



Sustainability
Report 2023

Green light for digital
transformation



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Światłowód Inwestycje

Socially responsible
wholesale operator

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ABOUT THE COMPANY

GRI 2-6 • GRI 201-1

Światłowód Inwestycje (S-I) is the largest, open and independent operator of fibre-optic infrastructure in Poland, which offers Internet access exclusively in FTTH GPON technology. We operate in the wholesale market. We offer FTTH (Fiber to the Home) services to telecoms operators who provide users with internet and other broadband-based services based on our infrastructure. We support the country's equitable digital transformation by increasing access to the most reliable and fastest internet network.



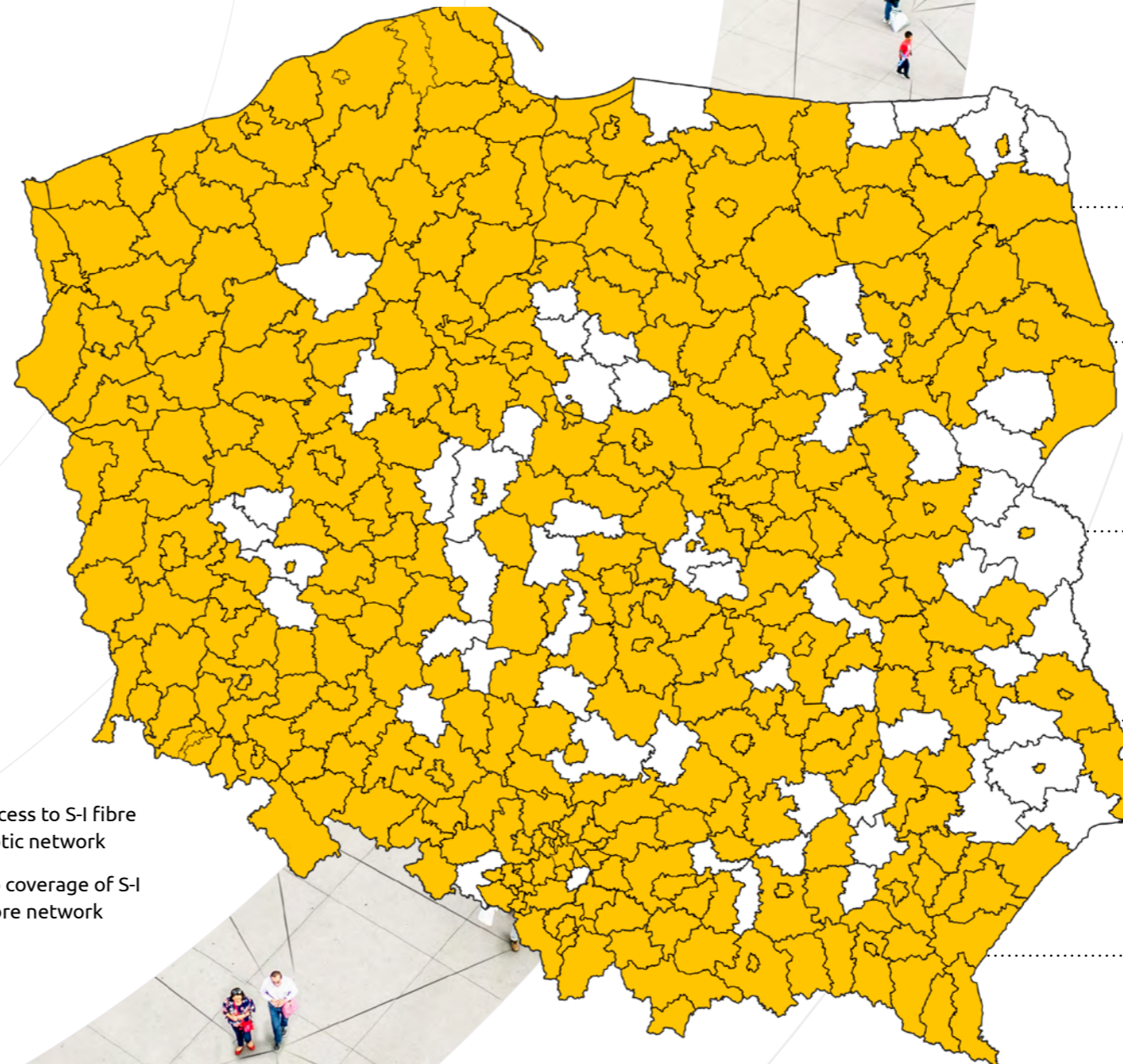
Our goal is to extend coverage to **2.4 million** households by 2025.



We want to provide fibre optic infrastructure in areas with limited access to high-speed internet - on average, we plan to increase coverage by **around 400,000 addresses** per year.



We are open! One way, one goal - we make our network available to different operators.



- access to S-I fibre optic network
- no coverage of S-I fibre network

FIBRE OPTIC NETWORK COVERAGE

Data as at the end of 2023

68
members of the S-I Team

190
key business partners in the supply chain

1.7_M
households within the reach of the fibre optic network

40,000_{KM}
of fibre optic cables as part of the infrastructure

PLN 204_M
net revenue

INTERVIEW WITH THE MANAGEMENT BOARD

GRI 2-11 • GRI 2-12 • GRI 2-13 • GRI 2-17 •
GRI 2-18 • GRI 2-22 • GRI 3-1

How did 2023 go at S-I in terms of sustainability?

Piotr Sujecki, Chief Financial Officer & Board Member:

It was an intense but good time. We received an award for the best Sustainability Report, improved our ESG rating on the GRESB platform, and finalised an annex to the loan agreement with commercial banks containing provisions confirming the compliance of our investment projects with the so-called Green Loan Principles. We also calculated our organisation's carbon footprint for the first time in all three scopes according to the GHG Protocol.

Magdalena Russyan, Chief Operations Officer & Board Member:

We also must not forget about the development of our network. We implemented 100% of the most ambitious investment plans that arise from our business plan for each year. This was a huge effort by the whole Team, and we also found



time to continue to operationalise our actions under the ESG Strategy. In addition to identifying key projects to be implemented by each organisational unit, we defined quantitative targets within each commitment to be achieved by the end of 2025. They provide us with a kind of compass as to what we need to pay attention to in terms of cyclical disclosures and indicate what we need to work on to improve our approach to reporting.

Since your company have already received the award for the best report, is there anything to improve then?

Magdalena Russyan: The award we received means a lot to us as it proves that the measures we have taken so far were recognised by the greatest experts in Poland. Let us also remember that it concerned the Debut category. We were better than almost thirty companies but we realise that there is a lot ahead of us if we want to reach the level of the best companies in Poland, which have been publishing their reports for several or even over a dozen years. Besides, working on the report, especially the non-financial data collection stage, is a tedious and time-consuming process - especially in the first years.

Piotr Sujecki: I agree. Let us also remember that sustainability is an ongoing process. The business model of companies should not only be effective in terms of achieving financial performance, but it should also effectively support actions on relevant ESG areas across the organisation's value chain. And let us not forget that the environment is changing dynamically. It was just at the end of 2023 that EFRAG published a complete draft of the new sustainability reporting standards, the so-called ESRS. All indications are that we will be subject to the CSRD as early as 2026...

Magdalena Russyan ...which means that we have to work simultaneously to implement the strategy we adopted and to ensure that we comply as much as possible with the new standards that will come into force in the European Union. This will probably be the biggest challenge - not only in 2024, but especially in 2025. Perhaps also in the years to come because as we know, there is not yet a final version of the Polish law implementing the EU directive into local law, and EFRAG is yet to implement the sector standards.

Indeed, ESG will dominate the future - the scale of the reporting obligation will ultimately cover more than 3,000 companies in Poland alone, compared to less than 200 to date. Major consultancies predict that issues related to corporate governance and the approach to management will be a major challenge for most companies. Is this also the case for S-I?

Piotr Sujecki: We seriously approached the materiality analysis in 2022 - at that time still based on the GRI standard. However, we had already taken into account both impacts and ESG risks as part of our risk management system. So, we will not be starting from scratch, the foundations are already in place, however we should re-evaluate the process to make sure that our 'design' will support all the detailed guidelines of the new ESRS standards.

Magdalena Russyan: All the more so as we identify most of the relevant impacts and risks in the value chain - mainly among suppliers. Our existing approach will need to be deepened, among others by taking into account operations not only of our first-tier partners, but also those operating downstream. The level of detail of the disclosures will also change. The very issues related to modelling the financial consequences of ESG

risks and opportunities will be challenging. This is a process that also requires the engagement of our business partners.

I understand. Apart from corporate governance, do you identify other areas of concern for your company?

Piotr Sujecki: We are also aware of the need to take other actions that will be required under the CSRD. These include the decarbonisation plan and the taxonomy. Therefore we still have to identify priority actions and short- and medium-term goals on our path to climate neutrality.

Magdalena Russyan: I think we are well on the way to credibly and transparently demonstrate our impact in both social and environmental areas. However, we must not forget about the already mentioned approach to reporting - we are keen to develop solutions that will ultimately allow us to report non-financial data as effectively as financial data.

Piotr Sujecki: I fully agree. As I mentioned before, we have solid foundations. However, due to upcoming regulations as well as challenges from our value chain - we still have more to think about and work on. Anyway, we really encourage you to read the second S-I's Sustainability Report, in which we present our progress on our economic, social and environmental impacts in 2023.

CORPORATE GOVERNANCE

Our approach to management is based on three pillars: governance, leadership and management by objectives. They provide the foundation for the activities of the entire company, including the implementation of the Sustainability Strategy, starting with an analysis of the risks and impacts of S-I on the environment through the implementation of relevant policies that define our approach in a particular area, to operational activities.

ORGANISATIONAL STRUCTURE

GRI 2-9 • GRI 2-10 • GRI 2-11 • GRI 2-19 • GRI 2-20 • GRI 2-22

S-I is a company with a flat organisational structure. As a result, we are able to ensure a seamless flow of information and make operational decisions quickly. We focus on cooperation and partnership – we support each other, we exchange competences within the available resources, and we act together.

The Meeting of Shareholders is composed of representatives of the two shareholders who convene at least once a year. They approve the reports of the Management Board on the Company's activities during the financial year and grant a discharge (or not) for the activities of the Board Member concerned in the financial year in question. Each shareholder has the right to appoint and remove one Board Member.

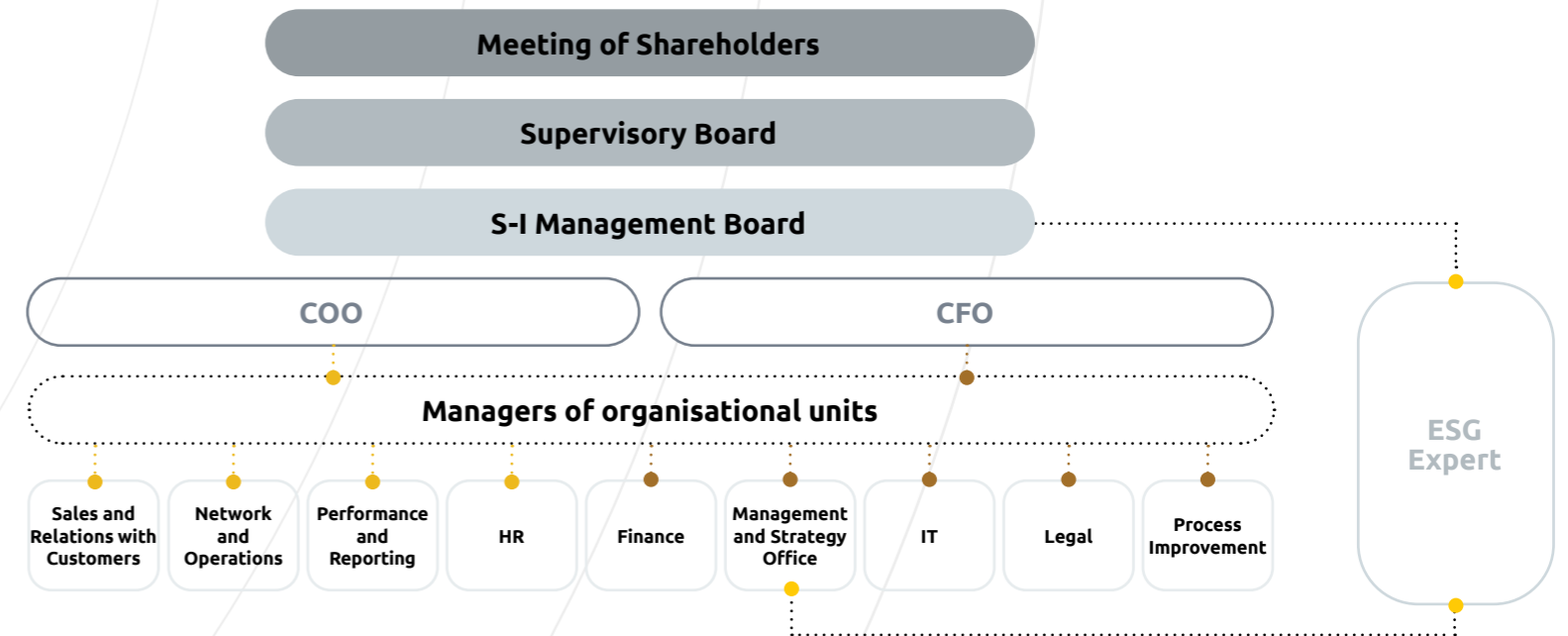
The Shareholders' Agreement, which S-I is also a party to, introduces an extensive regulation of the relationship between the Shareholders and

the Company and defines in detail the tasks of the Management Board and the Supervisory Board.

The Supervisory Board consists of 6 members, 3 representatives of each partner. These are: Maciej Nowohoński as Chairman of the Board, Piotr Jaworski, Jacek Kunicki, Laurens-Jan Sipma, René Defize and Arjan Reinders. The Board meets minimum once a quarter and unanimity is required to pass a resolution. The Supervisory Board oversees the work of the Company's Management Board from both business operations and sustainability perspective - paying particular attention to issues relating to the regulations and implemented policies, including e.g., the S-I employee remuneration policy (including members of the Management Board). Members of the Supervisory Board do not receive any remuneration.

The Management Board of S-I consists of Magdalena Russyan, Chief Operations Officer, and Piotr Sujecki, Chief Financial Officer. It is an independent body, responsible for making key business decisions and setting S-I objectives and directions. It meets at least once a month and takes all decisions unanimously. The Board's annual remuneration consist of a basic salary, a bonus for achieving business objectives and the strategic objectives of the Company, which are the same as those for the entire Team.

Managers of organisational units (so-called "N+1") - persons responsible for managing a particular area of activity, including, among other things,



the achievement of the objectives set or the risks assigned to their unit. They report directly to one of the Board Members according to the company's organisational structure.

There is also an important role in the organisational structure of the S-I:

- **ESG Expert** – coordinates the implementation of the Sustainability Strategy in cooperation with the company management and consults

the activities and their results directly with the Management Board of S-I

- **Ethics Committee** – consists of the Head of the Management Board and Strategy Office, Head of Finance, Head of Human Resources, Legal Counsel, Strategic Projects Expert, ESG Expert and the Employee Representative. They are responsible for ethics and compliance management in our company

APPROACH TO ESG MANAGEMENT

GRI 2-9 • GRI 2-12 • GRI 2-13 • GRI 2-17 • GRI 2-18 •
GRI 2-23 • GRI 2-24 • GRI 3-3 • TCFD

The S-I Management Board is directly involved in the company's overall sustainability efforts - including climate issues. In addition, the Board actively supports activities and awareness building on ESG issues among the Team. Strategically relevant topics are also discussed by the Supervisory Board, which reviews and approves the actions of the Management Board.

The Head of the Management Board and Strategy Office is responsible for ESG activities: she plans, coordinates and monitors all kinds of activities related to the implementation and execution of the various elements of the Sustainability Strategy. Operationally, she reports directly to the CFO. Other executives reporting directly to the Management Board (N+1) are responsible - to the extent indicated by the Board, most often depending on the function and area of responsibility of the manager concerned – for the achievement of objectives and specific activities.

In addition, all employees and associates are responsible for acting in accordance with the standards adopted at S-I and they support the achievement of Company objectives on a day-to-day basis as part of their duties.

S-I also has a position of the ESG Expert who supports the Management Board and the entire managerial staff with his knowledge and experience

on a day-to-day basis, especially the Head of the Management Board and Strategy Office, with whom periodically, minimum once a month, he discusses the key actions at meetings with the Management Board.

ESG objectives are integrated with business objectives and form part of the annual evaluation for all employees and associates, including members of the Management Board. The level of achievement of the Company annual goals, which also include ESG goals, determines the bonus for the entire S-I Team.

All implemented regulations, such as for example bylaws, policies, or the ESG Strategy, are adopted by the Management Board in the form of a resolution, and key documents in terms of strategy or Shareholders' requirements are also discussed and approved by the Supervisory Board.

In 2023, we reviewed the existing health and safety regulations and we systematised and supplemented them accordingly, among other things by creating a health and safety policy to implement a systemic management approach on the basis of ISO 45001.

In addition, as planned, we precisely defined quantitative targets for each commitment within our ESG Strategy for each year - we present the degree of achievement of key ones on page 9 and in the summary of each of the following chapters.

We also conducted an annual review of risks and carried out a number of compliance awareness-building activities (see details on pages 13-14).

LIST OF DOCUMENTS IN FORCE IN S-I GOVERNING ESG AREAS:

GOVERNANCE

- Code of Ethics
- Code of Conduct for Suppliers
- Compliance Management System
- Guidelines for Counteracting Corruption and Fraud
- Whistleblowing and Whistleblower Protection Policy
- Rules for granting powers of attorney and incurring liabilities
- Risk Management System
- Risk Management Procedure
- ESG Strategy

SOCIETY

- Information Security Policy
- Security and Personal Data Protection Policy
- Work Regulations
- Remuneration Regulations
- Bonus Regulations
- Health and Safety System and Policy
- Diversity Management Policy

ENVIRONMENT

- Environmental Management System
- Environmental and Climate Policy

The regulations we adopted are the result of our materiality analysis which covered impacts, risks and opportunities. They relate to both the direct operations of our company and the processes within the S-I value chain. The Code of Conduct is a set of key requirements for the important areas of sustainability that we have identified - taking into account broad human rights and child labour in relation to our key business partners. Together with compliance clauses in the context of anti-corruption, money laundering and terrorist financing, they form an integral part of cooperation agreements.

All applicable documents and even selected actions are always communicated to employees and associates through available channels such as e-mail, the intranet, or regular online meetings of the entire S-I Team. We also provide ESG trainings in the form of workshops, online meetings or e-learning courses.

As far as communication outside our organisation is concerned, we publish the most important and relevant information for most stakeholders on our website. The ESG Reports, published periodically, are the main element of communication. In addition, we conduct dedicated outreach to key stakeholders.

Everyone has the right to report irregularities anonymously through the channels published on our website.

S-I'S ESG STRATEGY

GRI 2-23 • GRI 2-24 • GRI 3-3 • TCFD

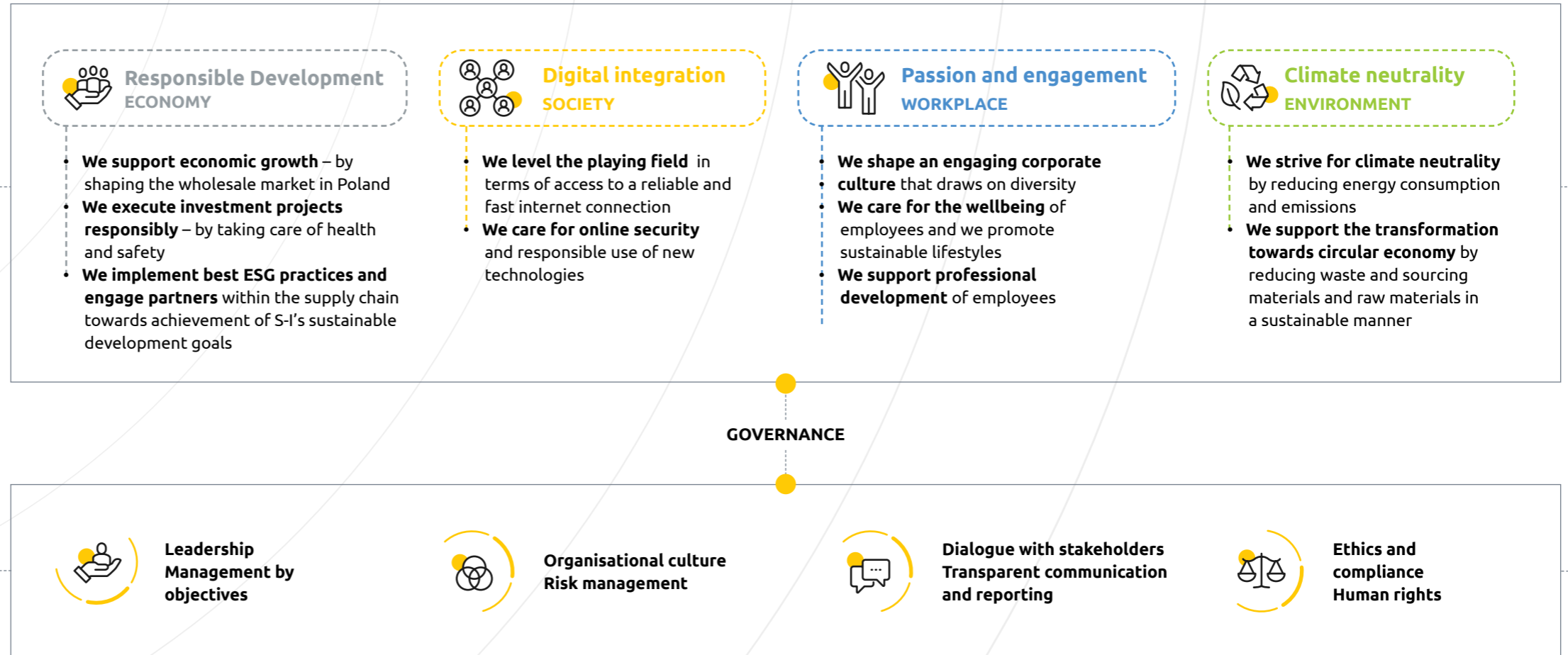
In order to effectively implement the management approach resulting from the company commitments as well as effectively support national ambitions and international initiatives such as the European Green Deal¹ and the UN Sustainable Development Goals 2030², we shape our approach to doing business on the basis of the best business practices as well as standards, in particular ISO 26000 and the 10 Principles of the UN Global Compact³.

S-I's Sustainability Strategy is based on 4 pillars: economic, social, employee and environmental area. It is integrated with the business strategy and defines the implementation of the activities and targets set for the Company for the remainder of 2025. It applies to both S-I's direct activities as well as operations carried out together with our key business partners. In the context of our business model, this presents us with a considerable challenge as it is the value chain activities that have the greatest impact on society and the environment.

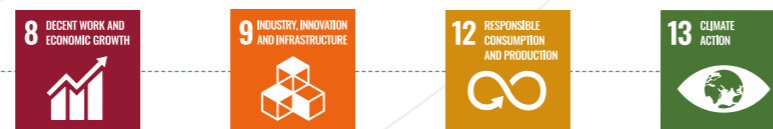
S-I's mission is to improve the quality of life for the people of Poland through the development of fibre optic infrastructure.

We want to pursue it in a socially responsible manner.

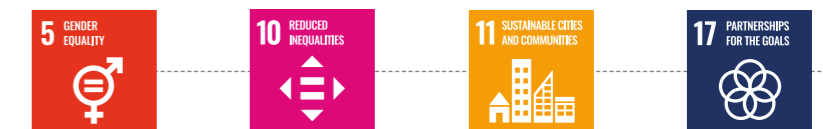
PILLARS OF THE STRATEGY AND COMMITMENTS UNTIL THE END OF 2025:



SUSTAINABLE DEVELOPMENT GOALS



S-I GOALS



¹ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_pl




² http://www.un.org.pl/files/170/Agenda2030PL_pl-5.pdf

³ <https://ungc.org.pl/o-nas/>


















KEY OBJECTIVES AND STATUS OF THEIR ACHIEVEMENT:

For each commitment of our Strategy, we have defined specific qualitative and quantitative targets in 2023 against which we measure the effectiveness of the implementation of our plan. Below are the key targets and their status as at the end of 2023.

KEY:

-  implementation of the plan in 2023
-  partial implementation of the plan in 2023
-  not implemented in 2023

We describe the detailed actions we took as part of the ESG Strategy and the resulting commitments in the following sections of this Report.

Pillar and commitment	Target by 2025	Result for 2023	Status as at 2023
Responsible Development			
We support economic growth by shaping the wholesale market in Poland	Increase in value of built infrastructure (Gross Asset Value)	Value at PLN 2.4 billion (increase of 1 billion year-on-year)	
	Increasing diversification of the share of customer-operators in the total active service base	203% increase in the number of active service base among operators other than the entity dominating the S-I portfolio	
We implement best ESG practices and engage partners	100% of key suppliers committed to abiding by the S-I Code of Conduct	90% (compared to 0% in 2022)	
	Development and implementation of policies and guidelines governing relevant ESG aspects for S-I's operations	All regulations on relevant ESG topics have been implemented	
We carry out investments in a responsible manner	Achieving a GRESB score above the average for the overall Infrastructure ranking	78/100 points - a score above the average for the Fiber category (increase of 31 points year-on-year)	
Digital integration			
We level the playing field in terms of access to a reliable and fast internet connection	Total network coverage: 2.4 million households	1.7 million households (an increase of 0.4 million year-on-year)	
	Increasing network coverage in areas without fibre optic internet access	880,000 households in coverage (increase of 150,000 year-on-year)	
	Increase in the number of active services across the network (network saturation)	Increase of 40% compared to previous year	
We care about online safety and responsible use of new technologies	Running an educational campaign as part of external partnership	Launching online lessons for secondary school students together with the MamyProjekt collective as part of the Eco-experimentarium project	
Passion and engagement at work			
We shape an engaging organisational culture that draws on diversity	Turnover in the Team at max. 10%	Turnover rate of 3%	
	Comparable share of women in management positions as in the company as a whole	45% share of women in the company as a whole and 41% in management positions (counting together with associates: 43% women company-wide and 37% female managers)	
	Implementation of the eNPS score	We carry out the survey every two years. The last one took place in 2022 and we did not measure eNPS at that time. However, we prepared a roadmap to measure the eNPS score when conducting the 2024 survey.	
We care for the wellbeing of employees and we promote sustainable lifestyles	Possibility of remote work for all members of the Team	100% of employees and associates can work remotely - we only expect to be in the office once a week (twice for the managerial staff)	
	Education in sustainable lifestyle	We organised workshops to promote ergonomics at work and environmental sensitivity	
We support professional development of employees	28 training hours per employee per year on average	35 training hours	
Climate neutrality			
Reducing energy consumption and emissions	Calculation of the carbon footprint in all scopes and establishment of actions and reduction targets.	We calculated the carbon footprint in all scopes. Together with the Strategic Partner, we are implementing first reduction measures resulting from increasing the share of renewable energy in our key processes. Ahead of us is the definition of the remaining activities and short- and medium-term objectives	
We support transformation towards circular economy	Refurbishment of subscriber equipment at a level of at least 2,000 units per year	We refurbished 2,308 ONT and PoE devices during the reporting year	

DIALOGUE WITH STAKEHOLDERS

GRI 2-29

Due to the important role of our business for the economy, the specifics of the regulated telecommunications market, and because of our business model, we identified key stakeholders in terms of the propensity to be impacted by us, as well as the potential for collaboration.

Other stakeholders are also important to us, and we maintain contact with them according to current needs. These include: competition, the media, industry and civil society organisations, local communities. We also include the perspective of the environment as a silent stakeholder.

MAP AND APPROACH TO STAKEHOLDER ENGAGEMENT

	STAKEHOLDERS	FORM OF ENGAGEMENT	FREQUENCY	MATERIALITY
	Customers	Forming long-term relationships; telephone, email, meetings, trade conferences; satisfaction surveys.	Constant and day-to-day contact.	Customer satisfaction is a key success factor for the company business.
	Suppliers and Contractors	Building stable relations with suppliers through dialogue; evaluation surveys; opinion polls; audits.	Day-to-day contact, opinion surveys at least once a year.	Key to infrastructure investment and service delivery.
	Employees	Satisfaction surveys, Team meetings, trainings, consultation of implemented solutions, integration workshops.	Constant, day-to-day contact.	A committed Team with the right level of competence is one of the key factors for business success.
	Business partners	Telephone, e-mail, consultation meetings for ongoing projects and activities.	Constant, day-to-day contact.	They provide vital support for the implementation of key company processes - particularly in the execution of infrastructure projects.
	Investors	Telephone, e-mail, meetings, Meetings of Shareholders.	Meetings at least once a year.	As a joint venture, we take care of the needs and expectations of those who have invested in the company activities.
	Public administration	Dialogue in investment consultations; data reporting and submission; building relationships at industry conferences.	Regular and day-to-day contact.	The telecommunications industry is critical to the functioning of the economy and therefore having a transparent and factual dialogue is crucial to the functioning of the company.
	Regulators	Dialogue in consultation; reports; building relationships at industry conferences.	Regular and day-to-day contact.	The telecommunications industry is subject to regulation, so having a transparent and factual dialogue is crucial to the functioning of the company.
	Financial institutions	Consultations; cyclical reporting to banks on the progress of the project and the risks identified, together with the opinion of an external consultant; evaluation surveys.	Regular contact as required.	The company activities are financed, among other things, through credit. Banking as well as insurance institutions make the terms of cooperation conditional on meeting ESG criteria.

Key stakeholders
 Significant stakeholders

ETHICS AND COMPLIANCE

In our day-to-day business practice, we are guided by our values and we nurture partner relations at every step. We adhere to the principles set out in the Code of Ethics and expect the same from our business partners under the Code of Conduct. They constitute the company's commitment to acting with integrity, transparency and trust towards all stakeholders.

COMPLIANCE MANAGEMENT SYSTEM

GRI 2-18 • GRI 2-23 • GRI 3-3 [Ethics and Compliance]

The Compliance Management System is a tool for effective management of non-compliance risks occurring in S-I through their identification, monitoring and implementation of mitigating measures.

The system addresses a wide range of cases of non-compliance that may occur in our organisation's operations regarding existing regulations, policies and procedures, internal values and standards, as well as external standards and regulations adopted and officially supported by S-I.

It specifically focuses on non-compliance risks that may arise with respect to the following:

- Ethics
- Whistleblowing and whistleblower protection
- Counteracting corruption
- Counteracting conflicts of interests
- Counteracting fraud
- Equal treatment and non-discrimination
- Human rights
- Counteracting unfair competition
- Safety
- Changes in laws and regulations

Management structure of the Compliance Management System

GRI 2-15 • GRI 2-16 • GRI 2-23 • GRI 2-24 • GRI 2-25 • GRI 2-26 • GRI 2-27 • GRI 3-3 [Ethics and Compliance]

A key role in the S-I is played by the Ethics Committee responsible for managing the Compliance Management System. It consists of representatives of key organisational units, the ESG Expert, and a staff representative, and is led by the Head of the Management and Strategy Office.

The Committee is supported operationally by Compliance Coordinators within the various departments and organisational units at S-I. Each manager sets an example with his or her attitude on a daily basis and promotes the culture of compliance by implementing clear guidelines for employees in terms of appropriate conduct.

Employees and associates are responsible for performing their duties in accordance with the procedures, processes and applicable guidelines. Each of them (in their official capacity) is responsible for the operational implementation of and compliance with the principles of the Compliance Management System.

The Management Board of S-I oversees ethics and compliance issues within the company and makes decisions based on recommendations from the Ethics Committee.

The Ethics Committee reports to the Management Board of S-I at least once a year on the organisation and functioning of, inter alia, the Compliance Management System and the Whistleblowing System (anonymous report as part of the whistleblowing procedure). The Annual Report is also discussed by the Supervisory Board.

COMPLIANCE MANAGEMENT PROCESS



Reporting

- consultations on effects and proposals for change with the Management Board
- guidelines for Coordinators regarding operationalization



Control/investigation

- keeping records
- handling and analysis of reports



Reporting

- non-compliance (whistleblowing)
- gifts and conflict of interests



Risk analysis

- minimum once a year
- and if there is a significant internal change or
- if previous actions and mechanisms have gaps



Mitigating actions and mechanisms

- ensuring functioning
- recommendations for new solutions or improvements to existing mechanisms

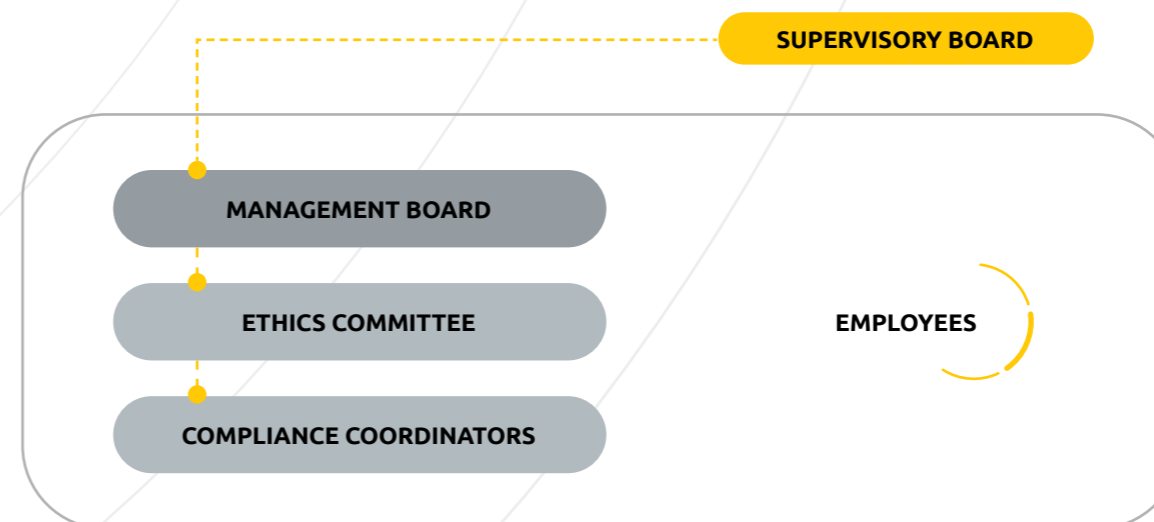


Education

- ensuring that everyone is aware of the regulations
- organisation of training sessions



STRUKTURA SYSTEMU



Whistleblowing

GRI 2-16 • GRI 2-25 • GRI 2-26

S-I employees, associates and other S-I stakeholders may report potential violations of laws, rules of conduct and internal policies and procedures through dedicated channels. Those who report such incidents need not fear negative consequences. Whistleblowers are guaranteed adequate protection.

Through the available channels, stakeholders can report any type of irregularity that is related to the S-I's operations and is a violation of the law or internal regulations, understood as an act or omission that is contrary to or intended to circumvent the law or the company's internal regulations (including the suspicion of such occurrences), and concerns, in particular:

- Rules of competition, equal treatment, conflict of interest
- Prevention of corruption, paid protection, prevention of money laundering and terrorism financing

- ICT network and systems security
- Human rights and fundamental freedoms and security, as well as labour rights (if these do not relate solely to individual cases but cover a wider group of people)
- Environmental protection
- Product and service safety and their compliance
- Rules related to accounting, internal control or financial audit
- S-I values and internal regulations and procedures
- Any other action concerning the company's negative impact on the governance, social and environmental areas

Whistleblowing channels are publicly available on our website. In addition, we conduct dedicated communication activities in this area to key stakeholders. Everyone can report to the Ethics Committee also any type of concerns or questions regarding the functioning of the Whistleblowing and Whistleblower Protection System. Employees and associates can also consult the Compliance Coordinators on an ongoing basis.

The Ethics Committee is directly responsible for handling reports and conducting investigations.

If an application is beyond the competence of the Members of the Committee, the Committee has the right to involve other employees or external experts if this is appropriate, and makes a positive contribution to the efficiency of the process. If, on the other hand, the report concerns a member of the Management Board, the Committee is obliged to involve the Supervisory Board in the investigation.

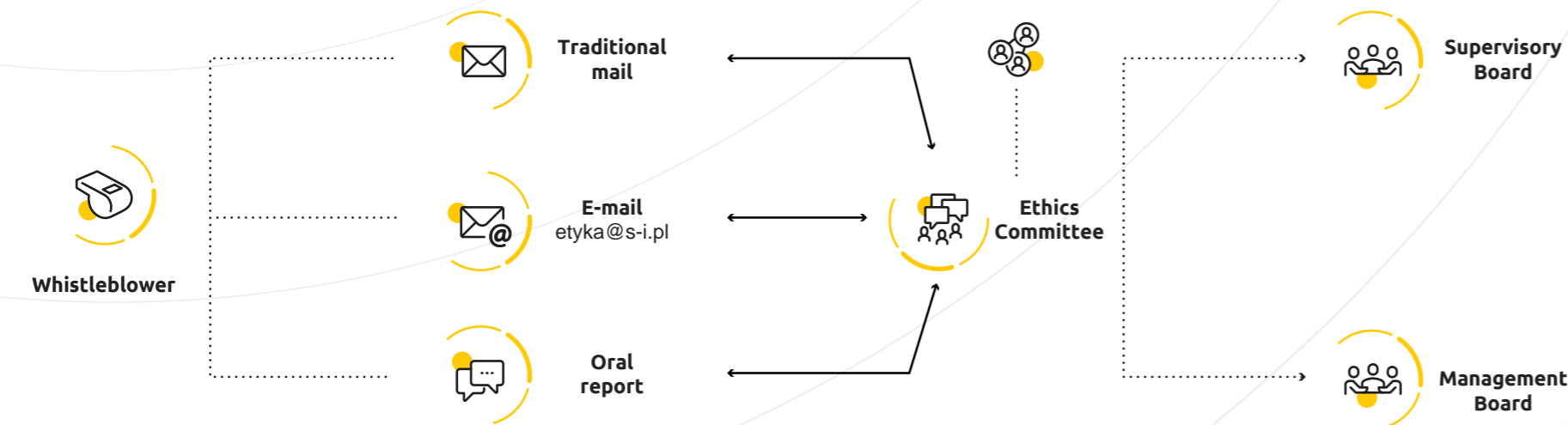
In 2023, we received 20 reports of irregularities. 4 of these were erroneously sent to us - we redirected whistleblowers to the relevant entity. 16 reports related to individual incidents of potential discrimination against customer-operators in the execution of orders (0.01% of all orders handled during the reporting period). We considered one notification to be a material breach and imposed a financial penalty on the responsible entity. The remaining reports were clarified with the whistleblowers except for one, in which neither party was able to provide sufficient evidence. In each case, we took corrective actions to avoid similar incidents in the future.

Compliance with laws and regulations

GRI 2-27

In 2023, no penalties were imposed on our company as a result of non-compliance - both during the reporting period and since the start of S-I's operations.

We make every effort on a daily basis to ensure that the actions taken by S-I comply with the law. The company has framework agreements in place with large, recognised law firms, including in the field of competition law practice, and the Management Board consults on business projects in advance, particularly with regard to the equivalence of the services provided by the Company and the maintenance of fair competition in the business.



16
substantiated reports
of non-compliance

0
events, which resulted
in financial penalties
being imposed on the
company

0
events, as a result of
which the company
received non-financial
sanctions

COUNTERACTING FRAUD

GRI 2-15 • GRI 205-2 • GRI 205-3

We strive to act in a modern, dynamic and friendly manner, and we care for openness and transparency of our activities. Thanks to this approach, shareholders, customers and other business partners perceive us as a responsible and reliable partner. It is our duty to create a safe market environment by following the S-I Code of Ethics. We adopt a zero-tolerance policy for corruption and fraud in all manifestations of the company's business activities. In order to build awareness of all types of abuse, we train new employees on an ongoing basis and regularly remind all members of our Team of the key principles. **In addition, in 2023 all our employees and associates completed e-learning on anti-corruption.**

Conflict of interests

The Management Board manages the Company's affairs and represents the company in accordance with the approved business plan, budget and in accordance with the common interest of shareholders to maximise the company value. Conflicts of interest at the Supervisory Board level are regulated in detail in the Shareholders' Agreements.

All employees, including members of the Management Board, are required to submit an annual declaration of Conflict of Interest. The Ethics Committee examines the reports and determines whether a potentially reported conflict actually exists and, if necessary, restricts the reporting person's activities within the conflict risk areas or excludes them from participating in the process in question altogether. If the report concerns a Board Member, the Ethics Committee is informed, but the decision is made by a second representative of the company's Management Board.

We recognise that the situation may change during the course of the year and in such circumstances all members of the S-I Team are required to make an ad hoc declaration of conflict of interest. The rules of procedure are the same as for the annual declaration.

In 2023, we found no conflicts of interest in our company.

Counteracting corruption

We carried out a process to identify corruption risks in all our operations. However, due to the mitigating mechanisms in place, in no area did we rate it as significant, i.e. high or key (according to our Risk Management System).

As part of the adopted Guidelines for Counteracting Corruption and Fraud, we regularly build awareness of a culture of zero tolerance for corruption. We require the same approach throughout the supply chain through the use of appropriate clauses in agreements. We are also bound by guidelines on the value and categories of received benefits such as gifts, meals, invitations and participation in sponsored events.

Last year, we found **no cases of corruption** and therefore took no corrective action. Nevertheless, the awareness-raising activities implemented in 2023 on the need to report the fact or intention to receive or give a benefit had the following effects:

- we received close to 30 enquiries as to whether specific action should be recorded
- we recorded 7 reports of gift thresholds being exceeded, for which appropriate consent was given within the company's existing guidelines.

60
minutes of e-learning training for each member of the Team

7
registered consents to exceeding gift thresholds

0
conflict of interests

28
enquiries to the Ethics Committee on the need to record benefits

0
cases of corruption



RISK MANAGEMENT

GRI 2-12 • GRI 2-23 • GRI 3-1 • GRI 3-3 [Risk Management] • TCFD

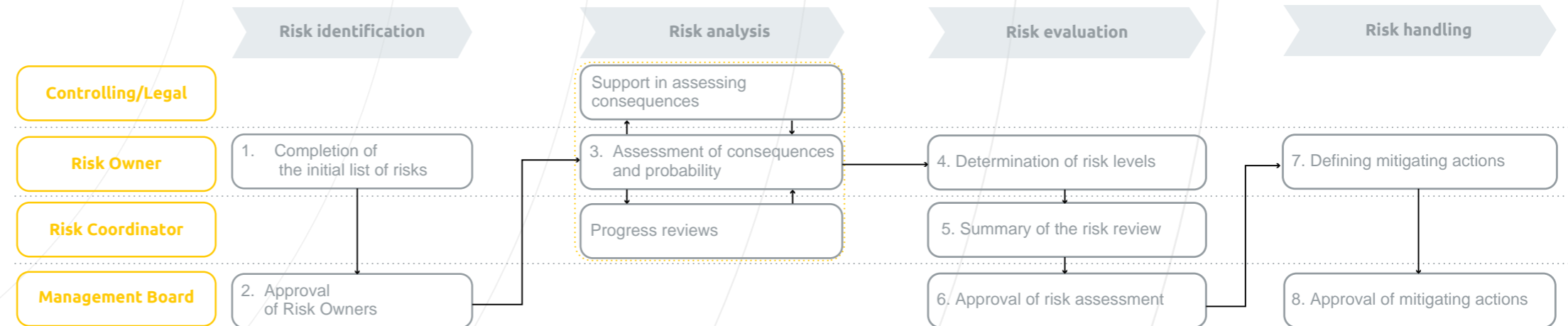
We recognise the role our fibre optic infrastructure plays in the digital transformation of society and the economy. We are committed to ensuring that our network is reliable and that all who use it can enjoy fast and reliable internet access services. We take care of business continuity especially through risk management and by drawing up a Development Plan in Special Risks Situations for the Telecommunications Company at least every two years, which we consult with representatives of public administration - both at the local and national level.

S-I has a Risk Management System in place that defines the following roles in the process of risk management:

- **Risk Owner** – person responsible for identifying and assessing risks at the level of management, who reports directly to the Management Board, by defining ways of managing risks, and for promptly reporting key risks to the Management Board
- **Risk Coordinator** – oversees the proper functioning of the Risk Management System, coordinates the periodic risk assessment processes, maintains the risk register, submits the results of risk reviews to the Management Board
- **S-I Management Board** – evaluates the functioning of the System, identifies priority areas in the risk identification process, assesses the correctness of risk evaluation and mitigation actions

In accordance with established rules, we keep a register of risks and we review it annually according to an established process.

OUTLINE OF THE RISK REVIEW PROCESS



SELECTED ESG RISKS

	ECONOMY	SOCIETY	ENVIRONMENT
Infrastructure	<ul style="list-style-type: none"> • Saturation - increased competition, insufficient popularisation of the open network model, low dynamics of demand for FTTH solutions • Formal barriers to expansion of the fibre optic network hindering rapid and efficient execution of investment projects 	<ul style="list-style-type: none"> • Accidents to residents as a result of improper installations • Employee accidents 	<ul style="list-style-type: none"> • Damage and failures due to extreme weather events • Powering active components with fossil fuel energy
Workplace	<ul style="list-style-type: none"> • Lobbying and other forms of political engagement • Conflicts of interests 	<ul style="list-style-type: none"> • Wage gap • Loss of core competencies in the Team 	<ul style="list-style-type: none"> • Opportunity associated with the remote working model and the reduction of emissions resulting from commuting
Supply chain	<ul style="list-style-type: none"> • Insufficient actions with due diligence of suppliers • Limited availability of subcontracting companies due to increased demand for their services on the market 	<ul style="list-style-type: none"> • Violations of human rights • Accidents during execution of investment projects 	<ul style="list-style-type: none"> • Waste generation
Legal and regulatory	<ul style="list-style-type: none"> • New regulatory obligations on the telecommunications market 	<ul style="list-style-type: none"> • Violations of GDPR provisions 	<ul style="list-style-type: none"> • New environmental taxes and charges

Economic Impact

We support infrastructure
development in Poland

- 16 Internet access market
- 20 Responsible investments



10,200
completed investment
projects

1,700,000
households within reach
of our fibre optic cable

PLN **940,000,000**
value of completed investment projects

PLN **2,400,000,000**
value of fibre optic infrastructure

INTERNET ACCESS MARKET

GRI 2-6

Internet access is extremely important for the development of the economy and the digital transformation of Poland and the European Union as a whole. Currently, internet access is offered in various technologies on the telecommunications market. Starting from the traditional copper cable solution (xDSL), through the access based on coaxial cables and wireless technologies such as radio access, mobile access (e.g. LTE or 5G) and satellite, ending with the latest and most efficient technology - optical fibre. **At present, there is no more environmentally friendly, stable, fast and cost-effective solution in the long perspective and on a global scale, than optical fibre.** It is also important for the efficient operation of modern mobile networks based on the 5G standard.

Therefore, we are convinced that it is fibre optic internet that is the key link on the road to digital transformation. This is also due to the strategy of the European Union itself which, recognising the need to accelerate digital transformation, has set the targets in the policy "Path to the Digital Decade: Gigabit connectivity for all by 2030" and "at least 5G in all populated areas"⁴. According to the policy, the overarching objective is to cover all households in the Union with access to a fibre optic network capable of speeds of at least 100Mbps by 2025 and 1Gbps by 2030. According to the FTTH Council report of September 2023, only 25% of households in Poland, and 35% in the EU as a whole actively used a fibre optic network⁵. This means that more than 11 million households in our country still do not have fibre optic internet service up and running.

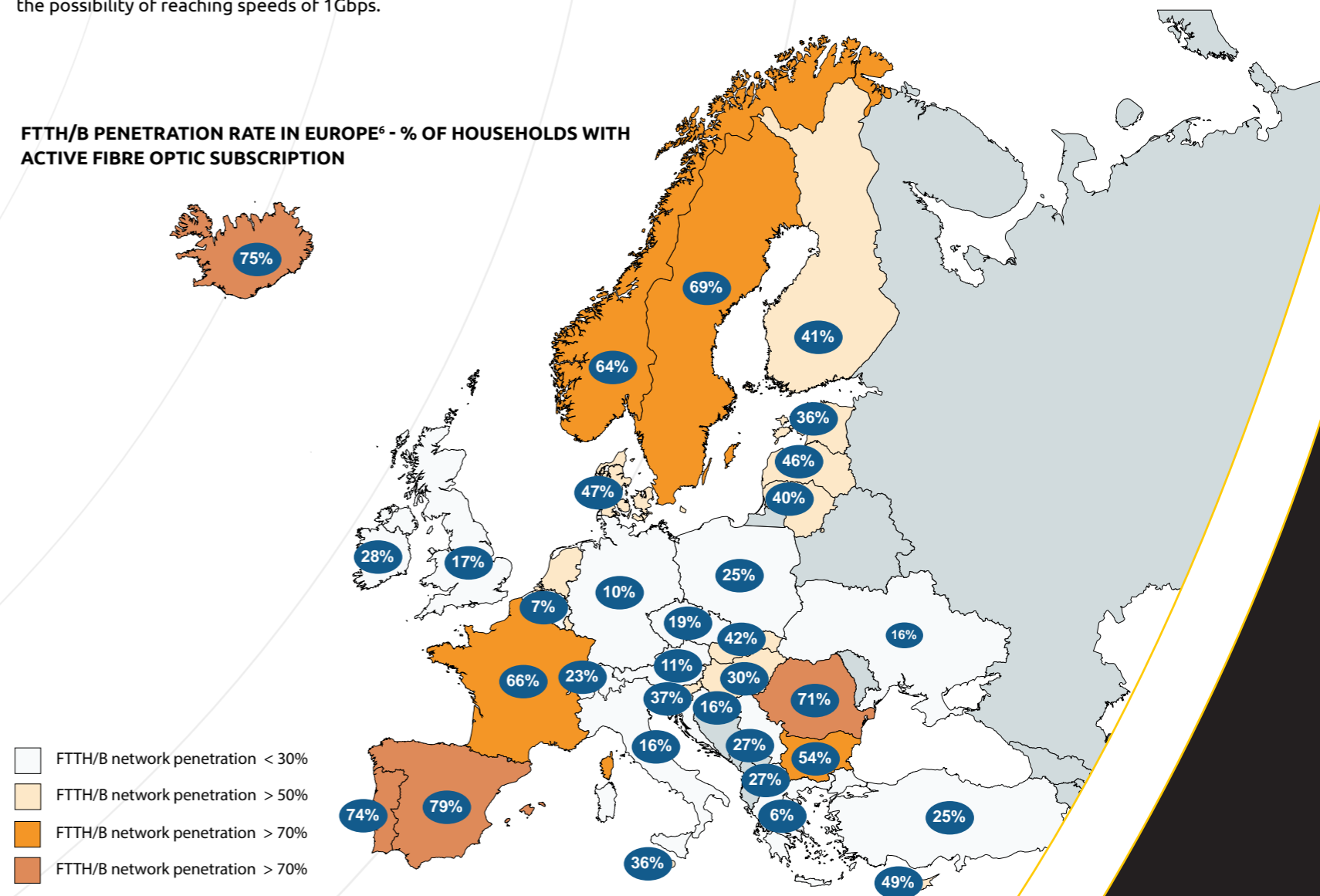
As one can see, a lot of investment projects and work still lies ahead for digital transformation. The European Union, together with government agencies, is supporting countries in meeting their targets by offering grants for fibre optic projects, which have decisively accelerated changes on the internet access market. Indeed, we are seeing a move away from a closed model of selling services only on the telecom operator's own infrastructure and towards an open wholesale model. It relies on the fact that the wholesale operator does not offer services directly to subscribers but provides the opportunity to provide fibre optic internet access on its infrastructure to all interested retail operators.

We are convinced that the open wholesale model will make a significant contribution to accelerating Poland's digital transformation, which in turn will trigger new opportunities for citizens, administration and business, and consequently will also have a positive impact on the country's economic growth. After all, only 7% of companies in Poland believe that the Internet is not needed at all or only to a negligible extent for doing business.

We want to actively support the implementation of the goals of the EU policy "Path to the Digital Decade" and thus the UN Sustainable Development Goal 9 "Innovation, Industry, Infrastructure". We are on a mission to develop reliable, sustainable and resilient quality infrastructure to support economic development and human wellbeing.

In order to ensure equal access for all people, we offer our services exclusively in an open model on the wholesale market allowing freedom of choice of a provider and tailoring the range of services to the individual needs of the Polish population. It is also worth noting that we offer access using FTTH GPON technology, which offers the possibility of reaching speeds of 1 Gbps.

FTTH/B PENETRATION RATE IN EUROPE⁶ - % OF HOUSEHOLDS WITH ACTIVE FIBRE OPTIC SUBSCRIPTION



⁴ <https://digital-strategy.ec.europa.eu/pl/library/broadband-coverage-europe-2022>

⁵ <https://www.ftthcouncil.eu/resources/all-publications-and-assets/2043/european-ftth-b-market-panorama-2023>

⁶ Number of active fibre optic services among households vs. all households in the area

Structure of the FTTH market in Poland

The FTTH market in Poland can be divided into two main groups. The first is made up of operators who have decided to - or have to because of grant funding - make their networks available in a wholesale model. The second group is made up of operators who remain closed to opportunities to collaborate and share their networks, focusing on maintaining a subscriber base. This group is mainly represented by smaller, local players who are often monopolists in a given area and thus want to maintain their market position. **Networks of the former entities are available to other retail operators, allowing the subscriber to benefit from a wide range of offers. Among these we can further distinguish:**

a. Operators providing services under an open wholesale model

2017

Nexera – a company from the very beginning focused on operating in the wholesale model, historically the first operator working in the open model without its own retail operations, a large part of the investment projects is executed using European Funds and the OPDP programme (Operational Programme Digital Poland)

2018

Tauron – an open fibre optic infrastructure operator executing investment projects as part of OPDP

2020

Fiberhost – a company formed as a result of the division of INEA into the infrastructure part (wholesale operator Fiberhost) and the retail part (INEA operator); it executes investment projects both as part of the OPDP, and using its own resources

2021

Światłowód Inwestycje – currently the largest national wholesale FTTH operator, offering open and non-discriminatory access to its entire fibre network to all interested participants in the national telecommunications market. It executes its investment projects exclusively with commercial funds. A joint business venture between Orange Polska SA and Dutch investment fund APG

2023

Polski Światłowód Otwarty – a special purpose vehicle established for operational activities, announcing the future operations in the wholesale market in an open model, executing investment projects from own funds - a joint business venture of P4 Sp. z o.o. (owner of the Play brand) and the French investment fund InfraVia. As part of its infrastructure, it also has approx. 3.6 million of network coverage under the DOCSIS standard contributed in kind as part of the transaction as the former infrastructure of the acquired cable operator UPC Sp. z o.o.

b. Wholesale vertical operators providing both wholesale and retail services

- **Orange Polska** – an entity regulated by SMP decisions issued by the Office of Electronic Communications, which is obliged to make part of its network available to all interested operators. However, it should be noted that the company also makes available some of its infrastructure that is not regulated

- **The majority of ODPD and OPIE** (Operational Programme Innovative Economy) grant beneficiaries excluding companies: Nexera, Tauron and Fiberhost (they do not have a retail offer). Operators who obtained public funds are obliged to make their networks available to other entities for the duration of the project (7 years)
- **Vectra** – cable operator making its network available to the Play brand since 2020

- In addition, there is a large group of companies in the market that have chosen to make their network available for purely commercial reasons. These operators make their network available to stakeholders mainly using the BSA service

ROLE OF ŚWIATŁOWÓD INWESTYCJE IN THE MARKET

GRI 3-3 [Relations and satisfaction with cooperation with S-I] • [Ethics and Compliance]

S-I is the largest open operator, so it is only natural that we feel particularly responsible for the development of the wholesale market in Poland.

We pursue our mission and thus our contribution to the economy by shaping the FTTH market based on **3 pillars:**



Dialogue and partnership



Ethical standards and compliance with regulations



Responsible investments

Dialogue and partnership

GRI 2-28

Partnership is not only one of the 17 goals to achieve the UN 2030 Agenda for Sustainable Development and a key success factor in the implementation of our ESG Strategy, but also the most relevant action to shape the new market in Poland. We believe that dialogue is the foundation of any action, which is why we actively engage in consultations with both our customers (see Chapter Social Impact/Digital Integration for more information) and other wholesale players. This enables us to provide reliable and innovative services.

Since the Company was established, we have been an active entrepreneur in the telecommunications industry. We participate in events that drive our market to further growth. We are a regular participant of such industry conferences as PIKE or INET, where we act as speakers and sponsors, as well as KIKE where we take part in panel discussions dedicated to current challenges and shaping the directions of change for the industry.

We also keep up to date with the latest trends and technological solutions in the industry worldwide by attending international conferences organised by, among others, the FTTH Council Europe.

It is also worth noting that we are one of the leaders of a cyclical conference bringing together open telecommunications operators. The Conference of Wholesale Operators (CWO) is a meeting organised by entities such as Nexera, Tauron or Fiberhost, for instance, where marketing, commercialisation or issues related to technical standards, process handling and communication automation, as well as legal tools to support the execution of investment projects, are discussed in dedicated panel discussions. **Together, we are looking for new system solutions to support overcoming barriers in the planning and implementation of infrastructure investments.**

The event is also attended by public administration bodies responsible for policy and regulations in the telecommunications market, such as the Office of Electronic Communications (OEC), the Project Centre Digital Poland (PCDP) and the Chancellery of the Prime Minister (CPM).

In addition, we also cooperate within the association of the Polish Chamber of Information Technology and Telecommunications, where we contribute, among other things, to climate initiatives. We are also a member of GRESB, an international organisation working to promote ESG standards and bringing together financial institutions and players in the real estate and infrastructure markets.

Regulations

GRI 206-1

The telecommunications industry operates in a regulated market, and it requires operators to meet a number of legal and reporting obligations. This is due to the specifics of the market and its materiality to the Polish economy. As an entity committed to shaping the Polish market, we not only fulfil our legal obligations, but also voluntarily share a range of data and information on our activities with the state administration bodies:

7 unique reports

per year submitted to the Chief Statistical Office

7 unique reports

on operations of our company per year submitted to the OEC

2 unique compilations of information

a total of almost 60 reports within the Information System on Access to Fixed Broadband Internet Services concerning the coverage (submitted on a weekly basis) and investment plans (monthly cycle)

Since the telecommunications industry is critical to the functioning of the economy, we have developed an Action Plan in the Specific Threat Situation for a Telecommunications Operator. We also provide access to our real estate and telecommunications infrastructure to other telecommunications companies (also local government units carrying out telecommunications activities) in order to optimise and increase the effectiveness of investment projects carried out as part of the development of the fibre optic network in Poland.

We are not limited to fulfilling our obligations towards regulators. We have also appointed individual members of our Team as responsible for shaping relationships with each regulator. **We actively participate in the two-way dialogue**, not only by responding to questionnaires or individual queries, but above all in the **consultation processes of implemented regulatory and legal changes. In 2023, we mainly worked with:**

- functional extension of the Information System for Fixed Broadband Internet Access (ISFBI) to **feed the public database with information on network availability towards automating the information flow (AIF)** and data of the network extension planning process,
- **implementation of the automation of the flow of invoices** and confirmations to and from the National e-Invoice System (NeIS).

In 2023, there were no legal proceedings against our company for unfair competition, regulatory breaches or data privacy violations.

Impact on the market and the economy

GRI 201-1 • GRI 203-1 • GRI 204-1

PLN **2,4 B**
value of infrastructure

PLN **940 M**
value of completed
investment projects
(+ 140 B y/y)

100%
share of suppliers
registered in Poland in
our procurement*

64%
participation of financial
institutions from
Poland that finance our
operations

PLN **204 M**
directly generated economic value
– revenue (+ 69 M y/y)

PLN **297 M**
economic value
distributed to the
economy - costs
(+ 122 M y/y)

- PLN **94 M**
retained economic value -
difference between revenue
and costs (-54 M y/y)

PLN **51 M**
VAT paid annually
(+ PLN 16 M)

Our company is currently in a period of intensive operational development and has a large-scale investment programme for the construction of the fibre optic network. At present, our capital expenditure is several times higher than our revenue and we incur high initial operating costs and financing costs for our investment programme, which results in a financial loss. In the longer term, as coverage increases and it is commercialised, our business plan is to realise return on investment and generate financial returns.

* We make purchases with intermediaries, but downstream we have companies, mainly suppliers of materials and equipment, sourced from Asia, among others.



RESPONSIBLE INVESTMENTS

Światłowód Inwestycje is a joint venture company established in 2021. At that time, Orange Polska signed an agreement to sell a 50% stake in the company to a Dutch investment fund APG. Orange Polska contributed to S-1 the existing fibre optic connections for 0.7 million households. In the concluded transaction, Światłowód Inwestycje was valued at PLN 2,748 million (excluding cash

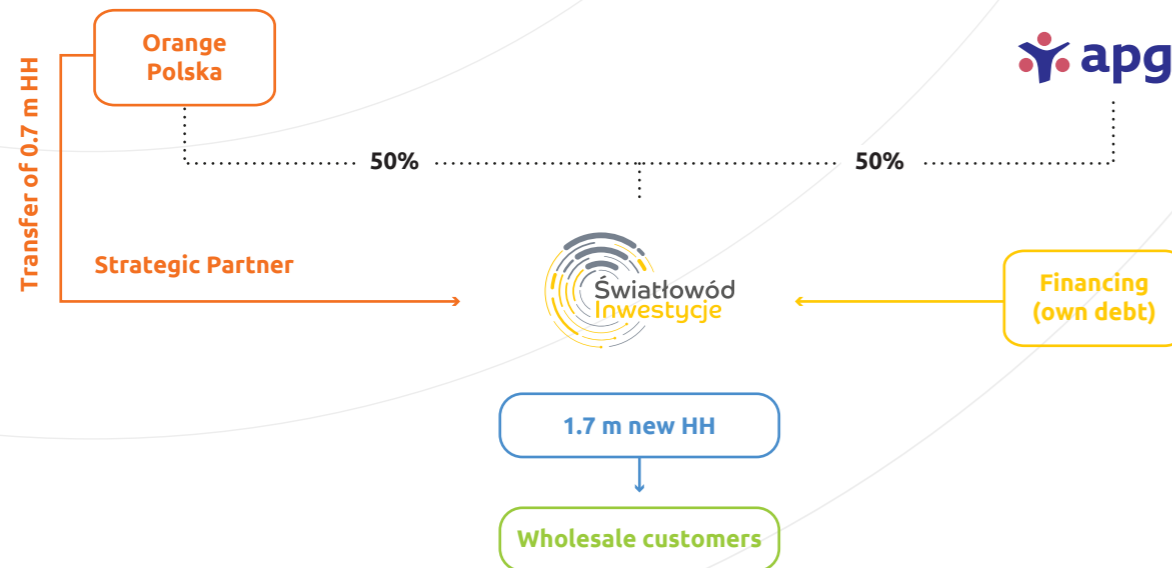
and debt). The investors also agreed on a business model for the new company, including external financing arrangements of more than PLN 3 billion, which will allow us to increase our network coverage by an additional 1.7 million households. We focus on commercial operations and in 2023 we did not participate in any publicly funded projects.

Since the very beginning of the company's existence, Światłowód Inwestycje has conducted its business in a responsible manner. When setting up the company, investors identified over a dozen ESG targets to be met by the company by September 2023 at the latest. We met all these targets ahead of schedule. In addition, we also implemented a number of additional initiatives beyond the expectations of S-1 shareholders.

As a result, at the beginning of 2024 we signed a relevant annex with 10 commercial banks to the consortium agreement amounting to PLN 2.5 billion. **It provides us with external certification that our investment in infrastructure, based 100% on FTTH GPON technology, support the transition to a low-carbon economy due to its energy efficiency - the highest of any internet access technology on the market⁹.**

OWNERSHIP STRUCTURE

GRI 2-1



Evidence of our implementation of ESG best practices and our responsible approach to managing our business can be seen in our rankings and awards. In 2023, we improved our score in GRESB⁷ by 36 points reaching 78/100. In addition, our first Sustainability Report for 2022 received the award for the best debut in a competition organised by the Responsible Business Forum and Deloitte.

What's more, in 2023 we began negotiations with a consortium of banks to sign an annex **introducing provisions into the loan agreement which are compliant with the Loan Market Association (LMA) Green Loan Principles (GLP)⁸ in respect of the financed assets.**



7 <https://www.gresb.com/nl-en/infrastructure-asset-assessment/>
 8 https://www.lma.eu.com/application/files/8916/9755/2443/Green_Loan_Principles_23_February_2023.pdf
 9 https://europacable.eu/wp-content/uploads/2022/07/Cov-PageWP_merged_rearranged.pdf

BUSINESS MODEL

GRI 2-6 • GRI 3-3 [Responsible supply chain]

S-I's business model assumes that as a company we are a passive fibre optic network operator. In other words, we manage the entire investment process from the purchase of equipment, materials and raw materials, through the construction and maintenance works on the physical fibre optic network, to the sale of fibre optic services to the wholesale market. However, it is directly within our remit to mainly plan, coordinate and accept investments and provide access to our passive infrastructure. Other activities are implemented through our strategic partner Orange Polska.

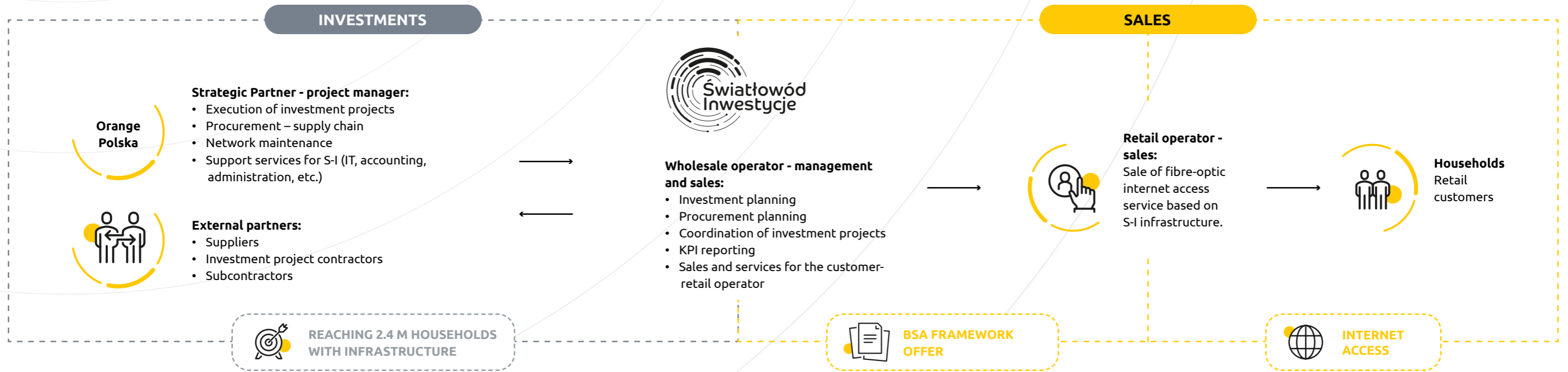
In recent years, there has been a clear trend in the European telecommunications market related to the separation by telecom operators

of their infrastructure and operator business from their retail business. What then happens is that infrastructure assets are spun off from the integrated business and companies dedicated to the wholesale operator business are formed, while a financial partner is attracted to them. In this way, a new business model is taking shape in the market, in which the wholesale operator becomes a separate entity operating independently from the retail business, often offering open and non-discriminatory access to its assets to all market players. This is also the case for us. Orange Polska acts as a Strategic Partner for us both in the provision of services and in the implementation of infrastructure projects as a substitute investor. The rules of our partnership are in line with the regulations relevant to the telecommunications market, and the market supervision authority is informed of the extent of such cooperation. Orange Polska has additionally decided to implement an

internal Chinese Wall policy. It defines the principles of cooperation within our Strategic Partner's organisation on a structural and ICT level. First, its employees are divided into three types of domains: wholesale, retail and corporate. No employee or contractor may carry out duties under more than one domain. IT systems and databases have also been separated to ensure confidentiality and an appropriate level of access to information.

Orange Polska, as the leading telecommunications operator in Poland and part of the Orange Group - one of the largest entities in the industry worldwide - has many years of experience, both in the area of procurement and infrastructure projects, as well as the provision of modern telecommunications services. Thanks to the strategic partnership, we are able to effectively manage the entire investment process based on our long-standing substitute investor's relations within the supply

chain. This also supports us in terms of handling sales and administrative processes. Using the solutions developed by our Strategic Partner, as S-I, from the start we can focus on what is most important to us, namely shaping the wholesale market and supporting digital integration in Poland. Naturally, we are constantly refining our approach and functioning processes as part of our day-to-day cooperation so that it meets the needs of the rapidly growing market for open fibre optic networks.



OUR STRENGTH IS THE STRENGTH OF OUR PARTNERS

GRI 2-6 • GRI 2-24 • GRI 3-3 [Responsible supply chain] • [Safe working environment and investments] • GRI 203-1

Digitisation of the Polish economy by providing access to fibre optic infrastructure and thus to fast and reliable internet connection is quite a challenge. The scale of the investment projects we are executing requires extensive supply chain partnerships. Only in 2023, we carried out around 10,200 investment projects across the country. This was possible thanks to the commitment and professionalism of our external partners, who are the best experts in the country, have many years of experience and in addition, regularly increase their qualifications necessary to perform infrastructure processes. **On a daily basis, we work directly with almost 47 material and equipment suppliers and more than 148 network contractors**, who additionally engage second and even third tier subcontractors. This is due to the peculiarities of the market, particularly in the area of contractors carrying out investment projects which require a range of unique competences such as paving, drilling and energy, sewerage systems and earthworks. **We estimate that, including subcontractors, there are around 400 companies in our supply chain on an annual basis.**

All the companies that we have qualified as contractors for project implementation and maintenance works regularly improve their competences during dedicated training courses at the Fiber Experts School run by our Strategic Partner. In the implementation of our projects, each company works on a daily basis with experts holding certificates confirming successful completion of the training to have successfully completed the training.

The process consists of two modules: network design and its construction. The course also takes into account social and environmental elements such as meeting legal requirements arising from occupational health and safety and environmental protection in the execution of construction work, training in the use of machinery and work at height, and training in responsible waste management.

We execute the investment projects with the support of Orange Polska which, as a substitute investor, is carrying out specific supply chain activities. The most important areas in our chain are the procurement and logistics of materials and equipment necessary for the investment process and network maintenance, as well as cooperation with external companies carrying out construction, maintenance and upgrade work for us as part of the fibre optic infrastructure. We also have managers within our structure who are responsible for key areas of investment implementation such as procurement, investment project execution and network maintenance. They collaborate on an ongoing basis with the relevant units of our substitute investor at every stage of the investment process. Their work is supervised by the Network and Operations Director reporting directly to Chief Operations Officer.

We are convinced that the business model which has been running unchanged since the beginning, will contribute to the successful implementation of our mission thanks to the synergies between us, the Strategic Partner and external partners in the supply chain. **In the second consecutive full year of our operations we once again realised our investment plans and business objective of:**



Connection of fibre optic cable to further

430,000

households



By completing a total of

approx. 10,200

investment projects

In 2024, we plan to increase our network coverage by approx. **400,000 new residential units.**

We monitor the effectiveness of our activities and the quality of the developed infrastructure together with the Strategic Partner on a monthly, quarterly, semi-annual and annual basis based on a number of specific KPIs arising from agreements between us.

We also take care of the quality of the work carried out in the expansion of the fibre optic infrastructure. This is because we are committed to ensuring that our infrastructure is safe at every stage of its life cycle (from its construction to its use) and does not endanger the lives of those involved in its construction and upgrading, as well as its users and local residents. As a substitute investor, our Strategic Partner cyclically controls the quality of the materials so we know that they have the highest possible durability and reliability available on the market. However, we know that it is equally important to use them skilfully, which is why we pay particular attention to the execution of

the investment project, for which Orange Polska is also responsible. A proper design and plan for the expansion of the network is fundamental for the assumptions adopted for implementation to ensure safe working conditions and not to pose a risk to local communities and the environment.

Our Strategic Partner monitors the execution of individual investment projects on an ongoing basis and carries out their acceptance. In order to ensure the highest quality and to meet the highest standards in accordance with the original intentions of the respective project, independent units within our Partner's organisational structures are responsible for the execution and acceptance of the investment project. In addition, as the owner of the infrastructure under construction, we also directly monitor the status of the investment and every month our Regional Managers of Fibre Optic Investments make local visits to selected construction sites, make comments, recommendations, and even commission re-audits if the situation warrants it.



All partners we work with on infrastructure investment projects are subject to an elaborate due diligence process. It is implemented on our behalf by the substitute investor on the basis of its many years of experience and best market practices. Only after positive verification do we sign cooperation agreements with suppliers and contractors (tripartite agreements, where the parties are the Strategic Partner as a substitute investor, Światłowód Inwestycje and the relevant contractors - external partners). **A standard element of agreements with suppliers and contractors are compliance and CSR clauses.**

The first defines the requirements for compliance with economic sanctions, anti-corruption, anti-money laundering and counter-terrorist financing requirements. The second is a declaration of adherence to the principles included in the Code of Conduct for Suppliers, reflecting expectations within the ESG areas, and in particular:

- Fraud - corruption, conflict of interest, political engagement
- Human rights - including freedom of association, child labour, slave labour or human trafficking
- Occupational Health and Safety
- Conditions of employment
- Environmental protection - including waste management, energy consumption and monitoring of CO2 emissions and respect for biodiversity
- Exchange of non-financial data and information so as to allow S-I to monitor the effects of the targets set under the ESG Strategy for the supply chain

In order to ensure standards are complied with throughout the value chain, we have obliged our direct suppliers and contractors to ensure

that they are respected by their contractors, i.e. subcontractors.

Together with the substitute investor, we have the right to verify respect for the provisions of agreements within the scope of the audits and, in addition, if any party fails to comply with the set requirements, the other parties may terminate such an agreement. In addition, all parties may report potential cases of non-compliance arising from adopted regulations both directly to S-I and to the substitute investor, Orange Polska.

It is worth noting that our Strategic Partner is intensively developing its approach to managing the supply chain. Among other things, it organized the 2023. Forum for Suppliers, which was attended by companies operating on behalf of S-I. In addition, it has also made available online carbon footprint training for external partners [More information can be found on the dedicated page of our Partner \(click here\).](#)

In the third quarter of 2023, together with our strategic partner, we launched the efforts to change the approach to reporting on procurement processes and supplier management. This is a long-term exercise due to the need to modify a number of processes, integrate and automate data reporting and align reporting with our company's ESG needs. It also means working on updates to procedures and regulations to even more effectively manage important areas within the value chain such as the carbon footprint in Scope 3. The works will also have an impact on the verification process of our key suppliers and contractors from a social and environmental point of view - we are considering, among other things, an external EcoVadis platform. We are keen to develop our approach in this area

over the coming years - including in the context of due diligence.

At the same time, in 2023, we continued the activities described in the previous report related to compliance with the Codes of Conduct by our key external partners - we annexed the 170 agreements to update the clauses and the obligation to comply with the S-I's Code (all agreements have our Strategic Partner's Code). We also sent evaluation surveys on the environmental activities undertaken by the companies we work with - increasing their commitment year on year: close to 50% of feedback compared to 10% in 2022.

• GRI 408-1 • GRI 409-1


We analyse the risks of child and forced labour every year, but to date we have not identified them directly within our company and have not assessed any operations among our key suppliers and tier one contractors where their level would be significant. As a member of the European Union, Poland strongly opposes this type of practice, and we also take care to ensure due diligence in these areas as a result of the actions described above.

Together with our Strategic Partner, we decided to increase the number of external partners with whom we are working on our investment projects. This is due to the increasing market demand for the services of such companies and the desire to diversify supply.

This will enable us to more flexibly adapt the actions we take to the market situation.

Only three contractors have opted out of working with us (2% of the 2022 total), which we see as a positive signal regarding the satisfaction of our partners with working with us.

Cooperation with key external partners

 **47 (+18 y/y)**
material suppliers

 **148 (+13 y/y)**
network contractors

 **100%**
of partners with the Code of Conduct

 **50%**
of partners effectively involved in the environmental verification process

CHAPTER SUMMARY

Key S-I activities in the economic area in 2023:



ESG STRATEGY AREA



GOAL FOR 2023



RESULT FOR 2023



PLANS FOR 2024

WE SUPPORT ECONOMIC GROWTH BY SHAPING THE WHOLESALE MARKET IN POLAND

Increase in the value of infrastructure

Increase by approx. PLN 1,000,000,000

Further increase the value of infrastructure

Supporting local suppliers

100% of procurement from companies registered in Poland

Maintaining the level of procurement from local suppliers

0 court cases as a result of regulatory violations

No incidents

Continued active collaboration with public administration and regulators

Automation of reporting processes

Automation of dispatch of almost 60 reports within 2 SIDUSIS information statements

Continued actions to develop the wholesale market with other entities

Participation in conferences: FG Time, FTTH Council, PIKE, KIKE, iNET

We participated in all events

Extension of network coverage by over 400,000 new addresses

WE EXECUTE INVESTMENT PROJECTS IN A RESPONSIBLE MANNER

Extending network coverage by 430,000 new households

We connected over 430,000 new households to the network

1. Continued operationalisation of the strategy and achieving ESG goals
2. Maintaining the GRESB score at a minimum level above the average for the Fiber Networks category

1. Completion and establishment of further quantitative KPIs within selected qualitative targets
2. Achieving a better result in the GRESB evaluation than in 2022

1. As part of the ESG Strategy, we defined KPIs for all commitments in each pillar
2. We increased our GRESB score to 78/100 (an increase of 36 points), reaching a level above the average for our category
3. Award for the best sustainability report

WE IMPLEMENT BEST ESG PRACTICES AND WE ENGAGE PARTNERS

1. Annexing tripartite agreements with external partners with the obligation to comply with the S-I's Code of Conduct
2. Updating the environmental verification process of external partners
3. Implementation of the Health and Safety System and drafting of a plan of engaging network contractors

1. We started the process of annexing agreements - 90% of key business partners covered (vs. 0% in 2022 - at the start of operations we relied on the Code of our Strategic Partner)
2. We increased partner engagement from 10% to 50%. We also made the decision that we needed to systemically change supply chain management in terms of ESG.
3. Regulations were implemented

1. Increasing the share of business partners committed to comply with the S-I's Code
2. Changing and improving the supply chain management process in terms of relevant ESG areas.

Social Impact

We level the playing field in terms of access to reliable and fast Internet

- 26 Cooperation with customers - telecommunications operators
- 30 Digital integration
- 32 Network security and responsible use of new technologies
- 35 Passion and engagement at work
- 38 Social engagement



52%
of infrastructure in areas without access to fibre optic

40%
of women in managerial positions

35h
training hours per employee

100h
as part of the employee volunteer programme

20,000
pupils took part in our class on the Internet

COOPERATION WITH CUSTOMERS – TELECOMMUNICATIONS OPERATORS

GRI 2-6 • GRI 3-3 [Relations and satisfaction with cooperation with S-I]

As the leading operator on the Polish wholesale market, we provide the largest FTTH coverage in an open model. We want to cooperate actively not only with national retail operators, but also with smaller players operating in regional and local market in individual voivodeships, poviats, and even municipalities and communes. **In this way, we are able to provide freedom of choice of internet access service for all end users within range of our network.** It is up to subscribers (customers of the retail operator) to sign a contract with the largest, international telecom operators, or with smaller, local companies. This is because we are committed to fostering digital inclusion by providing access to a reliable and fast internet connection nationwide.

In order to achieve our company's mission, it is essential to collaborate across the supply chain. We focus on partnership and lasting relations in business. We have an open, respectful dialogue. We strive to implement the win-win principle at every stage of our services. We are successful because of

our integrity, the exceptional quality of our services and our expert know-how. Never due to dishonest, unethical or illegal behaviour.

We work with our customers in three functional areas:

- Marketing - develops products and services
- Sales and relationship building - establishes partnerships and develops business with the customer
- Customer-operator support - after-sales service related to the implementation and handling of customer orders

Each functional area is supervised by a manager whose work is overseen by the Sales Director who in turn reports directly to the COO.

FUNCTIONAL AREAS

1. Sales establishes contact with the customer and agrees framework terms and conditions of cooperation.

4. Further development of business by implementing new solutions derived from customer expectations.

Sales

Customer Service

2. Implementation of the customer and establishment of detailed rules for cooperation and service.

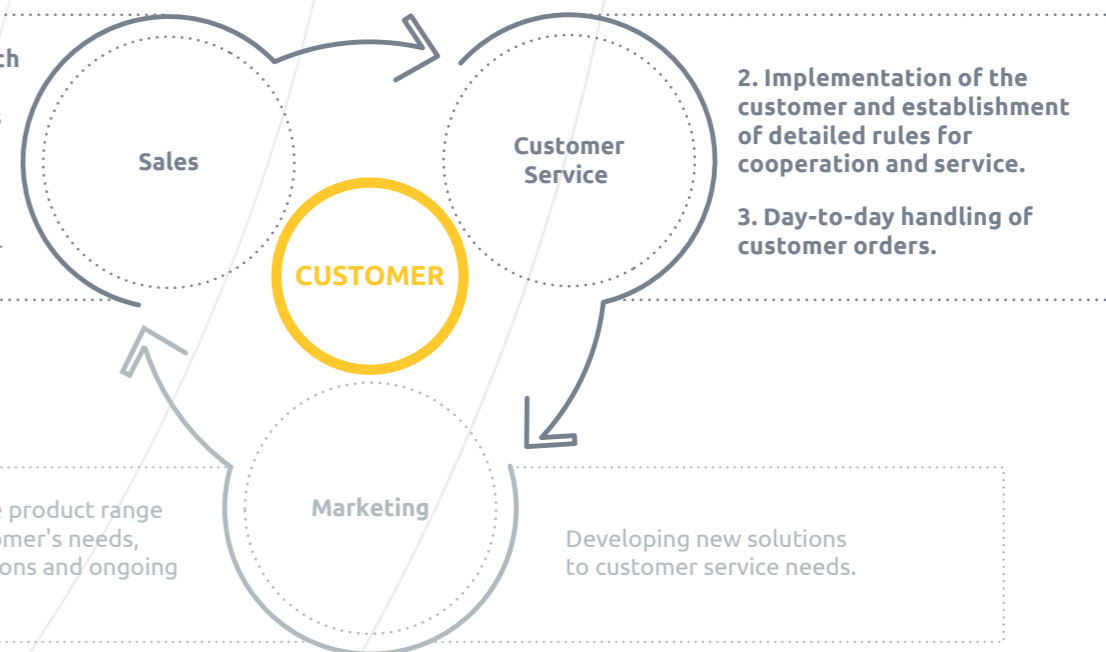
3. Day-to-day handling of customer orders.

CUSTOMER

Marketing

Development of the product range in response to customer's needs, developing promotions and ongoing sales support.

Developing new solutions to customer service needs.



MARKETING - PRODUCTS AND SERVICES

GRI 2-6 • GRI 3-3 [Relations and satisfaction with cooperation with S-I]

Our offer is aimed exclusively at telecommunications operators who provide internet to their subscribers (end users) based on our infrastructure. This gives individual customers the freedom to choose their supplier and additional services.

The offer for operators consists of three main product categories:

Bitstream Access (BSA), i.e. broadband. A service for telecom customer-operators in GPON (FTTH) technology which enables retail services.

Specialised Services, i.e. a business offer tailored to the needs of corporate subscribers. Allows for advanced data transmission with enhanced quality parameters.

Local Loop Unbundling (LLU) – we provide dark fibre (the so-called LLU BHL, i.e. backhaul between the OLT and the optical connection point OCP) and the fibre local loop (FLL from the subscriber's socket to the OCP preceding the optical splitter).

In addition, we offer the **Assistance** product, i.e. a comprehensive support service during which we carry out the connection and installation of active devices at the subscriber's premises.

We offer access to fibre optic internet with support for the following data transmission speeds per subscriber:

- 300 / 50 Mbps (download / upload)
- 600/ 100 Mbps
- 1000/ 300 Mbps

Key product and service development activities in 2023:

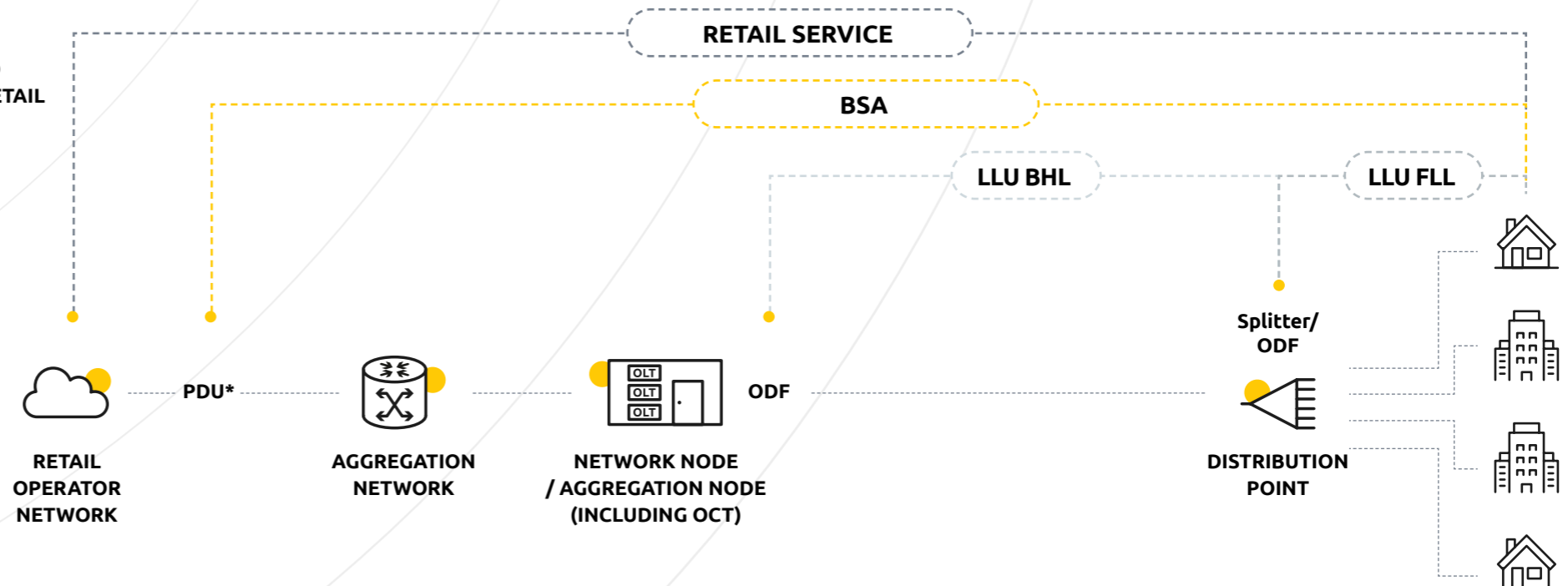
Implementation of **API FTTH Światłowód Inwestycje** with customer-operators that, according to the international TM Forum standard, are used to integrate our systems to automate service delivery and maintenance processes. **At the end of the year, all key operators either had API functionalities in place** (either complete for the service delivery and maintenance functions or in part, and for these operators, work is underway to implement the full model) **or are preparing to test the API solution.** We plan to fully implement the last key operator in 2024.

Portal for operators – the primary communication channel for customers who do not implement API. It is an innovative solution on the market, a unique one based and developed on industry experience. We have now fully implemented the ordering, modification and cancellation processes. We plan a development in terms of maintenance processes. We are constantly improving our Portal in terms of user experience, among other things, and we are systematically implementing more customers who choose not to implement API.

Launch of promotions for client-operators:

- Launch promotion - aims to remove the entry barrier for operators.
- Saturation promotion for BSA services for operators.
- Migration promotion consists of the transfer of customer-operator internet access services provided in non-FTTH technology to S-I's fibre.

NETWORK ARCHITECTURE AND WHOLESALE AND RETAIL SERVICES



* jednostka dystrybucji zasilania (z ang. Power Distribution Unit)

SALES AND RELATIONSHIP BUILDING

GRI 2-6 • GRI 3-3 [Relations and satisfaction with cooperation with S-I]

Dedicated Key Account Managers are responsible for acquiring, retaining and growing business. As a result, we are always close to our customers, we engage in an active dialogue, listen to and respond to their needs.

From the very beginning, we actively approached all major telecommunications operators with a proposal to provide them with services based on the existing and planned fibre-optic network. **At the end of 2023, we had 31 signed agreements for the provision of services** with all leading national telecommunications operators, including with Orange Polska, T-Mobile Polska, P4 (including the acquired UPC Polska), Netia (which also represents other entities in the Cyfrowy Polsat S.A. group), Vectra, and many other entities operating on a multiregional or local scale. We plan to continue signing agreements with further operators due to the growing interest in using our network.

All the operators identified above actively sold services using S-I's network in 2023. **At the end of 2023, the total S-I service base increased by more than 40% vs. the end of the previous year.** The first to start selling back in 2021 was Orange Polska and for this reason the service base of this operator is still the largest. The share of other operators has been growing significantly and continues to grow. **In 2023, almost every second increment of services provided on the S-I network came from operators other than Orange. Moreover, the number of active services among these operators grew by**

more than 200% year-on-year. This represents an increase in share of the total service base from 8% to 18% among alternative operators.

Such dynamic growth and significant progress in diversifying the share of our customers in the total S-I service base is a reason for satisfaction for us. We are working hard every day promoting fibre optic internet to shape the wholesale market in Poland.

The active growth in the number of services on our infrastructure is also the result of closer cooperation with customer-operators. In 2023, we organised a series of expert workshops to work together on:

- better understanding of customer needs
- product and service development
- plans to develop cooperation in the future

We plan to continue these activities, as we hope that they will measurably contribute to increased activity of our customers on our infrastructure.

We attach particular importance to the equal treatment of all our customers-operators. We do not apply preferential or discriminatory conditions in comparable circumstances. Our Framework Offer is the same and transparent in terms of pricing and KPIs for each of our counterparties. We cooperate with our customers in this area on an ongoing basis by responding to every report of a potential irregularity in this area and implementing appropriate corrective and mitigating measures (see details on page 12).

Each operator has access to S-I's information and services which meet the following conditions: they are of equal quality and equally transparent as to the timing of their availability to all customers; they

are available to each customer on an equal basis to a given extent and at a given time.

The sales and relationship building process is also defined by the Sales Process Guide, which describes the standards for working with both existing and new customers.

The main indicator monitoring the effectiveness of sales activities is network saturation (the ratio of the active service base to current coverage), which is a direct result of working with customers to increase the saturation of our network with new services launched for the subscribers of our retail customers-operators. We monitor it on a monthly basis in various cross-sections, such as customer-operator and market segmentation, type of investment, competitiveness of the area, among others. Overall, across the country, **in 2023 saturation increased in line with the targets adopted for 2023 - expected degree of saturation¹⁰ of the network was achieved at a level of over 100%**, meaning that at the end of the year the number of active services was higher than expected.

40%

increase in the total number of services in the S-I service base

18%

(+10 p.p. y/y) share of operators other than Orange in the S-I service base

200%

growth in the number of services among operators other than Orange on our infrastructure



¹⁰ The saturation level is sensitive information and is a trade secret of S-I

CUSTOMER-OPERATOR SERVICE

GRI 2-6 • GRI 3-3 [Relations and satisfaction with cooperation with S-I]

The customer-operator service is responsible for the quality of service associated with customer implementation and the handling of orders for the connection of fibre optic internet service to the premises of end customers (retail customers of telecommunications operators). As S-I, we manage and coordinate the work throughout the whole process. In turn, our Strategic Partner carries out all technical operations, order processing and procurement for us, and is responsible for the activities of external technical partners at the premises of subscribers of our wholesale customers. The detailed scope of competences and responsibilities is defined in the relevant cooperation agreements between us and our Strategic Partner.

Installation of the service at the subscriber's premises

Once our customer-operator has agreed a framework for cooperation with its dedicated Key Account Manager, we proceed with implementation

and clarification of the details of operational cooperation. It can then begin to execute orders of its subscribers (end users). Fulfilment of our customers' orders, connection and reliability of fibre optic internet at subscribers' premises are among the key success factors.

They determine the satisfaction with our services. This is why we continuously monitor indicators related to the quality of customer service:

- **92%** - installation efficiency at a specific address (indicator shows the ratio of successfully completed installations to the total installations to be carried out)
- **96%** - timely installation of fibre internet at subscribers' premises (BSA, LLU FLL services)
- **90%** - timeliness of removal of failures of BSA services and LLU FLL (Internet access at the subscriber's premises) with an average lead time of 23 hours

We also continuously monitor the quality of data reporting to the address database so that each of our customer-operators has up-to-date access to the newly added addresses within our infrastructure and can offer services to its subscribers (end users) as quickly as possible. The list is updated continuously, even on a daily basis.

In addition, we also monitor indicators related to the reliability of our network infrastructure and which may have an impact on the quality of the internet access service for our customers' subscribers. In 2023, the rate of service unavailability due to physical infrastructure failures was only 0.01%. Together with our Strategic Partner, we needed an average of 11 hours to rectify such failures. Although the values presented are clearly better than market standards (confirmed by an audit by an industry-leading consultancy), we do not intend to stop there and we will seek every possible improvement to further boost the reliability of our infrastructure.

Another process implemented for operators is interventions handled in the e-mail channel. The range of reported issues includes unfinished orders, clarification of the reasons for ineffective service delivery or problems with order placement and other types of individual incidents. All justified complaints and interventions in 2023 were positively and timely addressed by us.

92%

effectiveness of service installation

New initiatives implemented in 2023 as part of customer service:



customer newsletter - in 2023 we started sending out educational material geared towards improving the efficiency of service delivery to subscribers.

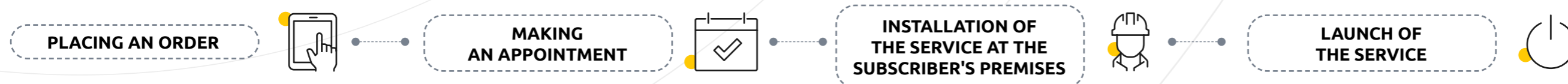


launch of an S-I hotline for potential subscribers of our customers through which we can redirect an interested person to our customers offering services at a given address.



launch of a maintenance hotline for operators, through which they have the ability to take appropriate action if a new subscriber wishes to cancel the service at the installation stage.

STAGES OF SERVICE CONNECTION



DIGITAL INTEGRATION

GRI 2-29 • GRI 3-1 • GRI 3-3 [Digital integration] • GRI 413-1

The digitalisation of the economy is one of the most significant challenges facing Poland. It is no secret that there is a correlation between the degree of digitalisation and economic development. Countries that are advanced in terms of digital transformation are not only greener, more prosperous but, above all, more competitive due to their potential to implement innovation¹¹. We observe that, on the one hand, the number of digital solutions is increasing not only in companies, but especially in public services. On the other hand, society has an uneven playing field and insufficient capacity to take advantage of opportunities effectively. As recently as 2019, as many as 15% of Poles have never used the internet, placing our country on the 22nd place in the European Union¹². In addition, as much as **40% of the Polish population still does not have access to an adequate quality Internet connection**, which places our country only on the 24th place in the EU (out of 27 member states)¹³. In addition, there are still 6 million households in our country without coverage of a modern fibre-optic infrastructure.

We are changing this by expanding our infrastructure and popularising the use of optical fibre. In doing so, we actively support the objectives of the EU's "Path to the Digital Decade" policy and digital inclusion in Poland

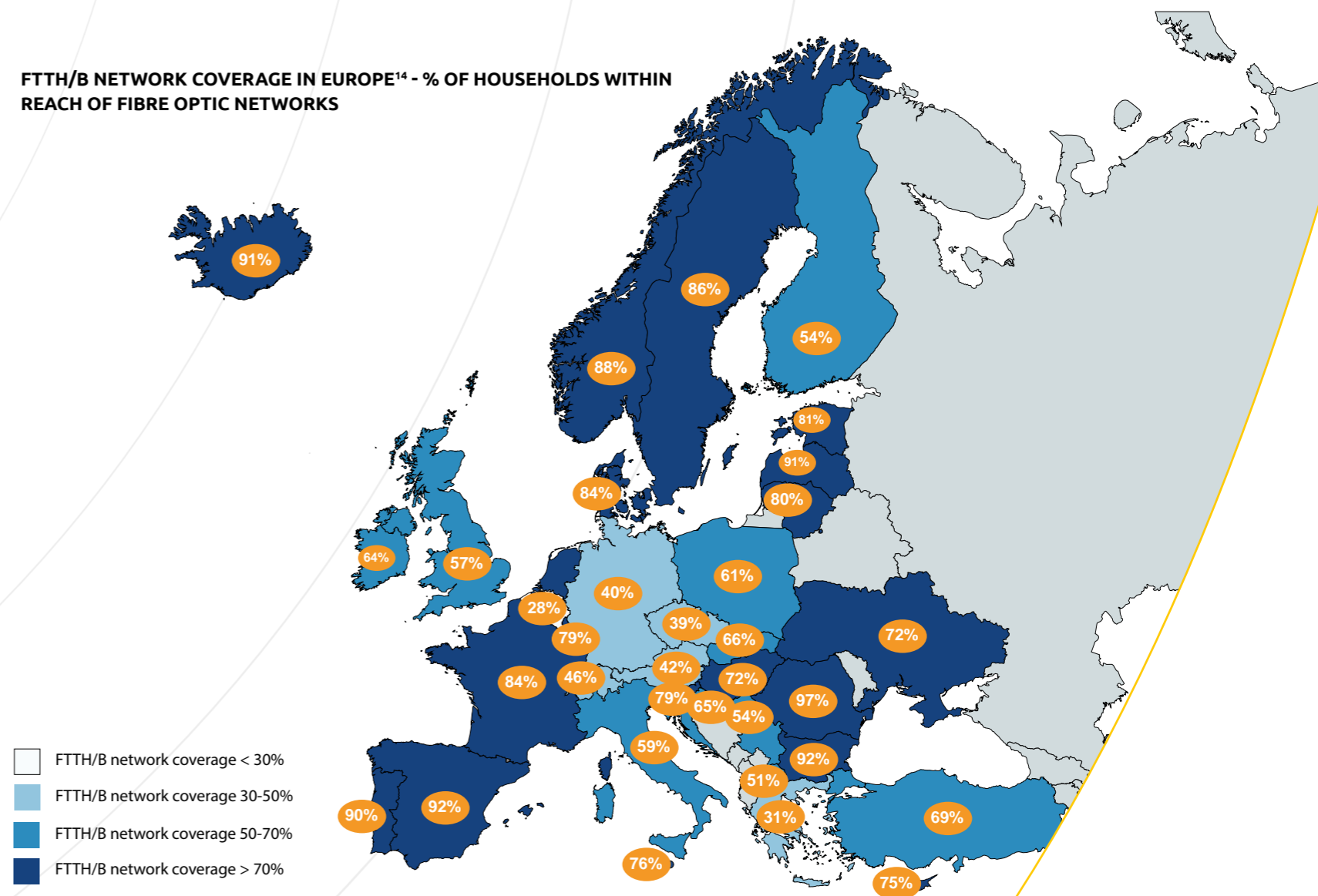
Digital inclusion of the Polish population

Our mission is to improve the quality of life for the people of Poland through the development of fibre optic infrastructure in the country. This is a direct result of our core business activities, which we carry out on the basis of two types of operations: investments in fibre optic infrastructure and the sale of services on the wholesale market. We provide our infrastructure to all interested telecom operators. We are committed to ensuring that everyone in Poland can make an informed choice among the various offers available on the retail market. We believe that this is how we contribute most to a fair digital transformation in Poland.

As indicated by our stakeholders in the dialogue we conducted in 2022, **we identified priorities for action in the context of supporting the fight against digital exclusion. We want to develop our infrastructure primarily in areas where there is currently no fibre optic cable** and where the available solutions do not allow for the effective use of new technologies (low speed and quality of internet services and the end subscriber's inability to take advantage of a wide range of competitive offers from key national telecommunications retailers). At the moment, however, these are not always the areas with the greatest business potential, which is why we have additionally decided to digitally include individual institutions, whose activities are relevant from the perspective of

building fair and strong local communities. When executing an investment plan, within the framework of individual projects, we continuously identify neighbouring social institutions such as, for instance, orphanages, nursing homes or other types of support centres.

FTTH/B NETWORK COVERAGE IN EUROPE¹⁴ - % OF HOUSEHOLDS WITHIN REACH OF FIBRE OPTIC NETWORKS



11 Report by the DigitalPoland Foundation, Stan cyfryzacji Polski na tle regionu, p.33-35; 2022

12 Report by the Consumer Federation, Wykluczenie Cyfrowe podczas pandemii, p. 5; 2021

13 <https://www.ftthcouncil.eu/resources/all-publications-and-assets/2043/european-ftth-b-market-panorama-2023>

14 Digitally excluded - without access to fiber internet

Our impact on digital inclusion in Poland

1,700,000

(+400,000 y/y)

households in Poland within the coverage of S-I infrastructure

880,000

(+150,000 y/y)

households in digitally excluded areas¹⁵ within the coverage of our network

52%

(+3% y/y)

our infrastructure is located in excluded areas

almost every 2nd

household within reach of our network in a digitally excluded area is actively using our infrastructure

We report coverage in excluded areas in accordance with our internal systems and it reflects the actual state at the time we decide to implement the investment and launch it. However, it happens that at a later stage - also during the construction phase - another company decides to lay its own infrastructure, and therefore the values we quote deviate from those presented by OEC on the SIDUSIS platform - these also change retrospectively due to new data provided by other players in the market. In addition, SIDUSIS presents only current data - it is not possible to verify the status backwards, for a freely chosen day, month or year. What's more, we report in terms of households and the OEC presents the results in terms of address points - there is often no overlap. As at 24.04.24, according to SIDUSIS, 32% of addresses in S-I coverage were in areas without optical fibre

In the previous 2022 Report, when presenting coverage in excluded areas, we did not include households from the in-kind contribution provided by the Investor at the time of the establishment of the life company. Hence the significant increase in coverage presented in the 2023 Report compared to 2022 (at that time we showed 400,000 and it should have been 730,000). However, the published year-on-year change figures reflect the true scale of the investments made by our company.

In turn, saturation, i.e. the number of active services, is correlated directly with current values derived from the SIDUSIS platform and official OEC data.

According to various market compilations and publicly available data from open wholesale operators making fibre investments with public funds (POPC), saturation in areas without broadband access averages around 30%. By making investments in areas without broadband access, we can boast that almost every second household in these areas is actively using fibre internet, which, in our opinion, is a good sign for the future - not only in the context of the digital integration of areas without access to ultrafast internet connection, but also for the development of our business.

¹⁵ <https://www.rp.pl/biznes/art38191441-nowe-pieniadze-z-ue-na-internet-za-chwile-tauron-powalczy-z-telekomami>



ONLINE SAFETY AND RESPONSIBLE USE OF NEW TECHNOLOGIES

Digital inclusion is not only a question of access to high-quality Internet so that all the services that are already offered and planned for implementation can be used in the future. It is also about cybersecurity and education on the safe use of the internet and new technologies.

NETWORK SECURITY

GRI 3-3 [Relationship and satisfaction with cooperation with the S-I] • [Cybersecurity] • GRI 2-28 • GRI 418-1

We are highly aware of the importance of security and data and information protection in our organisation. Therefore, from the very beginning of our operations, we entered into appropriate agreements with our Strategic Partner for the provision of a wide range of outsourcing services: the provision of IT services (maintenance and development of applications to support business and auxiliary processes) and an agreement for ICTiC services (services for the digital working environment, in particular regulating Infrastructure for Information and Communication Technologies as well as Cyber Security).

In the area of cybersecurity, we use our partner's IT systems on an outsourced basis. We have policies and internal arrangements consistent with the regulations, rules and standards in force in Orange Polska, which translates directly into increased information protection in this area. This approach guarantees the highest standards of data and information security as our partner is an industry leader and a leading player when it comes to building awareness of the cybersecurity. All types of information security risks are properly and effectively identified by it and mitigated to the highest degree.

We have full confidence that the information entrusted to our Partner for processing is secure, as we are the beneficiary of the safeguards it has implemented in line with the best international standards. Together, we operate under an ISO 27001-certified Information Security Management System. Also **solutions and processes we implement in the cloud are ISO 27018 certified.** It includes, among other things, the provision of telecommunications and ICT services, hosting, co-location, cloud computing and cybersecurity, taking into account the requirements of the

data protection standard and cloud computing services. In addition, our partner also boasts quality management (ISO 9001) and business continuity (ISO 22301) certifications. The first of them includes, among others, the provision and maintenance of data transmission services and integrated ICT solutions, quality control of billing and settlement services. The second one relates to the effectiveness of the procedures developed to ensure the security and reliability of critical business processes.

One of the objectives set for the Information Security Management System at S-I is high employee awareness of data security. We try to periodically remind and refresh knowledge also in this area. In 2023, all members of our Team underwent a dedicated course on the e-learning platform as part of the ESG training programme implemented at S-I (more in the next section: Passion and engagement at work).

0

legitimate complaints regarding loss or breaches in the area of processing of our customers' data.



SOCIAL EDUCATION

GRI 3-3 [Social education] • GRI 413-1

The increasing digitalisation and dynamic development of new technologies can represent not only a huge opportunity, but also a significant threat. Changes are taking place so fast that the average person has the right not to keep up with it. Indeed, today's global citizen takes in as much information per day as people in the medieval period took in in their entire lives. According to a study by one of the largest VPN software providers, a **statistical Pole spends almost 51 hours a week online**¹⁶. On an annual basis, this is 110 days, and in a lifetime perspective, as many as 23 years!

We mainly spend time on social media and streaming platforms, as this accounts for 40% of the total time we spend online. This is worrying because this type of entertainment is considered more addictive than cigarettes and alcohol. The research shows that they are **responsible for an increase in the number of people suffering from depression** – increasingly as a result of a phenomenon known as the dopamine loop, i.e. giving oneself pleasure quickly, easily and too often as a result of using social media¹⁷.



In the last 25 years alone, the proportion of such cases among the young population has risen to 70%.



Worse still, as many as 7 in 10 teenagers have also been victims of cyberbullying¹⁸.

Unfortunately, these are only some of the negative effects resulting from the inappropriate use of digital technologies. To prevent them, public awareness actions must be effectively started. At the moment, it appears to be at an alarmingly low level. Only 14% of the public control their screen time, and even fewer, less than 8%, avoid checking notifications every time they see them coming. The security situation is slightly better, with an average of 50% of users aware of and applying solutions to avoid major risks. However, if we look at the impact of screen use on our physical health and interpersonal relationships, the situation gets worse again. Only 9% of people avoid using of screen devices before bed, only 25% are able to eat a meal without contact with their phone, 23% of those surveyed find time to do physical activity during the day¹⁹ and only 17% care for correct posture when using mobile devices.

We feel responsible for the wellbeing of the recipients of telecommunications services (our customers' subscribers), which is why, **together with the MamyProjekt collective, we created an e-learning course on conscious use of the internet**, which has become part of a freely accessible portal for eco-education: mlodzi.ekoeksperymentarium.pl. The e-learning covers topics such as: where the internet comes from, and what impact it has on the climate and ourselves. The lesson uses multimedia education tools based on STEAM methods, by adapting the information provided to the communication language of the target group.

The lesson was published in early September 2023. It is mainly promoted among teachers, headmasters of primary and secondary schools, pupils of primary school (grades 6-8) and

secondary schools. The covered topics meet the objectives of the core curriculum and are thus an attractive complement to the activities carried out in schools.

20 000

pupils in Poland took part in our "Internet" lesson²⁰



¹⁶ <https://www.telepolis.pl/wiadomosci/prawo-finanse-statystyki/polacy-spedzaja-w-sieci-ponad-23-lata-swojego-zycia>

¹⁷ <https://higienamyslenia.pl/petla-dopaminowa-jak-uzalezniaja-tresci-cyfrowe-w-tym-social-media/>

¹⁸ <https://forsal.pl/artykuly/1432479,facebook-niszczy-twoje-zdrowie-psychiczne-infografika.html>

¹⁹ Instytut Cyfrowego Obywatelstwa, Ogólnopolskie Badanie Higieny Cyfrowej 2022, s. 29-30

²⁰ between September to December; based on google analytics and evaluation questionnaires from teachers conducting the activities

CHAPTER SUMMARY

Key S-I activities in the social area in 2023:



ESG STRATEGY AREA



GOAL FOR 2023



RESULT FOR 2023



PLANS FOR 2024

WE SUPPORT ECONOMIC GROWTH BY SHAPING THE WHOLESALE MARKET IN POLAND

Continued implementation of existing customers and attracting new ones

Implementations are proceeding according to plan. We acquired 13 new customers.

Full API implementation among all key customers and transfer of the remaining operators to the web portal

Testing and full implementation of the web portal for medium and small operators.

The web portal was launched and 6 SME operators actively used it in 2023

Continued implementation of the tool among other SME customers.

Increasing diversification of the share of customer-operators in the total active service base

203% increase in the number of active services in the base among operators other than the entity dominating the S-I portfolio

Continued diversification of the portfolio of the S-I service base

WE LEVEL THE PLAYING FIELD IN TERMS OF ACCESS TO A RELIABLE AND FAST INTERNET CONNECTION

Increasing the coverage of the fibre optic network for households

An increase of over 400,000 and in total we can boast coverage of up to 1.7 million households

Further increase in coverage by approximately 400,000 households

Definition of quantitative targets for areas of digital exclusion

Targets were defined until 2025 and the plan to increase network coverage in this category was met, reaching 880,000 households by the end of the year

Further expansion of coverage in areas without fibre optic coverage

Increase in the number of active services across the network (network saturation)

Increase of 40% on previous year - business targets met

Further increase in saturation on the S-I network

WE CARE FOR ONLINE SECURITY AND RESPONSIBLE USE OF NEW TECHNOLOGIES

- Development of an education action plan and selection of external partners for its implementation
- Development of a plan geared towards building awareness in the context of new technologies and digital inclusion and its integration into the company's communication activities

- We started cooperation and launched an educational project among young people reaching around 20,000 pupils
- We carried out research into consumer preferences regarding Internet access needs among Polish residents

- Continuation of educational activities within the framework of the project
- Development of a communication standard/guidelines including aspects of responsible use of new technologies

PASSION AND ENGAGEMENT AT WORK

GRI 2-28 • GRI 3-3 • [Employee development and retention] • [Safe work environment and investments] • [Diversity in the workplace]

We shape a working environment in which open and frank communication is a daily occurrence. We are committed to building a workspace based on our values of respect, honesty, responsibility and cooperation based on the “win-win” principle. They are priorities in our relationships and condition our attitudes to the challenges we face, they enhance professionalism and reliability. In everyday business choices, they also represent standards to support the development of socially responsible business.

Above all, we want to shape an engaging work culture that draws on diversity and offer solutions within the work organisation that support the wellbeing of our Team. Such an approach also implies equal opportunities and optimal conditions for taking advantage of opportunities for competence development which we create for our employees and associates. We also do not forget about building awareness among our Team and the promotion of responsible behaviour that we can demonstrate on a daily basis - both in the context of professional cooperation and in our private lives.

EMPLOYMENT

GRI 2-7 • GRI 2-8 • GRI 401-1 • GRI 407-1 • GRI 408-1 • GRI 409-1

We are a relatively small organisation in terms of employment, but we feel our huge potential and potential for social impact. Also, in the context of the workplace - together we shape the atmosphere and the space for collaboration. We know each other and remain close to each other - regardless of where we work. We have a flat organisational structure, so we operate in an agile and flexible way. We have an atmosphere of openness, support, partnership and mutual kindness - everyone is free to express their thoughts and opinions.

In addition to full-time employees hired under contracts of employment, associates who cooperate with us on permanent basis under other types of contractual relationship play an important role in our Team. At the end of 2023, our Team consisted of 68 members: 62 employees and 6 associates, which corresponds to a total of 68 concluded contracts. As far as FTEs are concerned, there were a total of 61.25 employees hired under contracts of employment at the end of the year.

The year 2023 brought quite a few new challenges due to the growth in business and the need to temporarily replace those on extended leave and parental leave, among other things. This contributed to the need to increase employment in our company.

Retention at the end of the reporting period in our Team was 97% and thus we met the ESG Strategy targets of maintaining a minimum level of 90%. We plan to maintain this in future years as well.

Our Team:



62 employees



6 associates



97% was the retention rate in the Team



Approach to employment in S-I

GRI 2-20 • GRI 2-30 • GRI 3-3 [Development and retention of employees]

The employment area is managed by the HR Manager who reports directly to the COO. The approach to employment management is defined by the employment regulations, the remuneration regulations, the bonus regulations, the Diversity and Inclusion Policy, the Whistleblowing and Whistleblower Protection Policy and the Code of Ethics, which covers areas such as business ethics, human rights, child and underage labour, employee rights, work-life balance and health and safety issues.

Principles relating to staffing levels, as well as remuneration, are always subject to agreement

between the Management Board of S-I, the Social Partner and the Supervisory Board. Each employee, including the members of the Management Board, receives a basic salary and a bonus depending on the extent to which business objectives are achieved, which are set for the company as a whole. This is because we are committed to ensuring that each member of our Team is treated on an equal footing in terms of their function, competence and experience.

Working conditions, in particular wages, working hours and fringe benefits for a standard working month are in accordance with the applicable law and internal regulations. These conditions are presented to each employee in writing, in an intelligible form, prior to the commencement of employment or change of position, and regularly, in accordance with local legal requirements. We do

not allow for any deductions from remuneration as a disciplinary measure.

We do not have collective bargaining in the company, but there is a functioning trade union, which also acts as a Social Partner and formal representative of the employees. We discuss all necessary changes to the organisation and working conditions of the S-I Team with them on an ongoing basis. The trade union representative is always informed well in advance of major planned changes in our company. We nurture partner relations with our Social Partner, so we always act together with the best interests of our employees in mind and in accordance with applicable rules of law.

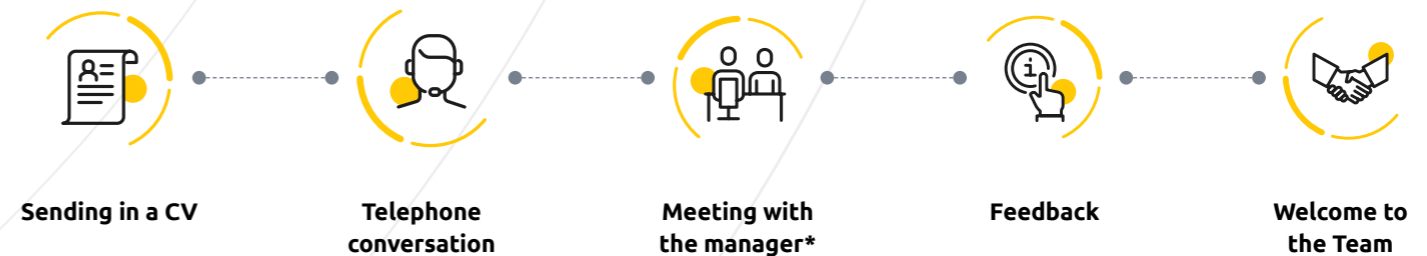
We respect and uphold human rights in their broadest sense, including those relating to child and underage labour. We strongly oppose any forms and

cases of their violation both within our organisation and throughout the company's supply chain. We do not use any form of forced labour. Employees have the right to terminate their employment after an appropriate notice period as determined with the employer and in accordance with local labour laws.

Recruitment process

We are an equal opportunities employer. We pursue an employment policy based on professional considerations. We value diversity and plurality of views, positions, beliefs, regardless of political opinions or religion. We respect and accept each other regardless of background, gender, age, health status or sexual orientation. We are committed to diversity and inclusion, for us it is a moral and business principle.

RECRUITMENT OF NEW TEAM MEMBERS IS ALWAYS CARRIED OUT ON THE BASIS OF AN ESTABLISHED PROCESS:



* depending on the course of the interviews and the nature of the candidates, there may be further interviews or tasks to be completed before we pass on the final decision.



DESIRABLE EMPLOYER

GRI 3-3 • [Development and retention of employees]

We are a small but very close-knit team. We create a space for interesting people who can share their passions with commitment at work. Our Team is made up of active people who fulfil themselves on many levels - travellers, athletes, people who develop talents. We look at tasks from more than one perspective and learn from each other. We know each other and enjoy working with each other, and also meet in our free time. Our diverse team of several dozen people is filled with passion, curiosity and engagement.

Guided by these principles, we want the company to be truly our place, which we create together and where we are jointly responsible for the results produced.

Work-life balance

GRI 3-3 • [Development and retention of employees]

We take a flexible approach to the organisation of work with the aim of the welfare and comfort of those employed and working for S-I. **On a day-to-day basis, we work in a 1/4 hybrid working system**, which means that we are expected to be

in the office minimum once a week depending on the needs and position within the organisation. However, we are open to cooperation with people from all over Poland, with whom we work on a daily basis in a model of fully remote work. The effective achievement of goals is paramount, but we believe that the organisation's values based on trust and integrity **allow for a flexible sharing of private life and professional responsibilities**. Our Team members can plan their work in such a way that they have time during the day for an appointment, for instance, at the dentist, they can run an errand at the local government office or walk the dog. However, we are mindful of a partnership approach, so that the way we carry out our duties does not also have a negative impact on the work of our colleagues - we always agree this with our supervisor.

We also support employees whose life situation requires them to interrupt their work or change their working pattern due to the following circumstances: maternity leave, paternity leave, parental leave; absence due to illness or ill health; leave as a result of extraordinary circumstances; remote working and/or flexible working hours due to caring for children or sick adult family members.

In 2023, our activities focused on implementing solutions in line with the changes in national labour law (remote work). We introduced a monthly flat rate for remote working. Each member of the Team was given the opportunity to purchase additional office supplies for working from home. In addition, anyone wishing to do so could additionally equip their workplace (both at home and in the office) at the company's expense, e.g.

with an additional monitor, keyboard, desk or chair. We also gave the option to temporarily change the location of providing remote work provision, e.g. in emergency situations which may have previously prompted the employee to take a holiday leave.

Our benefits

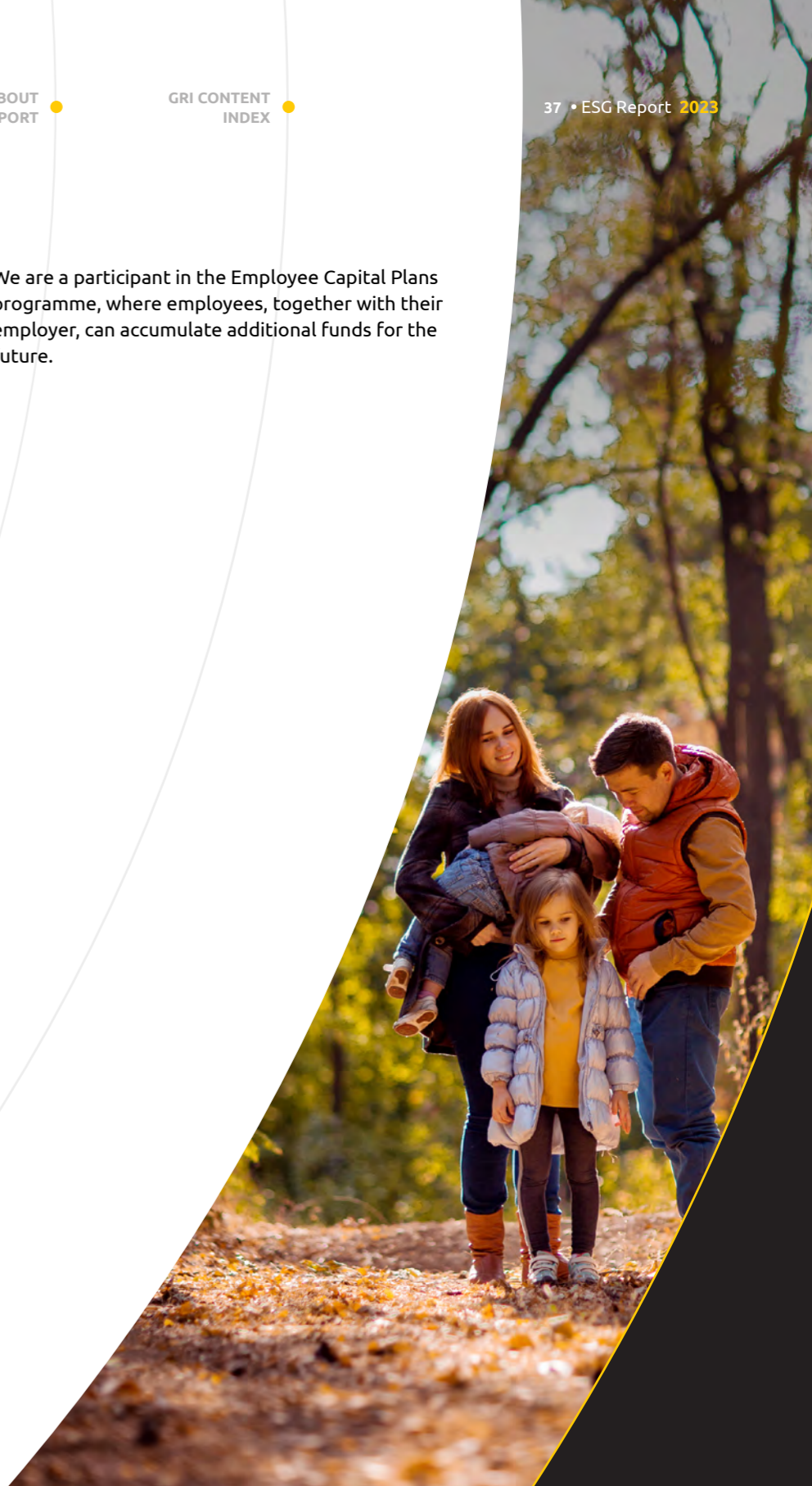
GRI 3-3 • [Development and retention of employees] • GRI 401-2

We strive to make working in the S-I Team not only professionally rewarding, but also supportive of the employees and their families on a personal level. On a day-to-day basis, we offer a range of fringe benefits to full-time employees:

- Private health care
- Sports card
- Holiday pay
- Hybrid (remote) work is possible
- Possibility of life insurance
- Annual bonus
- 100% subsidy for the purchase of glasses
- Team-building trips
- Integration outings (e.g. to the theatre)
- Training sessions
- Christmas and anniversary gifts

Also associates can take advantage of most of the benefits listed above.

We are a participant in the Employee Capital Plans programme, where employees, together with their employer, can accumulate additional funds for the future.



Engagement

GRI 3-3 • [Development and retention of employees] • GRI 413-1

Engagement within the Team is key for us, so we try to shape the organisational culture in such a way that it is a natural outcome resulting from the day-to-day work. There is no shortage of humour and good energy on a daily basis. It is clear that complications and problems arise during ambitious projects. However, we approach them as just another challenge that only drives us to keep working. The **focus is not on mistakes, but on finding solutions**. We always do this in a good atmosphere, as we believe that only a **positive approach allows us to build real and lasting engagement** in the Team. We are supported in this not only by the managers, but also by the Management Board, which is very close to many processes and is actively involved in the life of the company.

Dialogue is fundamental for us – open and transparent communication is key to effective cooperation. We ensure our employees' freedom of association, and we make sure that their rights are respected and that they are able to participate in dialogue with the Management Board. On average, we hold monthly online meetings of the entire S-I Team to discuss key developments and projects. It is also a space for each employee and associate to express their opinions or ask a question to a Board Member. On a day-to-day basis, it is the managers reporting directly to the Board who ensure the flow of information and dialogue with subordinate employees. We also organise periodic management meetings (at least once a fortnight) to discuss exclusively employee matters related to needs and expectations of all members of our Team.

In response to the postulates reported 2022 - as part of the engagement study - during the reporting year we implemented Office 365 software together with Microsoft Teams, which allowed us to enhance the collaboration experience between our Team members. We also introduced a number of conveniences and opportunities to support remote work (see more details in the work-life balance subsection).

In line with the company's approach, we plan to carry out the next employee and associate survey in 2024.

Social engagement

We recognise that by operating in the telecommunications industry, we are an important link between different sectors of the economy and different communities. Therefore, we do not function in an alternative, separate reality. We strive to be sensitive to social needs and to meet them wherever possible - especially in the context of local communities. Although charity and voluntary work themselves are not a strategic area of our activities in the context of sustainable development, we consider them to be important success factors. We believe that they have a positive impact on building engagement in our Team and, in addition, they contribute to strengthening entire communities that are the beneficiaries of such activities.

The first action we took in 2023 was to continue the project initiated in 2022. At that time, we donated PLN 8,000 to the Aeris Futuro Foundation as a way of thanking our stakeholders for participating in

the dialogue to identify relevant topics for our ESG Strategy. In turn, in March 2023, more than 40 members of the S-I Team, together with local government representatives and Foundation staff, planted 400 trees and shrubs near Radom.

We also supported the Animal Shelter in Korabiewice run by the Viva! Foundation on the occasion of World Animal Day. Initially, we had planned for staff volunteering, but due to the inclement weather we had to abandon this form of support. In the end, we organised the collection of the necessary in-kind donations and adopted a ward of the Foundation by providing the necessary funds to support the animal for 12 months.

At the end of the year, we joined the aid efforts coordinated by the Noble Gift project. Eight employees were actively involved in last year's edition, with more than 20 people donating financial support totalling PLN 2,800. In appreciation of the Team's commitment, the company supported the family in need with additional PLN 3,500.

PLN **11,000**

donated by the company as part of donations and employee volunteering and funds raised from committed employees

100^h

in total, which the company allowed our employees to volunteer to provide aid



DIVERSITY AND INCLUSION

GRI 3-3 • [Development and retention of employees] • [Diversity and inclusion in the workplace] • GRI 405-1 • GRI 405-2 • GRI 406-1

We believe that the value and strength of our organisation lies in diversity. We value plurality of views of all people - regardless of background, gender, age or sexual orientation. We respect and accept the different political as well as religious views of our employees. We want our company to give everyone the space to be themselves, so that they can express themselves freely and feel safe about it. Regardless of what and how we differ: we as employees, our customers, the recipients of our services, suppliers and other business partners - we want everyone to have the opportunity to unleash their full potential and be able to fulfil themselves both professionally and personally. We want to create solutions and provide services for everyone. Finally, we want to take into account and include all differences at every stage of S-I's activities, so that everyone has the chance to actively participate in the life and functioning of our organisation and its environment. Then we will be able to effectively develop our business, add value to the entire industry and meet the challenges of the modern world.

Management of the area is regulated within the framework of the Diversity Policy and is the responsibility of the HR Manager, who is thus in charge of:

- planning, initiating and implementing objectives and activities in support of the provisions of the Policy
- monitoring and evaluation of the approach and the degree to which the company's objectives are met resulting from the principles set out above - with the support of the Ethics Committee in dealing with reports of potential violations
- recommending and initiating changes to the Policy as well as actions to support its objectives

The HR unit is supported in particular by all managers at S-I. They are required to propagate the principles contained in this Policy by their own example and to encourage their colleagues to become actively involved in its implementation.

Diversity in the workplace

Given the cultural and social context and the specifics of the industry shaped over the past decades, our main challenge within diversity management is gender equality. This is because we do not employ people of other nationalities or from culturally different regions of Europe and the world.

The telecommunications sector has been dominated by men for years. The situation is similar in our company, although the scale of the phenomenon is relatively low. We assume that we do not have a direct influence on preferences for building competence in a particular industry by a particular gender, so we take the share of women employed in total in our organisation as a starting point. At the end of 2023, it was 45% among full-time employees (43% including associates). We are

committed to maintaining a similar level of female participation at the management level, which was 41% among full-time employees at the end of the reporting year and 37% across the Team. This represents a decrease of 1 percentage point in the context of the Team as a whole compared to the previous year. However, with such a small number of employees and associates, we consider deviations of up to 5% to be acceptable from the point of view of the objective of maintaining comparable employment of female managers to that of the Team as a whole. At the Board level, on the other hand, we have a fully balanced situation, with the proportion of women being equally 50%.

As far as age diversity at management positions and in the Management Board is concerned, it is fairly homogeneous due to the level of competence and experience that our employees must possess. 100% of the Board is aged between 30 and 50. The same age range applies to 58% of managers and 42% of them are over 50 years old. The same is true of our entire Team, where the vast majority, 62%, are employees aged 30-50, 32% are over 50 and 6% are the youngest colleagues.

However, we do not close ourselves only to gender and age issues. We are committed to building awareness and sensitivity among our Team also to other aspects of diversity. We believe that managing diversity has a positive impact on everyone's development and it allows us to better understand the needs of our service recipients. Each of us brings to work their own unique abilities, skills and experience. This is crucial in our day-to-day cooperation as it ensures complementarity of competences and perspectives. This is particularly important in creating solutions - we value such diversity at all levels of our organisation, in everything we do.



45%

of women employed in total

41%

of women in managerial positions

50%

of women in the Management Board

0%

of women in the Supervisory Board.

Anti-discrimination

In our business, we do not accept any form of discrimination or unequal treatment, in particular based on age, gender, religion, sexual orientation, marital status, health status, parental status, political opinion, nationality, ethnic origin union membership or social status.

We also recorded no incidents of discrimination in the workplace in 2023.

0 incidents of discrimination

DEVELOPMENT AND EDUCATION

GRI 2-24 • GRI 3-3 • [Development and retention of employees] • GRI 404-1 • GRI 404-2 • GRI 404-3

Employee development is a key aspect of management for us - not only of the Team, but also more broadly in the context of the Sustainability Strategy. We are a small organisation, and we believe that engaging and retaining expert staff depends to a large extent on their capacity for professional self-fulfilment. Both professionally and personally. We are also not forgetting the context of sustainability.

We actively meet the needs of all our Team members. Apart from offering a range of standard activities such as theoretical onboarding trainings or practical workshops on the executed investment projects and offered services, we take an individual approach to each person. Managers discuss with their subordinates the expectations and competence development needs of the position. We work out the best solution together and within the budget allocated to education we decide on specific actions. We provide training courses in several ways: internal trainings most often on industry knowledge, external trainings and trainings via an e-learning platform. We also offer the possibility of learning languages online. We believe that there is great value in learning through play. That is why we also use our training trips with elements of team integration. During the 2023 integration, we carried out environmental workshops, learned about exercise techniques to support ergonomics at work, and together with TOPR Mountain Rescue, we learned how to take care of our health and safety in the mountains.

In 2023, on average, per employee employed at S-I, we organised an average of

35 HOURS OF TRAINING.

In total, we allocated an average of

PLN 3800

per employee for the organisation of external trainings.

Including e-learning training to build awareness of relevant ESG issues:

- Information security
- Climate Change
- Diversity
- Anti-corruption

The data on the number of training hours shows an increase in all staff categories. There are no significant gender disparities overall (3h). However, if we go down to the management level, almost twice as many training hours were spent by women, and among other employees, slightly more training time was spent by men (6h).

In 2023, we did not implement a dedicated process related to competence development. We plan to implement them every two years and the next one will take place in 2024. However, the company operates a bonus system that depends on the degree to which business objectives are met, so we keep track of progress and discuss our impact on performance.



WELLBEING AND SUSTAINABLE LIFESTYLE

One of the priorities within the ESG Strategy is health and safety of our employees. We understand it broadly - not just as classic occupational health and safety related with physical accidents and occupational illnesses, but also with day-to-day work comfort and mental wellbeing. We believe that our health is influenced not only by the actions we take in our work duties, but also by the habits we have in our personal lives on a daily basis. So we not only want to build awareness of health and safety, but we want to do it more broadly in the context of sustainable lifestyles.

Occupational Health and Safety

GRI 3-3 • [Safe working environment and investments] • GRI 403-1 • GRI 403-2 • GRI 403-4 • GRI 403-5 • GRI 403-7 • GRI 403-8 • GRI 403-9

Safety of employees and key partners involved in the processes of developing and maintaining our fibre optic network is key for us. Safety of people is not just compliance with the law and rules, but also day-to-day building sensitivity to the potential risks in the workplace. We strive to ensure that each employee takes care of their own safety, safety of their colleagues and other people involved in our processes.

We are committed to building a work culture that promotes concern for the health and safety of both employees and subcontractors. We aim to ensure a safe working environment based on regular identification, analysis and reduction of the risk factors present in our processes. We take educational and preventive measures to prevent accidents.

We take preventive measures to eliminate or minimize the risk of occupational accidents and diseases. We provide training courses tailored to the nature of the work for our employees and associates. We regularly organise health and safety training sessions in line with current legislation - whether face-to-face, online or as e-learning.

In 2023, we recorded no accidents at work or occupational diseases among members of our Team.



0

accidents and occupational diseases

We keep a record of such incidents, but due to the nature of the work we do, the risk of them occurring is relatively low. In addition to office staff, we employ a dozen people who travel by car on a daily basis and carry out site visits on construction projects. The works on infrastructure are carried out by our external partners with the appropriate

competence, experience and qualifications to carry out specialised activities. Despite the lack of direct control over both these processes and where they take place, we aim to build awareness of existing risks and how to prevent them throughout the supply chain. Dedicated trainings are provided for the network contractors (especially on working at height and operating machinery), and we have relevant clauses in agreements and the Code of Conduct for Suppliers that define specific requirements and expectations, also in terms of health and safety standards.

The Management Board of the Company is responsible for the state of health and safety in our company. Although the law does not oblige S-I to have an OHS function within its structures, we recognise the importance of these issues socially, which is why we employ an external Health and Safety Inspector. On a daily basis, he works together with the HR Manager, who reports directly to the Management Board. Together with the Management Board, it consults on the results of health and safety measures, in particular regarding the prevention of accidents and occupational illnesses and in the context of occupational risks.

Minimum once a year, the OHS Inspector performs an internal audit and assessment of the health and safety status of our company. He then prepares a report and, together with the HR Manager, formally reviews the state of health and safety in the company. In the next step, the report, together with conclusions and recommendations, is presented to the Management Board for review. The Employee Representative (Social Partner) is also involved in the most important arrangements (such as risk analysis or possible incident investigation). The approach the managing the area of Health and Safety is defined by the following documents implemented in 2023: Health and Safety Management System and Policy based on the ISO standard, however not externally certified. They complement and systematise the rules already in force in our company: work regulations, resolution on rules of occupational risk assessment, resolution on occupational health and safety training, and the Code of Ethics and the Code of Conduct for Suppliers. The aforementioned regulations also define responsibilities among managers and other employees and associates. Therefore, they cover 100% of the S-I Team and define the operational scope relating to the company's direct activities. The exception to this is the Code of Conduct which sets out expectations and requirements for our suppliers.



Health and wellbeing

GRI 3-3 • [Safe working environment and investments] • GRI 403-3 • GRI 403-6

Satisfaction of our Team members with the physical, mental and social state of life is also very important to us. We believe that shaping wellbeing among employees and associates should be a comprehensive effort. We focus mainly on creating awareness in the context of our work duties, however we do not forget to promote sustainable lifestyles and good practices that we can apply in our private lives.

All our employees have access to private medical care as a benefit - they can also be extended to members of their immediate families for a fee. It allows for the use of an extensive package of services, including psychological consultations, a comprehensive health check-up and dental services. Any data on the health status of employees and their families are covered by medical confidentiality and, as an employer, we do not have access to them. The exception is information on the ability to perform work within a specific position - every employee, according to Polish law, undergoes initial and periodic medical examinations. As we carry out our duties mainly sitting at a computer or behind the wheel of a car, we decided that

each employee should be able to purchase glasses subsidised by the company. We work mainly from home, so ensuring sound working conditions is a priority for us. We strive to ensure that our employees can perform their duties in the most comfortable and ergonomic conditions possible - and we don't just stop at complying with local laws. We discuss tooling needs on a day-to-day basis as part of the ongoing dialogue with employees. Everyone can count on additional equipment from the company such as a monitor for working from home, a chair, wireless headphones or laptop stands.

During each team-building trip of the S-I Team, we build awareness and educate in the context of health or safety. In 2023, our employees and associates took part in a workshop during which they learnt about methods of exercise to offset the adverse effects of the sedentary working style. In addition, during the team-building trip in Zakopane, we cooperated with TOPR Mountain Rescue, whose employees introduced us to the principles of first aid and told us how to safely navigate mountain roads in cars, and we took part in safe driving training on a professional track near Warsaw.

We also promote an active lifestyle, as we are convinced that, apart from proper nutrition, this is the second most important element in building our wellbeing. It translates into both physical

and mental fitness. All employees have access to a benefit sports card, which allows them to use selected sports facilities for free. In addition, our office is cyclist-friendly - we have a bicycle park, a service area, and we provide a changing room with showers. The office building also has a canteen offering a variety of meals, including also suitable for vegans. Our Team members also have access to an open kitchen where they can enjoy tea, coffee or they can reheat a pre-prepared meal.

We are also committed to promoting sustainable lifestyles. In 2023, all members of our Team were able to take part in a tree-planting event, a workshop on building nesting boxes for birds and making eco-friendly cosmetics. In addition, we presented our employees with a set of beeswax wraps - natural and reusable substitute for sandwich paper or cling film and a water filter bottle. We will continue similar activities in the following year as well within the framework of the developed plan of building awareness and promoting good practices in the context of sustainable development.



CHAPTER SUMMARY

Key S-I activities related to the workplace in 2023:



ESG STRATEGY AREA



GOAL FOR 2023



RESULT FOR 2023



PLANS FOR 2024

WE SUPPORT THE COMPETENCE DEVELOPMENT OF EMPLOYEES AND ASSOCIATES

Development and implementation of an ESG training plan on an e-learning platform

28 training hours per employee per year on average

Maintaining a retention rate of at least 90%

100% of active Team Members completed 4 different courses in ESG areas

35 training hours

Retention rate of 97%

Implementation of the complete plan by all newly recruited Team Members

Maintaining the number of hours at 28h per employee

Maintaining a retention rate of at least 90%

WE SHAPE AN ENGAGING ORGANISATIONAL CULTURE THAT DRAWS ON DIVERSITY THROUGH SOCIAL ENGAGEMENT

Implementation of actions to address the needs of the Team following the 2022 Engagement and Satisfaction Survey.

Achieving comparable share of women in management positions as across the Team

No incidents of discrimination

We have implemented a number of solutions and tools to improve work organisation and access to work tools

Comparable staffing levels: 45% share of women across the company and 41% in management positions

0 incidents of discrimination

Implementation of an engagement and satisfaction survey with calculation of the eNPS score

Continued maintenance of comparable employment levels

Continued building of an inclusive work culture

WE CARE ABOUT THE WELLBEING OF EMPLOYEES AND PROMOTE SUSTAINABLE LIFESTYLE

- Building awareness among the S-I Team
- Development and implementation of a Health and Safety Management System
- Designating first-aiders in the Team

- Minimum one educational event supporting sustainable lifestyles

- We organised 3 dedicated workshops
- We implemented the System together with the Policy
- Persons were designated.

- 2 environmental workshops
- Volunteer tree planting
- Support for the animal shelter

- Continued awareness-building efforts

- Minimum two educational events on sustainable lifestyles

Environmental Impact

Role of digitalisation in tackling
the climate crisis

- 45 Fibre optics - the most environmentally friendly solution
- 47 Climate neutrality
- 50 Circular economy



2.5 B

value of the loan granted by banks
for our investment projects meets
the LMA Green Loan Principles

2,300

refurbished subscriber
devices

40%

lower energy consumption com-
pared to copper-based broadband
technologies (per user per year)

2040

date of attaining climate
neutrality



Fibre optics - the most environmentally friendly solution

GRI 3-3 [Climate change - Energy and emissions] • [Materials and waste management] • TCFD

The climate crisis is now one of the world's greatest social and economic challenges. Digitalisation is a key element in achieving the goal of climate neutrality by 2050 as set out in the European Green Deal. The development of new technologies based on the global network of the internet, on the one hand, makes our everyday life easier, and on the other hand, it contributes significant amounts of carbon dioxide emissions, accounting for up to 4% of global emissions²¹ - similar to the aviation industry²², but less than road passenger transport (around 20%)²³.

Yet the 'green internet' is possible by using fibre optic technology. This is because it is far more environmentally friendly than any solution used to date. Beginning with the energy consumption at each stage of the fibre optic life cycle, through the sourcing of raw materials to the potential for reuse of materials. What is more we believe that the digitalisation of the economy and society will ultimately have a positive impact on the environment and people by, among other things, moving previously physical processes online (e.g. commuting to work, the bank and other institutions, or business trips). Evidence of this can be seen in the analysis carried out by Orange Innovation of

France. According to the ITU-T L.1480 methodology, using the example of telework implementation at the time of the pandemic in the Rennes office, this working model was shown to have a positive effect on the amount of emissions. **It was calculated that, on an annual basis, emissions for the entire office and the employees were 65t CO₂e lower (almost 50%) than the traditional office-based working model²⁴.**

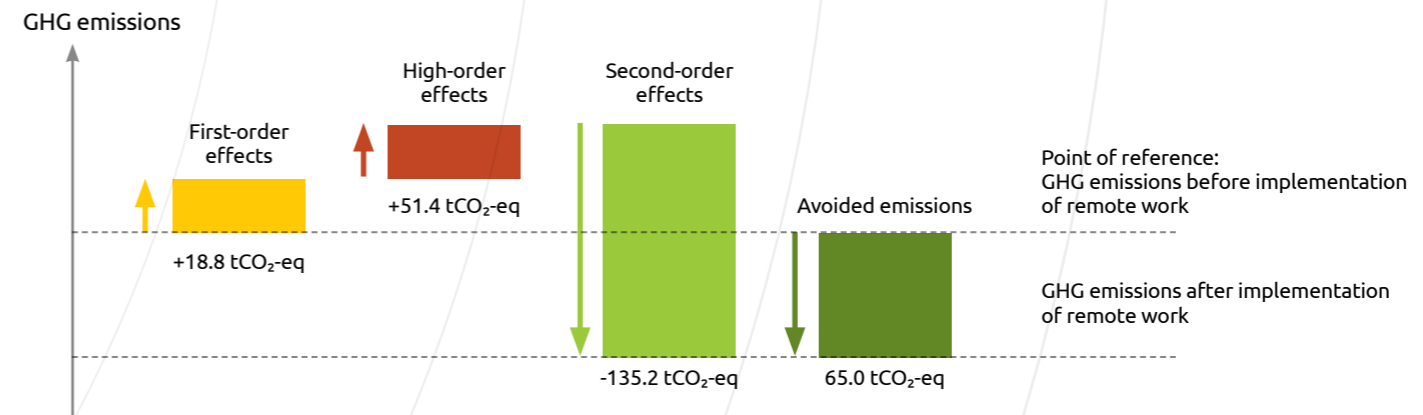
A number of variables were included in the model:

- first-order effects related to emissions resulting from the implementation of remote work (e.g. electricity consumption)
- second-order effects (e.g. office utilities consumption and commuting)
- high-order effects resulting from changes in employees' lifestyles (e.g. utility consumption at home, travel resulting from a change in the location of remote work provision)

Fibre optics measurably reduces energy consumption both in production and in use.

At the production stage, this is possible e.g. by temporarily switching off the graphite cooker when not in use²⁵. When using the internet, fibre optics in turn stands out for its high energy efficiency. **Compared to traditional technologies, fibre optics energy consumption drops by at least 60%²⁶** - This is, among other things, because fibre optics are wires in which data are not transmitted by means of electric current, but by means of light waves. The greatest energy consumption is generated by

IMPACT OF REMOTE WORKING ON GHG EMISSIONS²⁹



running network equipment such as servers, data centres, routers, switches and more. Fibre optics today not only provide very fast, but also stable and uninterrupted data transmission. As a result, there is no need for so many additional devices responsible for the transmission of information over traditional networks. Less infrastructure use means lower electricity consumption and therefore lower emissions of carbon dioxide, methane and other harmful pollutants.

Fewer devices making up the telecommunications infrastructure also means lower network failure rates. Fibre optic cable is manufactured so that it can work for around 40 years. However, due to the risk of damage to it, it is estimated that the average lifespan of a cable buried in the ground is 25 years. **Compared to copper cables, optical fibre is approximately 75% more reliable²⁷.** Fewer breakdowns mean less new equipment to replace, no need for service technicians to travel, all of which contributes to reducing the carbon footprint and supporting a circular economy. Life cycle of a fibre optic cable is 25-40 years. In addition, it is estimated that **production of fibre optic cables uses up to 66% fewer of all types of materials than in the case of copper cables²⁸.**

21 https://www.greenit.fr/wp-content/uploads/2019/11/GREENIT_EENM_etude_EN_accessible.pdf

22 <https://ourworldindata.org/co2-emissions-from-aviation>

23 <https://ourworldindata.org/co2-emissions-from-transport>

24 <https://hellofuture.orange.com/en/impact-of-the-use-of-a-digital-teleworking-solution-on-greenhouse-gas-emissions-case-study-of-the-orange-atalante-site-in-rennes/>

25 <https://www.prysmiangroup.com/staticres/sustainable-fibre-networks/files/assets/common/downloads/Sustainable%20Fibre.pdf?uni=7506236b75faca290ce7602a584765ad>

26 ARCEP, Future Networks - Digital tech's carbon footprint; 21 Października 2019

27 https://www.ftthcouncil.eu/Portals/1/Copper_switchoff_whitepaper_01122020-Final.pdf?ver=Bsw-X8y9dVO-hVaQChWksQ%3d%3d

28 BREKO Study Nachhaltigkeitsvergleich der Zugangsnetz-Technologien, FTTC und FTTH, May 2020, Prof. Dr.-Ing. Kristof Obermann

29 <https://ourworldindata.org/co2-emissions-from-transport>

Our role on the road to climate neutrality

GRI 3-3 [Climate change - Energy and emissions] • [Materials and waste management] • TCFD

Our mission is to improve the quality of life for the people of Poland by building and continuously expanding the reach of the fibre optic internet throughout the country. As a socially responsible company, we are aware that we cannot forget about environmental protection. It is an essential factor for social wellbeing and its resources are limited and therefore it is necessary to conduct business in a sustainable manner. We focus our activities mainly on combating climate change and supporting a circular economy. We are also mindful of biodiversity, but our activities do not pose a threat to protected areas on a daily basis due to the fact, that we carry out investment projects mainly in road lanes and already inhabited areas within the framework of existing infrastructure elements, such as electricity poles or sewers, among others.

In line with the business model in operation, we only have a passive infrastructure, and active services are implemented based on processes provided by business partners. The vast majority of activities with an environmental impact are carried out within the supply chain by our Strategic Partner and external partners.

We have direct influence on the environmental impact only in the context of vehicle use as we directly control the fleet of vehicles used to supervise the investments in fibre optic infrastructure.

Processes related to investments in fibre optic infrastructure and network maintenance as well as service provision are carried out in cooperation with

our Strategic Partner. In addition, it is important to detail two types of key external partners that provide the materials and equipment necessary for the investment process and the companies that perform construction and installation work for us related to the development and maintenance of the fibre optic network.

As far as the use of office and warehouse facilities is concerned, we also only have an indirect influence, as all facilities are leased and we have no direct influence on, among other things, the purchase of the energy required to power and heat them.

However, we are committed to ensuring that our business brings added value not only in the economic, but also in the environmental area, which is why we apply best market practices inspired by the international ISO 14001 standard in our management approach. We have an Environmental Management System (EMS) and an Environmental and Climate Policy. We also pledge to work with the supply chain to conduct investments in a sustainable way that takes into account the most relevant environmental aspects. Indeed, effective implementation of the objectives of our system and the ESG Strategy also requires involvements in processes over which we have no direct influence.

ENVIRONMENTAL IMPACT OF S-I

Type of activity	S-I's impact	Impact scale
Network maintenance and provision of services within the fibre optic infrastructure	Indirect in the supply chain	Moderate
Construction and modernization of fibre optic infrastructure	Indirect in the supply chain	Moderate
Use of office and storage facilities	Indirect in the supply chain	Low
Use of vehicles in S-I	Direct	Low

STRUCTURE OF THE ENVIRONMENTAL MANAGEMENT SYSTEM

- **Management Board of S-I**
 - Oversees environmental and climate issues
 - Makes personnel and strategic decisions on the basis of recommendations from the EMS Representative
- **EMS Representative**
 - Responsible for the maintenance of the System
 - Develops rules and regulations - coordinates implementation in the company
 - Reviews environmental risks, makes recommendations for policy modifications, improvements or new solutions to the Management Board
 - Responsible for disseminating knowledge to managers and employees
- **Environmental Expert**
 - Develops operational solutions to support the implementation of the Strategy
 - Collaborates with the Coordinators regarding substantive consultation on planned solutions and their operational implementation
- **EMS Coordinators (managers reporting directly to the Management Board)**
 - Operational support for the Expert - participation in expert projects
 - Identification of risks in the department and operations
 - Operational implementation of solutions in the department and operations
 - Monitoring awareness and compliance within the department
- **Other employees**
 - They are an integral part of the system
 - They support Coordinators in their area of their responsibility and competence

CLIMATE NEUTRALITY

GRI 3-3 [Climate change - Energy and emissions] • TCFD

We are aware of the scale of the challenge and the need for it to be undertaken on a global scale. Although our business model means that we do not have a significant direct impact on energy consumption and associated CO₂ emissions, we **pledge that we are actively working towards climate neutrality by 2040**. We have strong partners in the supply chain, mainly thanks to our Strategic Partner Orange Polska, which, as part of the Orange Group, has set and endorsed just such a target as part of the Science Based Targets Initiative - the most credible initiative bringing together companies that have developed a pathway to climate neutrality under the Paris Agreement and which has been scientifically validated by independent experts²⁹. Our Partner, acting both as our substitute investor and the main provider of extensive IT services and processes related to the operation and maintenance of our passive infrastructure, is directly or indirectly responsible for key processes in our upstream supply chain, which are also a major source of emissions for our company in scope 3. We intend to strengthen cooperation with our Partner in this area and actively support its efforts to achieve this ambitious goal.

Emissions

GRI 302-1 • GRI 302-2 • GRI 305-1 • GRI 305-2 • GRI 305-3 • TCFD

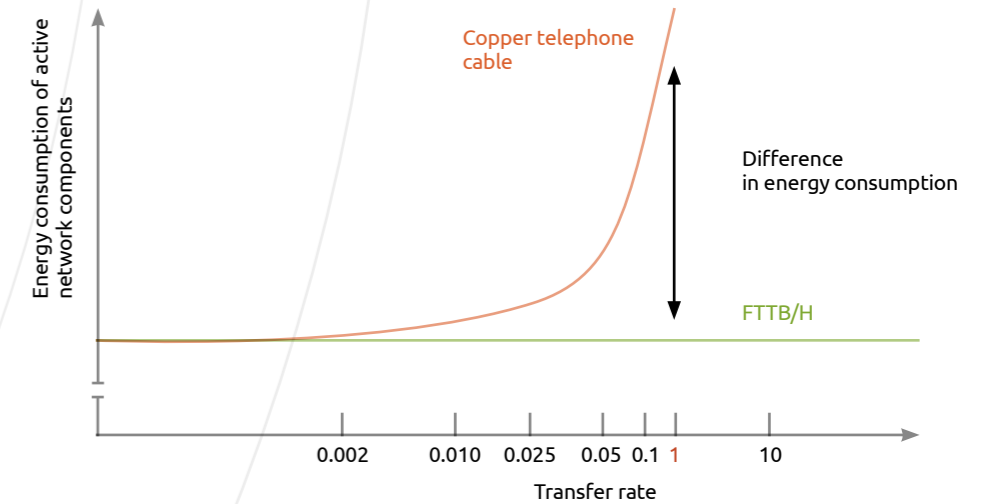
Only the fleet of vehicles used on a daily basis by our employees responsible for investment projects in Poland is under our direct control and thus represents the only source of direct energy consumption and emissions. We do not buy any energy directly from electricity or gas suppliers. We receive these as part of the services provided to us by our Strategic Partner. The same is true for indirect energy consumption and Scope 3 emissions. Exceptions are business travel, remote working and downstream, i.e. the values arising from the use of energy of our subscriber devices when end users use our services.

The investment projects we execute in order to develop the network and the services we provide are based 100% on FTTH GPON technology. Compared to other broadband networks, it remains the most energy-efficient solution. Especially when compared to hybrid technology of fibre optics and copper cables (the so-called HFC or DOCSIS), it consumes about 40% less energy per user per year according to market analyses - assuming that the link speed is 50Mbps³⁰. It is worth noting that the difference in average energy consumption increases in favour of optical fibre as the link speed increases. Światłowód Inwestycje,

on the other hand, offers services with speeds of 300-1000Mbps. In addition, the energy efficiency of optical fibre increases even more compared to wireless internet access technologies - energy consumption of FTTH GPON is at least 3 times lower than that of mobile solutions (depending on the wireless technology compared)³¹.

These conclusions are evidenced in the position of commercial banks with which we signed an annex to the loan agreement worth PLN 2.5 billion in compliance with the LMA Green Loan Principles³². Only the European Investment Bank (EIB) has not decided to sign the annex. This is because it expects 100% of subscribers using services on our infrastructure have integrated devices installed. This area, however, is the responsibility of our clients-retail operators, and as a wholesale operator we have no direct influence on this. Nevertheless, at the end of 2023, such integrated devices in the structure of all services deployed on our network accounted for more than 80%.

COMPARISON OF THE INCREASE IN ENERGY CONSUMPTION WITH THE INCREASE IN DATA TRANSFER RATE BETWEEN FIBRE OPTIC TECHNOLOGY AND COPPER



COMPARISON OF BROADBAND TECHNOLOGIES - ENERGY CONSUMPTION AND EMISSIONS

	VDSL2-Vectoring	HFC	FTTH - PtP	FTTH - GPON
Total energy consumption [MWh/year]	3.465	4.987	3.557	3.156
kWh/year per user	61	88	63	56
Compared to a 4-person household [4,2000 kWh/year]	6%	8%	6%	5%
CO ₂ emissions [tonnes/year]	1.850	2.663	7.899	1.685

29 <https://sciencebasedtargets.org/companies-taking-action>
 30 <https://europacable.eu/wp-content/uploads/2021/01/Prismian-study-on-Energy-Consumption.pdf>
 31 https://europacable.eu/wp-content/uploads/2022/07/Cov-PageWP_merged_rearranged.pdf
 32 <https://www.lma.eu.com/sustainable-lending/resources>

In 2023, in cooperation with external experts of a consulting firm, we made the first comprehensive calculations of our organization's carbon footprint in accordance with the GHG Protocol standard in all scopes. We are taking 2023 as the baseline both for the sake of completeness of the calculations and the fact that - in the context of our Business Plan – it is the most intensive, in terms of activities generating emissions.

The largest share of emissions by far comes from category 2, i.e., fixed assets (94%). This includes materials and equipment necessary for the construction and maintenance of infrastructure, as well as work related to its construction and installations at subscribers' premises. However, it should be mentioned that we used here financial data and free indicators relating to the general category of construction work. The specifics of the work we carry out are different, however, and most often it does not involve heavy construction work of the kind that occurs in residential or commercial developments. We operate mainly within existing road lanes by burying cables underground or by hanging them on above-ground poles. In absolute terms, we estimate that the results are overstated, however, the relative contribution to the total carbon footprint of our organization is indisputable, and we will take appropriate steps in the future to deepen the calculations and develop an action plan aimed at reducing emissions in this category.

Other major sources of emissions:

- energy consumption on active infrastructure of our Strategic Partner - category 1 (less than 3% of total S-I emissions)
- Energy consumption of subscriber devices that

- we lease to our customers and their subscribers - category 1 (1% of total S-I emissions)
- energy consumption within the Data Processing Centres of our Strategic Partner - category 1 (0.4% of total S-I emissions)

The presented results for active infrastructure and subscriber devices were obtained by modelling energy consumption based on average actual rates or empirical measurements.

Emissions resulting from energy consumption of subscriber devices were calculated based on their average power consumption based on measurements of our Partner.

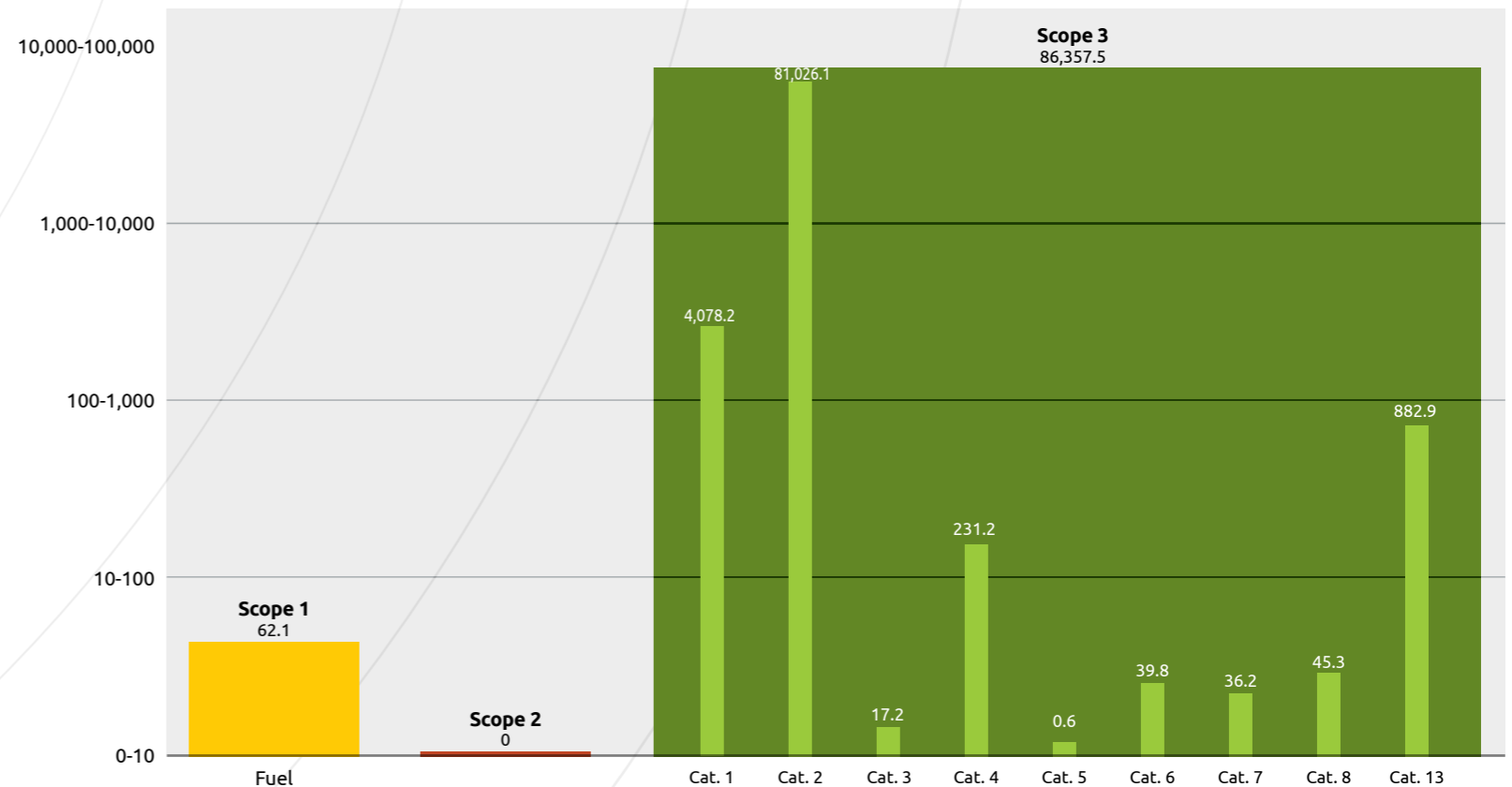
In the context of Data Centres, we have done mapping of our processes and the locations where data related to their execution are processed. As a result, we were able to determine the share of our processes in the Centres powered from renewable energy sources by our Strategic Partner and thus we recognized them as zero-carbon.

It is worth noting that our Strategic Partner, as part of the #OrangeGoesGreen program, has already taken measurable actions to reduce emissions in scope 2 (our scope 3 in terms of energy consumption on active infrastructure and in data centres, as well as offices) by purchasing renewable energy directly from its producers based on long-term Power Purchase Agreement (PPA). **W 2023 the share of electricity from renewable energy was already 74% in total energy consumption by Orange Polska³³.** This is a large increase in comparison to 2022 (12% of energy from RES)³⁴ and a solid prognosis for the future in the context

of our Strategic Partner and its goals by 2025 (min. 60% share of renewable energy and reduction of emissions in Scopes 1 and 2 by 65%). **These activities have a direct impact on services provided to us and the resulting emissions in**

Scope 3. We intend to support our Partner in its ambitious efforts, hoping that we can to achieve a situation where all our key processes will be powered by energy from renewable sources.

S-I's GHG S-I EMISSIONS FOR 2023. [Tonnes of CO₂e]



- Cat. 1. Purchased raw materials and services
- Cat. 2. Fixed assets
- Cat. 3. Energy and fuel-related emissions not included in Scope 1 and 2
- Cat. 4. Upstream - transport and distribution
- Cat. 5. Waste management
- Cat. 6. Business trips
- Cat. 7. Commuting
- Cat. 8. Upstream - leased assets
- Cat. 13. Downstream - leased assets

33 <https://www.orange.pl/razemdlaplanety/redukujemy-emisje-co2>

34 https://www.orange-ir.pl/wp-content/uploads/2023/02/jednostkowe-sprawozdanie-finansowe-OPL_FY2022.pdf

Climate risks - TCFD

GRI 3-3 [Climate change - Energy and emissions] • TCFD

Fibre optic technology not only supports green transformation in terms of energy intensity and used resources but is also resilient and resistant to major damage from external factors. Particularly since passive infrastructure is characterised by a small proportion of the active equipment necessary for operations, which is also most vulnerable to failure due to, for example, flooding.

The identification and analysis of climate risks was carried out as part of the procedure resulting from our company's Risk Management System. Participants in the trial included: the Management Board, the Environmental Expert, the Risk Management System Coordinator and the managers and their designated experts responsible for sources of environmental impact arising from our Environmental Management System.

We assessed the risks in terms of value and probability. The analysis of these risks was based on estimated future cash flows over the period up to 2050 (up to 2025 short-term - duration of the ESG Strategy, up to 2030 medium-term, up to 2050

long-term - in line with the Paris Agreement target) and in terms of four possible temperature increase scenarios:

- Positive RCP2.6 scenario - warming dynamics by 2100 below 1.5°C relative to pre-industrial era
- Neutral RCP4.5 scenario - warming dynamics by 2100 between 1.5 to 2°C relative to the pre-industrial era
- Negative RCP6 scenario - warming dynamics by 2100 between 2 and 3°C relative to pre-industrial era
- Very negative RCP8.5 scenario - warming dynamics by 2100 above 3°C relative to the pre-industrial era

Finally, the impact of climate change on our operations was determined by the temperature scenarios proposed by the 2015 Paris Climate Summit (COP21): a rise of 2 to 4°C by 2100 vs. the pre-industrial era (19th century). We defined 5 key risks: infrastructure damage due to sea level rise and flooding, infrastructure failure as a result of extreme weather events, energy supply constraints, disruptions in supply chains and new climate or environmental regulations and charges.

Owners were assigned to each identified risk in accordance with the Risk Management System, and a mitigation action plan was developed - especially for the medium- and long-term. Indeed, our analysis shows that the probability of most risks increases over time and that the first major impacts could occur just around 2030.

LIST OF CLIMATE RISKS

RISK TYPE		IMPACT OF THE RISK AND FINANCIAL CONSEQUENCES	TIME HORIZON	RISK LEVEL
TEMPORARY RISKS	Regulatory	New regulations and charges related to the EU's move towards climate neutrality Increased operating costs both as a result of more stringent requirements for specific aspects of the company's operations, as well as from new charges.	Short - and medium-term	Low
	Technological	Supply chain disruption - shortages or difficult availability of equipment Costs arising from supplier diversification.	Short-, medium- and long-term	Medium
	Market	Restrictions on access to energy Power outages may result in additional costs as a result of not providing services.	Medium- and long-term	Low
		Supply chain disruption - shortages or difficult availability of equipment Temporary inability to provide services to some customers as a result of interruptions in availability of equipment and the resulting partial lack of revenue.	Medium- and long-term	Medium
	Image-related	Decline in confidence in the company and interest in fibre optic service Decrease in revenue due to lack of willingness of telecom operators' customers to cooperate in the event of gross negligence regarding adaptation to climate change. We see it more as an opportunity.	Short-, medium- and long-term	Low
PHYSICAL RISKS	Acute and prolonged	Damage to some infrastructure as a result of rising sea levels and flooding Increase in operating and capital costs due to breakdowns or the need to move some infrastructure to other locations.	Medium- and long-term	Medium
		Local failures, malfunctioning infrastructure as a result of extreme weather events Increase in operating costs due to the need to rectify local failures.	Medium- and long-term	Medium

CIRCULAR ECONOMY

GRI 3-3 [Materials and waste management] • GRI 306-1

We know that to combat the climate crisis, in addition to reducing CO₂ emissions, it is also important to responsibly use our planet's resources. We attach great importance to both sourcing materials and equipment in a sustainable manner, as well as to waste management, with the aim of reducing the amount of non-reusable waste.

The execution of investment projects - from procurement to construction and modernization of infrastructure - is the responsibility of our substitute investor. This is because under the agreements concluded by us, it is our Partner, in cooperation with external partners who carry out the services of network construction for us and therefore, in accordance with local law, they are the generator of waste and are responsible for its management. As the main investor, we ensure that they manage waste in an appropriate manner during the executions of projects. Each external partner is trained in this regard as part of the Fiber Expert School and committed to abide by our principles of the Code of Conduct, which also regulates this area.

Materials management

GRI 3-3 [Materials and waste management] • GRI 301-1

We arrange the purchase of materials and raw materials together with our Strategic Partner who executes the process on our behalf as part of the

relationships we have built over the years with dedicated external partners. We have tripartite agreements on permanent cooperation with all of them. We cooperate only with reputable suppliers of materials and equipment - leaders in the industry, thanks to which we are sure that the equipment and materials they offer use the latest technological solutions and ensure reliability of use. In addition, our substitute investor periodically verifies the quality of purchased goods in order to verify their technical parameters in terms of efficiency of operation and safety of use.

Passive infrastructure, for which we are directly responsible, as it is an asset of our company, does not consist of active electronic equipment at all. The key active equipment necessary for us to provide our services consists of OLT stations and ONT and POE devices installed in subscribers' premises. The former are owned by our strategic partner and we lease them under the agreements we have signed. The latter, on the other hand, are our property, but we lease them to the service recipients of our retail customer-operators for the duration of the agreement for provision of fibre optic internet service.

We monitor the level of use of materials for our investments by external partners executing construction projects. Each project includes a detailed specification regarding the type and quantity of materials necessary for its execution. On this basis, our Strategic Partner issues goods from the warehouses to subcontractors. Each project is

accounted for after acceptance of the investment project, thanks to which we measure efficiency of the use of our materials.

In 2023, 99% of the materials issued were used for the execution of our investment projects. This indicator represents the direct impact of our company in the context of processes over which we have control. We realize, however, that it does not reflect the full scale of impact taking into account the processes carried out in our value chain by external partners. Unused materials and equipment that have no potential for use in subsequent construction projects

(e.g., cable cuttings), are treated as waste. Their management is the responsibility of our subcontractors, who are obliged to comply with our guidelines in this regard derived, among other things, from the Code of Conduct.

It is also worth noting that for the most part we use existing infrastructure (ducting and poles), which we lease from external partners, thanks to which we do not generate additional carbon footprint and save resources in the economy. Hence the scale of the use of fibre optic cables and is much larger compared to elements such as the aforementioned poles and ducting.

MATERIALS USED FOR INFRASTRUCTURE INVESTMENT PROJECTS S IN 2023³⁵



16,400,000 Fibre optic cable

3,600,000 Cable accessories

660,000 Optical equipment

1,315,000 Other accessories

3,200,000 Ducting and accessories

24,500 Chamber and accessories

4,700 Poles and accessories

³⁵ cables and ducting and their accessories, expressed in metres; other materials, expressed in units.

Waste management

GRI 306-1 • GRI 306-2

Key investment waste is always transferred to a dedicated external partner who deals with waste management on a daily basis. Together, we make efforts to ensure that they are recovered as much as possible for reuse in the economy, and where this is not possible, we ensure their safe storage. We regularly receive from our external partner a list regarding the recovery of individual components within a given waste category.

At this point, however, fiberglass from fibre optics is being stored rather than being recovered. Due to the high material efficiency and the long life cycle of fibre optics in the context of the two years of our company's operations, there were not many of them. In 2023, we handed over to our external

partner 2030 meters of waste cable and ducting generated as a result of our investment projects in 2022.

As planned, together with the Strategic Partner, starting in 2023, we launched a program for the refurbishment of ONT-type subscriber devices and POEs, which, after being used, are returned to our warehouses. At the end of 2022, we had 3,000 devices with the potential to be refurbished and reused. **In the first year of the project, we refurbished a total of 2,300 ONTs and POE devices. Thus, we achieved the targeted initial quantity of 1,500 to 2,500 units. By the end of 2025, we plan to continue action and refurbish a minimum of 2,000 such devices.**

Environmental activities and initiatives

GRI 303-1 • GRI 303-2 • GRI 303-3

Although we do not have much influence directly, we actively support efforts to combat the climate crisis. We believe that numerous micro actions will have an aggregate positive effect on a macro scale, which is why we take initiatives and build awareness among our employees, associates and business partners with the aim to reduce energy consumption and carbon footprint. The very the mode of work of our Team has a positive impact, as we work mainly remotely and, for example, do not have to commute to work every day. In addition, our office is located in an office building in which pro-environmental solutions aimed at reducing resource consumption are implemented on an ongoing basis, such as turning off some elevators and encouraging the use of stairs, or automation of the lighting control.

Another important initiative is to reduce the use of paper. We are systematically implementing digital signatures in our organization and are moving away from the traditional paper form. We are promoting giving up paper documents both within our company (in the execution of matters between the employee and employer), as well as among our external partners and customers who appreciate this fast and convenient form of working on documents. **Almost all processes related to accounting, human resources, Management Board and Supervisory Board are already carried out in digital form.** The vast majority of key agreement involving cooperation with customers or suppliers and contractors are also signed electronically. An excellent example of digitalisation is also e-invoicing which enables electronic issuing, sending and archiving of invoices, thus eliminating the need to use paper copies.



100% of wooden poles are sent to waste incineration plants



Cables, with the exception of glass fibre, are also segregated according to their physical and chemical properties....



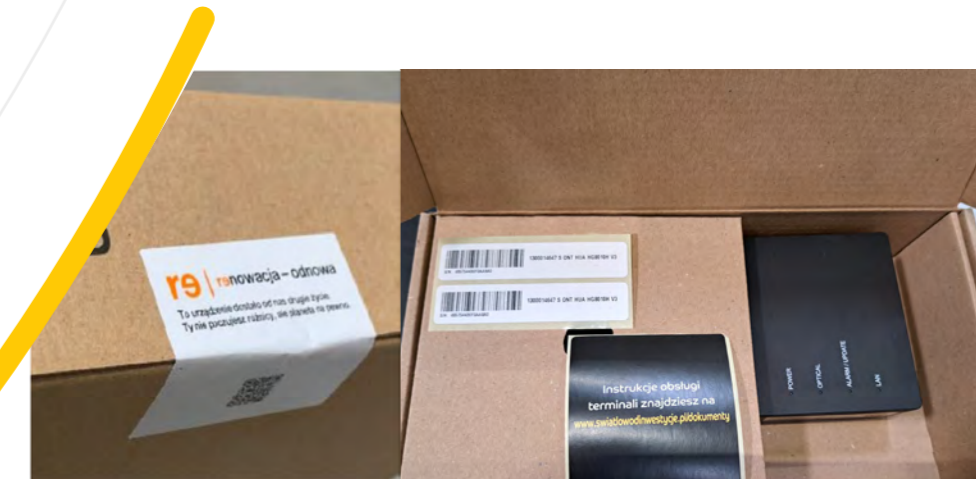
...and later recycled and all recovered components are put back on the market



Steel scrap is sent in its entirety to steel mills, as are non-ferrous metals



Concrete rubble also goes to the concrete crushing plant



We are also trying to encourage our customer-operators to go paperless in their subscriber interactions, which we identify as the most important area in terms of digitalisation, and this is where we are focusing our attention in the short term.

Another challenging area is the agreements related to development and gaining access to real estate. Many actors are involved in the process, as it is not uncommon for a dozen or even more real estates to be involved in 1 km of an investment project.

In addition, it needs to run smoothly, which is why we sign them on paper for the moment – manner tailored to the capabilities and the legal form of the real estate owners.

However, we pledge our efforts to promote digital solutions in all areas of our business. This is because we are convinced that through their use, companies increase operational efficiency, reduce costs associated with printing and storing paper documents, improve reporting and, above all, conserve natural resources.

Moreover, when organising dialogue with stakeholders, as a thank you for taking part, we made a financial donation to the Aeris Futuro Foundation³⁶, which supports the fight against land deforestation in Poland. **With our support, in March 2023 over 40 members of the S-I Team, together with the representatives of the local government and the Foundation staff, planted 400 trees and shrubs near Radom as part of the ongoing Time for Forests initiative.** On a day-to-day basis, we also build awareness through dedicated communication and environmentally

friendly gadgets. such as sets of beeswax wraps - natural and reusable substitute for sandwich paper or cling film - and water filter bottles - we simply try to make ecology relevant to us at every turn.



CHAPTER SUMMARY

Key S-I activities related to the natural environment in 2023:



ESG STRATEGY AREA



GOAL FOR 2023



RESULT FOR 2023



PLANS FOR 2024

CLIMATE NEUTRALITY

1. Analysis of the alternative drive market for the own fleet of vehicles
2. Deepening and completing the calculation of supply chain emissions and energy consumption i.e. scope 3

1. We identified alternative drives that can be implemented to meet the business needs of long-distance travel throughout the year
2. We calculated the organisation's carbon footprint in all scopes according to the GHG protocol standard

1. Verification if recommended alternative drive systems are available in the vehicle classes used by the company
2. Definition of an action plan and reduction targets in the short and medium term

CIRCULAR ECONOMY

1. Refurbishment of 1,500 - 2,500 ONT and POE devices
2. Monitoring of investment waste as part of services provided to S-I
3. Continued work with an external partner to increase the proportion of recycled materials, particularly in terms of optical fibre

1. We refurbished 2,300 subscriber devices
2. We calculated material efficiency rate of 99.9% and we transfer the resulting waste to an external partner
3. Together with a Strategic Partner, we are continuing discussions and activities with an external partner - the current model of cooperation and the fact that we ourselves as S-I transfer negligible amounts of waste effectively limit our actions in terms of reusing fibreglass.

1. Refurbishment of a minimum of 2000 ONT and POE subscriber devices
2. Maintaining material efficiency ratio of min. 99%

About the Report

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APPROACH TO DATA REPORTING

GRI 2-1 • GRI 2-2 • GRI 2-3 • GRI 2-4 • GRI 2-5 • GRI 2-12 • GRI 2-29 • GRI 3-1 • GRI 3-2 • GRI 2-29 • GRI 3-1 • GRI 3-2 • GRI 3-3

SCOPE OF THE REPORT

This ESG Report 2023 by Światłowód Inwestycje is the second publication on our company's approach to the management, achievement of objectives and performance of our ESG activities in Poland. It contains data for the period from 1 January to 31 December 2023. The information contained in this publication always relates to the direct activities of our company and, in selected and justified areas, also of the supply chain (highlighted and indicated in the content as appropriate). Compared to the previous Report, the scope of our organisation's carbon footprint calculation has changed, i.e. it has been expanded to include all categories within Scope 3 emissions according to the GHG Protocol. We are therefore adopting 2023 as a baseline and we are not comparing scope 3 data to 2022 data. Apart from GRI 305-3 indicator, changes occurred in indicators 308-1 and 414-1, which dealt with supplier verification. Due to the changes being implemented in the approach to the process and in the procurement management systems, we are unable to reliably demonstrate comparable data. Compared to the previous report, we have revised the data under indicator 301-1. This is due to a change in methodology and source of data to one that is more precise and more reliably reflects the actual scale of our operations. We have improved our internal processes and decided to report on the basis of data on physically completed investment projects and the specific material items assigned to them, rather than solely on the basis of stock inventories. In addition, we have also adjusted the data under our own indicator for coverage in digitally excluded areas (see DIGITAL INTEGRATION for details). We

plan to publish further ESG Reports on an annual basis for the passing calendar year - just as we do with our Financial Statements. This Report is a translation of the original version in Polish. In case of any discrepancy between the documents, the Polish version shall prevail.

Reporting process

GRI 2-14 • GRI 3-1

The S-I Sustainability Report 2023 was prepared in accordance with the requirements and recommendations arising from the GRI 2021 standard.

The report has not been externally verified however we plan to audit our non-financial disclosures in the future.

The process of defining the content for this Report was based on the following principles: stakeholder inclusion, sustainability context and materiality for the company's business, as well as completeness.

The process of ESG materiality analysis was based on:

- 1. Results of dialogue with stakeholders** in the form of an online survey conducted by the company in September 2022 among 77 participants (these included employees, investors, financial institutions, customers, competitors, the media, suppliers, other business partners, as well as representatives of civil society organisations, independent ESG experts from leading consulting firms and national and international institutions)

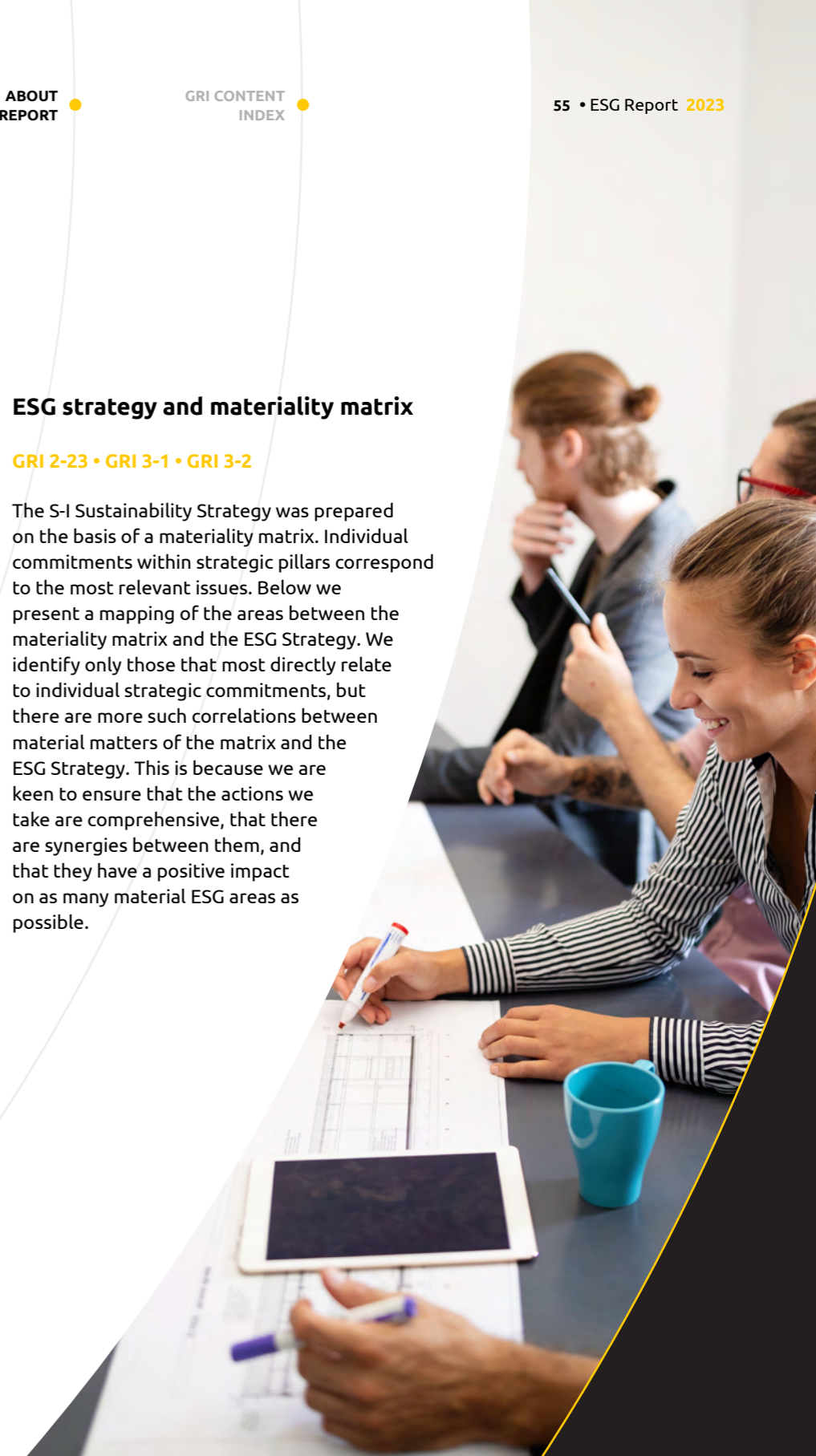
- 2. Analysis of non-financial reports from the ICT industry**
- 3. Sustainability matters** relevant to the industry and general trends **arising from:**
 - UN Sustainable Development Goals 2015-2030 (SDGs)
 - International regulations, in particular the TCFD and the European Union Taxonomy
 - International standards for the disclosure of non-financial information such as GRI and SASB
 - Materiality of ESG topics presented as part of the ratings for our industry: GRESB, MSCI, or S&P
- 4. Consideration of risk analysis** as part of the Risk Management System in the economic, corporate governance, social and environmental areas
- 5. Effects of the S-I management workshop** – perspective of the Management Board and managerial staff, assessment of the impact of business activities on the identified ESG areas including risks and opportunities in the value chain.

All topics were evaluated according to the following criteria: relevance to the company and relevance to stakeholders, using a scale from 1 (low importance) to 30 (high importance). This provided us with a materiality matrix of ESG issues for S-I, which formed the basis for creating the ESG Strategy and determining the scale of non-financial disclosures. The Management Board and managerial staff were also actively involved in the reporting process at the consultation stage as well as verification of the content contained in our 2023 Sustainability Report.

ESG strategy and materiality matrix

GRI 2-23 • GRI 3-1 • GRI 3-2

The S-I Sustainability Strategy was prepared on the basis of a materiality matrix. Individual commitments within strategic pillars correspond to the most relevant issues. Below we present a mapping of the areas between the materiality matrix and the ESG Strategy. We identify only those that most directly relate to individual strategic commitments, but there are more such correlations between material matters of the matrix and the ESG Strategy. This is because we are keen to ensure that the actions we take are comprehensive, that there are synergies between them, and that they have a positive impact on as many material ESG areas as possible.



ESG STRATEGY AS A RESULT OF MATERIALITY ANALYSIS

GRI 2-23 • GRI 3-1 • GRI 3-2

Responsible Development ECONOMY

- We support economic growth – shaping the wholesale market in Poland
- We make investments in a responsible manner – caring for health
- We implement best ESG practices and engage supply chain partners in support of S-I's sustainability goals

S5

S3

G1

Digital integration SOCIETY

- We level the playing field in terms of access to a reliable and fast internet connection
- We care for online safety and responsible use of new technologies

S1

S4

Passion and engagement WORKPLACE

- We shape an engaging corporate culture that draws on diversity
- We care about the wellbeing of employees and we promote sustainable lifestyles
- We support professional development of employees

S6

S3

S2

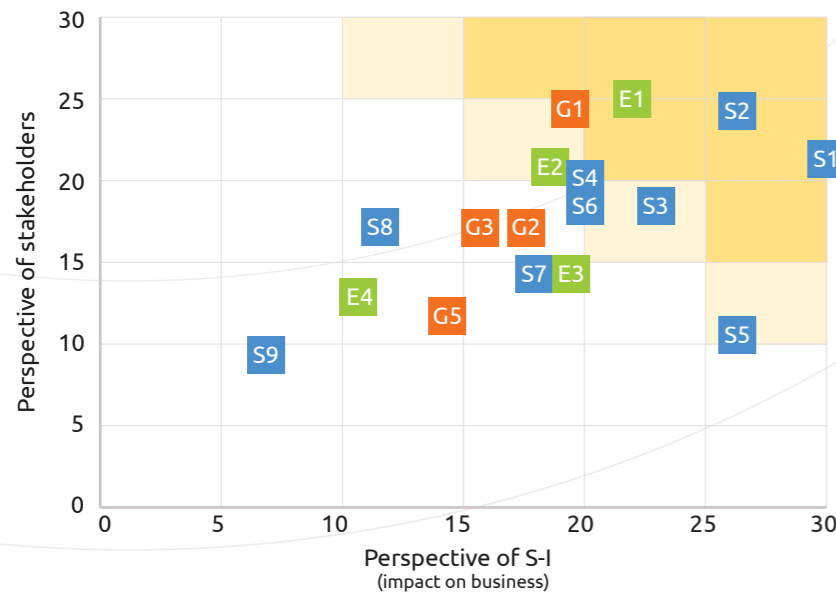
Climate neutrality ENVIRONMENT

- We strive for climate neutrality by reducing energy consumption and emissions
- We support the transformation towards circular economy by reducing waste and by sourcing materials and raw materials in a sustainable manner

E1

E2

GRI 2-23 • GRI 3-1 • GRI 3-2



E Environment S Society G Governance

LIST OF THE MOST MATERIAL ISSUES

Issue Code	Description	Impact Area
S1	Digital integration of the Polish population: counteracting inequalities in access to a fast and reliable internet connection.	S-I's direct operations
S2	Employee development and retention (including, for example, terms and conditions of employment, trainings, level of commitment and job satisfaction, employee appraisal, wellbeing)	S-I's direct operations
E1	Climate change: company's approach to reducing energy consumption and the emissions it generates.	S-I's direct operations and of supply chain
G1	Responsible supply chain - procurement and investments: ensuring compliance with ESG standards by key participants in the S-I supply chain. Collaboration with suppliers, contractors, customers and other partners to achieve S-I sustainable development.	S-I's direct operations and of supply chain
S3	Safe working environment and investment projects: health and safety issues in the workplace, ergonomics, physical and mental health or general promotion of behaviours that support a safe work culture - employees and investment contractors.	S-I's direct operations and of supply chain
S4	Social education within a safe, healthy and responsible use of the internet and digital technologies.	S-I's direct operations
E2	Materials, raw materials and waste management: origins and reuse of materials, raw materials and waste throughout the supply chain.	S-I's direct operations and of supply chain
S5	Customer relations and satisfaction with cooperation.	S-I's direct operations
S6	Diversity and inclusion in the workplace (building a culture based on mutual respect for rights, liberties and personal values of an individual).	S-I's direct operations

OTHER MATERIAL ISSUES

Issue Code	Description	Impact Area
G2	Ethics and Compliance.	S-I's direct operations and of supply chain
G3	Approach to ESG management: transparent and robust description of the approach to sustainability management in the company.	S-I's direct operations
E3	Resistance of fibre optic infrastructure to extreme weather events.	S-I's direct operations
S7	Cross-sectoral dialogue and cooperation: building sustainable relationships with its surroundings through regular dialogue with the aim of creating common solutions.	S-I's direct operations
S8	Cybersecurity: data protection as well as and fibre optic system and infrastructure security.	S-I's direct operations and of supply chain
G4	Risk management and crisis communication - ensuring business continuity.	S-I's direct operations and of supply chain
G5	Fair and transparent presentation of financial and taxation information of the company.	S-I's direct operations
E4	Biodiversity: protection of fauna and flora during investments in fibre optic infrastructure.	S-I's direct operations
S9	Company and employee community engagement: through volunteering or charitable support.	S-I's direct operations

TABLES AND NON-FINANCIAL DATA

ENVIRONMENTAL RESULTS **E**

[GRI 301-1] MATERIALS USED BY QUANTITY

Material group	Qty. of equipment*	
	2022	2023
Fibre optic cable	10,680,017	16,382,2206
Optical equipment	495,484	659,556
Cable accessories	2,540,364	3,591,406
Ducting and accessories	1,499,687	3,212,880
Chambers and accessories	17,104	24,508
Poles and accessories	2,024	4,677
Other accessories	835,093	1,316,250
Total	16,069,773	25,191,482

* cables and their fittings and ducting, expressed in metres; other materials, expressed in units

The data comes from SAP warehouse systems and internal reports on completed investment projects. Significant differences in the amount of materials used are due to the fact that in 2022 we bought a large part of our infrastructure as "green field" from our Strategic Partner without any material input on our side. In 2023, we significantly increased the share of brown field investments.

[GRI 302-1] ENERGY CONSUMPTION OF THE ORGANISATION BY TYPE OF RAW MATERIALS

Direct energy consumption	MWh	
	2022	2023
Petrol – TTW vehicle fleet	195.9	265.4
Total energy consumption by the organisation	195.9	265.4

Fuel consumption data come from the fleet card register. Tank-To-Wheel (TTW) fuel energy intensity index based on DEFRA 2023 data. The increased energy consumption is due to the increased number of kilometres travelled by our employees. This is due to business growth and a significant increase in the proportion of brownfield investments, the specifics of which require more supervision during execution.

[GRI 302-2] ENERGY CONSUMPTION OUTSIDE THE ORGANISATION

Indirect energy consumption	MWh
	2023
Active infrastructure	3,365.1
ONT and PoE lease	1,288.9
Natural gas (office, remote work, warehouses)	474.2
Electricity (office, remote work, warehouses)	263.0
Total energy consumption outside the organisation	5,656.5

Energy consumption data on active infrastructure is sourced from our Strategic Partner and is calculated based on a model dedicated to S-I that takes into account a number of variables and technical parameters that characterise the configuration of our network in detail. The energy consumption of the various infrastructure components is based on empirical data rather than market averages. As for the power consumption of the subscriber devices (ONT and PoE) - we calculated it on the basis of the power consumption of a given device model (empirical average data for ONT and maximum consumption values from the manufacturer for PoE) and converted it by the number of days per year and the annual average value of active devices on our network.

Gas and electricity consumption figures include warehouses, office and remote work. We obtained values for warehouses based on the warehouse capacity used by S-I using the annual average consumption rates for the type of energy in question from the DEFRA 2023 database. Energy consumption data for the office come from the Strategic Partner's internal records and were compiled from invoices for the entire office building - we then calculated the proportions of utility consumption based on m² used by S-I. Remote work data was taken from HR internal records, and we calculated electricity and heat consumption based on emissions using indicators from the DEFRA 2023 database. The lack of comparative data for 2022 is due to the lack of data and identical calculations for that period.

[GRI 303-3, 303-4, 303-5] WATER CONSUMPTION

Water consumption	m ³	
	2022	2023
Water withdrawal from the municipal network	194	138
Waste water to the municipal network	194	138
Total water consumption	388	276

We use water only for sanitary purposes in the office. Consumption data come from the Strategic Partner's internal records and were calculated on the basis of invoices for the entire office building - then we calculated the proportion of water consumption based on DEFRA 2023.

[GRI 305-1] DIRECT GREENHOUSE GAS EMISSIONS

Direct emissions	2022	2023
	tCO ₂ e	
TTW vehicle fleet	44.5	62.1
Total direct emissions	44.5	62.1

Fuel consumption data come from the fleet card register. Indicator based on DEFRA 2023. The higher emission value in 2023 is due to the number of kilometres travelled by our employees and thus the higher fuel consumption. This is due to business growth and a significant increase in the proportion of brownfield investments, the specifics of which require more supervision during execution.

[GRI 305-2] INDIRECT GREENHOUSE GAS EMISSIONS

Indirect emissions	2022	2023
	tCO ₂ e	
Emissions related to electricity consumption	0	0
Emissions related to thermal energy consumption	0	0
Total indirect emissions	0	0

We do not buy energy directly - we report data under Scope 3 and GRI 305-3.

[GRI 305-3] OTHER MATERIAL INDIRECT GREENHOUSE GAS EMISSIONS

Other material indirect emissions	2023
	tCO ₂ e
Cat. 1. Purchased raw materials and services - including active infrastructure, Data Centres and OPEX	4,078.2
Cat. 2. Fixed assets - CAPEX costs resulting from the purchase of equipment and materials for passive infrastructure, as well as subscriber devices, and resulting from construction and installation services	81,026.1
Cat. 3. Energy and fuel-related emissions not included in Scope 1	17.2
Cat. 4. Upstream - transport and distribution (storage and local courier services only)	231.2
Cat. 5. Waste management	0.6
Cat. 6. Business travel - other than own fleet	39.8
Cat. 7. Commuting - including remote work	36.2
Cat. 8. Upstream - leased assets (office)	45.3
Cat. 13. Downstream - leased assets (ONT and PoE)	882.9
Total indirect emissions	86,357.5

Cat. 1 - data on purchased raw materials and services (OPEX) are actual data from S-I's internal records. For financial data, indicators from Exiobase 2022 were used. The fact that some of the Data Centres are supplied with RES energy from our Strategic Partner's PPA was also taken into account and the relevant cost items were excluded. In turn, emissions related to energy consumption on active infrastructure were calculated based on the national average emission factor for Poland for 2022; **Cat. 2** - data on purchased capital goods included aggregated actual CAPEX costs incurred during the reported period. With the exception of the purchase of new ONT and PoE devices - for which emissions were calculated based on the quantity and weight of equipment and DEFRA 2023 indicators - the relevant financial indicators from Exiobase 2022 were used; **Cat. 3** - data source same as Scope 1, and WTT emission factor based on DEFRA 2023; **Cat. 4** - actual financial data on courier services were used as well as physical energy consumption estimates in warehousing based on annual average indicators from DEFRA 2023, which were then converted by the national average emission factor for Poland based on KOBIZE 2022. Data on the supply and transport of materials was not available; **Cat. 5** - actual data from S-I's internal records using both financial benchmarks from Exiobase 2022 and physical benchmarks from DEFRA 2023 - assessed as not relevant to the business and business model; **Cat. 6** - calculations based on both financial and physical actual data, for which indicators from Exiobase 2022 and DEFRA 2023 were used respectively; **Cat. 7** - information was used on the total number of employees working in S-I, their absences and the amount of remote working based on the emission factors from DEFRA 2023; **Cat. 8** - Actual data for total utility consumption in the office building, total building area and area used by S-I - indicators for electricity came from KOBIZE for 2022 and for other utilities from DEFRA 2023; **Cat. 13** - data estimated on the basis of actual measurements of the total electricity consumption of ONT and PoE devices at subscribers' premises based on KOBIZE emission indicators for 2022. The lack of comparative data for 2022 is due to the lack of data and identical calculations for that period.

SOCIAL RESULTS
[GRI 2-7] NUMBER OF EMPLOYEES

FULL-TIME EMPLOYEES	2022					2023				
	Female		Male		Sum	Female		Male		Sum
	Part time	Full time	Part time	Full time		Part time	Full time	Part time	Full time	
Type of employment contract, type of FTE										
Indefinite period		22		29	51		23	0.25	30	53.25
Fixed term		1	0.25	1	2.25		5		2	7
Probationary period		1		2	3				1	1
Total FTEs	0	24	0.25	32	56.25		28		33	61.25

Data based on the SAP HR system. The number of associates is expressed in the number of FTEs.

We include any employee who has an employment contract with the company regardless of the duration of the contract - also inactive employees on long-term sick leave or parental leave.

[GRI 401-1] EMPLOYMENT DYNAMICS

Structure and dynamics of employment	2022										2023								
	Female					Male					total	Female				Male			
Full-time employees (including associates)	below 30	30-50	above 50	sum	below 30	30-50	above 50	sum	total	below 30		30-50	above 50	sum	below 30	30-50	above 50	sum	total
hired during the year	1	6	0	7	0	4	0	4	11	1	5	0	6	0	2 (3)	2	4 (5)	10 (11)	
leaving during the year	1 (2)	1	0	2 (3)	1	0	0	1	3 (4)	0	1	0	1	1	0	0	1	2	
all those working at the end of the year	2	21	1 (2)	24 (25)	2	21 (24)	10	33 (36)	57 (61)	2	22	4 (5)	28	1 (2)	19 (20)	14 (17)	34 (39)	62 (68)	
hiring ratio	50%	29%	0%	29%	0%	19% (17%)	0%	12% (11%)	19% (18%)	50%	23%	0%	21%	0%	11% (15%)	14% (12%)	12% (13%)	16%	
fluctuation ratio (resignations)	50% (100%)	5%	0%	8% (12%)	50%	0%	0%	3%	5% (7%)	0%	5%	0%	4% (3%)	100% (50%)	0%	0%	3%	3%	

Data based on the SAP HR system. Calculations based on guidelines from the GRI standard.

[GRI 2-8] NUMBER OF ASSOCIATES

ASSOCIATES	2022	2024
Female	1	1
Male	3	5
Sum	4	6

Data based on the SAP HR system. The number of associates is expressed in the number of personnel

[GRI 405-1] COMPOSITION OF SUPERVISORY BODIES AND STAFF BY CATEGORY OF EMPLOYEES, ACCORDING TO GENDER AND AGE

Age and gender diversity	2022					2023				
	Age			Gender		Age			Gender	
% of employees (including co-workers)	below 30	30-50	above 50	Female	Male	below 30	30-50	above 50	Female	Male
All employees in total	7.0% (6.6%)	73.7% (77.8%)	19.3% (19.7%)	42% (40%)	58% (60%)	5% (6%)	66% (62%)	29% (32%)	45% (43%)	55% (57%)
Other employees	10% (9%)	69% (68%)	21% (23%)	32% (31%)	68% (69%)	7% (8%)	67% (63%)	27% (29%)	34% (32%)	66% (68%)
Managerial staff	0%	87% (88%)	13% (12%)	40% (35%)	60 (75%)	0%	65% (58%)	35% (42%)	41% (37%)	59% (63%)
Management Board	0%	100%	0%	50%	50%	0%	100%	0%	50%	50%
Supervisory Board	0%	83%	7%	0%	100%	0%	83%	7%	0%	100%

Data based on the SAP HR system and internal records. Calculations based on guidelines from the GRI standard.

[GRI 404-1] AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE

	2022			2023		
	Female	Male	All genders	Female	Male	All genders
Managers	31	27	28	60	31	43
Others	27	28	28	29	35	33
Total	28	28	28	37	34	35

Data based on the SAP HR system and internal records. Calculations based on guidelines from the GRI standard.

[GRI 404-3] PERCENTAGE OF FULL-TIME EMPLOYEES SUBJECT TO REGULAR JOB PERFORMANCE ASSESSMENTS AND CAREER DEVELOPMENT REVIEWS BY GENDER AND EMPLOYMENT CATEGORY

	Female	Male	Total
Managers	80%	88%	85%
Others	89%	96%	93%
All employees	87%	94%	91%

Data for 2022 - we run the process every two years. Data based on the SAP HR system and internal records. Given the state of employment at the time the measure was implemented, this percentage would be 100% - including associates. The process generally did not apply to probationers and Board Members. Calculations based on guidelines from the GRI standard.

[GRI 403-9] WORK-RELATED INJURIES AND OCCUPATIONAL DISEASES AMONG FULL-TIME EMPLOYEES AND ASSOCIATES

Incident type	2022			2023		
	Female	Male	Total	Female	Male	Total
No. of accidents in total	0	0	0	0	0	0
No. of serious accidents	0	0	0	0	0	0
No. of fatalities	0	0	0	0	0	0
No. of occupational diseases	0	0	0	0	0	0
Frequency rate of occupational accidents	0	0	0	0	0	0

Data come from internal OHS systems.

[GRI 415-1] SUPPORT TO SOCIAL AND POLITICAL ORGANISATIONS

Nature of support	2022	2023
	Value in PLN	
Lobbying, interest representation or similar activities	0	0
Local, regional or national campaigns/organisations/political candidates	0	0
Social organisations	59,695	5,000
Employee voluntary activities	30,589	6,300
Total	90,284	11,300

Data come from internal records and the SAP accounting system.
We donated more in 2022 because of our commitment to help refugees from Ukraine.

[GRI 406-1] NUMBER OF INCIDENTS OF DISCRIMINATION

As in 2022, we also did not record a single case in 2023.

Data come from internal Whistleblowing and HR records.

[GRI 418-1] NUMBER OF VIOLATIONS OF CUSTOMER PRIVACY AND LOSS OF PERSONAL DATA

Incident	2022	2023
Violation of privacy	0	0
Loss of personal data	0	0
Total	0	0

Data come from the internal records, including Compliance and Whistleblowing.

ECONOMIC RESULTS G
[GRI 2-6] NUMBER OF ENTITIES IN THE SUPPLY CHAIN

Type of entity	2022	2023
Customers	18	31
Suppliers of materials and equipment	29	47
Network contractors	135	148
TOTAL	182	226

Data come from internal records and procurement portal. The higher number of entities compared to the previous year is due to business growth and the desire to diversify business partners. Data on network contractors refers to first-tier suppliers with whom we have cooperation agreements. We estimate that they work with more than 350 subcontractors on an annual basis. We therefore estimate that, including second- and third-tier contractors, there are a total of more than 400 entities in our supply chain.

[GRI 203-1] INDIRECT ECONOMIC IMPACT

	2022	2023
	Value in PLN	
Value of expenditure on infrastructure and related services	801,292,361.67	937,017,489.97

The value of expenditure on infrastructure and related services is in other words capital expenditure such as materials and equipment for the purpose of investment projects, charges for the provision of services related to infrastructure works, leases of sewerage and energy infrastructure including depreciation.

[GRI 201-1] DIRECT ECONOMIC IMPACT

Direct economic value created and distributed to the economy	2022	2023
	Value in PLN	
Revenue - value generated	134,506,386.87	203,637,963.58
Costs - distributed value	174,906,178.82	297,474,099.88
Profit - economic value retained	-40,399,791.95	-93,836,136.30

Data in compliance with the Company's Financial Statements for the reporting period. Costs include all external purchases (OPEX) and other operating costs, staffing costs, external financing costs, taxes and charges including depreciation.

[GRI 205-1, GRI 205-2, GRI 205-3] COUNTERACTING CORRUPTION

Indicator description	2022	2023
	Indicator value	
Actions assessed against corruption risks	All business units of our company were analysed for corruption risks. We did not identify areas of significant corruption risk.	As in the previous year – corruption risk appears mainly in procurement, which is the responsibility of our Strategic Partner
Communication and training on anti-corruption guidelines	1.5 hours per employee/associate	1 hour
Confirmed incidents of corruption and actions taken		No cases.

Data come from internal records.

[GRI 204-1] EXPENDITURE ON LOCAL SUPPLIERS

	2022	2023
	% of expenditure	
Percentage of expenditure on entities registered in Poland	100%	100%

Data come from internal records and procurement system. They relate to the value of orders placed in the reporting year. Deliveries are made through intermediaries registered in Poland, which does not mean that materials and equipment do not come from outside the country or the EU area.

[GRI 2-27, GRI 206-1] COMPLIANCE WITH LAWS AND REGULATIONS

Indicator description	2022	2023
	Indicator value	
Non-compliance with laws or regulations	We found no non-compliance with laws or regulations resulting in imposing of financial and non-financial penalties.	Like in the previous year – no cases
Legal steps taken against the organisation for violations of free competition rules and monopolistic practices	We found no violations of free competition rules and monopolistic practices and no legal steps were taken by external authorities in this area.	Like in the previous year – no cases

Data come from internal records.

GRI INDEX



# GRI	Disclosure name	References	Completeness	SDG
General disclosures 2021				
2-1	Organizational details	p. 20, 55, 69	✓	
2-2	Entities included in the organization's sustainability reporting	p. 55, 69	✓	
2-3	Reporting period, frequency and contact point	p. 55, 69	✓	
2-4	Restatements of information	p. 55	✓	
2-5	External assurance	p. 55	✓	
2-6	Activities, value chain, and other business relationships	p. 4, 17, 22-23, 26-28, 62	✓	12, 17
2-7	Employees	p. 35, 59	✓	5, 8
2-8	Workers who are not employees	p. 35, 59	✓	5, 8
2-9	Governance structure and composition	p. 6-7, 39	✓	5, 8
2-10	Nomination and selection of the highest governance body	p. 6	✓	
2-11	Chair of the highest governance body	p. 6	✓	
2-12	Role of the highest governance body in overseeing the management of impacts	p. 5, 7, 11, 14, 55	✓	
2-13	Delegation of responsibility for managing impacts	p. 5, 7	✓	
2-14	Role of the highest governance body in sustainability reporting	p. 55	✓	
2-15	Conflict of interests	p. 11, 13	✓	
2-16	Communication of critical concerns	p. 11-12	✓	
2-17	Collective knowledge of the highest governance body	p. 5, 7, 13, 40	✓	
2-18	Evaluation of the performance of the highest governance body	p. 5, 6-7	✓	

# GRI	Disclosure name	References	Completeness	SDG
2-19	Remuneration policies	p. 6	✓	
2-20	Process to determine remuneration	p. 6, 36	✓	
2-21	Annual total compensation ratio	no disclosure	✗	
2-22	Statement on sustainable development strategy	p. 5	✓	
2-23	Policy commitments	p. 7, 8, 23, 56	✓	
2-24	Embedding policy commitments	p. 7, 8, 11, 23, 40	✓	
2-25	Processes to remediate negative impacts	p. 11-12	✓	
2-26	Mechanisms for seeking advice and raising concerns	p. 11-12	✓	
2-27	Compliance with laws and regulations	p. 12	✓	
2-28	Membership associations	p. 18	✓	17
2-29	Approach to stakeholder engagement	p. 10, 55	✓	11, 17
2-30	Collective bargaining agreements	p. 36	✓	
Material reporting topics 2021				
3-1	Process to determine material topics	p. 5, 14, 49, 55-56	✓	
3-2	List of material topics	p. 56	✓	
3-3	Management of material topics	p. 7, 8-9, 11, 12, 18-19, 21, 22-23, 24, 26-29, 30-31, 32, 33, 34, 36-38, 39, 40, 41-42, 43, 45, 46, 47-49, 50-51, 53	✓	
Environmental issues 2016				
Materials				
301-1	Materials used by weight or volume	p. 50, 57	✓	8, 12
Energy				
302-1	Energy consumption within the organization	p. 57	✓	13

# GRI	Disclosure name	References	Completeness	SDG
302-2	Energy consumption outside the organisation (indirect consumption)	p. 57	✓	13
Water*				
303-1	Interactions with water as a shared resource	p. 57	✓	
303-3	Water withdrawal	p. 57	✓	
303-4	Water discharge	p. 57	✓	
303-5	Water consumption	p. 57	✓	
Emissions				
305-1	Direct (Scope 1) GHG emissions	p. 48, 58	✓	12, 13
305-2	Energy indirect (Scope 2) GHG emissions	p. 48, 58	✓	12, 13
305-3	Other indirect (Scope 3) GHG emissions	p. 48, 58	✓	12, 13
Waste**				
306-1	Waste generation and significant waste-related impacts	p. 50-51, 58	✓	12
306-2	Management of significant waste-related impacts	p. 50-51, 58	✓	12
Employment				
401-1	New employee hires and employee turnover	p. 35, 59	✓	5, 8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 37	✓	5, 8
Occupational health and safety*				
403-1	Occupational health and safety management system	p. 41	✓	3

* GRI 2018

** GRI 2020

# GRI	Disclosure name	References	Completeness	SDG
403-2	Hazard identification, risk assessment, and incident investigation	p. 41	✓	3
403-3	Occupational health services	p. 41-42	✓	3
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 41	✓	3
403-5	Worker training on occupational health and safety	p. 41	✓	3
403-6	Promotion of worker health	p. 42	✓	3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 41	✓	3
403-8	Workers covered by an occupational health and safety management system	p. 41	✓	3
403-9	Work-related injuries	p. 41, 61	✓	3
403-10	Work-related ill health	p. 41, 61	✓	3
Training and education				
404-1	Number of training days per employee per year by employment structure	p. 40, 60	✓	8, 10
404-2	Programs for upgrading employee skills and transition assistance programs	p. 40	✓	8, 10
404-3	Percentage of employees receiving regular performance and career development reviews	p. 40, 60	✓	8, 10
Diversity and equal opportunity				
405-1	Diversity of governance bodies and employees	p. 39, 60	✓	5, 8
Anti-discrimination				
406-1	Incidents of discrimination and corrective actions taken	No incidents	✓	5, 8
Employment rights				
408-1	Operations and suppliers at significant risk for incidents of child labour	p. 23	✓	8
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	p. 23	✓	8

# GRI	Disclosure name	References	Completeness	SDG
Local communities				
413-1	Operations with local community engagement, impact assessments, and development programs	p. 30-31, 32, 33	✓	9, 10, 11
413-2	Operations with significant actual and potential negative impacts on local communities	No negative impact	✓	9, 10, 11
Public policy				
415-1	Political contributions	p. 61	✓	9, 10, 11, 17
Customer privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 32, 61	✓	16
Economic issues 2016				
Economic impact				
201-1	Direct economic value generated and distributed	p. 19, 62	✓	8, 9
203-1	Significant indirect economic impacts	p. 19, 62	✓	8, 9
204-1	Proportion of spending on local suppliers	p. 19, 62	✓	8, 9
Anti-Corruption				
205-1	Operations assessed for risks related to corruption	p. 13, 62	✓	16
205-2	Communication and training about anti-corruption policies and procedures	p. 19, 62	✓	16
205-3	Confirmed incidents of corruption and actions taken	p. 19, 62	✓	16
Anti-Competitive Behaviour				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 18, 62	✓	16

TCFD

AREA	INDICATOR	PAGE IN THE REPORT
Governance Description of corporate governance on climate-related risks and opportunities	Management Board oversight of climate-related risks and opportunities	7, 46, 49
	Role of management in assessing and managing climate-related risks and opportunities	
Strategy Indication of the actual and potential impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning in areas where such information is material	Climate-related risks and opportunities that the organisation identified in the short, medium and long term	49
	Impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning	45, 49
	Resilience of the organisation's strategy, taking into account different climate-related scenarios	29, 49, 51
Risk management Indication of how the organisation identifies, assesses and manages climate-related risks	Processes for identifying and assessing climate-related risks	14, 49
	Processes for managing climate-related risks	49
	Integration of climate-related risks into the overall risk management system	14, 49
Measures and targets Identification of metrics and targets to assess and manage risks and climate-related opportunities in areas where such information is material	Metrics for assessing climate-related risks and opportunities in line with the risk management strategy and processes	14, 49
	Scope 1, 2 and, where relevant, 3 greenhouse gas emissions and associated risks	14, 47-48, 49
	Objectives for managing climate-related risks and opportunities and performance against these objectives	9, 47-48, 49, 53



CONTACT DETAILS

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