack of opportunity to switch to renewable energy in buildings rented by Respect Energy Holding in 2023. Therefore, the company's Management Board decided to offset the Scope 2 emissions by purchasing the Guarantees of Origin. Only the company's own building in Grudziądz uses green energy produced from its own PV installation.

Under Scope 3 (Scope 3 GHG Protocol), we have included emissions from business travel (including hotel stays), employee commuting, remote working, consumed materials (paper) and water, as well as emissions from managing a fleet of business vehicles (leased vehicles for B2B).



Sources of emission indicators used in the calculations with full names and links (for publicly available data):

- for transport, water and wastewater and assets under management – vehicles, paper purchased, business travel, overnight stays and staff commuting, the DEFRA 2023 database (UK Government Department for Environment, Food and Rural Affairs) was used. DEFRA databases are available at: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting> (indicators to be updated annually).
- for overnight stays in countries whose indicators are not reported in Defra 2023, the following calculator was used: <https://blocicarbon.com/hotel-stay-calculator>
- the average emission factor for electricity in Poland was calculated on the basis of the data contained in the following document: <https://www.kobize.pl/pl/fileCategory/id/28/wskazniki-emisyjnosci>. KOBIZE publikacja w roku 2023, dane za rok 2022. (most recent available data). The indicator has been converted to comply with GHG Protocol requirements. (indicator to be updated annually).
- emission indicator for electricity in the market-based method was obtained directly from the energy supplier, from the 'Fuel breakdown' document.





## BIODIVERSITY

3-3, 304-1, 304-2

We analyse the environmental impact of our activities well beyond the mere issue of the climate impact of RES. Climate change is inextricably linked to the health of ecosystems, and biodiversity is a value in itself. We therefore want our direct impact on biodiversity to be as neutral as possible. At the same time, we strive to support initiatives and collaborations to improve our own knowledge and the knowledge of our business partners about the relationships and interdependencies of biodiversity and business operations.

The innovative IT tool “Promised Land” that we have developed enables an automated assessment of the potential land for investment, taking into account parameters intended to limit the impact on biodiversity.

Promised Land is a software that allows the selection of the most favourable sites for RES projects. One of the parameters that are used when choosing investment locations is the lowest natural value. The focus is on the weakest agricultural soils away from forest and wetland areas. Such areas are often a burden for farmers. Their cultivation is unprofitable, the set-aside land becomes spontaneously overgrown with weeds and pioneer trees. For such land, if it is far from large cities, there are three possible solutions: 1. intensive fertilisation and an attempt at further cultivation at the expense of nitrogen compounds pollution, 2. planned afforestation, unfortunately not practised on the required scale 3. use for RES projects. The use of such land for RES projects most often results in its restoration or creation of new ecosystems. Work is underway to ensure that assessments carried out with the help of “Promised Land” take greater account of the impact on biodiversity.

In accordance with our principles, we do not locate Respect Energy installations within or in close proximity to nature conservation areas.

We choose only the lowest grade land (Class 4–6 for PV and even lower for WF)) for the location of wind and photovoltaic farms.

We have appointed special wildlife, dendrological and archaeological supervision teams which take care of the environment and biodiversity during our investments.

### OUR GUIDING PRINCIPLE:

**We exercise due diligence in every business decision, taking into account its impact on the environment. We always adopt the precautionary approach contained in Principle 15 of the Rio Declaration and, as soon as any concern arises about the environmental impact of an activity, we put it on hold until the issue is fully resolved. This approach ensures that our activities do not have a negative impact on the environment. We consider actions that lead to deliberate degradation of the environment as serious misconduct and a gross breach of employee obligations.**





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## EXPERT SUPERVISION AT THE IMPLEMENTATION STAGE OF OUR INVESTMENTS



### THE WILDLIFE SUPERVISION TEAM

is responsible for overseeing construction work and conducting it in such a way that it is possible to continue 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 in investment areas. The team's task is to carry out the entire administrative procedure with the Conservation Officer, to determine the plan of archaeological works, including their supervision, until release of the site from conservation protection.

Solutions implemented on the basis of recommendations from nature and wildlife experts include detailed cultivation programmes with the selection of pasture and meadow sward species and the cultivation technology, selection of meadow composition for the duration of the construction project and the mix of species for undersowing meadows after completion of the works, guidelines for the reclamation of areas between photovoltaic panels and a plan for mowing meadows in the area of our installations, taking into account the local bird population.

## SOLUTIONS USED ON OUR FARMS FOR THE PROTECTION OF BIODIVERSITY

- The sound level of wind turbines, according to environmental decisions, does not exceed 104 dB.
- The rotor blades are marked in red for good visibility and safety.
- Systematic technical inspections (in accordance with the construction law) of the turbines is carried out – once a year and every 5 years a building inspection covering the blades and the entire energy infrastructure.
- The equipment used must have up-to-date technical tests, which is regularly checked.
- Any mowing on the photovoltaic farms is carried out after 1 August, always in an appropriate manner to minimise the risk to small animals including birds.
- The panels have an anti-reflective coating so that birds in flight are not blinded.
- A fence with a minimum of 10cm clearance from ground level was used to allow small animals including amphibians to move through the farm grounds.



## BUSINESS GUIDE – MANAGING IMPACT ON BIODIVERSITY



One of our activities aimed at promoting good practices in biodiversity conservation is our involvement in the development of a pioneering publication entitled. “Nature and Business: Navigating Risks and Opportunities in a Changing Landscape”. The publication is an initiative of Respect Energy in collaboration with Deloitte and external partners such as WWF, Global Nature Fund and UNEP/GRID Warsaw. It is the first publication to analyse the impact of business on biodiversity.

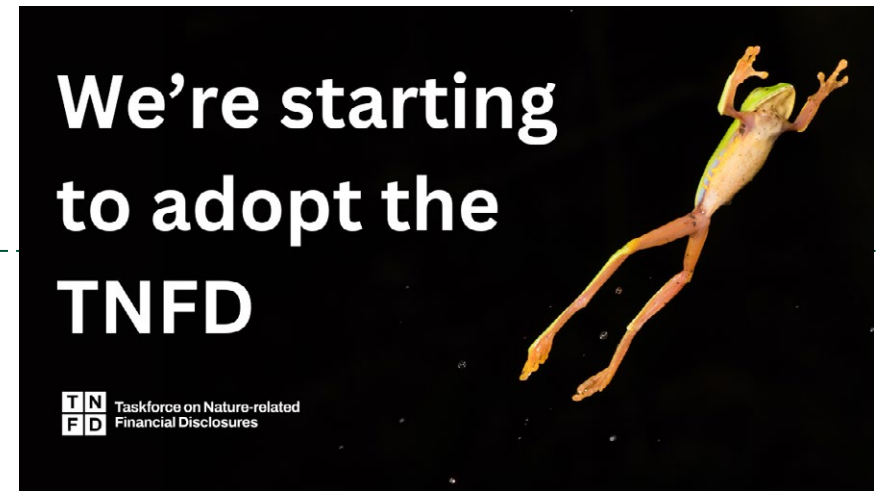
The publication is a unique guidance tool for an informed discussion on the importance of biodiversity to the global economy. It describes what steps need to be taken to effectively and efficiently protect the environment based on the TNFD guidelines<sup>12)</sup>. It includes expert texts on the subject matter, examples of good practices and company surveys. The work on the publication included a survey and interviews with 90 companies, representing 11 economic sectors from Poland, Europe and the rest of the world regarding the level of environmental topics integration into their business activities.

Upon the launch of the report a discussion with experts was held. An important highlight was the presentation and summary of the report’s conclusions. Respect Energy actively participated in that event. Respect Energy CEO Sebastian Jabłoński took part in a panel discussion on biodiversity, climate change, business and finance sector practices and experiences.

We are proud to be able to build eco-awareness among entrepreneurs all over Poland as we believe that educating the market in this area is a necessity.

**NATURE AND BUSINESS: NAVIGATING RISKS AND OPPORTUNITIES IN A CHANGING LANDSCAPE**

12) TNFD – guidance of the Task Force on Nature-related Financial Disclosures; <https://tnfd.global/>



A very important step supporting our commitment to biodiversity was to volunteer as TNFD Early Adopter by contacting the Taskforce on Nature-related Financial Disclosures (TNFD), an international initiative with a global reach to help organisations carry out risk assessment and manage environmental impact. In doing so, we pledged to publicly report on our environmental impact in line with these guidelines in 2026.





## WASTE AND THE CIRCULAR ECONOMY

3-3, 306-1, 306-2

We manage waste in an integrated and responsible way, aiming to minimise the volume of waste, maximise recycling and promote sustainable practices throughout the value chain. We make sure already at the stage of contract signing, that the subcontractors we work with are obliged to follow the same principles with regard to waste generated both during the construction and subsequent operation of the farms. Our subcontractors are entered in the BDO register (part of the Database on Products and Packaging and Waste Management) and keep records of their waste. The very registration in BDO is a confirmation of proper disposal of part of the waste. The BDO information is later forwarded to PSZOK, which takes over components for utilisation.

In the case of wind farms, waste such as oil and lubricants used in gearboxes, bearings and other turbine components are classified as hazardous waste due to their potentially harmful effects on the environment. Therefore, their disposal is carefully controlled and includes collection, storage, transport, treatment (recycling or recovery), and final disposal. All of this is done in accordance with hazardous waste regulations to minimise the impact on the environment.

In our contracts with the owners of land leased for photovoltaic or wind projects, we include provisions confirming our responsibility for the installations after the end of their life cycle.


## RES MARKET IN POLAND

The market for renewable energy sources (RES) was growing in Poland, just like elsewhere in the world. However, it has also faced many obstacles that have hampered its development.

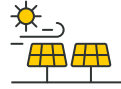
ENERGY INDUSTRY IN POLAND

- Out of the total electricity generating capacity of more than 67 GW, 29.3 GW is renewable<sup>13)</sup>.
- RES accounted for 44% of the Polish energy mix for electricity generation in March 2024<sup>14)</sup>.
- In 2022, Poland was the second EU economy with the highest emissions per GDP after Bulgaria<sup>15)</sup>.
- In terms of emissions per capita, Poland ranked 5th in the EU at the time.
- In terms of total emissions in 2022, Poland ranked 4th in the EU with 406 m TCO<sub>2</sub>.


GREATEST PROGRESS




At the end of March 2024, Poland's installed RES capacity had increased by 5.3 GW compared to March 2023<sup>16)</sup>.



Poland's RES are mainly PV. In mid-2024, 18.6 GW of photovoltaic generation capacity was installed<sup>17)</sup>.



Onshore wind farms accounted for 10.2 GW of Poland's installed RES capacity<sup>18)</sup>.

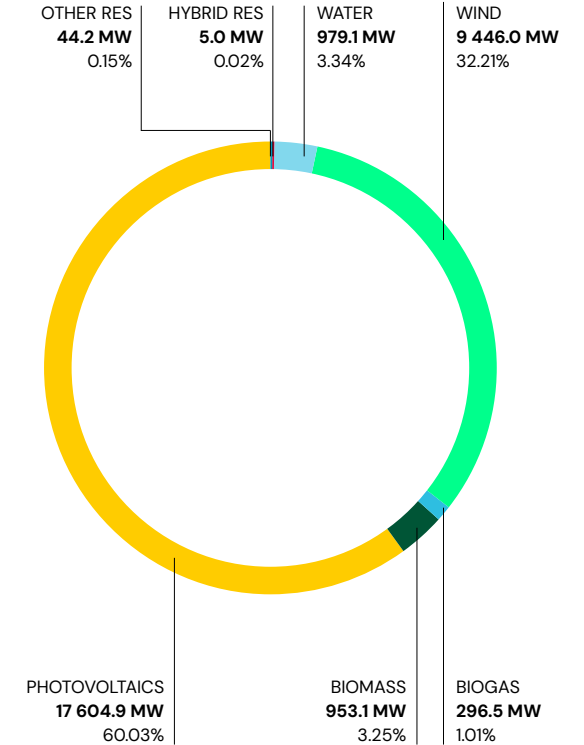


In addition, Poland had 0.9 GW installed in hydroelectric power plants, almost 0.3 GW in biogas plants, almost 1 GW in biomass power plants.

CHALLENGES FOR RES DEVELOPMENT

- Lack of distribution and transmission networks.
- No energy storage facilities.
- Unfavourable legislation.
- The vast majority of conventional energy sources in Poland are based on coal – the most emission-intensive fossil fuel.
- Poland may soon run out of generating capacity<sup>19)</sup>.

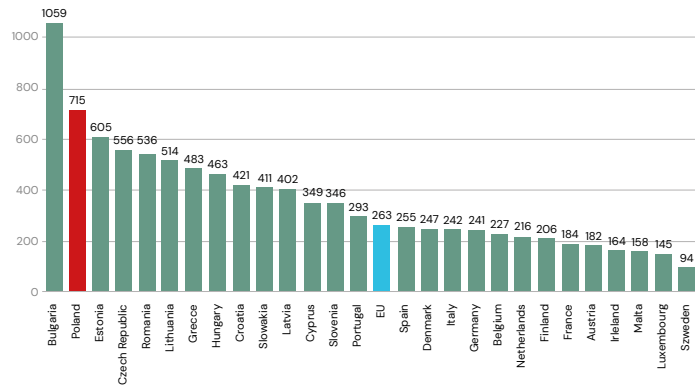
Structure of RES in Poland (03.2024) <sup>20)</sup>



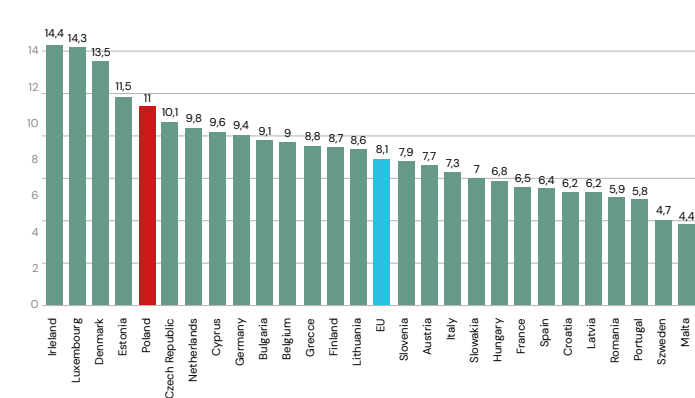
13) Source: <https://www.rynekelektryczny.pl/moc-zainstalowana-oze-w-polsce/>  
 14) Source: <https://www.rynekelektryczny.pl/moc-zainstalowana-oze-w-polsce/>  
 15) Status at the end of 03.2024, Source: <https://notesfrompoland.com/2024/04/17/poland-has-eus-second-highest-emissions-in-relation-to-size-of-economy/>  
 16) Source: <https://www.rynekelektryczny.pl/moc-zainstalowana-oze-w-polsce/>  
 17) Data provided by Polskie Sieci Elektroenergetyczne, as at the end of June 2024.  
 18) As at 2 June 2024, source: [https://x.com/pse\\_pl/status/1801143329096355882](https://x.com/pse_pl/status/1801143329096355882)  
 19) Source: <https://www.parkiet.com/energetyka/art40016391-pse-plan-sieci-zdradza-braki-mocy-w-systemie>  
 20) Status at the end of March 2024. Source: <https://www.rynekelektryczny.pl/moc-zainstalowana-oze-w-polsce/>



Greenhouse gas emissions per million euros of GDP in tonnes of CO<sub>2</sub> equivalent



Greenhouse gas emissions per capita in tonnes of CO<sub>2</sub> equivalent



Despite the major challenges facing the Polish economy in its transition to a more climate- and environment-friendly economy, we made good progress in 2023. The reduction of greenhouse gas emissions in Poland accounted for a quarter of the total reductions achieved by the European Union as a whole<sup>21)</sup>. In comparison, GHG emissions in Germany (including sectors not covered by the EU ETS) fell by around 10% in 2023<sup>22)</sup>. At the same time, emissions per capita place us behind Germany and the Netherlands in the emissions ranking and this is a significant difference compared to the 2022 data.

- Poland's emissions totalled 154 million tonnes of CO<sub>2</sub> in 2023 (emissions covered by the EU ETS including the aviation sector).
- This is nearly 17% less than the year before and the main decline was reported in the energy sector. The increase in renewable energy production contributed significantly to this.
- European Union emissions from electricity generation fell by 24% in 2023 compared to the previous year. This decrease is due to a rise in electricity generation from renewable sources (mainly wind and solar)<sup>23)</sup>.
- In Poland, the largest decreases in emissions in the period under review were recorded in the energy sector: power plants (-23%) and district heating plants (-16%)<sup>24)</sup>.
- Renewable energy already accounts for half of electricity generation across the EU and the share of fossil fuel combustion has fallen to 27%<sup>25)</sup>.

## THE ENERGY MIX OF POLAND COMPARED TO OTHER COUNTRIES

### POLAND

Poland's original energy mix poses one of the greatest challenges to achieving the goals of further decarbonisation of the Polish economy. Poland still has as much as 51%<sup>26)</sup> of lignite and hard coal in its mix. At the end of 2023, the share of RES in the Polish energy mix was 43 % and in March 2024 already 44%.

### CZECH REPUBLIC

**The Czechs generate 6.4% of their energy from RES** (mainly photovoltaics), 50.7% from fossil fuels (including 44.6% from coal) and as much as 42.8% from nuclear energy.

### GERMANY

In Germany, more than half of the energy sources (**52%**) are RES, almost 26% are coal and lignite, 15.6% are gas and 7.2% accounts for nuclear energy.

### FRANCE

**18% of the French energy mix is RES.** As much as 65%<sup>27)</sup> is based on nuclear power. The challenge for the French nuclear infrastructure is its age and the requirement for urgent and costly modernisation. Only 7%<sup>28)</sup> of the French mix is based on fossil fuels. France has ambitious plans to develop RES.

### UK

**51% of the UK's energy sources are RES,** the majority of which is wind (38.1%). Additionally, 10.2% of the UK's energy is generated from fossil fuels, 16.1% is nuclear energy and 6.4% accounts for energy from biomass.

21) Source: <https://businessinsider.com.pl/gospodarka/drastyczny-spadek-emisji-co2-w-polsce-unia-moze-sie-od-nas-uczyc/zb951wk>

22) Source: [https://kobize.pl/uploads/materialy/materialy\\_do\\_pobrania/raport\\_co2/2024/KOBIZE\\_Analiza\\_rynku\\_CO2\\_kwiecie%C5%84\\_2024.pdf](https://kobize.pl/uploads/materialy/materialy_do_pobrania/raport_co2/2024/KOBIZE_Analiza_rynku_CO2_kwiecie%C5%84_2024.pdf)

23) Source: KOBIZE report: [https://kobize.pl/uploads/materialy/materialy\\_do\\_pobrania/raport\\_co2/2024/KOBIZE\\_Analiza\\_rynku\\_CO2\\_kwiecie%C5%84\\_2024.pdf](https://kobize.pl/uploads/materialy/materialy_do_pobrania/raport_co2/2024/KOBIZE_Analiza_rynku_CO2_kwiecie%C5%84_2024.pdf)

24) Source: KOBIZE report: [https://kobize.pl/uploads/materialy/materialy\\_do\\_pobrania/raport\\_co2/2024/KOBIZE\\_Analiza\\_rynku\\_CO2\\_kwiecie%C5%84\\_2024.pdf](https://kobize.pl/uploads/materialy/materialy_do_pobrania/raport_co2/2024/KOBIZE_Analiza_rynku_CO2_kwiecie%C5%84_2024.pdf)

25) Source: <https://wysokienapiecie.pl/102982-wiatr-i-slonce-wyprzedzily-wegiel-i-gaz-w-produkcji-pradu-w-ue/>

26) Source: <https://www.cleanenergywire.org/factsheets/germanys-energy-consumption-and-power-mix-charts>

27) Status for 2023

28) Source: <https://financialpost.com/pmn/business-pmn/france-balks-at-eu-renewable-goals-backs-sovereign-energy-mix>

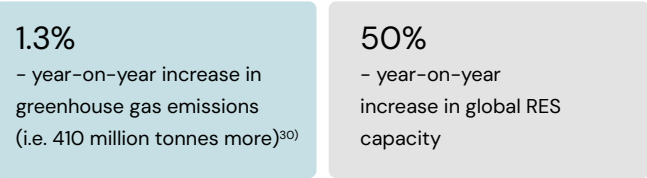
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## RES MARKET IS GROWING, BUT IT IS A DROP IN THE OCEAN OF NEEDS

The share of RES in the Polish energy mix has increased by almost 6% year on year while the global RES capacity has gone up by 50% over the same period of time<sup>29)</sup>. In 2022, the total RES capacity was 295 GW, one year later nearly 510 GW. This was the largest increase ever, with China adding the most new renewable capacity. At the same time, China saw the largest increase in carbon emissions.

The biggest challenge for RES at the moment is the **lack of transmission and distribution networks**. As a result, the Energy Regulatory Office rejects applications for connection because there is no physical room to add new installations. The year 2023 in Poland saw **a record-high number of decisions refusing connection** of new RES installations. The Energy Regulatory Office (ERO) issued such decisions for 84 GW of new installations (60% more than in 2022).

### THE WORLD IN 2023



The pace of RES development in Poland has also been significantly slowed down by the complete obstruction of new onshore wind energy investments through the amendment of the so-called **10H Act** (otherwise known as the Distance Act), ordering investors to keep turbines at a distance of 700 m rather than 500 m from residential buildings. This meant that land-use decisions or environmental approvals had to be obtained again for already planned investments.



The use of **cable pooling**, i.e. sharing the grid connection capacity could help. This possibility is provided for in the Polish Energy Law, however, there are no implementing regulations. As a result, the practical application of this solution is limited. One can imagine photovoltaic and wind power installations of the same owner using a common grid infrastructure, as they often produce energy at different times, but this is not happening Energy Regulatory Office refuses to approve such connections.

Another problem is the lack of flexibility in the Polish energy system. Poland has virtually no **large-scale energy storage facilities** to store RES energy when energy consumers are unable to use it. At the end of 2023, Poland had 110 MW in domestic energy storage and 130 MW in industrial storage. This is a drop in the ocean of needs.

29) Data according to International Energy Agency, source: <https://www.teraz-srodowisko.pl/aktualnosci/OZE-COP-cel-potrojenie-mocy-czy-mozliwe-IEA-dane-prognozy-14492.html>

30) Source: <https://www.teraz-srodowisko.pl/aktualnosci/emisje-w-2023-r-urosl-ale-wolniej-niz-rok-wczesniej-nowy-raport-iea-14726.html>

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## POLAND MAY FAIL TO MEET EU AND GLOBAL CLIMATE TARGETS

Poland is a country that is not fully exploiting the potential for RES development due to insufficient legislation and delays in grid development. Without overcoming the abovementioned barriers, it will be difficult to accelerate the development of the industry. Poland is still waiting for the amendment of two key documents setting the goals for the national energy transition<sup>31)</sup>:

- National Energy and Climate Plan (NECP)
- Poland’s Energy Policy until 2040 (PEP2040).

These documents will set Poland’s emission reduction targets to which we have committed both in Europe under the New Green Deal and internationally under the 2015 Paris Agreement, which aims to reduce greenhouse gas emissions to net zero by 2050.

The EU’s target is that Poland, as well as other countries in the community, should reduce emissions by 55% by 2030, compared to their 1990 level, as part of the Fit for 55 package.

This requires changes in the chain of economic, technological and investment processes. The necessary investments will take time and money, some of which we have already received from the EU, for example, under the National Reconstruction Plan or the Just Transition Fund, but additional funding from our own resources and loans will also be needed. The longer the Polish economy is burdened with fossil fuels, especially coal, the longer energy prices for consumers will be among the highest in Europe, and the profitability and competitiveness of our companies will decline under the current EU Climate Policy.



31) As at 31 July, 2024.

## EXPERT COMMENTARY



**Sebastian Jabłoński,**  
President of Respect Energy Holding S.A.

*In order to transform the Polish energy system towards RES, we need significant changes in regulation and legislation. In addition to liberalising the turbine law and reducing the distance from 700 metres to 500 metres – which we have been debating for a long time – we also need regulations to facilitate the introduction of direct lines and the development of energy storage facilities. Incentivising consumers through tariffs so that they feel the benefits of using green energy also remains crucial.*

*Poland’s energy transition – despite the challenges and long-term delays resulting in a slower growth of decarbonisation – has a chance to be successful thanks to the technologies of the future: renewable energy sources and energy storage. The increasing availability of these solutions means that their implementation in the current Polish reality is safer and cheaper than it was still a decade ago.*

*The projected change and growing demand for energy means that we are now facing a choice: should we satisfy the demand by importing fuels or by developing the renewable sector? The answer is and should be obvious. The green transition remains the only way to ensure the stable economic development of Poland and Europe.*



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ABOUT REPORT



RESPECT RULES - MAIN DIRECTIONS OF THE 2024-2027 SUSTAINABILITY STRATEGY:

AREA	EMPLOYEES	CUSTOMERS	KNOWLEDGE AND INNOVATION	LOCAL COMMUNITIES
GOAL	ATTRACTIVE WORKPLACE AND STRONG CORPORATE CULTURE	CUSTOMER SERVICE QUALITY EXCELLENCE	KNOWLEDGE SHARING AND GROWTH OF INNOVATION	GOOD RELATIONS FOR SUSTAINABLE DEVELOPMENT



## THERE IS A FUTURE IN WHAT WE DO

3-3, 2-7, 2-8

Respect Energy is a company that is growing rapidly. As the business grows, we are also increasing our headcount, expanding our team to include more market-recognised RES experts and specialists. With a strategy as ambitious as ours, a careful approach to strengthening the foundations of workplace management is essential. We are committed to ensuring that employees value their contribution to the energy transformation and want to be part of this process right here on the Respect Energy team.

### OBJECTIVES AND STRATEGIC MEASURES FOR THE IMPLEMENTATION OF THE RESPECT ENERGY GROUP SUSTAINABILITY STRATEGY 2024-2027

#### OBJECTIVE: ATTRACTIVE WORKPLACE AND A STRONG CORPORATE CULTURE

- ✓ High job satisfaction rate – at least 80%.
- ✓ Ensure attractive working conditions confirmed by a high Employer Value Proposition (EVP) score.
- ✓ Implement a formal diversity policy with outcomes backed up by high employee ratings.
- ✓ Attract ambitious employees, develop people’s talents potential through, among other things, the introduction of a talent management process and satisfactory results of an employee retention survey.
- ✓ Promote Respect Energy’s values to managers and employees.

Our workplace is characterised by clear and fair rules. We value employees’ opinions and take their needs seriously. We provide opportunities to learn from mistakes and have an “open door” policy. We want employees to share their ideas, propose innovative solutions and engage with the company.

At the same time, we expect compliance with our company’s rules of conduct, which we have clearly set out in our Code of Ethics, ESG Policy and other internal Group regulations that are regularly updated. These include, among other things, work regulations, remote work rules, election of employee representatives, remuneration and the award of bonuses, regulations for employee hiring and terminating and an anti-mobbing policy.

Examples of solutions we have implemented to increase the efficiency of workplace management:

- implementation of a culture of giving feedback and providing related training,
- implementation of Calamari work time and absence recording and approval system,
- describing HR processes on the company intranet and providing related training for employees/ associates.

Goals for 2024:

- implementation of an employee development management system, offering new management and language training,
- expanding the onboarding process with a view to higher effectiveness of the new employee induction,
- implementation of the performance management system<sup>32)</sup> for all employees eligible for annual bonus, job descriptions and grading,
- implementation of the EVP (Employee Value Proposition) system identifying the main elements of our unique offer for employees.

2-7, 2-8

At the end of 2023, there were 289 employees in the Respect Energy Holding Group, including 147 in Respect Energy S.A.. The vast majority were employed under full-time employment contracts. In addition, we use the services of various professionals (including IT specialists, software developers and analysts) who work for us under commission or B2B contracts. At the end of 2023, there were 184 of them.

*Number of Respect Energy Group S.A. employees by gender and age (employment contracts, as at the last day of the reporting period).*

Respect Energy Group	2023
<b>Group employees with employment contracts</b>	<b>289</b>
Women	154
Men	135
Under 30 years	81
30-50 years	179
Over 50 years of	29

*Number of Respect Energy S.A. employees with employment contracts by gender*

Respect Energy S.A.	2022	2023
<b>Respect Energy S.A.' employees with employment contracts</b>	<b>151</b>	<b>147</b>
Women	80	73
Men	71	74

*Employees of Respect Energy Group with employment contracts in 2023 in the Group, by contract type*

Respect Energy Group	
<b>Employees with indefinite-term employment contracts</b>	<b>231</b>
Women	127
Men	104
<b>Employees with fixed-term employment contracts</b>	<b>58</b>
Women	27
Men	31
<b>Full-time employees</b>	<b>279</b>
Women	154
Men	131
<b>Part-time employees<sup>33)</sup></b>	<b>4</b>
Women	0
Men	4

32) This system is used to set individual and team goals in line with the company's strategic objectives, regular review and evaluate progress and support the development of employees' knowledge and skills.

33) Persons who do not have full-time positions in other companies



## DEVELOPMENT AND INCENTIVE PROGRAMMES AT RESPECT ENERGY

3-3, 404-1, 404-2, 404-3

We meet the expectations of our employees and offer them training tailored to their needs and responsibilities. We want our staff members to have unrestricted opportunities for development and we believe that by creating such conditions for them, we increase their chances of remaining in the company.

404-1

*Average number of training hours per year per employee at Respect Group Energy by gender and job category*

Average number of training hours (h)	2023
Women	15.22
Men	26.24
Senior management	35.33
Middle management	42.68
Specialists	17.01
Other employees	18.44



In 2023, we created a special position dedicated to the professional development of employees. The task of the person occupying the position is to optimise the training system to make it even more responsive to employee needs. To date, the training model has involved sending employees on external training courses (according to their preferences), within the limits of the training budget at the disposal of the department. We are currently working on new solutions to replace the current practice, and ultimately we want to have a year-round training system based on the outcomes of completed training needs surveys.

### THE RESPECT ENERGY LEADERSHIP DEVELOPMENT PROGRAMME

is a 3-module set of classroom managerial training courses aimed at developing soft skills in the area of people management. The programme develops the leader's basic tools in terms of improving communication in the team, dealing with difficult managerial situations, motivating, delegating work and giving constructive feedback. The training series is designed to shape the leadership attitudes promoted in the organisation. It is intended to create a coherent and engaging corporate culture, enhance knowledge, raise awareness and improve practical application of team management methods and tools. Each two-day training module ends with a 4-hour follow-up, which summarises the knowledge and practice gained during the completed module. The content and topics of each module are updated after each session. The programme is attended by managers, both at senior and middle management level, as well as Team Leaders, including those newly promoted.

At Respect Energy, we also carry out a number of other activities and offer various forms of support for employees in improving their competence. Our wide range of activities includes induction and onboarding training, individual language courses, subsidised formal education, external training, an external knowledge sharing initiative for the IT area, internal sales training and external industry training.

404-3

All employees are subject to regular performance appraisals and career reviews. This process is intended to discuss completed tasks, provide feedback and review plans and objectives for the following year. It is also the basis for awarding and paying bonuses.

The basic document defining wages and wage bands for individual positions in the company is the Remuneration Regulations. When drawing up and regularly updating the regulations, we take into account, among other things, reports of companies that study the level of earnings in the market. Our salaries are competitive and are determined on the basis of precise criteria such as the degree of responsibility, competence and experience of employees.



401-2

### WE COMBINE FINANCIAL REMUNERATION WITH AN ATTRACTIVE PACKAGE OF NON-WAGE BENEFITS.

#### THESE INCLUDE:

- private medical care financed in 97% by the company – including the option to purchase medical care packages for family members or life partners at attractive prices;
- access to the MyBenefit platform – all employees, regardless of their employment contract type, receive a top-up worth PLN 1,200 at the end of their trial period which is renewed annually;
- free access to the e-tutor platform for the employee and one family member;
- one large team-building event per year for the whole company;
- Christmas gifts;
- a separate integration budget for each of the company's departments;
- language courses;
- Multisport card;
- possibility of subsidised studies;
- support for interest groups.

In addition to basic remuneration, employees receive bonuses and awards based on performance appraisals and company results. These elements make up the total remuneration, although bonus schemes apply to sales staff and the company's management. In the case of sales staff, the amount of the bonus depends on the acquired contracts, while in the case of the management it is linked to the outcomes of specific company projects.

A significant change in the management process was the introduction of the first employee engagement survey in 2023. We were pleased with both the survey turnout (it was 89%) and the very high score confirming the level of employee job satisfaction (over 80%).



The atmosphere at work and satisfaction with job responsibilities were among the best-rated areas, in addition to diversity which was also highly appreciated.



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## COMFORTABLE WORKING CONDITIONS

At work, we care about relationships but also about comfort. We enjoy our work and want to enjoy coming to our office.

In the new North Gate office building, the space occupied by Respect Energy has been designed to be as welcoming as possible. In order to ensure the best possible working comfort in the new office, all employees are provided with ergonomic workstations, including raised desks to allow working in a standing position, high-class office chairs with multi-point adjustment.



. Physical activity spaces (playroom and gym), a chill zone and a spacious dining area are available to employees. Sports activities take place three times a day in the recreation rooms. In addition, there is a children’s playroom and a room for breastfeeding mothers.



Hobby clubs have been operating in the company since 2024. Employees who would like to organise themselves into groups and do some sport can apply for funding from the company.



## RECRUITMENT AND TURNOVER

We keep improving our recruitment process (for instance, to make sure it does not exclude any social groups), and we provide newly recruited persons with adequate onboarding so that they can learn the specifics of our company’s operations. We have also introduced a referral programme in the recruitment process. Employees who have recommended a candidate for a job receive a one-off bonus with their salary once the candidate has met the programme’s terms and conditions.

**We adhere to the following 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** – they 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.



We also make it easy to start working at Respect Energy. Onboarding at the company always starts with a one-day training in Warsaw. Its regular part is a meeting with a member of the management board, who presents the company, its philosophy and strategy. Employees also learn about the bonus system, benefits, the company's basic rules and receive training in information security and occupational health and safety. From 2024 onwards, information on sustainability and ESG is also a mandatory element of onboarding.

401-1

Total number and percentage of new employees of the Respect Energy Group hired and total number of departures during the reporting period (employees with employment contracts)

	Number of people hired by the Group in 2023	Number of people who left the Group in 2023
Women	75	27
Men	83	39
Under 30 years	48	18
30-50 years	97	41
Over 50 years	13	7

Respect Energy Group turnover rate in 2023 by gender

Women	36%
Men	47%

Methodology: we used the following formula to calculate the turnover rate: the number of employees leaving the company in 2023 divided by the number of employees hired in 2023, multiplied by 100%. We only include in the turnover figures employees working under employment contracts.



## DIVERSITY AND EQUAL OPPORTUNITIES

405-1, 405-2

We strive to provide our diverse workforce with fair and safe working conditions. This is reflected, inter alia, in the provisions of our ESG Policy. We are also bound by the Respect Energy Group Anti-Mobbing and Discrimination Policy. We are committed to inclusivity and supporting people from disadvantaged groups to offer equal opportunities and fully integrate them in their work at Respect Energy.

At the recruitment stage, the most important factor for us is the competence of the people we hire. Any other considerations have no bearing on the performance appraisal process or the policy of promotions to higher positions. Acts of discrimination of any kind are absolutely unacceptable in our company.

- The Respect Energy Group has seven employees with a medically certified disability.
- Two of our employees have a nationality other than Polish.
- In 2023, we did not record a single confirmed case of discrimination, mobbing or sexual harassment or any reports of such misconduct.

Ratio of women's to men's pay by job category in the Respect Energy Group

	Ratio of women's basic pay to men's basic pay by job category	Ratio of women's total pay to men's total pay by job category
MANAGEMENT	1.48	1.40
MIDDLE MANAGEMENT	1.16	0.74
SPECIALISTS	1.08	0.79
OTHER EMPLOYEES	0.96	1.10

Methodology: the data refer only to employees with employment contracts.

EMPLOYMENT STRUCTURE OF THE RESPECT ENERGY GROUP BY GENDER AND AGE (%)

405-1

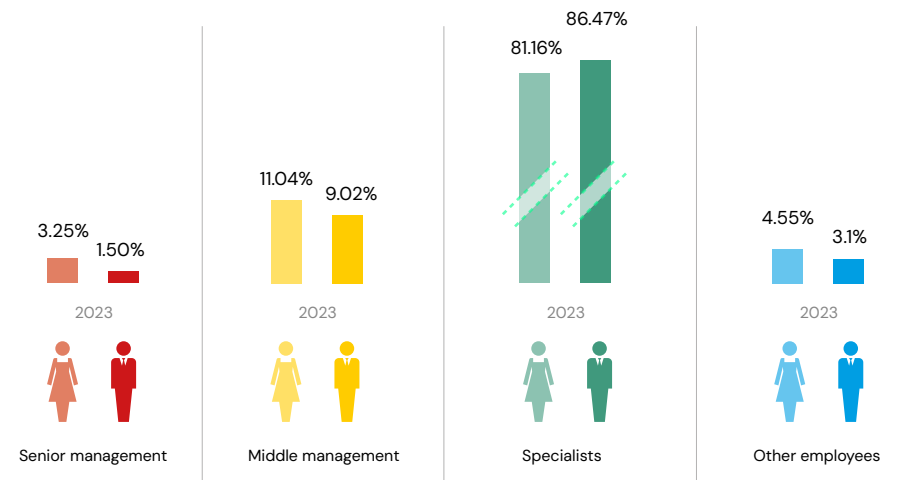
Percentage of Respect Energy Holding S.A. management bodies' members by gender and age<sup>34)</sup>

Respect Energy Holding S.A.	
Women	0
Men	100%
Up to 30 years	0
30-50 years	33.33%
Over 50 years	66.66%

Methodology: Data refer to the status as at the last day of the reporting period (31 December, 2023) and include only employees with employment contracts. Data indicate what % of a given job category is female and what % is male (%).

34) Management bodies, i.e. the Respect Energy Holding S.A. Management Board as at 31 December, 2023. For current Management Board composition click [HERE](#) (tutaj ma być podlinkowane) [HERE](#)

Structure of overall employment in the Group by gender



Methodology: Data refer to the last day of the reporting period (31 December, 2023) and include only employees with employment contracts. Data show which positions are held by women and which by men (%).



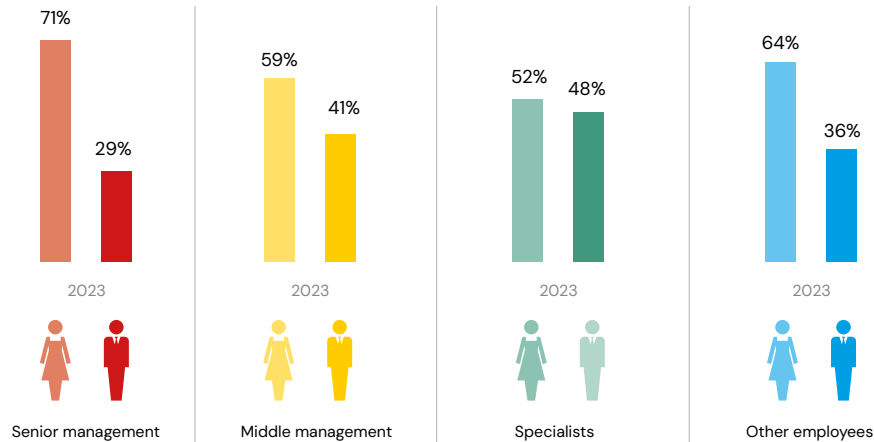
405-1

Number and % of employees from a given age group in each job category

Respect Energy Group	Under 30 years	30-50 years	Over 50 years	TOTAL
Senior management	1	5	1	7 osób
Middle management	2	22	5	29 osób
Specialists	72	149	19	240 osób
Other employees	6	3	2	11 osób

The data refer to the last day of the reporting period (31 December 2023) and include only employees with employment contracts.

Percentage of women and men among employees in each job category



Methodology: Data refer to the status as at the last day of the reporting period (31 December, 2023) and include only employees with employment contracts. Data indicate what % of a given job category is female and what % is male (%).

401-3

Parental leave can be taken by all Respect Energy employees who become entitled to it in accordance with the Polish Labour Code.

Respect Energy Group	Women	Men
Group employees entitled to parental leave	18	17
Employees who have taken parental leave	8	0
Employees who have returned to work after parental leave	6	0

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

Respect Energy Group	Number of employees	Retention rate of employees who have taken parental leave
Women	3	50%
Men	0	-

Methodology: we used the following formula to calculate the indicator: total number of employees in the organisation 12 months after returning from leave/total number of employees who returned from leave during the reported period







## WE CARE ABOUT SAFETY

403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Our company's safety management system is defined by the Respect Energy Group's Occupational Health and Safety Assurance Policy, which describes health and safety risks and hazards. This document applies to all employees and an **Occupational Health and Safety Expert** is responsible for the management of health and safety at work.

- We provide employees with access to information about safety issues on an internal online platform.
- We consider working at Respect Energy as safe, as evidenced by no reported accidents or occupational diseases in 2023.

Employees' health and safety knowledge is periodically refreshed. Certain groups of employees are also covered by the occupational risk protection system. The system we use is based on the Risk Score methodology. According to the system, driving cars weighing up to 3.5 tonnes was identified as the most risky type of work.

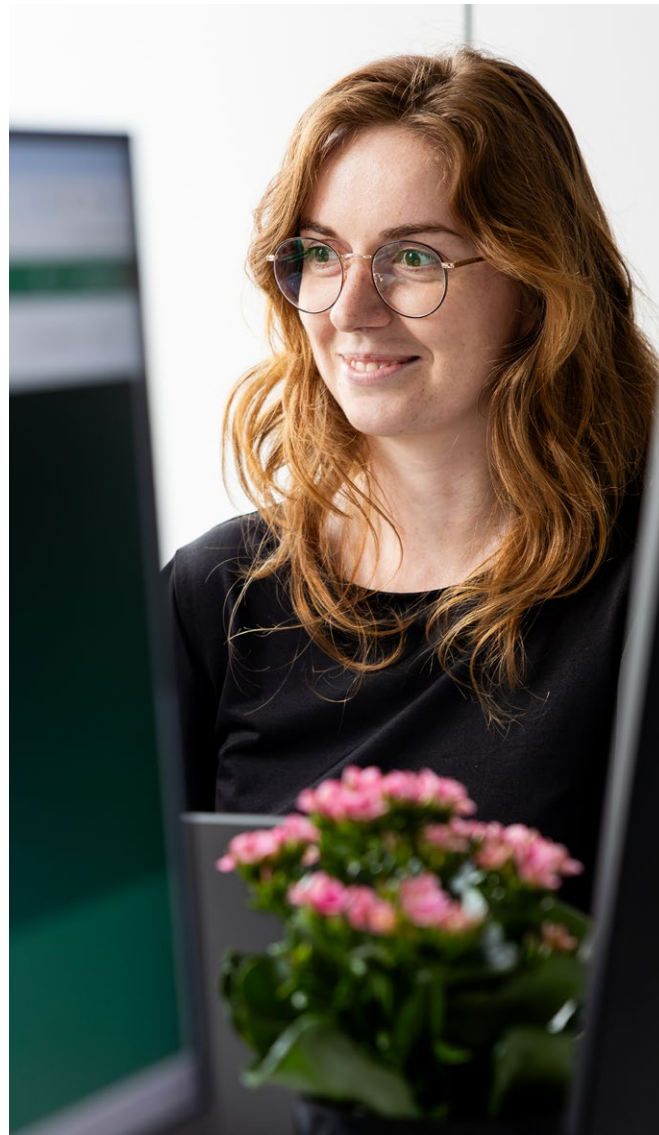
Potentially risky and dangerous situations can be reported directly to the Occupational Health and Safety Expert. All information is analysed and, if necessary, mitigating and preventive measures are introduced. We maintain a register of potentially hazardous situations. No such situations were reported in 2023. Additionally, the company has regulations in place, according to which employees have the right to refuse to do work that endangers their safety. One of the solutions adopted by the company is establishment of a team which investigates the causes and circumstances of accidents and incidents.

The Occupational Health and Safety Expert regularly (every two weeks) discusses with the management the current occupational safety situation and any planned improvements in this area.

The **Occupational Risk Assessment Team** was appointed in 2023. Its members include an employee representative. The team has carried out risk assessments for all workstations.



Every employee starting work in our company is referred for a medical examination. At a later stage of employment, he or she is also referred for regular medical check-ups. Employees are offered additional private medical care packages. Through the **MyBenefit platform**, they can also purchase a MultiSport card, which offers discounts or free of charge use of more than 4,000 sports and fitness facilities in Poland.



## RELATIONSHIPS FOR SUSTAINABILITY – RESPECT ENERGY’S COMMUNITY ENGAGEMENT

3-3, 2-22, Own indicator

Relations with the local community are an important part of our daily work. We are committed not only to ensuring that communities understand and are not afraid of our activities, but also that we ourselves respond to community needs and support sustainability initiatives. At the same time, we make every effort to enhance our knowledge about the opportunities and challenges related to renewable energy sources which are crucial for the fight against climate change. To this end, we share expertise and initiate collaboration projects.

### OBJECTIVES AND STRATEGIC MEASURES FOR THE IMPLEMENTATION OF THE RESPECT ENERGY GROUP SUSTAINABILITY STRATEGY 2024-2027

#### GOOD RELATIONS FOR SUSTAINABLE DEVELOPMENT

- ✓ Implement a policy of dialogue and community engagement.
- ✓ Develop educational programmes for schools on climate change and RES.
- ✓ Launch activities for local communities.
- ✓ Engage local communities in assessing Respect Energy- whether the company is a responsible and trustworthy business/partner.

#### KNOWLEDGE SHARING AND INNOVATION DEVELOPMENT

- ✓ Cooperate with universities on innovation and development of the RES industry.
- ✓ Provide knowledge-based support to existing and prospective customers – sharing expertise.

We are continually expanding our knowledge of RES with this goal in mind we have published an information brochure explaining the issue.

In the area of cooperation with local communities, we decided to implement an educational programme for schools on climate change and RES.

In our view, knowledge in this area is urgently needed, given the poor awareness of the subject among young people and the major environmental challenges we all face.

We realise that members of local communities may have concerns about the presence of new technology in their neighbourhood and about its impact, therefore we see the need for a continuous dialogue and collaboration with communities. In response to this need, we have included in our Strategy the development of a long-term dialogue and community engagement policy. In line with our Strategy document, we are starting work on a new model of consultations with the local community regarding our investments. We want to hold the consultations at the earliest possible stage.

Maintaining good relations with local communities is a very important aspect for us. Our approach is based on several key principles. The most important of them is dialogue and cooperation.

- Through the organisation of information meetings and public consultations, we aim to have an open dialogue with municipal authorities and residents.
- We try to listen to their needs and concerns and provide all the necessary information on construction plans, potential benefits and possible environmental impacts.
- We design all our projects with a view to minimising environmental impact and supporting the sustainability of local communities.
- We hold open consultations with residents where projects are presented and discussed.
- We provide the opportunity for individual consultations via telephone and email.

Our aim is to make sure that our activities, including our investments, are perceived positively by local communities and local authorities and that the work carried out does not in any way have a negative impact on the community members.

In line with our strategy, our aim is to build good relationships. As part of our social engagement, we focus on activities targeting the local communities where our offices or RES farms are located and on projects that are aligned with our company mission.

EXAMPLES OF ACTIVITIES



LOCAL ACTIONS

Support for the villages in which we operate.



SUPPORT FOR EDUCATION

Sponsoring the participation of the Bonzo Team from High School no.1 in Zamość in the World Robot Olympiad – a global competition that is dedicated to science, technology and education with a combination of challenging robotics tournaments. The teams' task was to build robots from Lego Mindstorms elements.



SPORT

The Bronisław Malinowski International Run is the largest running event in Grudziądz. A total of nearly 2,500 participants took part in the event – 500 in the 10-kilometre run and 2,000 children and young people in runs taking place over shorter distances.



Sponsorship of equestrian competitions:

- Cavaliada Warsaw 2023
- Warsaw and Mazovia Show Jumping Championships, organised by the BOBROWY STAW Riding Club Association
- Poland's National Competition and 100th anniversary of Kozienice Stud Farm – „SKARB” Riding Club



ENERGY FOR THE MIND – CHESS

Analytical and strategic thinking, foresight, mathematical ability and patience are just some of the competences that the game of chess develops. These skills are also extremely important for our company. That is why, since 2022 Respect Energy has been involved in supporting the Zamość Chess Club.

Thanks to our support, the association is able to organise and participate in numerous chess

tournaments, as well as reward participants in tournaments. In 2023, 10 tournaments were organised, in addition to the National Chess Conference “Chess in the Life of Man”, which included chess workshops for children under 10 years of age, the Cinematic Chess Photos exhibition, a simultaneous chess exhibition with IM Wtalis Sapis, as well as lectures and talks.

We are proud of the successes of the club's members. In February 2023, Bartosz Ożóg, a young talent supported by the club, won first place in the under-12 group competition in the Grand Finals of the National Eco-logic Chess Tournament, organised by the Recover the Environment Foundation. Supporting the Zamość Chess Club is an investment in the development of young minds who, like our company, strive for excellence.



**Script Fiesta – how does cinema respond to climate catastrophe?**

Script Fiesta is four days of free film screenings, discussion panels and masterclasses, as well as two script competitions: for the best script for a Polish feature film set to premiere in 2023, and for a concept for a TV series.

The jury of the main competition included Nobel Prize winner Olga Tokarczuk, Oscar nominees Jerzy Skolimowski and Maciej Ślesicki, Berlinale winner Małgorzata Szumowska and this year's winner of the Golden Lions and Polityka's Passport, Paweł Maślona. The jury for the screenplay competition, meanwhile, included Juliusz Machulski, Michał Kwieciński and Kalina Alabrudzińska.

One of the special guests at the festival was Philip LaZebnik – an American screenwriter and producer associated with Disney Studios and Dream Works. He became famous as the author of scripts for the most famous animated movies, such as "Pocahontas", "Mulan" or "Prince of Egypt". He also worked on developing the story of the cult "Shrek" movie and collaborated on the "Star Trek" series.



In the photo (from left) Philip LeZebnik and Artur Zaborski, Artistic Director of the Festival

At this year's Script Fiesta, one of the important themes was the climate crisis.

**RESPONSIBLE BRAND STRATEGY**

An important part of our activities is participation in congresses, conferences and trade fairs, both in Poland and abroad. This is an excellent opportunity to present our company and its offering, but also to learn about the expectations of stakeholders, offer our point of view and take part in discussions on global challenges facing the energy market.



We are also well aware of the fact that, due to the scale of our company and its position on the Polish market, we co-create, to a large extent, 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 they are followed by thousands of users. We also have a constant presence in the general and specialised press nationwide. Management Board members and other Respect Energy experts present our company's activities and take part in key discussions and interviews on the future of the energy industry.

Participation in trade fairs and conferences is a very important part of our activities. In 2023, we took part in such events as the EEC Trends, the Re-Source Poland Conference, the Future Energy Congress, the European Economic Congress, the PWEA Conference, the Energy 2023 Serbia, the Property Forum, PRECOP 28, the New Industry 4.0/Toolex Conference, the DeepTech CEE Summit, the Food and Trade Market Forum and the 4 Desing Days.

- 14 trade conferences
- 116,950 participants
- More than 170 hours of panels and speeches featuring Respect Energy experts

**PRECOP 28**

Since 2022, Respect Energy has been one of the main partners of the PRE COP conference. Its aim is to develop Poland's position for the Climate Summits (PRE COP 28 preceded the UN Climate Change Conference 2023 – COP 28 in Dubai). Thanks to more than 30 debates, discussions and events involving more than 1,300 physical participants and 2,500 people online, a document containing the Polish perspective on climate issues was produced and presented at the UN Climate Change Summit COP 28 in the United Arab Emirates.



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# G - GOVERNANCE

## RESPECT RULES - MAIN DIRECTIONS OF THE 2024-2027 SUSTAINABILITY STRATEGY:

AREA	MANAGEMENT	SUPPLY CHAIN
GOAL	PROCESS STANDARDISATION	BUILDING A RESPONSIBLE SUPPLY CHAIN





## CORPORATE GOVERNANCE AND KEY MANAGEMENT ROLES

3-3, 2-23, 2-24, 2-25, TCFD

Compliance with sustainability goals is embedded in our company’s business profile and is at the heart of Respect Energy’s mission. We focus our operations on the challenges of transforming the energy market for climate protection, but our corporate culture is based on a broader understanding of social, ethical and environmental business responsibility.

### OBJECTIVES AND STRATEGIC MEASURES FOR THE IMPLEMENTATION OF THE RESPECT ENERGY GROUP SUSTAINABILITY STRATEGY 2024–2027

#### OBJECTIVE: STANDARDISATION OF PROCESSES

- ✓ Standardise internal processes related to ESG.
- ✓ Strengthen the ESG governance structure.
- ✓ Develop ESG reporting.
- ✓ Develop the ESG risk management process (identification and mitigation).
- ✓ Implement ESG regulatory requirements, including EU Taxonomy

#### OBJECTIVE: BUILDING A RESPONSIBLE SUPPLY CHAIN

- ✓ Review and improve the due diligence process to protect human rights in the supply chain.
- ✓ Introduce screening / qualification system and review suppliers in terms of social and environmental factors.
- ✓ Develop an ESG pathway in procurement processes – transparent and understandable to suppliers.

### THE GROUP’S FUNDAMENTAL DOCUMENTS GOVERNING ESG ISSUES:

- Respect Energy Holding Group Code of Ethics
- Respect Energy Holding Group ESG policy
- Respect Energy Holding Group ESG strategy 2024-2027
- Internal control and audit policy
- Compliance risk management policy
- Anti-mobbing and anti-discrimination policy
- Information security policy
- Safe working environment policy

Respect Energy’s sustainability practices are guided by the UN Sustainable Development Goals (SDGs) and the 10 Principles of the UN Global Compact. We have been a member of the UN Global Compact since 2022.



## MANAGEMENT BOARD OF RESPECT ENERGY S.A.

2-9, 2-10, 2-11, 2-12, 2-13, 2-17, TCFD

The Management Board of Respect Energy Holding S.A. in 2023 consisted of 4 members<sup>35)</sup>: Sebastian Jabłoński (President of Respect Energy S.A.), Tomasz Zadroga (Board Member), Dariusz Bliźniak (Board Member) and Szymon Bliźniak (Board Member).

The Management Board of the Respect Energy Holding Group has changed in 2024. It now consists<sup>36)</sup> of 6 persons and its members are appointed by the owner of the company, who is also the President of the Management Board of Respect Energy Holding S.A. As of 1 May 2024, Dariusz Bliźniak and Szymon Bliźniak were dismissed from the Management Board of Respect Energy Holding and four new persons, Monika Grudzień, Diana Skotnicka, Krzysztof Kuźmiński and Alvis Favara, joined the Management Board. Sebastian Jabłoński (CEO) and Tomasz Zadroga (Chief Investment Officer) continue to serve on the Management Board of Respect Energy Holding.

## SUPERVISORY BOARD

Composition of the Respect Energy Holding Supervisory Board until 31 December, 2023: Arkadiusz Domińczak – Supervisory Board Chairman, Ewa Jabłońska – Supervisory Board Vice Chair and Elżbieta Bliźniak – Supervisory Board member). On 31 December, 2023, the composition of the Respect Energy Holding Supervisory Board changed. Dariusz Bliźniak has been appointed as Chairman. In addition, Lars Josefsson and Arkadiusz Domińczak have become members of the Supervisory Board.

35) The current members were appointed on 31 December 2022. On 8 February 2023, the President of the Management Board of Respect Energy S.A. took up his new position as Chairman of the Management Board of Respect Energy Holding.

36) Status as at the end of May 2024.



### Sebastian Jabłoński (President)

– expert in the field of energy transition and RES development. Started his professional career in 2011 at the Polish Power Exchange (POLPX) and continued at the largest energy companies in Poland and abroad, including Prague and

Hamburg. Principal owner of the Respect Energy Group.

**ESG competence:** knowledge of climate change issues and the RES market.



### Alvis Favara (Chief Commercial Officer)

– came to Respect Energy Holding from Allegro, where he was a management board member. Previously, he managed Amazon's consumables business in Germany and the pan-European retail processes at Amazon's European headquarters.

He was also a partner at McKinsey Switzerland and a researcher at the University of Florence, including research positions in nuclear physics at CERN and CalTech.

**ESG competence:** customer relations, quality of service.



### Tomasz Zadroga (Chief Investment Officer)

– manager with many years of experience in strategic management of companies from various market sectors. Since the beginning of his professional career, he has been actively involved in the work of numerous industry, social and

economic organisations, e.g. as the President of the Polish Electricity Association, a member of the Social Council of the AGH University of Science and Technology and the Chamber of the Natural Gas Industry. He is a member of the global Association of Chartered Certified Accountants, in which he served as Vice-president for Poland.

**ESG competence:** conducting social dialogue



### Monika Grudzień (Chief Operating Officer)

– since 2007 associated with the energy where she built an electricity sales company from scratch. In 2019, she joined Qair Polska S.A., where she was responsible for building asset management structures, overseeing O&M and electricity

sales contracts and building relationships with tenants and local communities. As a Board Member, she oversaw the Asset Management Department, the Grid Dispatch Department, the Electricity Trading Department and the Wind Farms and Photovoltaic Service Company.

**ESG competence:** corporate governance and HR issues.



### Diana Skotnicka (Chief Financial Officer)

– as Head of Controlling, she is responsible for streamlining liquidity management processes and developing business models for the Group and individual business lines. In her previous career, she worked in financial auditing and financial and

business controlling as Finance and Controlling Manager at Orange. As Head of Controlling at Burda International Poland, she was responsible, among other things, for the implementation of post-merger synergies and the digitalisation of organisational processes.

**ESG competence:** reporting non-financial data and managing ESG risks.



### Krzysztof Kuźmicki (Chief Trading Officer)

– prior to joining Respect Energy, he was an Oilseeds Trader at Louis Dreyfus Commodities for nearly five years, where he gained valuable experience in agricultural commodities trading. He is a graduate of ESCP Business School, with

a degree in finance from the Faculty of International Economics at Poznań University of Economics.

**ESG competence:** building solutions to support ESG management and reporting.

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## ESG GOVERNANCE MODEL

2-12, 2-13, 2-14, 2-16, 2-18, TCFD

The main roles and responsibilities in the area of sustainability are defined by the ESG Policy of the Respect Energy Holding Group, adopted in the first half of 2024. According to it, decisions on ESG strategic objectives and the scope of updating policies with ESG topics lie with the Management Board. The Management Board decides on the delegation of specific ESG tasks to the relevant departments and employees of the company. In tracking the progress in the achievement of ESG goals, the Board is supported by the **ESG Committee** and the **ESG Manager**, who also acts as ESG Leader.

The ESG Committee, which meets at least once every 3 months, is responsible for overseeing the implementation of the ESG strategy, ensuring the correctness of the reporting process and its compliance with ESG regulations. The Committee is chaired by Sebastian Jabłoński, President of the Management Board of Respect Energy Holding.



### Role and main tasks of the ESG Committee

- acceptance of ESG targets and operational plans for their implementation
- monitoring of the implementation of the ESG Strategy and decisions on resources allocated to its implementation
- accountability for meeting ESG targets
- management and supervision of ESG data reporting
- oversight of processes related to ESG risk management
- designation by the ESG Committee of SG Movers from each area
- ensuring compliance with ESG regulations

## SUSTAINABILITY DUE DILIGENCE AND RISK MANAGEMENT

3-3, 2-23, 2-24, 2-25, TCFD

Our corporate culture is based on three core principles (the “3Rs” for short): **Respect Nature, Respect People** and **Respect Rules**. By this we mean that in every area of our business, respect is our core value that guides us. Our Sustainability Strategy is based on these three principles.

### OUR MISSION:

- We believe in ethical business
- We create energy from nature
- We take care for a safe tomorrow
- We create the future of next generations

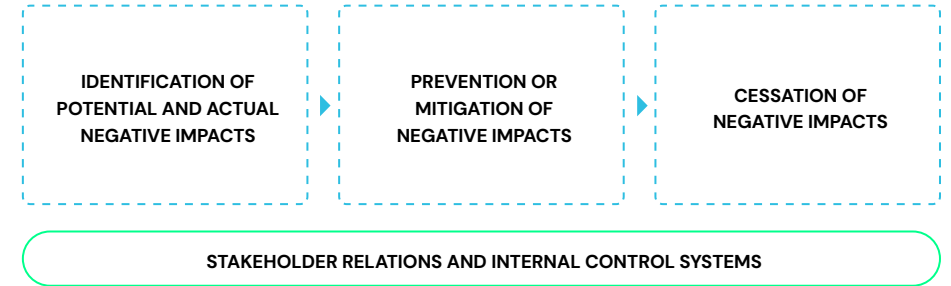
### OUR PRINCIPLES:

- Respect Nature,
- Respect People
- Respect Rules.

We incorporate the guidelines of recognised international documents into the ethical principles of our business e.g. the OECD Standards for Multinational Enterprises and the Business and Human Rights Guidelines. We integrate these guidelines in our daily operations, implementing and developing, among other things, the due diligence process principles recommended therein. This approach is reflected, among other things, in the provisions of the Code of Ethics and the Respect Energy Holding Group ESG Policy adopted in 2024.



Due diligence in the management of human and environmental impacts



We strive to ensure that our corporate culture prevents any misconduct and associated risks as much as possible. This is achieved through, among other things, our ethical standards, clear communication of objectives and internal communication and assignment of tasks to individual departments and employees. From 2022 onwards, we are systematising the Group’s approach to risk management and compliance assurance. The aim of these measures is to protect Respect Energy’s interests and ensure that we operate in compliance with applicable laws and internal regulations.

As part of risk management:

- we carry out internal controls and audits within the Group;
- we analyse any irregularities or suspected irregularities reported to us by employees or external stakeholders;
- where deficiencies or areas for improvement are identified, recommendations and suggestions for improvements are made.

The Group’s internal regulations related to the risk management process include:

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



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## ESG RISK MANAGEMENT

In 2023/2024, we conducted a process to analyse the impacts of our business on people and the environment (the so-called organisational impact perspective) and the ESG risks arising for our business from social, environmental and organisational governance issues. We identified current and potential significant impacts in an attempt to assess their likelihood and severity and the members of the Group's Management Board were involved in the process. The analysis considered, among other things, physical climate and transition risks as well as risks related to social issues and potential human rights abuses. The conclusions of this process influenced decisions on the directions and objectives of our **Sustainability Strategy** adopted in the first half of 2024.



In pursuing our strategy and implementing the ESG Policy, we minimise the likelihood of occurrence as well as the severity of the potential impact of the following ESG risks to our company which we have identified as material:

### Monitored significant risks whose likelihood and/or severity we seek to mitigate

		Type of risk	Mitigants
<b>ENVIRONMENTAL RISKS</b>	The risk of costs of adapting the company's development plans and investments to the dynamic legal and regulatory environment for the RES market and, more generally, climate issues.	Transition risk	<ul style="list-style-type: none"> <li>• Sustainability Strategy 2024-2027</li> <li>• Group ESG policy and other specific policies, including implementation of anti-mobbing and anti-discrimination policies</li> <li>• The company's operational and business strategy based on business diversification.</li> <li>• An approach to building a strong organisational culture and an attractive workplace</li> <li>• Keeping a close eye on the market, regulatory changes and technology developments</li> <li>• Investment in innovative solutions and technologies.</li> </ul>
	The risk of costs arising from rapid technology development.	Transition risk	
	The risk of price increases due to rising demand and/or shortages in the availability of some of the raw materials and intermediates necessary for the start-up of RES installations, in particular the so-called green revolution metals.	Transition risk	
	The risk of a potentially negative assessment of the company's environmental impact and the associated low trust in the company and the lack of consent for the siting of further installations.	Reputational risk	
<b>SOCIAL RISKS</b>	The risk of failure, damage and/or downtime of parts of the company's installations due to sudden extreme weather events which are increasingly likely as a consequence of climate change.	Physical risk	
	The risk of staffing problems due to increasing competitiveness in the RES industry labour market.	Transition risk	
	The risk of situations involving human rights violations in the company or in its supply chain (suppliers' conduct).	Reputational risk	
	The risk of losing the trust of local communities.	Reputational risk	
<b>CORPORATE GOVERNANCE RISKS</b>	The risk of non-compliance with the law, in particular with ESG and business ethics regulations and, as a consequence, the costs of possible penalties for the company as well as the costs of losing the trust of potential business partners.	Transition risk	



## ETHICS AND ANTI-CORRUPTION

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. We follow the **Respect Energy Holding Group's Code of Ethics**, which contains the description of desirable behaviours, attitudes and principles of our daily operations. Failure to adhere to the principles described in the Code constitutes misconduct and may subject employees or associates of any RE Group Company to disciplinary and criminal liability under the regulations of the Employment Law and other applicable laws. In 2023, we did not record any situations of ethical standard violation, nor did we identify any confirmed situations involving corruption.

### WHAT THE CODE OF ETHICS REGULATES:

- handling of confidential information
- conflict of interest
- anti-corruption
- accepting and offering business gifts
- relations with business partners and local communities
- relations with market competitors
- workplace relations
- our approach to environmental protection
- reporting of misconduct

### [THE CODE OF ETHICS](#)

The Code of Ethics, together with the Anti-Mobbing and Anti-Discrimination Policy, are the main regulations aimed at protecting human rights in our business and highlighting their importance. We aim to ensure that everyone has adequate knowledge of the principles contained in these documents and is able to identify instances of their violation and report potential misconduct. In this way, we want to identify risks more quickly and counteract them as effectively as possible. Supervision of and responsibility for compliance with human rights rests with senior management and is assigned on the basis of the division of competences and delegation of tasks throughout the organisation.

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## ANTI-CORRUPTION

205-1, 205-2, 205-3

We do not tolerate corruption in any shape or form. The principle of zero acceptance of corruptive practices applies to all employees, associates, suppliers and business partners of Group companies, regardless of their function and position. We regulate precisely the rules of offering and accepting gifts. The Code defines and helps to understand what corrupt conduct is and what to do in situations where there is a risk of corruption.

The Code recommends that in each such case one should contact their superior and, if necessary, request for an opinion of the Compliance function. Reports of corruption are subject to due diligence and treated as confidential information. The rules in this regard are communicated to every employee as part of their induction training.



## ANTI-CORRUPTION TRAINING AND COMMUNICATION OF OUR PRINCIPLES

Percentage of Management Board members to whom anti-corruption procedures in force have been communicated	100%
Percentage of employees to whom anti-corruption procedures in force have been communicated	100%
Percentage of suppliers to whom the organisation's anti-corruption policies have been communicated	100%
Percentage of Management Board members who have received anti-corruption training	100%

## CONFLICT OF INTEREST

2-15

In accordance with the provisions of the Code of Ethics, Respect Energy Group employees should avoid situations in which their personal interests could potentially give rise to a possible conflict of interest. The Code sets out the principles and mechanisms that serve to actively manage conflicts of interest, obliging employees, among other things, to immediately notify their immediate superiors of a potential conflict and the risk of its occurrence. The Code pays particular attention to potential conflicts of interest related to the employment of family members in the organisational units of our company. It is not acceptable to employ family members of employees when they would be subordinated to each other.

To effectively prevent the occurrence of conflicts of interest, the Compliance department monitors activities that could potentially lead to their occurrence. A report to the Management Board with information on reported conflicts of interest is prepared annually. Possible conflicts of interest are also analysed and assessed during the selection of candidates and election of Management Board members.

## REPORTING MISCONDUCT

2-26

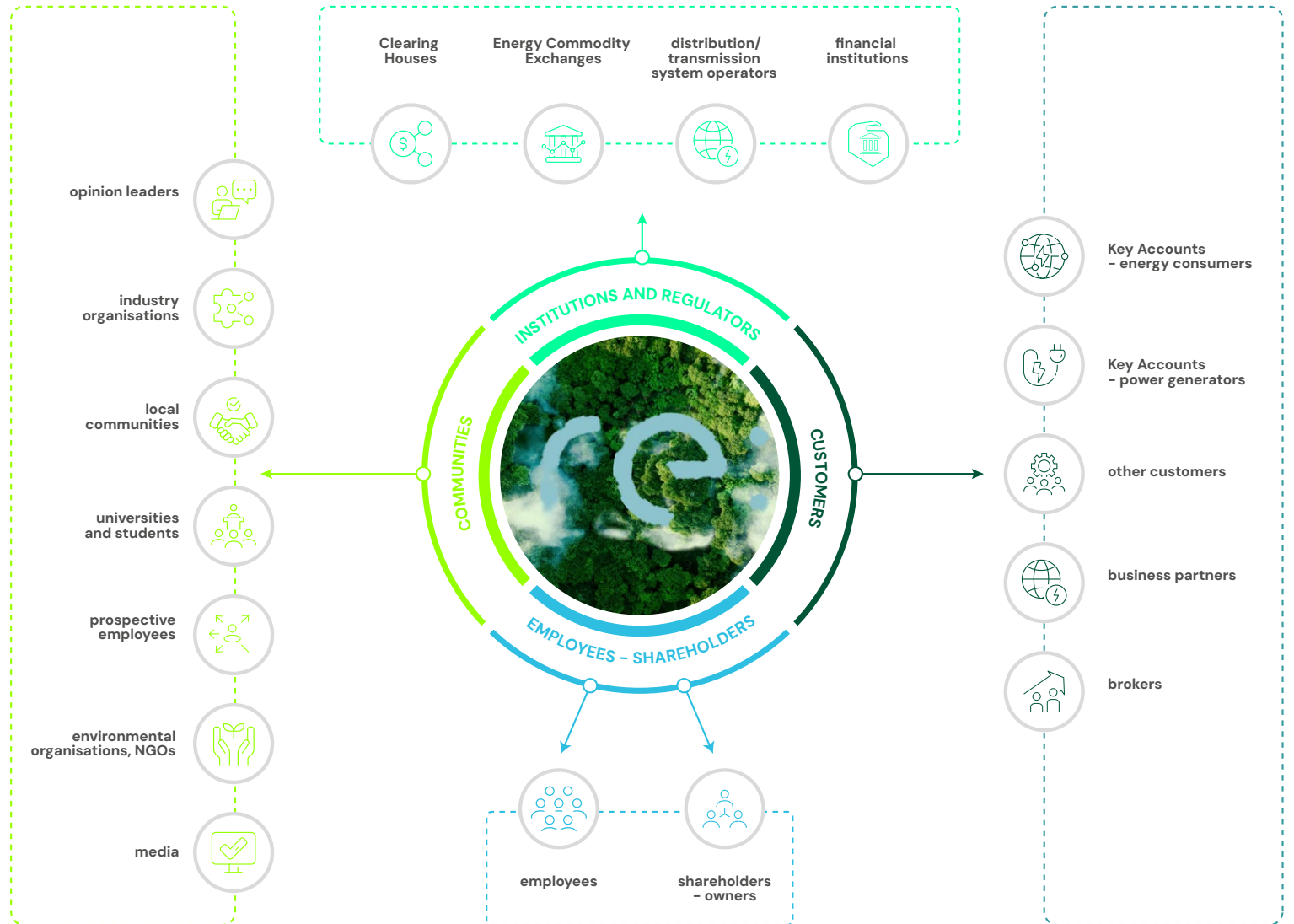
We make every effort to facilitate reporting of misconduct by employees, in particular including any behaviour in breach of the rules of our Code of Ethics. The whistleblowing channel is operated by the Compliance function. We protect whistleblowers, make sure they can feel safe and guarantee that no retaliation will be taken against them under any circumstances. All information is treated as confidential and information can be provided not only by name, but also anonymously.



# STAKEHOLDER RELATIONS

2-29

We develop relationships with our stakeholders based on the principles of dialogue, honesty and partnership. Their opinions help us assess our impacts and set priorities and the mutual dialogue is a key part of our planning. We are committed to capturing valuable suggestions on an ongoing basis and making relevant changes as early as possible. We have also benefited from stakeholder support during the drafting of our Sustainability Strategy.



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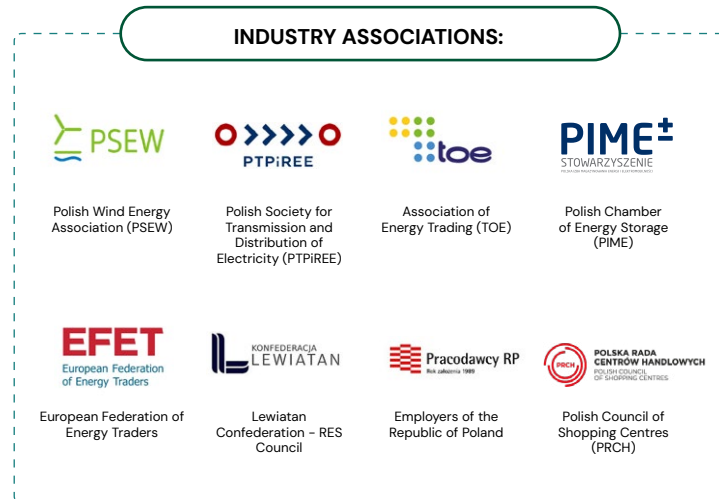
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STAKEHOLDER GROUP	DETAILS	PURPOSE OF COMMUNICATION
employees	Management Board meetings, team building meetings and trips, intranet, new- letter, online surveys, from 2023 engagement survey	Improving communication, building trust, increasing engagement, managing change more effectively, increasing innovation in the company resulting in greater job satisfaction and loyalty.
shareholders - owners	Management Board meetings, reports, other meetings	Efficient management of the company including expectation management, ensuring that the objectives and actions of the Management Board are in line with the interests of the owners, gaining support for key initiatives and strategic decisions.
Key Accounts - energy consumers	one-to-one meetings with sales representatives, participation in conferences, trade fairs, business meetings	Building and maintaining relationships. Understanding their needs and expectations. Gathering feedback and suggestions on products, services and customer service, which can lead to improvements. Resolving problems and complaints. Educating customers, about products, services but also about climate change. Personalising offers. Monitoring customer satisfaction and identifying areas for improvement. Building brand image. Increasing customer engagement and loyalty. Growing sales. Preventing customer attrition.
Key Accounts - power generators	one-to-one meetings with sales representatives, participation in conferences, trade fairs, business meetings	Building and maintaining relationships. Understanding their needs and expectations. Gathering feedback and suggestions on products, services and customer service, which can lead to improvements. Resolving problems and complaints. Educating customers, about products, services but also about climate change. Personalising offers. Monitoring customer satisfaction and identifying areas for improvement. Building brand image. Increasing customer engagement and loyalty. Increasing sales. Preventing customer attrition.
other customers	one-to-one meetings with sales representatives, participation in conferences, trade fairs, business meetings	Building and maintaining relationships. Understanding their needs and expectations. Gathering feedback and suggestions on products, services and customer service, which can lead to improvements. Resolving problems and complaints. Educating customers, about products, services but also about climate change. Personalising offers. Monitoring customer satisfaction and identifying areas for improvement. Building brand image. Increasing customer engagement and loyalty. Increasing sales. Preventing customer loss.
business partners	meetings, joint projects	Building and maintaining relationships. Understanding needs and expectations and exchanging information. Resolving potential problems. Conducting negotiations and agreements. Strengthening cooperation and increasing the commitment of both parties to achieve common goals. Building a positive corporate image. Monitoring satisfaction with the cooperation.
brokers	one-to-one meetings, conferences, trade fairs	Building and maintaining relationships. Understanding needs and expectations. Sharing information. Training and support. Resolving potential problems. Strategic planning. Strengthening cooperation. Monitoring of results and effectiveness of activities, ensuring a quick response to any problems. Building a positive corporate image.
opinion leaders	one-to-one meetings, cooperation on energy and climate/environmental projects	Cooperation and education. Obtaining opinions or research to support business development. Sharing knowledge and developing innovative business solutions.
industry organisations	participation in working groups, support of projects and initiatives dedicated to RES	Cooperation and information sharing, conducting a dialogue with the regulator through the organisations by, among other things, developing recommendations and requirements for RES. Education of the public on the energy transition. Business development through joint initiatives.
local communities	one-to-one meetings with municipal representatives, sponsorship of local events, support for local needs	Building trust and relationships. Understanding the needs and expectations of the community, which can help tailor the company's operations to local conditions. Education and information. Increasing public acceptance of the company's activities and projects. Supporting local development. Collaborating on projects. Preventing protests and resistance. Monitoring the impact of activities. Resolving conflicts or problems that may arise from the company's activities. Regular communication to increase the transparency of the company's activities and build a positive image and trust.
universities and students	meetings at universities, career fairs	Recruitment of talents. Educating future employees. Collaborating on research and development to create technological and product solutions. Organising internships and apprenticeships. Developing entrepreneurship by supporting business initiatives such as start-up incubators, competitions and mentoring programmes.
prospective employees	career fairs, job advertisements, media coverage	Building trust in the company, attracting talents to the organisation.
environmental organisations, NGOs	one-to-one meetings, participation in events such as conferences, trade fairs, webinars	Building trust and relationships. Understanding of common goals. Sharing knowledge and experience. Implementing joint projects. Awareness building: NGOs can help the company raise awareness of important social and environmental issues, both among employees and customers. Support in the implementation of the Company's Sustainability Strategy objectives. Support for innovation. Adaptation to regulatory and social changes.
media	briefings and press conferences, press releases, one-to-one meetings	Building a positive and innovative brand image. Increasing brand awareness. Sharing expertise. Communicating news. Educating the market. Promoting the company's activities. Effective crisis management. Attracting talent.
Clearing Houses	formal correspondence	Ensuring regulatory compliance.
Energy Commodity Exchanges	formal correspondence	Ensuring regulatory compliance.
distribution/transmission system operators	formal correspondence	Ensuring regulatory compliance.
financial institutions	reports, surveys, one-to-one meetings	Acquisition of funding. Financial risk management. Collaborating on innovative projects. Improving creditworthiness.

## RELATIONSHIPS WITH PROFESSIONAL AND SOCIAL ORGANISATIONS

Relationships with industry and social organisations are a key element in building social dialogue. They offer a possibility of exchanging opinions and knowledge sharing. They enable us to establish relationships with experts from different industries but also to share our expertise with others. In addition, joint activities within industry or social organisations help us to influence the drafting of industry regulations and standards, allowing us to better prepare for future market changes.



**NGOs working on sustainable development:**



## ESG IN THE SUPPLY CHAIN

3-3, 2-6

We place a high value on the quality of cooperation with our suppliers and strive to maintain business relationships only with entities that respect human rights and respect the environment. In view of the above, we have decided to implement an environmental and human rights due diligence process in the supply chain.

- We have introduced a system for screening, qualifying and assessing suppliers in terms of ESG criteria.
- We are committed to ensure full identification and detailed monitoring of GHG emissions in our value chain.
- We will strive to make the process of developing an ESG pathway in purchasing processes transparent and understandable to suppliers.

### DOCUMENTS GOVERNING ESG ASPECTS OF COOPERATION WITH SUPPLIERS

#### Respect Energy Holding Responsible Supplier Code

It sets out principles to reduce the risks associated with non-compliance with ethical, social and environmental standards in our supply chain. Amongst other things, suppliers are required to respect human rights in their operations, minimise negative environmental and climate impacts, be guided by ethical principles of conduct, take care to protect the personal data of their contractors and customers. Each of our suppliers is required to sign the Code, and instances of gross non-compliance with these guidelines may result in termination of the contract.

#### Supplier assessment procedure

Before starting to work with a new supplier, the Buyer conducts an ESG assessment based on the available data and the ESG Survey completed by the Supplier. For those with whom we work, an ESG assessment is carried out on a regular basis (once a year or at the time of contract renewal) to monitor their progress and changes in ESG-related activities.

Suppliers are informed of the results of the ESG assessment and Respect Energy Group's expectations for improving ESG performance if areas for improvement are identified. In the case of a new Supplier, the results of the ESG Survey are taken into account in the purchasing process. If a Supplier receives an "Unsatisfactory" score, the Buyer takes corrective actions, such as providing guidance, monitoring progress or, in extreme cases, terminating cooperation with the Supplier.



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## APPROACH TO REPORTING AND MATERIAL TOPICS

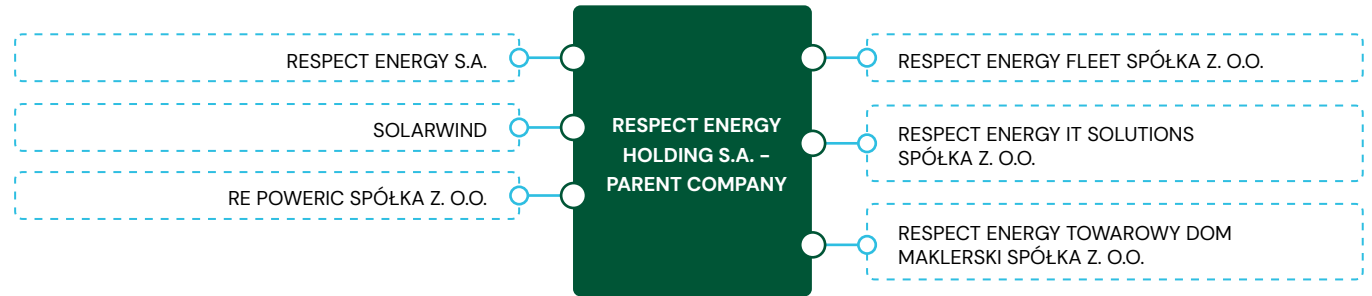
2-2, 2-3, 2-4, 2-5, 2-14, 3-1, 3-2

The report was prepared in accordance with GRI Standards 2021 at Core level and is Respect Energy's second sustainability report. Final decisions on the materiality of the reported topics were made by Respect Energy's Management Board, which also approved the final content of the report. The report has been externally audited.

The process of identifying material topics for reporting was carried out taking into account the principles of dual materiality analysis recommended in the European Sustainability Reporting Standard (ESRS). In doing so, we took into account the results of the initial stakeholder survey, supplemented at the final validation stage by interviews on the materiality of the topics reported.

In order to prepare well for the 2023 reporting process, with the support of CSRinfo, we carried out a double materiality assessment process. We conducted a series of workshops dedicated to the initial identification and subsequent validation of significant impacts and risks and opportunities related to sustainability matters. We analysed the likelihood and severity of impacts and risks, which was also part of the process of determining the directions of our ESG strategy. This is the method recommended by the European Sustainability Reporting Standard (ESRS) to understand and prioritise sustainability matters important to the company and its stakeholders.

The sustainability report covers the period from 1 January 2023 to 31 December 2023 for the following companies which belong to the Respect Energy Holding Group:



As a result of the double materiality assessment, we have identified 8 material reporting topics.

Material topic	Impact materiality	Financial materiality	Comment
<b>Climate change</b>	YES	YES	A key priority and a core aspect of the company's business strategy now and in the future. Major opportunity: by expanding our business operations and innovating, we are accelerating the transformation of the economy towards a lower carbon economy. We support customers in their decarbonisation.
<b>Customers – support and quality of cooperation</b>	YES	YES	These aspects are always important, especially from the point of view of ensuring due diligence and responsible business practices.
<b>Corporate governance (responsible business conduct)</b>	YES	YES	Managing the impact on employees (including on their development opportunities, health and wellbeing and secure employment conditions) reduces, among other things, the risk of staff turnover costs and contributes to enhancement of the Group's intellectual capital and achieving the planned growth.
<b>Group employees</b>	YES	YES	Material topic: human rights and good practices of our suppliers in relations with their employees.
<b>Employees in the value chain</b>	YES	YES	Good relations with local communities and our responsible approach to social impact contribute, among other things, to mitigating the risk of difficulties in implementing new investments.
<b>Local communities</b>	YES	YES	We pay particular attention to the impact of our activities on biodiversity and ecosystems. These criteria influence our choice of investment locations and the way in which we execute investment projects.
<b>Biodiversity</b>	YES	YES	Material topic: responsibility for waste associated with the execution of the investment and also after the end of its life cycle documented in contracts. Raw materials used in the production of RES installation components.
<b>Resources and waste</b>	YES	YES	

## MAIN STEPS IN THE PROCESS OF DETERMINING THE RELEVANCE OF ESG TOPICS



## TCFD TABLE – CLIMATE-RELATED DISCLOSURES

	Corporate governance	Risk management	Strategy	Indicators and targets
	Description of the management and supervisory board's oversight of climate change risks and opportunities. Description of the role of the management and supervisory board in identifying, assessing and managing climate change risks and opportunities.	Description of processes for identifying, assessing and managing climate change risks.	Description of climate change risks and opportunities, impact of climate change risks and opportunities on the organisation's business, strategy and finances, resilience of the organisation's strategy to climate change under different scenarios	Description of the indicators used by the organisation to assess climate change risks and opportunities in line with the risk management strategy and processes.  Disclosure of Scope 1, 2 and, where relevant, 3 greenhouse gas emissions and corresponding risks
	The Management Board is responsible for overseeing the process of identifying and assessing climate risks, supported in this regard by the ESG Committee. The analysis of climate risks was part of the 2024 double materiality assessment of reported ESG topics and influenced the process of defining the objectives of the ESG Strategy.		Opportunities are the foundation of our business model and business development strategy. The important climate risks we mitigate are physical risks: the costs of repairing possible damage to our installations related to extreme weather events; transition risks – the volatility of regulations affecting the RES market in Poland and worldwide, the costs of adapting to regulations.	The objectives and indicators are described in Chapter 2 of the report, as well as in the introductory section of the report presenting the Group's ESG Strategy.



GRI INDEX

<b>Statement of application</b>	Respect Energy Holding S.A. submitted a report in accordance with GRI Standards for the period from 1 January, 2023 to 31 December, 2023.
<b>GRI 1 applied</b>	GRI 1: Foundation 2021
<b>Applicable GRI sector standards</b>	None

GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details		6-9
	2-2 Entities included in the reporting of sustainability issues		2, 56-58
	2-3 Reporting period, frequency and contact details		56-58
	2-4 Restatement of information		56-58
	2-5 External assurance		56-58
	2-6 Activities, value chain and other business relationships		6-14, 55
	2-7 Employees		33-34
	2-8 Workers who are not employees		33-34
	2-9 Highest governance body structure and composition		47
	2-10 Nomination and selection of the highest governance body		47
	2-11 Chair of the highest governance body		47
	2-12 Role of the highest governance body in overseeing the management of impacts		47-48
	2-13 Delegation of responsibility for managing impacts		47-48

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GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>	2-14 Role of the highest governance body in sustainability reporting		48, 56-58
	2-15 Conflict of interest		52
	2-16 Communication of critical concerns		48
	2-17 Collective knowledge of the highest governance body		47
	2-18 Evaluation of the performance of the highest governance body		48
	2-19 Remuneration policies	Various factors are taken into account when determining the basic remuneration for the members of the Management Board at Respect Energy, such as the role performed, the scope of responsibility, the qualifications held and professional experience. The variable remuneration depends on the performance in the areas managed by the Board member. From 2023 onwards, in the areas managed, Board members include specific ESG issues such as the implementation of a sustainability reporting process in their annual targets. From 2024 onwards, the objectives of the Executive Board are linked to the implementation of the REH Group Sustainability Strategy 2024-2027.	
	2-20 Process to determine remuneration	The remuneration of the top management bodies in the REH Group is decided by the main shareholder and the RN.	
	2-21 Annual total compensation ratio	The data required by the indicator was not disclosed. Confidential information. The organisation considers the data to be a business secret and does not make it publicly available.	
	2-22 Statement on sustainable development strategy		42-44
	2-23 Policy commitments		46, 49-50
	2-24 Embedding policy commitments		46, 49-50
	2-25 Processes to remediate negative impacts	In line with our code of ethics, we do not accept any practices in our business that bear the hallmarks of human rights violations. Stakeholders have the opportunity to report any irregularities to us; if they are confirmed, we apply the principle of responsibility and implement corrective solutions.	46, 49-50
	2-26 Mechanisms for seeking advice and raising concerns		52
2-27 Compliance with laws and regulations		51	

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GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>	2-28 Membership of associations and organisations		55
	2-29 Approach to stakeholder engagement		53-55
	2-30 Collective bargaining agreements	No collective agreements	
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics		56-58
	3-2 List of material topics		56- 57
<b>CORPORATE GOVERNANCE</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 46, 49-50, 55
<b>GRI 205: Anti-Corruption 2016</b>	205-1 Actions reviewed for corruption		52
	205-2 Training for employees and managers in anti-corruption policies and procedures		52
	205-3 Confirmed cases of corruption and actions taken in response to them	Absence of such cases	52
<b>GROUP EMPLOYEES AND EMPLOYEES IN THE VALUE CHAIN</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 33-35
<b>GRI 401: Employment 2016</b>	401-1 Total number and percentage of new employees and total number of employees who left the organisation during the reporting period		38
	401-2 Additional benefits (perks) provided to full-time employees		36
	401-3 Parental leave		40



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GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
<b>GRI 403: Health and safety 2018</b>	403-1 Occupational health and safety management system		41
	403-2 Hazard identification, risk assessment and incident investigation		41
	403-3 Unit responsible for the management of occupational health and safety		41
	403-4 Worker participation, consultation and communication of occupational health and safety		41
	403-5 Worker health and safety training		41
	403-6 Health promotion among employees		41
	403-7 Prevention and reduction of occupational events and incidents affecting workers' health and safety		41
	403-8 Workers covered by the occupational safety management system		41
	403-9 Work-related injury rates		41
	403-10 Occupational disease rate	No occupational diseases	
<b>GRI 404: Training and education 2016</b>	404-1 Number of training hours per year per employee by employment structure		35
	404-2 Professional competence development programmes		35
	404-3 Percentage of employees subject to regular performance evaluation and career development reviews, by gender and employment category		36-38
<b>GRI 405: Diversity and equal treatment 2016</b>	405-1 Composition of supervisory bodies and staff by gender, age, minorities, and other diversity indicators		38-40
	405-2 Ratio of male to female base salary by position held		38-39
<b>GRI 406: Anti-discrimination</b>	406-1 Cases of discrimination and corrective action taken	No cases recorded during the reporting period	

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GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
<b>CUSTOMERS</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 15
<b>GRI 418 Customer privacy</b>	418-1 Total number of justified complaints regarding breaches of customer privacy and data loss	No complaints recorded during the reporting period	
<b>CLIMATE CHANGE</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 17-18
<b>GRI 305: Emissions 2016</b>	305-1 Total direct greenhouse gas emissions (Scope 1)		22-23
	305-2 Total indirect greenhouse gas emissions (Scope 2)		22-23
	305-3 Other indirect greenhouse gas emissions (Scope 3)		22-23
	Own indicator. Installed RES capacity		6-8
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption in the organisation		21-22
	302-4 Reduction of energy consumption		21
<b>BIODIVERSITY</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 24-26
<b>GRI 304: Biodiversity 2016</b>	304-1 Owned, leased or managed sites adjacent to protected areas or areas of high biodiversity value outside protected areas.		24-26
	304-2 Significant impact of activities, products, services on biodiversity		24-26

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GRI STANDARD	DISCLOSURE	COMMENTS, REASONS FOR EXCLUSION	REPORT PAGE NUMBER
RESOURCES AND WASTE			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 27-31
<b>GRI 306 Waste</b>	306-1 Generation of waste and significant waste-related impacts		27
	306-2 Waste generated		27
LOCAL COMMUNITIES			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics		3-4, 20, 42-44
<b>Own indicator</b>	Description of principles for building relationships with local communities		42-44

## CONTACT

If you have any questions, concerns or suggestions related to the report and sustainability issues in general, please contact:

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**INDEPENDENT LIMITED ASSURANCE STATEMENT**

**To: The Stakeholders of Respect Energy Group**

**Introduction and objectives of work**

Bureau Veritas Polska Sp. z o.o. (Bureau Veritas) was engaged by Respect Energy Group to carry out independent assurance on the Selected Information presented in the Respect Energy Group Sustainable Development Report 2023 (the Report). This Assurance Statement applies to the related information included within the scope of work described below.

**Selected information**

The scope of our work was limited to assurance over GRI Standards Disclosures (Consolidated set of GRI Sustainability Reporting Standards) in the Report for the period 1 January 2023 to 31 December 2023:

- GRI Standards 2021: 1, 2-1 do 2-20, 2-22 do 2-30, 3-1, 3-2, 3-3.
- GRI Standards 2016: 305-1, 305-2, 305-3, 401-1, 401-2, 401-3.
- GRI Standards 2018: 403-1, 403-2, 403-3.

Excluded from the scope of our work is any assurance of other information included in the Report.

**Reporting Criteria**

The Selected Information needs to be read and understood together with the standards for sustainability reporting The GRI Standards 2016, 2018 and 2021 as set out at <https://www.globalreporting.org>.

**Limitations and Exclusions**

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Respect Energy Group, and statements of future commitment).

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

**Responsibilities**

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Respect Energy Group.

Bureau Veritas was not involved in the drafting of the Report or the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Management of Respect Energy Group.

**Assessment Standard**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

**Summary of work performed**

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Selected Information.
2. Conducting interviews with relevant personnel of Respect Energy Group.
3. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries.
4. Reviewing documentary evidence provided by Respect Energy Group.
5. Agreeing a selection of the Selected Information to the corresponding source documentation;
6. Reviewing Respect Energy Group systems for quantitative data aggregation and analysis.
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

**Conclusion**

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

**Evaluation against GRI Standards**

Bureau Veritas Polska Sp. z o.o. undertook an evaluation of The Report against the GRI Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI application level.

Based on our work, it is our opinion that selected disclosures of Respect Energy Group Sustainability Development Report for 2023 has been prepared in accordance with standards for sustainability reporting The GRI Standards.

**Statement of Independence, Integrity and Competence**

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council<sup>2</sup>, cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

**BUREAU VERITAS POLSKA Sp. z o.o.**

Warsaw, September 3, 2024

Witold Dżugan  
Country Chief Executive

Artur Świątczak  
Lead Verifier

<sup>1</sup> Certificate of Registration No. 44 100 160145 issued by TÜV NORD CERT GmbH

<sup>2</sup> TIC Council Compliance Code EDITION 1 December 2018



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energy

[www.respect.energy](http://www.respect.energy)