



ZPUE S.A. - 2020 Corporate Social Responsibility report

WITH ENERGY INTO THE FUTURE - A BRIEF COMMENTARY FROM THE FOUNDER AND PRESIDENT OF ZPUE S.A.

Dear Sir / Madam,

I am pleased to make available to you the non-financial report for the year 2020. A very busy period is behind us. It presented us with many challenges, but I would like to emphasize that we have also had success in many areas. While reviewing the financial results for the previous year, you will certainly notice that it was a good period in our Company's history.

At this time, however, we will focus on slightly different areas of ZPUE SA's activity. Invariably, the greatest value of our Organisation are the people who define and shape it. We are a family-run company, but in our case this idea goes beyond the generally accepted definition related to the ownership or management structure.

In external relations, we are a company focused on listening to the needs and expectations of our customers. Dialogue allows us to build an offer that is tailored to the needs of our customers. We know that by ensuring high quality and timely deliveries, we build a relationship based on trust and respect, which is a priceless value in business.

We boldly introduce new technological solutions to the market. Naturally, we did not rest on our laurels in terms of introducing new technologies. As clearly stated in previous reports - continuous development rather than just day-to-day operation has always been the essence of our business.

At this point, I would like to emphasize our efforts in the area of Corporate Social Responsibility. For 11 years ZPUE has been operating the "We Are Close" Foundation supporting people in need. The Foundation engages with many people, organizes preventive medical check-ups and supports efforts for the protection of the natural environment.

Care for the environment is an important foundation of our Company. In addition to offering a wide portfolio of power devices designed for seamless integration with green energy sources, we are guided in our everyday business decisions by the premise that in order for the world to turn back from the dangerous path of climate change, we should lead by example and implement the green approach on many levels.

We attach great importance to the safety of our employees — we do not accept any compromises in this respect.

I encourage you to read our 2020 CSR report, which is already the fourth such report published by ZPUE SA

Michał Wypychewicz
President of the Management
Board of ZPUE SA

ZPUE SA BUSINESS PROFILE

We are one of the leading manufacturers of electrical power equipment for electricity distribution in Poland.

We design, manufacture and deliver to the customers in municipal, industrial, infrastructure and transport sectors modern solutions and systems for underground and overhead power lines, adapted for operation in Smart Grid. These include:

- **Container transformer stations**
- **Medium voltage switchgear**
- **Low voltage switchgear**
- **Pole-mounted transformer stations**
- **Apparatus for overhead power lines;**
- **Battery storage.**

We deliver power systems for new and upgraded energy facilities, and we also offer general contracting in the area of power engineering for public utility facilities. We provide optimal and professional service of power systems.

1.4.

ZPUE IN POLAND AND WORLDWIDE

ZAVOD Blocked Complete Transfer Stations Facility BKTP.

188255 TOŁMACZEWO, ul. Prochowa 46,
Obwód Leningradzki, Federacja Rosyjska

• HEADQUARTERS

Production plant in Włoszczowa

29-100 WŁOSZCZOWA, ul. Jędrzejowska 79C

• Production plant in Katowice

40-135 KATOWICE, ul. Słoneczna 50

• Production plant in Gliwice

44-100 GLIWICE, ul. Portowa 14

• Production plant in Pszczyna

43-200 Pszczyna, ul. Górnośląska 5B

We are available to clients in **14 technical and commercial offices** in Poland

Our specialists provide knowledge and experience.

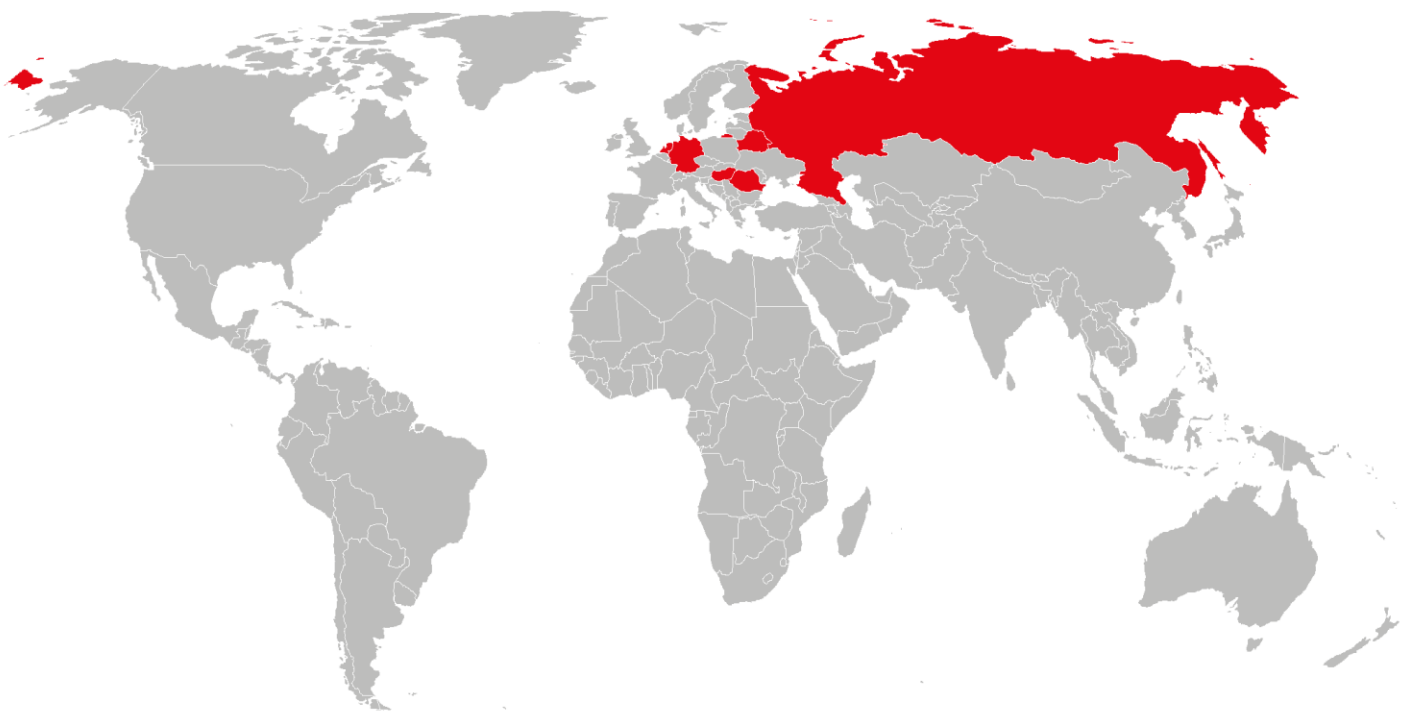
Every day in our work we they make every effort to offer the best solutions tailored to the needs of customers



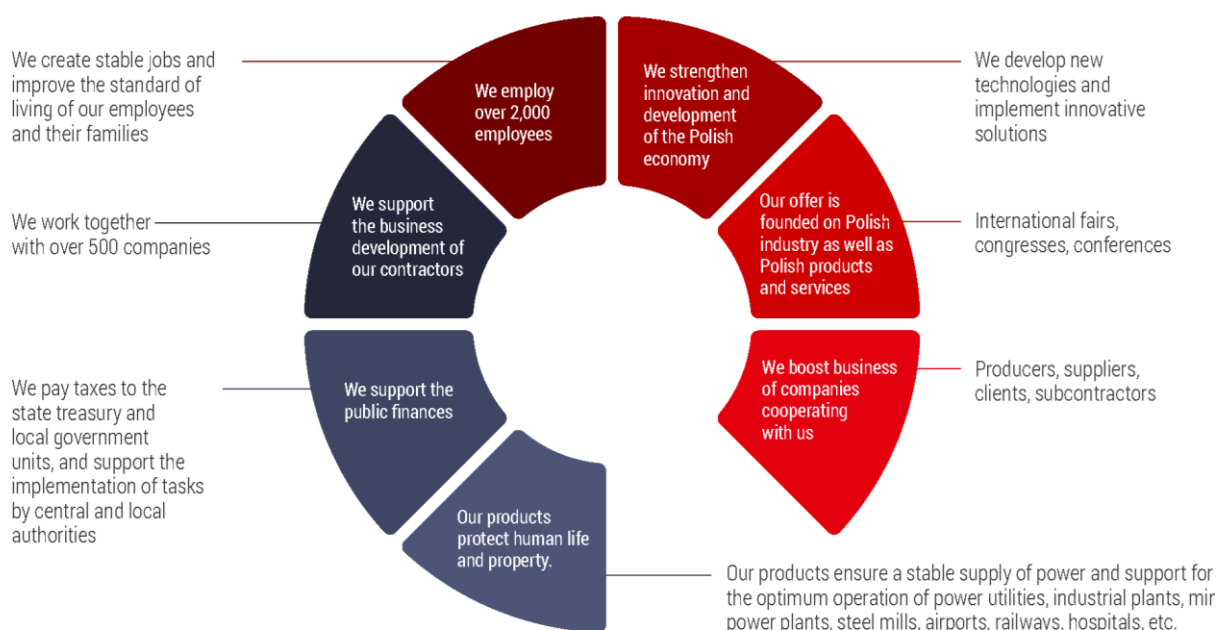
We export to over **50 countries** around the world

Selected export destinations

- | | | | |
|----------------------|-------------|--------------|--------------------------|
| • Germany | • Slovakia | • Bulgaria | • Slovenia |
| • The Netherlands | • Lithuania | • Hungary | • Romania |
| • Russia | • Latvia | • Ukraine | • Macedonia |
| • Belarus | • Estonia | • Moldova | • Bosnia and Herzegovina |
| • The Czech Republic | • Serbia | • Kazakhstan | • Australia |



Our solutions and systems power hundreds of thousands of facilities all over Poland



RISK MANAGEMENT

We are committed to effective risk management - from occupational health and safety through to the social and environmental impact of our business.

We implement risk management in our company by monitoring all areas of our operation. Detailed market analyses allow us to reduce the risk arising from the development of our business. We continue to analyse the changing business environment, both globally and nationally. Taking into account the international scale of our business we strive to balance all its aspects, including production, market, environmental impact, finance and politics.

An external audit of the PN-EN ISO 9001, PN-EN ISO 14001 standards in July 2018 and PN-EN ISO 45001 in July 2019 showed that we apply and effectively develop the management system in the areas of:

- Policy, goals and their implementation in the organisation;
- Existing management system processes and how they interact;
- System documentation management;

- System of records;
- Resource management;
- Measurement and analysis;
- Continuous improvement process.

We look at risk from the perspective of the entire organisation - this is our priority!

- Once problems are identified, we strive to solve them;
- We are committed to acting in emergency situations.

Quality management

We meet the requirements of the international quality management standards ISO 9001 as well as the environmental management system ISO 14001 and health and safety ISO 45001. By meeting the requirements of these standards, we continue to improve the management process and strengthen the stability of our processes in all areas. At the same time, we protect the environment by managing the risk factors, optimizing the selection of raw materials and products. Our goal is to improve the efficiency of raw material consumption and to reduce the amount of waste. We also strive to improve the OHS management system to eliminate hazards and limit the risks for health and safety.

TOGETHER WE STIMULATE PROGRESS

In the **2016-2020** Development Strategy that we adopted, in addition to the ambitious financial and territorial goals we set for ourselves, we have rearranged our internal structure to improve the efficiency and effectiveness of our organisation. **The focal point of the changes that we have introduced is HUMAN - our Client, Supplier, Employee.**

MISSION

We support the development of our clients by providing modern and comprehensive power solutions

VISION

To be the power industry leader in Poland in 2021 and a significant player in selected foreign markets

VALUES

Commitment - Creativity - Customer focus - Professionalism - Cooperation - Identification with the company

SIX AREAS OF SUSTAINABLE DEVELOPMENT IN ZPUE S.A.

(numbering of points according to the UN methodology)

7. PROVIDE EVERYONE WITH ACCESS TO SOURCES OF STABLE, SUSTAINABLE AND MODERN ENERGY AT AN AFFORDABLE PRICE

8. PROMOTE STABLE, SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL PEOPLE

9. BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

11. MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

12. PROVIDE EXAMPLE OF SUSTAINABLE CONSUMPTION AND PRODUCTION

17. STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

ETHICS

We should rely on fundamental principles in everything we do. In our case, these principles include transparency, ethics, fair business.

ZPUE SA has a Supplier Code of Conduct and a Employee Code of Ethics.

Supplier Code of Conduct

The Supplier Code of Conduct is a set of our minimum requirements for our suppliers of goods and providers of services in the supply chain to comply with the law, our core values and the principles of social responsibility. As part of our Supplier Code of Conduct, we have taken into account the principle that the supplier conducts its business honestly and ethically. A supplier shall not resort to any form of corruption or bribery, whether in dealing with government officials, public officials, customers or business partners.

COMPLIANCE

Compliance is a way of organising the enterprise that minimizes the risk of any irregularities (see: “Compliance in the enterprise”, Bartosz Makowicz, 2011). In ZPUE, we maintain a system to manage our compliance with all obligations and relevant regulations and to promote and adopt compliance and to prevent any non-conformities. Compliance ensures that provisions of generally applicable law are fully complied with and no laws are broken. More and more often compliance is viewed as an indispensable element of successfully managing an enterprise in the legal, economic and ethical space. Maintaining the principle of legality and therefore creating an efficient compliance system remains a joint responsibility of the whole company.

The Compliance Officer is responsible for the compliance system in the organization, and, as a rule, strives to prevent violations of the law, in particular, committing crimes that originate in the enterprise and may cause significant damage to the enterprise through the risk of the enterprise sustaining reputational damage or being held liable for violations of the law.

CODE OF ETHICS

The Code of Ethics sets out the minimum standards of behaviour that apply to all employees. According to this document, all business decisions are made with honesty and integrity, based on objective factors such as cost, quality, value, service and the ability to meet obligations. Moreover, according to the Code of Ethics, all employees are obliged to avoid any actions or relationships that might be inconsistent or appear to be inconsistent with the interests of the Group. The Company has also made available communication channels for anonymous whistleblowers acting in good faith who will be protected.

DIALOGUE

For the sake of transparency of operations and transparency of its activities, ZPUE S.A. maintains a multidimensional dialogue both with the external environment and within the organisation. We use many available tools, both traditional and those based on the latest Information and Communications Technology

SHAREHOLDERS AND INVESTORS

Stock exchange announcements including the current and periodic reports, corporate website, e-mail contact for investors, investor meetings.

EMPLOYEES AND THEIR FAMILIES

Newsletter for employees in hard copy and electronic version, internal portal for employees, notice boards, IDEA rationalization program, Christmas and carnival party for employees' children, self-service kiosks allowing production employees to use the internal HR portal, inter-departmental integration events.

CUSTOMERS

Website, meetings and conferences, trade fairs, media, social media, product catalogues. ZPUE SA SMART magazine, the participation of our experts in live broadcasts on radio and television

SUPPLIERS, COOPERATING COMPANIES

Current contact, meetings, audits, SMART quarterly

LOCAL COMMUNITY

Operation of the "We Are Close" Foundation, meetings with representatives of local governments, social media, sponsorship of the Hetman Włoszczowa sports club, sponsorship of the Kielce Karate Kyokushin Koronea Club

MEDIA AND PUBLIC OPINION

Articles, publications in trade magazines and portals, social media, participation of our experts in live broadcasts on radio and television

COMPETITION

Participation in conferences and trade fairs, social media, product catalogues, website, quarterly magazine.

STATE AUTHORITIES

Mass media, conferences, forums.

WE ARE MEMBERS OF ASSOCIATIONS

- Polish Chamber of Industry and Commerce

- Polish-Swiss Chamber of Commerce

- Association of Polish Electrical Engineers

THE SUPPLY CHAIN

We learn to manage our supply chain responsibly. We make every effort to combine our economic goals with benefits for society and the environment.

Effective purchasing policy

Our purchasing policy defines detailed rules for purchasing and deliveries. An effective and planned purchasing procedure ensures the safety and convenience of deliveries for us and our partners.

Our General Terms and Conditions of Purchasing are integrated with the Code of Ethics

EXPENDITURE IN 2020

406 million zł

NUMBER OF MAJOR SUPPLIERS IN 2018 538

538	suppliers over 20,000 zł: 383
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383	suppliers over 50,000 zł:
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POLAND-BASED SUPPLIERS 461

461	suppliers over 20,000 zł: 322
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322	suppliers over 50,000 zł:
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The number of suppliers who have signed the Code of Conduct to date

151 suppliers

The main specializations of our suppliers:

- Modular switchgear
- Signaling devices;
- Current and voltage transformers
- fuse-links
- Fasteners;
- Transformers;
- Insulators;
- Non-ferrous metals;
- Switching apparatus;
- Control;
- Chemicals.

OUR PURCHASING POLICY:

- We set high health and safety standards;
- We promote suppliers that protect the environment;
- Supplier qualification procedure.

Purchasing policy

We optimize the transport routes of our own fleet and carriers - we promote transport and forwarding companies that provide bidirectional transport of cargo.

Cement, aggregate, sand - we order within 30 km from the plant in Włoszczowa

We promote companies that apply ethical employment environment - accept clauses based

on international conventions for the protection of human rights

We continuously adapt and modify the supply chain and, for materials identified as potentially at risk, a purchasing strategy is implemented to:

- find alternative sources of supply
- replace the problem material with a standard material with high availability
- create a supplier's deposit stock warehouse
- provide a supplier with the purchase forecast

Our steps towards a responsible supply chain

1	Supplier selection
2	Honest collaboration
3	Joint projects

THE SUPPLY CHAIN

1	Supply of materials and services
2	Quality control
3	Production
4	Stock management
5	Delivery to customers

RESPONSIBLE PRODUCTION

Our priority is building a culture of employee involvement and responsibility. We believe that only a fully committed team is the key to success

Our production processes are based on the lean manufacturing methodology. Our employees work in a culture of continuous improvement using a wide range of tools that

improve the efficiency of our work, i.e. : 5S, Kaizen, Standardization, Kanban, etc.

OUR LEAN MANUFACTURING TOOLS

5S	better organisation of work stations
SMED	quick tooling changeovers
TPM	optimal maintenance
VSM	value stream mapping
KAIZEN	continuous improvement
POKA YOKE	error prevention
JiT	right on time

THE “IDEA” WORK IMPROVEMENT PROGRAMME

It is a programme consisting in submitting and rewarding work improvement ideas submitted by ZPUE SA production employees.

Employees can consult the programme coordinators available in Włoszczowa and Katowice on a daily basis.

EFFICIENT MANAGEMENT

In 2020, we worked on the launch of the SAP PLM system and on organising the technological documentation.

In 2020, we also worked on the implementation SAP ERP. These works are ongoing this year. The production launch of SAP ERP is planned for 2021.

Innovation and development

Innovation is one of the pillars of our development strategy

Research plays a decisive role in the development of our company and products. At the end of 2017, we opened our first own Research and Development Centre, which currently employs over 60 engineers.

The goal of our team is:

Conduct research on innovative products - independently in-house and cooperation with research units;

Support existing products to increase efficiency and reliability;

Develop, design and implement the production of new products;

Oversee type tests in independent, accredited laboratories;

Create technical documentation and develop existing products.

Our potential of technological development

Designers, Engineers, R&D

160 people

II. CUSTOMERS

3.1 OUR CUSTOMERS

Our goal is to provide our customers with value and benefits. Customer satisfaction and loyalty are very important to us.

THE FACILITIES WE POWER

- Office buildings;
- Public buildings;
- Housing estates;
- Warehouses;

- **Distribution centres;**
- **Roads and infrastructure;**
- **Hotels and entertainment centres;**
- **Airports.**

DIALOGUE AND EDUCATION

Due to the COVID-19 pandemic, ZPUE did not participate in domestic and foreign fairs in 2020.

WE TAKE RESPONSIBILITY FOR OUR PRODUCTS





Doing business in the power industry, we take responsibility for human life and health as well as high-value property. We improve the quality of life by guaranteeing:

- Durability;
- Security;
- Reliability.

At the client's request, we conduct FAT before the product is shipped to the final recipient, also in the presence of independent inspectors.

- Our products are of high quality and completely safe for the user
- We minimize the negative impact of our devices on the environment
- We continue to improve our products. We can improve product functionality and extend product life cycle by retrofits and upgrades;
- We are continue to work on new solutions, which, when introduced to the market, increase the security of supply and save energy while protecting the environment;
- We act responsibly at all stages of the production process — from sourcing components and raw materials, through the manufacturing process to distribution

SERVICE

	We extend the life of products - by upgrades We have practical and proven solutions to replace individual modules and switchgears to improve product specification and operational reliability.		Recycling services We provide shutdown services for devices at the end of their useful life and we also provide MV and LV transformer and switchgear recycling services.
	Product adaptation In the face of constant changes and new requirements of power utilities, we are able to adapt the devices to the latest customer requirements.		Upgrades and replacement In the face of constant changes and new requirements of power utilities, we are able to adapt the devices to the latest customer requirements.

We work from the complete product down to the smallest details. ZPUE SA makes every effort to ensure that in any situation requiring service intervention, product users can count on professional support throughout the entire product life cycle. We offer a wide range of services such as warranty and periodic inspections, overhauls, repairs and product upgrades.

➔ **EXCELLENT CUSTOMER CARE** – SERVICE CONTRACTS

Our services include service contracts that foster cooperation between ZPUE SA and customers. The contract allow for the implementation of service activities based on the agreed, optimised costs.

➔ **RESPONSIBILITY COMES FIRST** - WARRANTY REPAIRS

ZPUE SA makes every effort to ensure that the products leaving the plant meet the highest standards of workmanship and reliability. If, nevertheless, defects are reported, our service organisation will remove any defects as part of the warranty repair procedure.

➔ **READY AT ALL TIMES** – SPARE PARTS

We make sure that our customers have access to all spare parts used in products manufactured by ZPUE SA. Client's needs are assessed each time based on the technical and operation documentation and we implement the best possible solution for availability and delivery of the necessary components.

➔ **A FULL RANGE OF SUPPORT** – REPAIRS, UPGRADES, RECYCLING

Our specialists are ready to carry out quick repairs after a failure or during planned shutdowns. We also offer full upgrades, which include analysis, repair, testing and restoration of the device to a good technical condition. By supporting our customers at every stage of the product's life, the range of our services also includes transformer recycling, which protects the environment around us.

➔ **EASY START-UP** – PRODUCT INSTALLATION, MEASUREMENTS AND COMMISSIONING

Our role does not end with the production, distribution and repairs. We also support our clients during commissioning, which includes testing and measurements as well as product and component configuration. Confidence and trust are the foundation of our business

➔ **PROFESSIONAL OVERSIGHT** – MAINTENANCE AND WARRANTY INSPECTIONS

When a product is already in use, it is a good practice to prevent breakdowns and unplanned repairs. This is achieved by preventive maintenance performed by experienced ZPUE SA experts. To ensure optimal product operation and the highest standard of services, we carry out authorized repairs, using only original parts and components.

➔ **WE GO WITH THE TIMES** – IMPROVEMENTS, UPGRADES, RETROFITTING

Product improvements, upgrades, retrofitting? Our service organisation will ensure that our products are always up-to-date. We will replace outdated and legacy circuit breakers with newer models that are more reliable, safer and easier to use. We upgrade switchgear and adapt it to new monitoring and control systems. We are open to all suggestions from our clients regarding upgrades and redesign.

➔ **SHARING KNOWLEDGE** – TRAINING

Our experts share their knowledge and expertise during training, which we have developed taking into account real-life experiences when working with a given product. Training is designed for supervisors, engineers, technicians, users, programmers and employees responsible for preventive maintenance. ZPUE offers training to its clients and partners, as well as to employees.

➔ **SHARING ADVICE AND EXPERTISE** – ENGINEERING AND CONSULTING SERVICES

ZPUE engineering and consulting services help identify ways to improve the reliability, usability, maintainability and safety of your production processes. Our common goal is to reduce operating costs and minimize the risk of failure.

➔ **TAILORED TO THE CUSTOMER'S NEEDS** – ADVANCED SERVICES

Thanks to the comprehensive range of products and services, we are able to provide services tailored to the needs of a specific customer. We implement projects to optimise production, improve energy efficiency and maintenance practices. Our advanced services will help you improve your production performance, lower your energy bills and manage your costs efficiently.

➔ **IS THERE ANYTHING ELSE WE CAN DO FOR YOU?** - OTHER MAINTENANCE SERVICES

Our experts will provide you with all the information regarding the full range of services provided by our service organisation, including part and component replacement, upgrades, add-ons, group III transformer service.

III. EMPLOYEES

4.1 employment structure (as at 31 December, 2020)

Number of employees	2 342
Women / Men	639 / 1 703
Manual / office	1 578 / 764
Up to 50 years / 50+	1 818 / 524
Number of disabled employees	79
Form of employment: fixed-term / indefinite	668 / 1 674
The number of students / students in internships in 2020	54

FOR EMPLOYEES

In 2020, we conducted a total of 118 training courses. They were carried out both inside the organisation and by external companies.

A total of 1027 * people took part in the training (* some people participated in several trainings)

Training expenditure per employee	388.45 zł
Number of working days for training per person	0.99 days / person

RECRUITMENT

The recruitment process at ZPUE SA is transparent, both outside and inside the company. 128 recruitments were carried out in 2020 **23** internal recruitments were successful.

ONBOARDING

The new employee onboarding at ZPUE SA takes place according to a strictly defined schedule.

2020 SOCIAL PACKAGE

Low-interest loans, allowances, Christmas packages for children.

Additional benefits: support in relocating job candidates, Multisport card, integration meetings for employees of individual departments.

HELP IS ALWAYS THERE

You can use a medical clinic and a free psychologist's advice on the company's premises.

CULTURE OF DIALOGUE

INTRANET

We focus on modern communication with employees. You can find out more about the workplace, offer, important events, internal regulations and procedures on the Intranet, the resource which is frequently updated. You can view photo galleries, videos, multimedia and read helpful articles

HR PORTAL

The HR portal is another tool useful not only for employees who use a PC on a daily basis. Thanks to self-service kiosks, production employees also have access to the internal IT network.

NEWSLETTER

With the ZPUE SA employees in mind, we publish the monthly Newsletter, which is published with increased print-runs since 2018. Each issue contains news, guides and photos. We publish special editions at important milestones for the company and the local community. The newsletter is distributed to all production plants of ZPUE SA in hard copy and electronic form.

EMPLOYEE REFERRAL PROGRAMME

The employee referral programme rewards employees for proposing suitable candidates for employment by ZPUE SA. Successful recruitment of a candidate is financially rewarded.

INTEGRATION EVENTS

These events help employees of within individual departments of ZPUE SA integrate and work together

Occupational Health and Safety

One of our undisputed priorities is the safe work environment of ZPUE SA employees, as well as guests staying on the company premises. In 2018, we received a certificate confirming compliance with the ISO 45001 occupational health and safety standard.

Important numbers for 2020 (OSH)

3	Accidents at work in our plants
197 days	number of days of absence due to accidents
32	road collisions
0	Fatal, serious or group accidents
0	Confirmed occupational diseases

TRAINING

451	number of trained employees
1441	number of employees trained periodically

In 2020, we conducted first aid training. **150** people took part in first aid training. Employees learned how to use a mobile defibrillator AED which is located on the company premises in Włoszczowa.

SOCIETY:

The “We Are Close” Foundation

Since 2010, ZPUE SA has operated the “We Are Close” Foundation. Every year, the foundation undertakes numerous initiatives for individuals and the local community. The foundation conducts preventive check-ups, protects the environment, and encourages others to act.

2020 IN NUMBERS:

Helping the community:

- 510 people covered by support, including: 180 people associated with ZPUE (58 employees and 122 people who are the employee's family), 50 joined in 2020;
- 2.5 million zł for the treatment and rehabilitation of individuals;
- 6 purchased lower limb prostheses;
- 14 single-family houses adapted to the needs of disabled people;
- 450,000 zł donated to save 2 hearts of our children;
- 3 foundation calendars with the participation of people under care;
- 20 purchased hearing prostheses;
- 5 integration meetings;
- 400 kg household chemicals from P&G provided to people under our care;
- 6 built bathrooms in the homes of the needy;
- 2 reconstructed single-family houses;
- 432 holiday packages issued;
- 32 families received in-kind donations (clothing, household appliances, furniture and toys).

Staying healthy:

- 38 days of preventive check-ups;
- 8,000 people examined;
- 17 detected suspicions of neoplasms;
- 2 detected cases of tuberculosis;
- 2 detected cases of hepatitis C;
- 86 disturbing lesions detected and referred for further diagnosis;
- 12 meetings with experts;
- 1 hospital ward renovated and equipped with ultrasound scanner;
- 1 new inhaler donated to the children's ward;
- 250 litres of blood collected;
- 100 registered potential bone marrow donors;
- 1,400 people vaccinated against influenza;
- 1,000 pharmacy cards provided to those in need for the purchase of medicines;
- 32 persons under our care who constantly benefit from rehabilitation;

COVID prevention efforts:

- 300,000 zł donated to fighting the virus;
- 600 medical gowns;
- 1,500 medical face coverings
- 6,000 face masks;
- 2,500 coveralls;
- 700 litres of disinfectant liquid;
- 10,000 reusable masks;
- 35 volunteers involved in the mask sewing campaign;
- 12,000 disposable gloves;
- 2 oxygen concentrators;
- 1 respirator;
- 28 supported institutions: 14 medical facilities, 3 nursing homes, 3 local government kindergartens, 3 upper secondary schools, 1 hospice, 3 public offices, 1 community centre.

Taking care of the development of children and adolescents

- 10 families received PCs with free Internet access;
- 3 days of educational workshops for young people;
- 24 trained youth leaders;
- 30,000 financed school meals;
- 102 dreams come true;
- 4 organised educational competitions;
- 180 hours of tutoring financed;
- 12 educational meetings with preschoolers;
- 50 children went to camps;
- 250 copies of the published novel by a person under our care;
- 8 subsidized trips of people under our care to music festivals;
- 160 youth volunteers supporting the Foundation's activities.

Environmental protection

- 6,000 trees planted;
- 2 electro-waste collection campaigns organized;
- 2 tons of collected used clothing;
- 5 tons of collected plastic caps;
- 4 “Plant a tree” campaigns;
- 5 covered heart-shaped containers for collecting caps;
- Participation in the cleaning action of the Kraków-Częstochowa Jura.

Involvement in the life of the local community:

- 72 events with the Foundation's participation;
- 8 charity concerts organized;
- 6 editions of the “Lighthouse Keeper” popularity contest;
- 4 organized events;
- 3 editions of the “Take cash and use it” grant programme;
- 50 completed projects;
- 80,000 donated for the implementation of the project;
- 520 volunteers involved;
- 16 revitalized public places;

- 30 renovated and retrofitted buildings (schools, fire stations, Volunteer Fire Department, Village Clubs, Senior Clubs, Sports Clubs);
- 5 organized events;
- 26 recreational devices made as part of the “Help” project;
- 4 organized charity dinners: 30 committed volunteers, 600 hours spent organizing events, 100 committed artists, 500 donors.

SPORTS SPONSORSHIP

HETMAN WŁOSZCZOWA

For a number of years we have been supporting Hetman Włoszczowa Sports Club - a local sports club with over 70 years of tradition and interesting history. Apart from the senior football team, the club also runs youth and children's sections, instilling a passion for sport in young people.

KYOKUSHIN KORONEA KARATE CLUB in Kielce

For over 20 years we have been a strategic sponsor of the Kielce Kyokushin Koronea Karate Club. The club has raised, inspired and developed the passion of thousands of young people.

. COOPERATION WITH UNIVERSITIES IN 2020

- **The Silesian Technical University;**
- **AGH University of Science and Technology**
- **Kielce University of Technology;**
- **Nature university;**
- **Higher School of Public Administration in Kielce;**
- **Cracow University of Technology;**
- **Kielce University of Technology;**
- **University of Lodz;**
- **AGH University of Science and Technology in Kraków;**
- **University of Natural Sciences and Humanities in Częstochowa;**
- **Częstochowa University of Technology;**
- **Jan Kochanowski University in Kielce.**

WE CARE FOR NATURE AND DO NOT FORGET ABOUT QUALITY

INTEGRATED QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEM

In 2018, an independent audit body confirmed the implementation by ZPUE S.A. of Integrated Quality, Environment and Health and Safety Management System based on three ISO standards. This is a very important point for the Company and a significant indicator for business partners across the world that ZPUE can be most trusted. Being aware of these requirements, the Management Board of ZPUE SA decided to implement an integrated quality, environment and health and safety management system. ZPUE has implemented and proved the application of an Integrated Management System based on three standards: ISO 9001: 2015 - confirming management in the area of quality, ISO 14001: 2015 confirming the company's care for the natural environment, and, for the first time, OHSAS 18001:2007 on occupational health and safety. (so far the company has held the following certificates: ISO 9001 2008 and ISO 14001 2008) In the first half of July 2018, five auditors from TÜV Nord inspected the management systems in ZPUE plants in terms of quality, environmental and health and safety standards.

No non-conformities were found. Only some improvements to the operation of the system were recommended and we immediately started implementing them. In July 2020 there was a new system certification according to ISO 45001: 2018 for health and safety at work.

ENVIRONMENTAL POLICY

Under all circumstances, all employees of ZPUE SA always act responsibly in the areas of quality and the environment in order to improve customer satisfaction and to ensure that pro-environment efforts are most effective, as well as to avoid environmental pollution and continuously reduce the negative impact on the environment.

We pursue environmental goals based on the principles of sustainable development by:

- a systemic approach to quality and the environment, including continuous improvement of the Integrated Management System and procedures necessary to deliver our clients' orders.
-

- This approach is closely related to compliance with legal regulations on environmental protection.
- eliminating risks to the natural environment.
- systematically training all our employees and individuals acting on behalf of and for ZPUE SA in the quality and environmental management techniques, and motivating employees to achieve our quality and environmental goals. ZPUE has implemented and proved the application of an Integrated Management System based on three standards, including ISO 14001: 2015, which confirms the company's care for the natural environment.

Environmental policy

Standards and certificates that we hold and apply: ISO 14001, ISO 9001, ISO 45001 TÜV audits , inspection of the Provincial Inspectorate of Environmental Protection.

ENVIRONMENTAL RESPONSIBILITY FOR PRODUCT AND RECYCLING

At the end of its service life, TPM switchgear can be processed, recycled for reuse in accordance with European requirements related to the end of life of electrical and electronic devices. The insulating and conductive materials used are identifiable and easy to separate.

We try to source supplies from companies that use recycled materials. Depending on the type of product, materials such as concrete, metals and plastics are mainly used in the production process. This allows most of individual components to be recycled at the end of the product's life.

IMPORTANT NUMBERS:

10-20% is the share of re-used raw materials (depending on the specificity of a given product).

Our suppliers of metal components and raw materials for the production of concrete declare the use of recycled materials.

CONSUMPTION AND EMISSIONS MONITORING

ZPUE SA makes every effort to minimize the harmful impact of all aspects of its business on the natural environment.

Energy consumption:	9 117 650 kWh
Water consumption in our plants	35,650 cubic metres

The basis for any improvement is monitoring and a thorough analysis of electricity, natural gas, system heat or fuel oil consumption. This is exactly how we operate and we are looking for ways to reduce consumption.

We have defined the most energy-intensive processes and devices:

- Laser cutters;
- Powder coating of components;
- Production of pre-tensioned spun concrete poles
- Laser cutting;
- Manufacture of concrete casings;
- Welding of plastics.

All new tools and devices purchased by ZPUE SA meet the highest standards for energy efficiency

EXAMPLES OF GOOD PRACTICES

- **We are replacing old lighting with LED lamps, which are energy-efficient and more environmentally friendly;**
- **The SPS Smart Transformer Station launched by ZPUE SA uses renewable energy sources (sun and wind).**

How do we reduce water consumption?

Installed on the sheet powder coating pre-treatment line, **rotameters** are used to measure the water flow, which allowed us to strictly control the consumption and, as a result, reduce it.

In our offices, we use taps with aerators and water-saving toilet flushing systems.

Emissions to the atmosphere in 2020

TECHNOLOGICAL PROCESSES

R407C Refrigerant 0 kg

Dust	895.59 kg
NO _x	14.90 kg
CO	91.34 kg
R407C Refrigerant	0 kg
Mn	0,102
Fe	0,574
C	0,118

ENERGY PROCESSES

SO _x	9,448.73 kg
NO _x	7,892.30 kg
CO	2,993.12 kg
CO ₂	5257.01 mg
Dust	1116.35 mg
Benzo(a)pyrene	0.0066 kg

All generated waste is handed over to companies with appropriate waste management permits. The transfer of waste by the company is documented on the waste transfer record. Waste management instructions have been developed for all departments.

Integrated Quality and Environmental Management System

As part of our system, we have implemented the following:

- Environmental emergency procedures ensuring appropriate response and reduction of related environmental impacts;

- Switchgear SF₆ gas recovery procedure;
- Instructions for conducting regular environmental monitoring and measurements;
- Measurements and assessment of the environmental impact of our activities

We also have implemented a procedure for dealing with waste generated by production departments.

We use prevention, i.e. periodic inspections of machines, which prevents accidental and extraordinary emissions, containers with hazardous substances are stored in a ventilated chemical warehouse or in sump trays. Consumption of utilities is monitored. Signs have been posted reminding employees to turn off unused machines or turn off the light in rooms where nobody is around, as well as signs in bathrooms and dining rooms encouraging to use water sparingly.

**Environmental damage - fines imposed,
costs of remedial actions, image-related
costs**

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