



Report of **ZPUE SA** on non-financial information for **2022**

Scope

This non-financial report was prepared according to Article 49b of the Accounting Act of 29 September 1994. The report presents non-financial information concerning ZPUE SA for the period from 1 January 2022 to 31 December 2022.

Włoszczowa, March 2023

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1. ZPUE S.A. LOOKING WITH ENERGY INTO THE FUTURE

1.1 With energy into the future

Dear Sir / Madam,

I am pleased to present the non-financial report of ZPUE SA for 2022. This report concerns CSR activities in the area of business, society and the environment.

Michał Wypychewicz
President of the Management Board of ZPUE SA

1.2 Business profile of ZPUE SA

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

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

- **Battery storage,**
- **Electric vehicle charging stations,**
- **Container transformer stations,**
- **Medium voltage switchgear,**
- **Low voltage switchgear,**
- **Pole-mounted transformer stations,**
- **Apparatus for overhead power lines.**

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.

1.3 ZPUE SA in Poland and in the world

ZPUE IN POLAND AND IN THE WORLD

- HEAD OFFICE Production Plant in Włoszczowa
29-100 WŁOSZCZOWA, ul. Jędrzejowska 790
- 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 58

We are available to our customers at **15 technical and commercial offices** in Poland

Our specialists offer their know-how and experience.

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



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

wybrane kierunki eksportowe

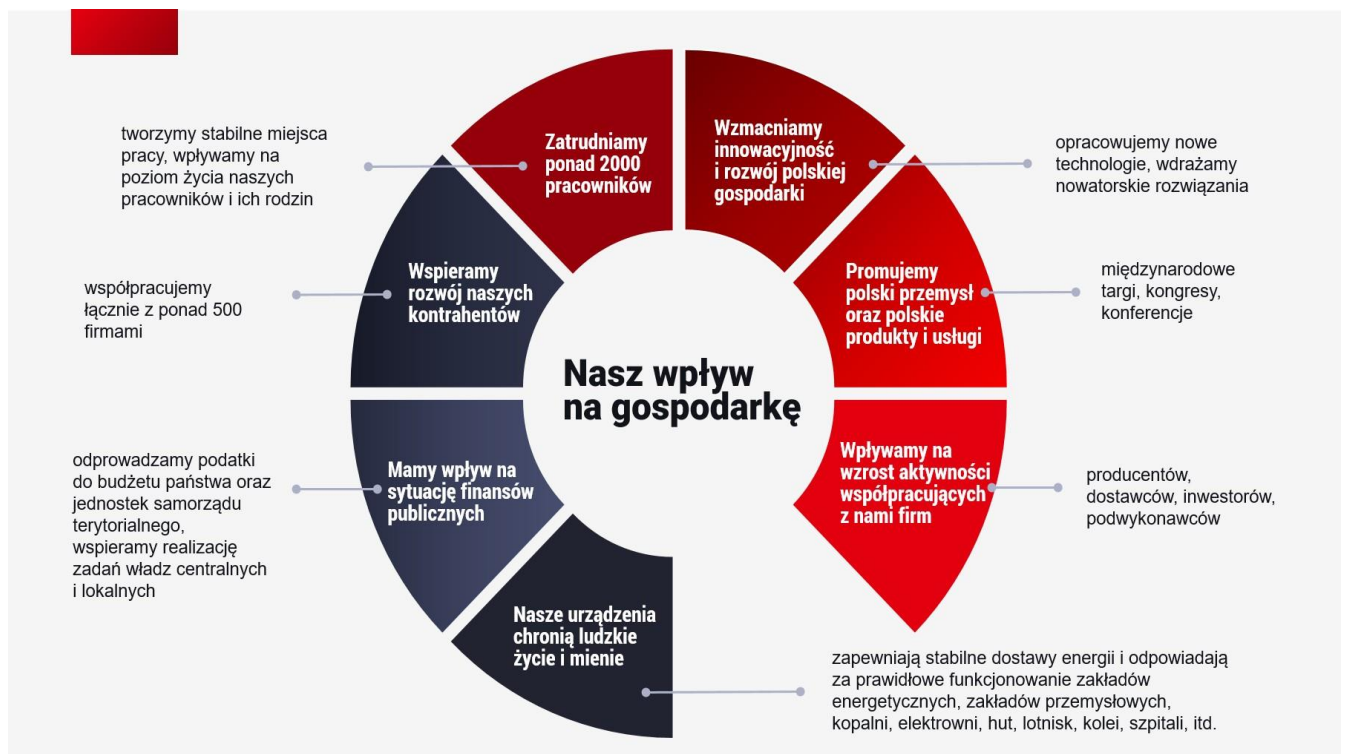
Selected export destinations

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



1.4 Our impact on the economy

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



Nasz wpływ na gospodarkę	Our impact on the economy
Zatrudniamy ponad 2000 pracowników tworzymy stabilne miejsca pracy, wpływamy na poziom życia naszych pracowników i ich rodzin	We employ over 2,000 employees we create stable jobs and improve the standard of living of our employees and their families
Wspieramy rozwój naszych kontrahentów współpracujemy łącznie z ponad 500 firmami	We support the business development of our contractors we work together with over 500 companies
Mamy wpływ na sytuację finansów publicznych odprowadzamy podatki do budżetu państwa oraz jednostek samorządu terytorialnego wspieramy realizację zadań władz centralnych i lokalnych	We support the public finances we pay taxes to the state treasury and local government units, and support the implementation of tasks by central and local authorities
Wzmacniamy innowacyjność i rozwój polskiej gospodarki . opracowujemy nowe technologie, wdrażamy nowatorskie rozwiązania	We strengthen innovation and development of the Polish economy. we develop new technologies and implement innovative solutions
Promujemy polski przemysł oraz polskie produkty i usługi międzynarodowe targi, kongresy, konferencje	We promote Polish industry and Polish products and services international fairs, congresses, conferences
Wpływamy na wzrost aktywności, współpracujących j z nami firm Producentów, dostawców, inwestorów, podwykonawców	We boost business of companies cooperating with us Manufacturers, suppliers, project owners and subcontractors
Nasze urządzenia chronią ludzkie życie i mienie zapewniają stabilne dostawy energii i odpowiadają za prawidłowe funkcjonowanie zakładów energetycznych, zakładów przemysłowych, kopalni, elektrowni, hut, lotnisk, kolei, szpitali, itd.	Our products protect human life and property our products ensure a stable supply of power and support for the optimum operation of power utilities, industrial plants, mines, power plants, steel mills, airports, railways, hospitals, etc.

1.5 Management structure – members of management bodies

Members of the Management Board of ZPUE SA as of 31 December 2022:

- 1) Michał Wypychewicz – President of the Management Board
- 2) Krzysztof Jamróz – Vice-President of the Management Board
- 3) Michał Stępień – Vice-President of the Management Board
- 4) Tomasz Gajos – Member of the Management Board
- 5) Wojciech Marcinkowski – Member of the Management Board

In the period from 1 January 2023 to date, no changes took place in the composition of the Management Board.

Members of the Supervisory Board of ZPUE SA as of 31 December 2022:

- 1) Bogusław Wypychewicz – President of the Supervisory Board
- 2) Małgorzata Wypychewicz – Deputy President of the Supervisory Board
- 3) Katarzyna Wypychewicz – Member of the Supervisory Board
- 4) Jarosław Myjak – Member of the Supervisory Board
- 5) Antoni Różowicz – Member of the Supervisory Board

In the period from 1 January 2023 to date, no changes took place in the composition of the Supervisory Board.

Management Board members, are obliged, as part of their duties, to inform the Supervisory Board of any conflicts of interest in connection with their function or the possibility of it arising.

1.6 Structure of the shareholders of ZPUE SA

Table: Shareholders of ZPUE SA as of 31/12/2022

Shareholder	Number and type of shares	Percentage share in the total number of shares (%)	Number of voting rights	Percentage share in the total number of votes (%)
Bogusław Wypychewicz (holding shares of ZPUE SA together with his wife, Małgorzata Wypychewicz, via the companies Koronea sp. z o.o. and Koronea Investment S.à r.l.)	100,000 registered preference shares of A series 688,189 ordinary bearer shares	56.3%	1,188,189	66,01%
Michał Wypychewicz	1 G series ordinary registered share 1000 ordinary bearer shares	0.071%	1001	0.06%
ZPUE S.A. (treasury shares without voting rights)	610,811 ordinary bearer shares	43.63%	610.811	33.93%
Total	1,400,001 shares	100%	1,800/001	100%

Chart: Shareholder structure by share in the total number of shares (%).

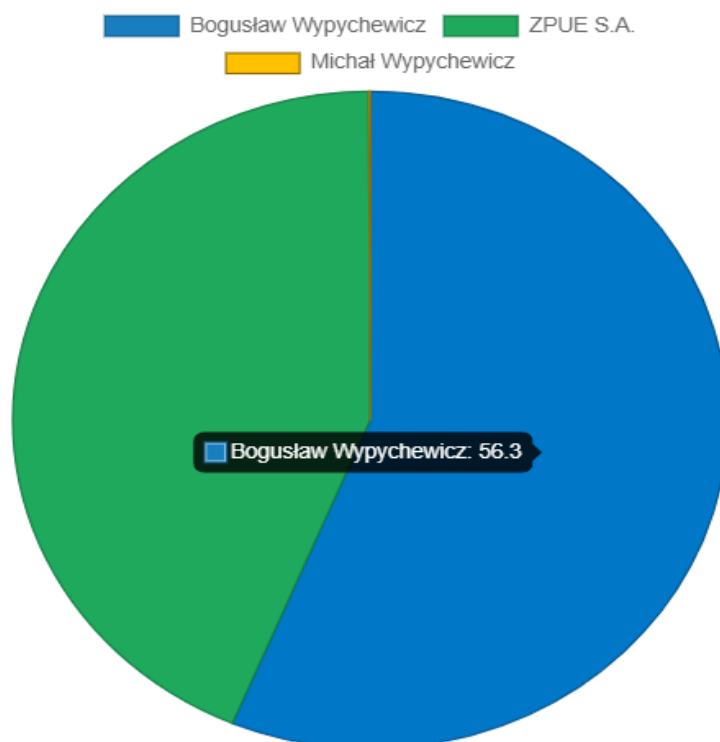
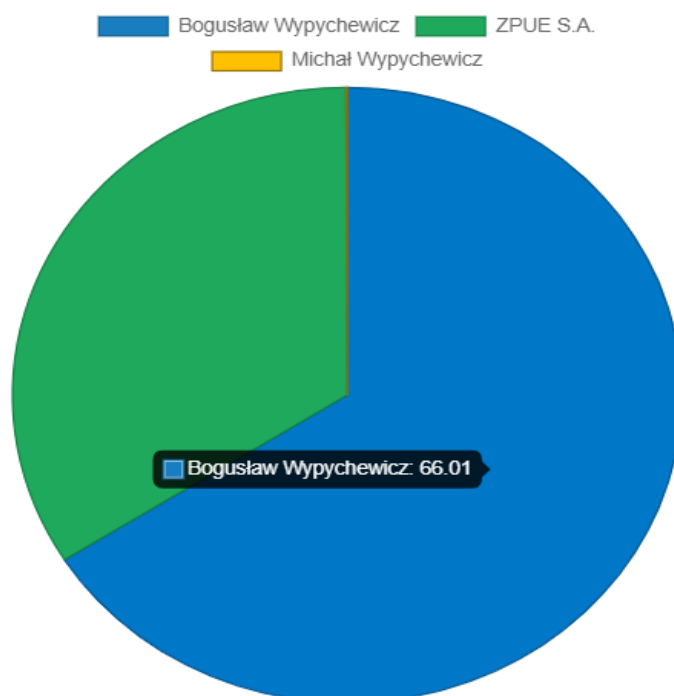


Chart: Shareholder structure by share in the total number of votes at General Assembly of Shareholders (%).



1.7 Risk management

We are committed to effective risk management – from occupational health and safety

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 analyses 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 and PN-EN ISO 45001 standards in June 2022 showed that we apply and effectively develop the management system in the areas of:

- Policy, goals and their implementation in the organization;
- 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 organization - 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.

1.8 Information acc. to Regulation (EU) 2020/852 of the European and of the Council

Our products born from the concern for the natural environment

Regulation (EU) 2020/852 of the European Parliament and of the Council defines 6 environmental objectives, two of which we focused on in the non-financial report for 2022:

1. Climate change mitigation
2. Climate change adaptation

In 2022, approximately 30% of our sales included products for Renewable Energy Sources. These numbers are aligned with the philosophy and objectives of the European Green Deal.

Two primary objectives of the EGD:

1. Reducing the carbon footprint by 2050.
2. Reducing the environmental footprint by introducing Circular Economy.

In 2022, we developed the market offering of our new products and service – electric vehicle charging stations. We also successfully develop our offering of battery storage.

One of the examples of our projects is the photovoltaic farm in Ręczyn in Lower Silesia Province. We delivered 72 transformer stations with a power of 1 MW for the 70-hectare farm. The equipment has been provided with MV and LV switchgear.

Input and assumptions for the documents (Regulation (EU) 2020/852 of the European Parliament and of the Council): “An economic activity should not qualify as environmentally sustainable if it causes more harm to the environment than the benefits it brings”.

2. ACTING WITH ENERGY

2.1 Our strategy

TOGETHER WE STIMULATE PROGRESS

In line with our core assumptions, 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 organization. The focal point of the changes that we have introduced is HUMAN - our Client, Supplier, Employee.

<p>MISSION</p> <p>We support the development of our clients by providing modern and comprehensive power solutions</p>
<p>VISION</p> <p>To be the power industry leader in Poland and a significant player in selected foreign markets</p>
<p>VALUES</p> <p>Commitment – Creativity – Customer focus – Professionalism – Cooperation – Identification with the company</p>

2.2 Sustainable development strategy

Ambitious sustainable development goals

On 25 September 2015, the United Nations General Assembly adopted the Resolution: “Transforming our World: the 2030 Agenda for Sustainable Development”.

Source: www.unic.un.org.pl/files/164/Agenda%202030_pl_2016_ostateczna.pdf

The document has become a roadmap and a source of inspiration for the organized and planned approach to sustainable development thanks to the list of 17 objectives it included. Out of the objectives listed in the document, we selected six areas connected with our business, and we regard them as our commitment for the next few years.

SIX AREAS OF SUSTAINABLE DEVELOPMENT IN ZPUE SA

1. PROVIDE EVERYONE WITH ACCESS TO SOURCES OF STABLE, SUSTAINABLE AND MODERN ENERGY AT AN AFFORDABLE PRICE
2. PROMOTE STABLE, SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL PEOPLE
3. BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION
4. MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE
5. PROVIDE EXAMPLE OF SUSTAINABLE CONSUMPTION AND PRODUCTION

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

2.3 Ethics

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

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

SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct is a set of our minimum requirements for 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. According to the adopted rule, the supplier shall not resort to any form of corruption or bribery, whether in dealing with government officials, public officials, customers or business partners, and shall neither accept nor transfer any kind of improper or inappropriate payments, benefits, gratuities to other persons or entities.

CODE OF ETHICS

The Code of Ethics sets out the minimum standards of behavior 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.

COMPLIANCE PROCEDURE

The Compliance Procedure has been introduced to monitor compliance with the law and internal regulations of the Company as well as the standards adopted by the Company, including fairness and protection of the good reputation of the Company, loyalty to the customers and Suppliers and elimination of the risk of the loss of confidence in the Company. The document concerns all

employees, including the authorities of the Company, regardless of the form of employment or cooperation.

In ZPUE SA, 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.

Compliance Officer – inspector responsible for compliance with the internal regulations of the Company concerning compliance with the law as well as procedures adopted by the Company with respect to compliance with the law and business ethics, appointed by a resolution of the Management Board of the Company. The duties of the Compliance Officer include actions intended to mitigate the risk of non-compliance of the operations of the company.

2.4 Dialogue

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

EMPLOYEES AND THEIR FAMILIES Newsletter 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 and a team-building picnic for the employees and their families
CUSTOMERS Website, meetings and conferences, trade fairs, media, social media, product catalogues. SMART magazine, the participation of our experts in live broadcasts on radio and television.
SUPPLIERS, COOPERATING COMPANIES Current contact, social media, meetings, audits, SMART quarterly.

LOCAL COMMUNITY Operation of the "We Are Close" Foundation, meetings with representatives of local governments, social media, sponsorship of sports clubs: Raków Częstochowa, Hetman Włoszczowa and DEKO Włoszczowa, sponsorship of Kielce the Karate Kyokushin Koronea Club.
MEDIA AND PUBLIC OPINION Articles, publications in trade magazines and portals, social media
COMPETITION Participation in conferences and trade fairs, social media, product catalogues, website, quarterly magazine.
STATE AUTHORITIES Mass media, conferences, forums.

2.5 Value 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

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;

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

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 organization 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 PROGRAM

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

Employees can consult the program coordinators available in Włoszczowa, Katowice and Gliwice on a daily basis.

2.6. 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.

The goal of our team is to:

Conduct research on innovative products - independently in-house and in 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.
--

3. 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.

OUR CUSTOMERS

Distribution System Operators (DSOs)

Large industrial plants

Medium industrial plants

Small private companies

Transport, shipyards

Railways and overhead line equipment

Extractive industry

THE FACILITIES WE POWER

- Office buildings,
- Public buildings,
- Housing estates,
- Warehouses,
- Distribution centers,
- Roads and infrastructure,
- Hotels and entertainment centers,
- Airports,

- Seaports.

3.2. Responsibility for the products

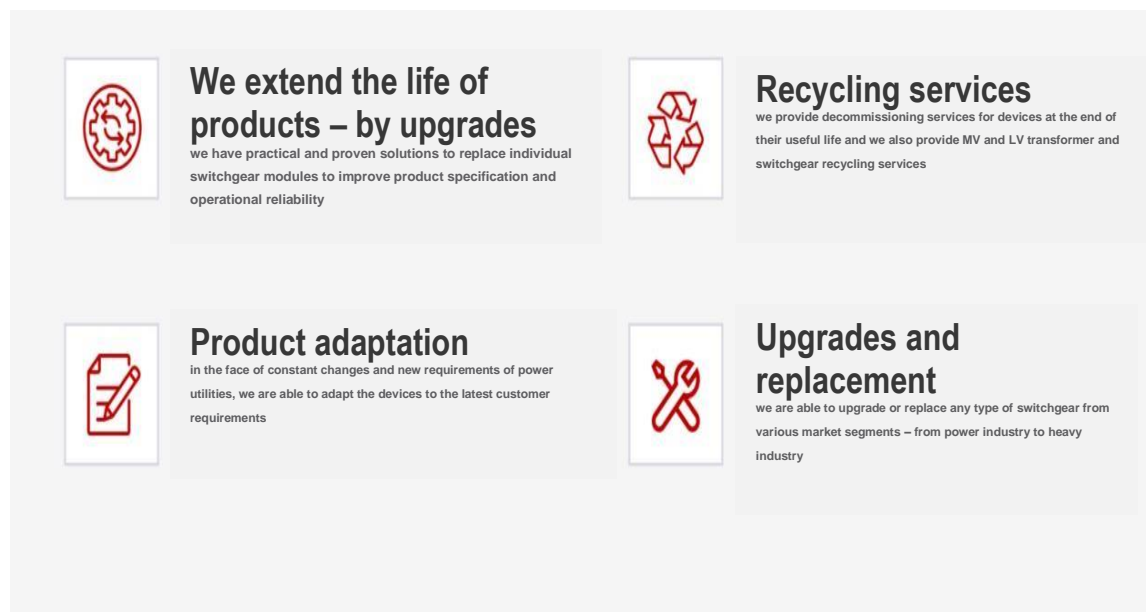
Doing business in the power industry, we take responsibility for human life and health as well as high-value property. We improve the quality of life by guaranteeing:

- Durability,
- Safety,
- 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 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.

3.3. Servicing



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 contracts allow for the implementation of service activities based on the agreed, optimized 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 organization 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 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 organization 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 SA offers training to its clients and partners, as well as to employees.

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

ZPUE SA 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 optimize 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.

4. EMPLOYEES

4.1 Employment structure (as of 31/12/2022)

Number of employees	2,480
Manual / office	1658 / 822
Up to 50 years / 50+	2147 / 333

4.2. For employees

TRAINING

In 2022, we conducted training courses in soft and hard skills. They were carried out both inside the organization and by external companies.

RECRUITMENT

The recruitment process at ZPUE SA is transparent, both outside and inside the company.

ONBOARDING

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

2022 SOCIAL PACKAGE

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

Additional benefits: support in relocating job candidates, team-building meetings in the form of a picnic for employees and their families.

HELP IS ALWAYS THERE

You can use a medical clinic on the premises of ZPUE SA in Włoszczowa.

4.3 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 have been publishing the monthly Newsletter 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 PROGRAM

The employee referral program 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 ZPUE SA integrate and work together.

5. SOCIETY

5.1. "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. In particular, the Foundation conducts preventive examinations and environmental initiatives, encouraging others to act for the good of the community.

- The Foundation helps its charges by dedicating funds to treatment and rehabilitation, adaptation of single-family houses to the needs of disabled persons, purchase of supplies and equipment to make life easier for disabled persons, organizing and issuing Christmas packages, organizing team-building meetings and donations in kind.
- The health initiatives of the Foundation include organizing preventive examinations, vaccinations, blood donation, meetings with medical experts, purchase of medical equipment and supplies, donating pharmacy cards for the purchase of medications for the people in need.
- As part of the efforts dedicated to children and youth, the Foundation finances meals in school, organizes the "Making dreams come true" campaign, finances computer equipment with free Internet access, organizes educational meetings, finances private lessons and summer camps and encourages volunteer activities.

- As part of its environmental activities, the Foundation plants trees, organizes the collection of waste electric and electronic equipment, second-hand clothing and plastic caps.

The Foundation is also involved in the life of the local community, participating in local cultural events, organizing charity concerts and happenings and financing the renovation of public buildings.

5.2. 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.

DEKO WŁOSZCZOWA

In 2021, ZPUE SA signed a partnership contract with DEKO Włoszczowa. Thus, ZPUE SA became the strategic sponsor of the club project "Training Football Talent". The project was joined by the Widzew Łódź football club.

SPORTS EVENTS

We help organize many sports events, such as the annual international Hetman Cup tournament.

5.3. Collaboration with universities:

ZPUE SA collaborates with many higher education establishments, including, in particular, the following:

- AGH University of Science and Technology in Kraków
- Silesian University of Technology
- Kielce University of Technology
- Częstochowa University of Technology
- Cracow University of Technology

- Jan Kochanowski University in Kielce

6. WE CARE FOR NATURE AND DO NOT FORGET ABOUT QUALITY

6.1 Integrated environment and quality management system ZPUE SA has an implemented, maintained and certified Integrated Quality, Environment and OHS 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, ISO 45001:2018 on occupational health and safety. Each year, an independent certification body verifies the conformity of our Integrated Management System to the requirements of ISO standards. In 2022, the surveillance audit did not find any non-conformities. Only some improvements to the operation of the system were recommended and we immediately started implementing them. The successful result of the surveillance audit means that our certificate has been maintained. A valid certificate confirming the correct functioning of the Management System is a significant indicator for business partners across the world that ZPUE SA can be most trusted.

6.2 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 SA 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.

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

6.3. Environmental responsibility for products 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% to 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.

6.4. Consumption control and emissions

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

	2022	2021
Energy consumption	9,334.990 MWh	7,941.400 kWh
Water consumption	44,589 m ³	36.83 thousand m ³

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;
- Heat production.

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

EXAMPLES OF GOOD PRACTICES

- We are building using energy-saving technologies. Systems used in our production buildings reduce the emissions of noise, dust and gases.
- Thermal upgrade of existing buildings.
- We are successively 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).
- Reducing waste industrial wipers. By signing a contract with a laundry company, we can reuse the same industrial wipers many times.
- Reuse of the boxes supplied to the company for the purposes of production departments.
- Successive conversion of the vehicle fleet from diesel fuel to petrol and electrical vehicles.
- At the production departments, employees switch off lighting during breaks and shut down the machines to save energy.

How do we reduce water consumption?

In our offices, we use taps with aerators and water-saving toilet flushing systems. 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 in the BDO system. Waste management instructions have been developed for all departments.

6.4.1 Emissions to the atmosphere

TECHNOLOGICAL PROCESSES

	2022	2021
Dust	1573.63 kg	1485.26 kg
NOx	211.69 kg	8.36 kg
CO	218.48 kg	50.87 kg
R407C Refrigerant	0 kg	0.3 kg
SOx	53.13 kg	

Benzo(a)pyrene	0.0000631 kg	
CO ₂	266.71 Mg	0

ENERGY PROCESSES

	2022	2021
SO _x	36338.14 kg	41085.41 kg*
NO _x	22518.86 kg	21314.99 kg
CO	15031.24 kg	56079.52 kg
CO ₂	13201.89 Mg	12764.17 mg
Dust	7610.61 mg	4182.45 kg
Benzo(a)pyrene	10.51 kg	10.30 kg

* The increase of emissions was related to the acquisition of the district heating plant supplying heat for the town of Włoszczowa

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.
- Environmental indicators connected with the amount of energy, water, fuel and waste used depending on the production volume.
- Calculating the carbon footprint for the organization.
- Calculating the carbon footprint for selected products.

Environmental damage – fines imposed, costs of remedial actions, image-related costs	PLN 0
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