

ASSUMPTIONS OF ESG ERBUD S.A. STRATEGY, SET GOALS AND ACTIONS UNDERTAKEN TO ACHIEVE THEM

I. ENSURING DIVERSITY

The Company believes that ensuring diversity in areas such as gender, age, work experience, disability, race, nationality, health, ethnic origin, religion, creed or irreligiousness, political beliefs, family status, psychosexual orientation, gender identity and in all other areas has a significant impact on the organic development of the Company and the entire Group, enables dialogue and the exchange of ideas, which in turn contributes to the enrichment of internal competencies within the Group and its further development.

Since 2019, the Group has complied with the adopted Diversity Management Policy and with the Anti-Unequal Treatment Procedure. In particular, the Group:

- a) appreciates and respects the diversity resulting from the factors and qualities referred to above;
- b) absolutely prohibits unequal treatment, direct and indirect discrimination, mobbing and harassment, including sexual harassment;
- c) strictly prohibits retaliation against any person who reports an incident of unwanted behaviour, including those referred to in point b) above;
- d) requires senior and middle management to actively respond to any incidents of unequal treatment, to prevent such actions and to report any violations in accordance with the procedures and principles described in the Anti-Unequal Treatment Procedure;
- e) creates a working atmosphere and organisational culture that respects diversity.

II. ENSURING EQUAL PAY FOR WOMEN AND MEN

The Company's intention is to ensure that women and men employed by the Group performing equal work or work of equal value receive equal remuneration for their work. Work of equal value is understood as work the performance of which requires from Employees comparable professional qualifications, confirmed by documents provided for in separate regulations or by practice and professional experience, as well as comparable responsibility and effort.

At present, the Group's GPGR (*Gender Pay Gap Ration*) is (-)0.04, including:

- a) 0.21- for senior management of the Group;
- b) (-) 0.13 - for middle management of the Group;
- c) (-) 0.14 - for other Group Employees

In a long-term perspective, the Group aims to eliminate inequalities in the average remuneration of women and men as far as possible, in particular by:

- a) making a periodic assessment of the value of the Group's GPGR,
- b) identifying the causes of the inequality between the average pay for men and women among Group Employees;
- c) developing internal plans and guidelines aimed at eliminating inequalities in average pay between men and women among Group Employees;

- d) promoting the principles of non-discrimination and gender equality among Group Employees, including through training and meetings on the subject of pay disparities within the Group;
- e) continuation to ensure equal access to promotions, bonuses and rewards for women and men employed by the Group;

In terms of the measures taken to achieve equal pay between men and women, the Company takes into account the risks of:

- a) the need to respect the current terms and conditions of employment of the Group's Employees, arising from the Group's employment contracts and other legal relationships forming the basis of employment;
- b) the absence of applications for the position from candidates who possess one or more of the qualities of diversity referred to above;
- c) that candidates who possess one or more of the qualities of diversity referred to above do not possess the necessary qualifications for the position in question;

III. RESPECTING EMPLOYEES' RIGHTS

The Company believes that human capital and broadly defined relations with the Group's Employees are the basis for the Group's organic value growth. Building strong, long-term relationships with Employees is one of the Group's primary objectives, and Employee satisfaction and care for their welfare are among the most important values the Group follows in its daily operations.

The Company complies with the labour laws and regulations applicable to it, including the principles of collective labour law, as well as any internal regulations applicable to the workplaces operating within the Group.

The Company respects Employees' right of association and provides instruments for employee participation. Employees' evaluations and opinions are an extremely important element of communication within the Group and contribute significantly to building and improving the Group's operations.

The Company promotes the professional development of the Group's Employees by undertaking and implementing numerous initiatives and training programmes aimed at enabling Employees to acquire new skills and enhance their existing competencies. The programmes implemented and delivered in 2020 include:

- a) "Talent Development Programme",
- b) "GPW Growth Academy",
- c) "Effective Manager",
- d) "BIM in a Pill",
- e) as well as other ongoing and topical training.

The Company intends to continue its efforts aimed at ensuring the development of the Group's Employees by, among other things:

- a) implementation of training programmes;
- b) enabling Employees to obtain certifications.

IV. OHS

In the Company, issues of occupational health and safety are a priority in the scope of its activities. To this end, in the Group strategy we determine each time the necessary actions to be implemented in a 5-year perspective.

The overriding goal in the Company is to guarantee safe working conditions for those implementing projects carried out within the Group and for the external environment. Striving for “0” fatal, serious and collective accidents is our primary goal.

We want to achieve this goal through systematic actions associated with:

- formation of leadership attitudes in the organisation.
- continuous improvement of technical and organisational solutions applied on projects in order to reduce the risk of accidents and unifying standards within the Group.
- developing awareness and safety culture among supervisory staff, our subcontractors and foreigners.
- maintaining close monitoring and cooperation on OHS issues with the different business centres of the Group.

The Company has an implemented and certified occupational health and safety management system in accordance with the international standard ISO 45001:2018. Under this system, we aim to minimise risks, have a proper process for planning, managing and continuously improving our own activities related to the elimination of accidents and occupational diseases for our own employees, our subcontractors as well as for the environment.

In order to provide Group’s Employees with practical health and safety knowledge and to promote attitudes and behaviours aimed at ensuring responsibility for safety in the workplace, the Company periodically organises an event called “Safety Week”.

In the early autumn of 2021, the eighth edition of the Safety Week was conducted under the slogan “The team stays safe”. Health and safety quarters, numerous first aid training sessions, power tool inspections, safe working at heights or test evacuations were held at all construction sites. The Company plans to organise the “Safety Week” periodically, also in the following years.

In pursuing a responsible occupational health and safety policy, the Company also complies with sanitary and epidemic regulations, rules and guidelines related to the outbreak of the COVID-19 pandemic, aiming to ensure the safety not only of the Group's Employees but also of other persons exposed to the possibility of contact with the SARS-CoV-2 virus.

The Company pursues a responsible occupational health and safety policy also on a broader level, exceeding the activities of the Group itself by being a member of the Alliance for Safety in Construction (“**PBB**”), which brings together several leading general contractors in Poland. The PBB has developed, among other things, a set of rules of conduct in epidemic conditions, adapted to current regulations and guidelines. Practical infographics developed on this basis have been placed in visible places on each performance site of the Group and in our offices. The Company plans to continue its activities within PBB also in the following years.

V. SOCIAL AND CHARITABLE ACTIVITIES

Guided by the principles and values of CSR (*Corporate Social Responsibility*), the Company conducts extensive charitable and social activities, including supporting the activities of the Eryk Grzeszczak ERBUD Wspólne Wyzwania [Common Challenges] Foundation (“**Foundation**”), which as of the end of January 2020 has gained the status of a public benefit organisation.

The objectives of the Foundation are:

- a) helping children and young people in difficult material and family situations,
- b) helping disadvantaged people as they enter adult life,
- c) providing assistance to children and young people with special talents in difficult life situations,
- d) providing assistance to educational, training and welfare institutions,
- e) undertaking and supporting measures for the dissemination of education to those who have difficult access to it.

The company actively supports cultural events, such as the Tofifest International Film Festival in Toruń presenting independent cinema, and intends to continue supporting this and similar cultural initiatives in the years to come.

The Group also acts as a sponsor by supporting the organisation of competitions and programmes that promote health prophylaxis, as well as innovation and development in local communities:

- a) ERBUD Operations Sp. z o.o. is a partner of Start Platforms - Start in Podkarpackie, a project of the Rzeszów Regional Development Agency. The program, planned for 2019-2022, includes five incubation rounds for local start-ups. Project participants receive a package of basic services (space, accounting, tax, marketing support, etc.) and specialised services (purchase of appropriate software, research materials, etc.);
- b) In 2020, ERBUD Operations Sp. z o.o. sponsored the competition “Primus Inter Pares”, organised at the Faculty of Construction, Environmental Engineering and Architecture at Rzeszow University of Technology;
- c) The company has been supporting World Heart Day as the event's main sponsor for many years.

The Group ERBUD actively supports physical activity and widely understood sport events - ONDE S.A. is a long-term sponsor of an extra-league speedway team KS Toruń and a basketball club Twarde Pierniki from Toruń running the extra-league team Polski Cukier Toruń.

VI. ETHICS AND RESPONSIBILITY

As part of the Company's operations and those of other Group companies, the Company makes every effort to maintain high ethical standards in its business, and shapes and promotes responsible attitudes and actions among Group's Employees. The Company has in place Rules of Anonymous Reporting of Violations.

VII. CLIMATE AND ENVIRONMENTAL RISK MANAGEMENT

Sustainability and environmental risk management issues are particularly important to the Group. The Group's business profile, including the day-to-day challenges of protecting the environment

and preventing adverse climate change, makes environmental care a value that is particularly valued at Group-wide level.

In order to systematise its environmental activities and continuously improve the impact of its investments, the company has implemented an environmental management system according to the international standard ISO 14001.

2021, ERBUD SA decided to implement the EU EMAS eco-management and audit scheme according to the Regulation (EC) No 1221/2009 of the European Parliament and of the Council. The Company was positively verified by an accredited EMAS verifier on 26 October and has been entered into the EMAS register kept by the General Director for Environmental Protection and the European Commission.

Within the framework of the implemented EMAS system, the company wants to monitor and improve the effects of its environmental activities and emissions affecting climate change. Every year the company will update the publication of the environmental declaration describing all effects of the environmental activity of ERBUD.

The environmental declaration (updated annually) will include, among others

- a) Manner of identification of environmental aspects, together with an indication of significant environmental aspects within ERBUD's activities and manner of identification of risks and opportunities and related environmental programmes,
- b) Environmental and climate objectives pursued by ERBUD,
- c) Emissions related to ERBUD's activities together with an indication of the effects of its activities on the environment and climate,
- d) Energy efficiency related to its activities,
- e) Reference to biodiversity,
- f) Reference to consumption of basic materials and raw materials,
- g) Waste management on carried out investments,
- h) Good practices and pro-environmental initiatives.

Each construction site carried out in the company applies the environmental management system ISO14001 and EMAS, which is confirmed by the implemented process of auditing of individual investments,

In conducting its business, the Company takes into account the risks and threats associated with climate change and actively counteracts them. The sustainable development principles applied by the Company take into account the adverse climate changes, in particular those related to global warming. The Company pursues a responsible climate policy with a view to minimising the adverse impact of its operations on the natural environment and climate.

The company will update annually the data related to:

- a) identified climate risks,
- b) climate objectives from the perspective of the company and individual investments,
- c) the company's indicators on the impact of its activities on climate change,
- d) the Group Climate Policy,

These data will be published in the integrated annual report and the environmental declaration referred to above.