



REPORT

ON
NON-FINANCIAL INFORMATION

2022

GROUP OF COMPANIES
MIRBUD





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1. Letter from the President of the Management Board of MIRBUD S.A.

[GRI 2-22]

Dear Reader,

2022 was a big challenge for all of us. The precarious situation caused by Russia's aggression against Ukraine and the difficult economic situation following the COVID-19 pandemic have undoubtedly affected the entire construction sector, including our company.

Despite such an unstable economic environment, the MIRBUD Capital Group recorded a 33% increase in revenue over the previous year for the first time in its history, exceeding the PLN 3 billion mark. The Group's undoubted success this year was the achievement of a net profit at the level similar to the previous year. It should also be noted that MIRBUD S.A.'s unconsolidated net profit increased by almost 50% to PLN 120 million. We consider the further increase in the scale of the Group's operations while maintaining the net profit during a period of unexpected and sharp increases in the prices of raw materials and construction materials to be our great success. During this time, we have been able to replenish our order portfolio to the amount of PLN 5.5 billion to be accomplished by 2026. As a result, the Group has a stable number of contracts to execute, which is extremely important at a time when the supply of new contracts on the market is currently decreasing.

In terms of operations, in 2022 we commissioned a number of socially important contracts, most notably the Piotrków Trybunalski - Kamieński section of the A1 motorway, the Żary Zachód - Iłowa section of the A18 motorway, the Białe Błota - Szubin section of the S5 dual carriageway, the city stadium in Łódź with a capacity of 18,000 spectators and the Warsaw-Radom Airport terminal.

Maintaining the growth in the scale of operations while intensively accepting new orders has contributed to further strengthening the position of the MIRBUD Capital Group on the Polish construction market, which has been significant in recent years.

Our stable position on the market, but also the continuous growth of the company, are possible thanks to the consistent implementation of our mission - to carry out investments in a manner worthy of a construction market leader, with respect for the environment and in accordance with ethical principles. Based on the experience and passion for construction works of our employees, high operational efficiency and partnerships with suppliers and subcontractors, we achieve our goals and make investments that improve the comfort of residents and the quality of the environment.

We recognise that sustainability issues are becoming more important every year. Therefore, acting responsibly, we are adapting our business strategy to these challenges. In 2021 we adopted the ESG Strategy for the years 2022-2026. It covers the most relevant environmental, social and corporate governance issues. We are aware that our company's activities have an impact on the environment and the climate, so for the purposes of this report, but also for future activities in the environmental area, for the first time we have measured Scope 1 and Scope 2 greenhouse gas emissions, i.e. our direct emissions and those resulting from the consumption of purchased electricity and heat. Being aware of our impact on the environment and climate, we will be able to responsibly plan measures that will contribute to minimising it.

Our most important asset is our employees. We take care of their safety in their workplaces by supporting their awareness and introducing procedures to reduce the number of accidents. We respect our employees and base the Group's success on their diversity of experience, nationality, gender and age.

We do not forget our other stakeholders. When carrying out investments, we cooperate with suppliers and subcontractors and conduct our activities in this area in a transparent manner. We also respect local

communities, who are often directly affected by our investments. We maintain an open dialogue and in every investment process we make every effort to minimise our impact on residents and their surroundings.

On the one hand, 2023 presents ambitious operational challenges, such as the efficient execution of the existing order portfolio while maintaining margins at a satisfactory level. On the other hand, it has been a year of hard work on developing the company's ESG area. We want to successively implement the ESG strategy, but we also want to further analyse our impact and refine our approach to sustainability. We will conduct a study of the relevance of ESG issues, analyse the risks, threats and opportunities related to climate change, and we will work on the analysis of our activities in the context of the EU Taxonomy. Efficient implementation of our contracts in accordance with the latest requirements regarding the adaptation of operations to climate change - this is our most important challenge in 2023 and subsequent years. At the same time, we continue to improve the quality of the services we offer and improve cooperation with our suppliers and subcontractors.

Jerzy Mirgos

President of the Management Board of MIRBUD S.A.



2. About the MIRBUD Capital Group

Table 1. 2022 in figures

MIRBUD Capital Group	2022
Financial data	
Revenue [million PLN]	3,319.3
Net profit [million PLN]	119.2
Value of order portfolio [billion PLN]	5.5
Environmental data	
Renewable energy per PLN 1 million revenue [GJ/million PLN]	0.88
Energy from non-renewable sources per PLN 1 million revenue [GJ/million PLN]	23.32
Energy from all sources per PLN 1 million revenue [GJ/million PLN]	24.20
Scope 1 and 2 CO ₂ emissions per PLN 1 million revenue (market-based) [tCO ₂ e/ PLN 1 million]	7.13
Scope 1 and 2 CO ₂ emissions per PLN 1 million revenue (location-based) [tCO ₂ e/ PLN 1 million]	7.44
Employees and society	
Gender Pay Gap Ratio	27.2%
Glass Ceiling Ratio - senior executives	0.2%
Glass Ceiling Ratio - managers and supervisors	5.8%

2.1. Strategy and business model

[GRI 2-1, GRI 2-2, GRI 2-6]

2.1.1. Business segments

MIRBUD Capital Group operates mainly in the construction and assembly services sector. It is primarily involved in volume and infrastructure construction, but is also active in property development and offers commercial leasing services. The MIRBUD CG consists of four companies covered in this report: the parent company - MIRBUD S.A., followed by: KOBYLARNIA S.A., JHM DEVELOPMENT S.A. and MARYWILSKA 44 Sp. z o.o. The Capital Group is also comprised of the following companies: JHM 1 w likwidacji, MIRBUD Ukraine and Hakamore Sp. z o.o., not included in this report.

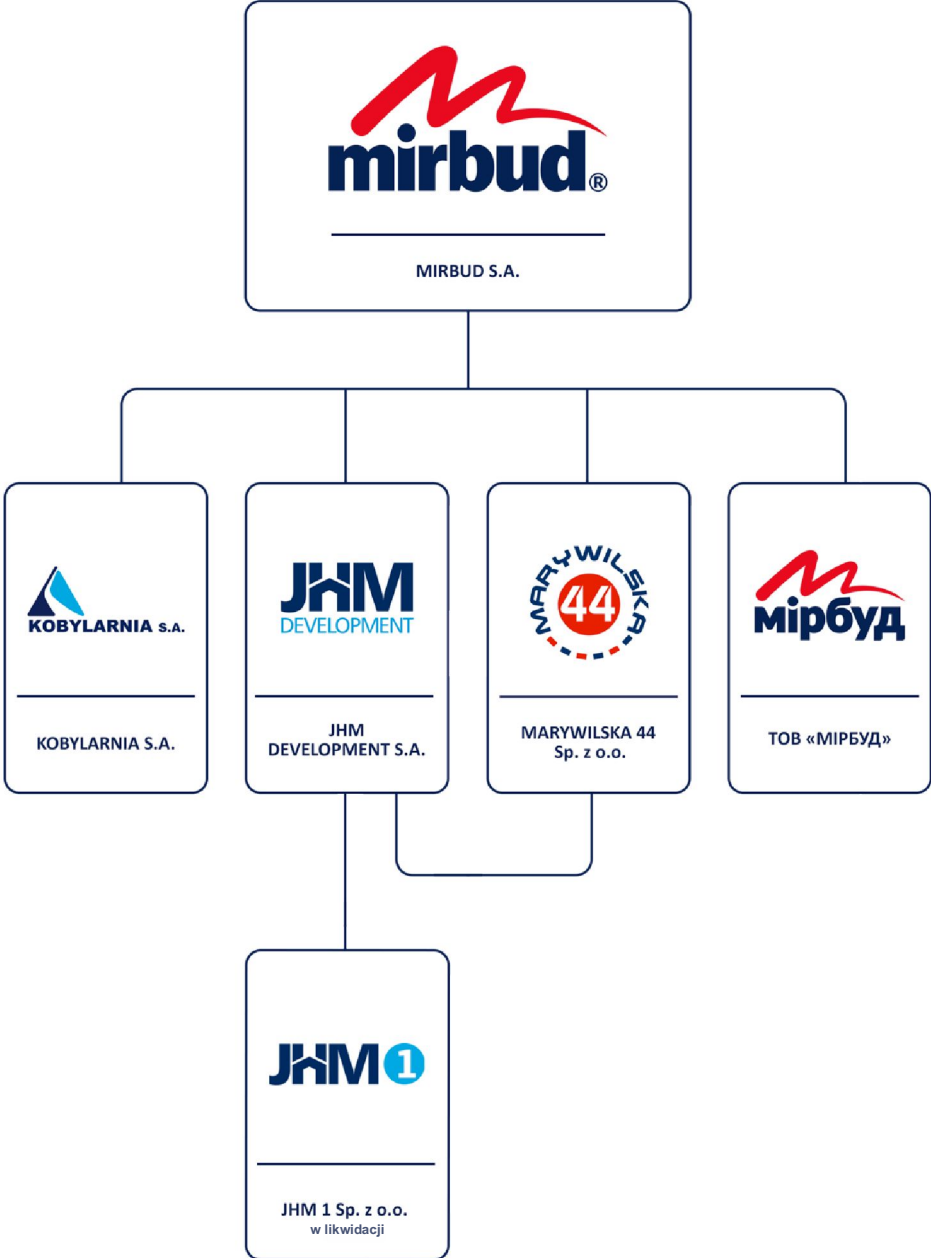


Fig. 1. Structure of the MIRBUD Capital Group



The parent company, MIRBUD S.A., is a public company listed on the Stock Exchange, operating mainly in Poland. The company's head office is located at ul. Unii Europejskiej 18 in Skierniewice. MIRBUD S.A. provides construction services, particularly in the field of building construction:

- industrial construction (production and storage buildings);
- public utility buildings (sports halls, stadiums, hospitals, public administration offices, shopping malls, office and hotel facilities);
- road engineering construction (motorways, national, voivodeship and district roads, elements of the urban transport infrastructure, bridges and railway sidings);
- housing construction (single-family, terraced and multi-family residential buildings).

The shareholding structure of MIRBUD S.A. as of 31 December 2022 is as follows:

- Jerzy Mirgos – 45.34%
- Nationale-Nederlanden Open Pension Fund– 10.05%
- Other shareholders – 44.60%

Development tasks are carried out by JHM Development S.A., while KOBYLARNIA S.A. is involved in road and bridge works and produces bituminous mass. Part of the MIRBUD Capital Group is also Marywilka 44 sp. z o.o., which owns and manages a shopping centre in Warsaw and properties in Ostróda, Rumia and Starachowice.

2.1.2.Value chain

The company's value chain relates to the area of strategic management. It encompasses all activities in the various areas of the company's operations that lead to the creation of value for the buyer. The value chain is identified in order to assess opportunities, risks and threats in key areas of the company's operations. The supply chain, on the other hand, is its element where everything related to the sourcing of raw materials, building materials and components, followed by the production, sale and distribution of the product is examined.

MIRBUD Capital Group operates mainly on the Polish market, specialising in general contracting services in all segments of construction. Operating under this formula, it relies on subcontracted services and its own human and technical resources for the construction process. Another element is the process of constructing various types of facilities, where the supervision and organisation of construction, and obtaining administrative decisions are important elements. The final stage is the commissioning of the facility.

Supplier relations are governed by the ISO 9001:2000 Quality Management System. Suppliers are required to meet strict requirements, which results in inclusion in the list of qualified suppliers. In addition, MIRBUD S.A. has "Rules of Conduct for the Contractors of MIRBUD S.A.", which are a guarantee of diligence in the provision of services, respect for the dignity and rights of employees and collaborators, as well as respect for national and international law and environmental protection.

2.1.3.Business strategy

MIRBUD Capital Group is one of the leaders in the construction industry in Poland. This is confirmed by the implementation of a number of key construction projects described in this report. The Group is committed to continuous development, investing in the machine park and working with the best specialists. These activities result in the successful realisation of investments in accordance with the most ambitious certifications, such as BREEAM, or the implementation of new technologies, such as BIM - Building Information Modelling.

The mission of MIRBUD Capital Group is to implement projects in a manner worthy of the leader of the construction market, with respect to the natural environment and in accordance with the principles of ethics. These goals are achieved thanks to professionalism that reflects the passion for building, which is based on the foundations of extensive experience, high efficiency of operation and partnership relations with suppliers and subcontractors. The mission of MIRBUD Capital Group is best reflected in its motto: MISSION.PASSION.ACTION.

2.1.4. An approach to sustainable development - ESG Strategy 2022-2026

The MIRBUD CG is aware that the topic of sustainability is important for achieving the Group's strategic objectives. It has been working in this area for years, starting with the implementation of its CSR Strategy. Another document that sets objectives and organises sustainability activities is the "ESG Strategy 2021", adopted in 2021. "ESG Strategy 2022-2026", which covers in its scope the most relevant environmental, social and corporate governance issues. The strategy identifies key areas of activity and goals to be achieved. These include:

- 1. Safe Workplace:**
 - a. minimising the number of accidents among employees and colleagues;
 - b. increasing the safety of employees and colleagues on construction sites and in offices;
 - c. building employee awareness of occupational health and safety basics.
- 2. Trustworthy partner:**
 - a. partner relations with shareholders;
 - b. ensuring the highest quality of construction.
- 3. Ethics in action:**
 - a. sustainable supply chain;
 - b. prevention of unethical behaviour and prevention of irregularities;
 - c. equality and diversity at work.
- 4. Environment and climate protection:**
 - a. management systems to reduce negative environmental impacts.
- 5. Together for a good neighbourhood:**
 - a. open social communication;
 - b. being a good neighbour.



Through the implementation of the ESG Strategy, MIRBUD Capital Group actively contributes to a number of Sustainable Development Goals [SDGs], i.e:

1. End of poverty
3. Good health and quality of life
5. Gender equality
7. Clean and accessible energy
8. Economic growth and fair work
9. Innovation, industry, infrastructure
10. Less inequality
11. Sustainable cities and communities
12. Responsible consumption and manufacturing

- 13. Climate protection activities
- 16. Peace, justice and strong institutions

2.1.5. Major contracts and investments

2.1.5.1. BREEAM Certification

In terms of industrial construction, a number of developments are being carried out in accordance with BREEAM certification, including three developments at BREEAM Excellent certification level. These include: **Panattoni Development Europe - Tarnowo Podgórze and Tarnowo Podgórze II, as well as Panattoni City Logistics Łódź III. In 2022, three more investments at the BREEAM Very good certificate level were also implemented. These include: Panattoni Park Olsztyn I, Panattoni Park Olsztyn II and Panattoni Park Szczecin Goleniów.** In all the above-mentioned investments, a number of solutions having a positive impact on the environment were used. For example: the Tarnowo Podgórze and Tarnowo Podgórze II developments are tailored to electric vehicle charging and offer 16 - Tarnowo Podgórze I and 6 - Tarnowo Podgórze II - charging spaces for passenger electric cars, car-sharing spaces and covered spaces for bicycles. The installations in Tarnów Podgórze I are also adapted to the future installation of chargers for trucks. This investment is also equipped with photovoltaic panels with a capacity of 300 kWp.

The above-mentioned investments were also equipped with solutions in the field of greenery and effective use of energy and water, such as:

- landscape lawns with an admixture of herbs and legumes for areas without irrigation;
- common flower meadows and wetlands;
- intelligent irrigation system;
- systems for monitoring water and energy consumption (intelligent energy saving);
- low-emission heating and ventilation systems;
- insect houses;
- separation greenery with a variety of trees and shrubs.

2.1.5.2. Building Information Modelling

BIM, or building information modelling, is the creation of a digital model of an investment to manage it at every stage of the investment process - starting from conception through construction to the operation of the completed building. MIRBUD has used this technology in two ongoing investment processes:

- **Warsaw-Radom Airport..** The scope of works included the construction of an airport terminal adapted mainly to handle charter traffic, with 30 check-in desks. The investor was "Porty Lotnicze" state enterprise;
- **Football stadium of the Wisła Płock sports club** enabling the organisation of international and domestic matches as part of UEFA and PZPN club competitions in accordance with the applicable licensing systems for Ekstraklasa clubs. The scope of the project includes the demolition of the existing stadium of Kazimierz Górski in Płock, the design and construction of a new facility with covered stands for 15,004 fans, social and office facilities and the necessary infrastructure.

2.1.5.3. Infrastructural investments

The road facilities implemented by the company are often equipped with infrastructure elements that serve low-emission transport. During the construction of viaducts, bicycle paths are being created, and in some of the Passenger Service Areas (MOP) it is planned to build places for future car charging stations. The installation of photovoltaic panels is being considered on land adjacent to the Passenger Service Areas. Examples of some of the most important projects to be commissioned in 2022 include

the A1 motorway section Piotrków Trybunalski - Kamieński, the A18 motorway section Żary Zachód - Iłowa, the S5 motorway section Białe Błota - Szubin.

2.2. Corporate governance

[GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20]

Corporate governance is a system of controls and procedures to ensure the efficiency of the construction work carried out and the highest quality of services delivered. MIRBUD Capital Group has management systems in place in accordance with the highest standards and good practices, and key business decisions are preceded by analyses and expert opinions. This is confirmed by the certificates held. Group companies operate internal control, risk management and compliance and audit systems.

2.2.1. Supervisory Board

The Supervisory Board of MIRBUD S.A. is the supervisory body of the Management Board. The members of the Supervisory Board are appointed by the General Meeting of Shareholders. When nominating and electing members of the Supervisory Board, the primary criterion is their educational and professional background, followed by the gender and age of the candidate. The term of office of the members of the Supervisory Board is four years. The Audit Committee operates at the Supervisory Board.

The composition of the Supervisory Board of MIRBUD S.A. as of 31.12.2022:

Wiesław Kosonóg - Chairman of the Supervisory Board

Radosław Niewiadomski - Deputy Chairman of the Supervisory Board

Agnieszka Maria Bujnowska - Secretary of the Supervisory Board

Artur Sociński - Member of the Supervisory Board

In 2022, the composition of the Supervisory Board of MIRBUD S.A. changed as follows:

- expiration of Mr. Zakrzewski's mandate as a result of his death on December 8, 2022.
- Ms. Braun's resignation as a member of the Supervisory Board of MIRBUD S.A. Effective on 31 December 2022.

Mr. Stanisław Lipiec and Mr. Jacek Tucharz were appointed to the Board in place of the above-mentioned persons on 30 January 2023.

All members of the Supervisory Board submitted appropriate declarations that they meet the criteria of independence, do not perform activities competitive to MIRBUD S.A. with its registered office in Skierniewice, do not participate in a competitive company as a partner in a civil law partnership, partnership or as a member of a body of a capital company, or participate in another competitive legal person as a member of its body.

The remuneration of the Supervisory Board of MIRBUD S.A. is set out in the "Remuneration Policy of MIRBUD S.A." adopted in 2020. In accordance with the Policy, members of the Supervisory Board delegated to permanent individual supervision shall receive separate remuneration, the amount of which shall be determined by the General Meeting.

The fixed remuneration of the members of the Supervisory Board is determined by the General Meeting of the Company by resolution and is differentiated according to their functions.

2.2.2. The Management Board

The Management Board of the parent company, MIRBUD S.A., consists of four members and two proxies. Each member of the Board oversees the operation of their division. The members of the

Management Board are appointed and dismissed by the Supervisory Board. The term of office for Board members is five years.

Composition of the MIRBUD S.A. Management Board
Jerzy Mirgos – President of the Management Board
Sławomir Nowak – Vice-President of the Management Board
Paweł Korzeniowski – Member of the Management Board
Tomasz Sałata – Member of the Management Board

There were no changes to the Management Board of MIRBUD S.A. in 2022.

The remuneration of the Management Board of MIRBUD S.A. is set out in the "Remuneration Policy of MIRBUD S.A." adopted in 2020. In accordance with the Policy, members of the Management Board are entitled to:

- fixed remuneration - monthly cash remuneration paid for the functions and responsibilities assigned, taking into account market conditions, disregarding performance-related criteria. This is mandatory remuneration. Its amount is determined by the Supervisory Board, taking into account criteria such as qualifications, level of experience, workload, function profile, among others.
- variable remuneration - additional payments and benefits dependent on the Company's performance or other criteria. Variable remuneration may be established in the form of an annual bonus by the Supervisory Board. They are awarded for achievements of a quantitative or qualitative nature. Its amount depends on the Company's financial performance.
- fringe benefit - other allowances and benefits, including those not of a direct monetary nature.

The remuneration policy does not currently address the objectives and performance of Board members in managing the company's impact on ESG issues.

2.2.3.Sustainability management

In matters related to sustainable development and ESG, the Supervisory Board performs a consultative and advisory role. These topics are discussed at Supervisory Board meetings depending on the needs reported. The Management Board is the key and strategic decision-making body on sustainability issues. A member of the Management Board, the company's Chief Financial Officer, who supervises the Corporate Communications Department, is responsible for supervising the implementation of the ESG strategy.

Both the Management Board and the Supervisory Board expand their knowledge of sustainability by attending thematic conferences and in-house training, as well as by keeping up to date with legislative developments in this area and the latest trends and press publications.

Responsibility for operational sustainability activities is dispersed across departments. Executives (more broadly) have an advisory and support function in obtaining the necessary non-financial data. At the construction level, contract managers and directors, who report to the technical directors, are required to implement occupational health and safety, as well as environmental principles.

Issues related to the reporting of ESG topics are assigned to the Corporate Communications Department in the Finance division. Data on ESG issues is aggregated by the various departments (e.g. Human Resources, Occupational Health and Safety, Environmental, Legal) and then forwarded to the Corporate Communications Department, which is directly responsible for reporting these issues to the Warsaw Stock Exchange.

2.3. Materiality of information and risk management

[GRI 3-1, GRI 3-2, GRI 3-3, GRI 2-16, GRI 2-29]

2.3.1. Key stakeholders

The aim of engaging stakeholders is optimal management of the investment project life cycle, proper adjustment of the project to the needs of the local market at the stage of its preparation, early identification of threats and taking preventive actions. Stakeholders are also relevant to sustainability efforts. Therefore, the map of key stakeholders was updated during the development of the ESG Strategy of MIRBUD Capital Group.

The key stakeholders of MIRBUD Capital Group can be divided into internal and external stakeholders.

Internal stakeholders include:

- employees - all persons employed by and working with Group companies;
- shareholders - institutions and persons holding shares in MIRBUD S.A., which are listed on the Warsaw Stock Exchange;
- the Supervisory Board.

External stakeholders include:

- private clients - investors and individual clients, i.e. companies contracting cubic and linear construction services;
- suppliers and subcontractors - entities providing services to MIRBUD CG;
- banks and financial institutions - financing investments carried out by the MIRBUD CG;
- authorities - issuing building permits and other decisions related to the construction contract process;
- public administration and government agencies and local government units - commissioning infrastructure investments and the construction of public utility buildings;
- local community - residents of cities and municipalities where MIRBUD CG companies operate, as well as residents directly adjacent to investments carried out by MIRBUD CG;
- industry and general media - describing investments carried out by the MIRBUD CG.

The departments that are directly involved in the implementation of specific activities are responsible for stakeholder dialogue. The Director of Corporate Communications acts as a spokesperson and is therefore responsible for contact with the media, but also with the local community and investors. Cooperation with suppliers and subcontractors is carried out by the construction and commercial departments. Customer relations are the domain of the technical departments (individual construction offices).

2.3.2. Relevant issues

The identification of significant issues in MIRBUD Capital Group was carried out as part of the process of preparing the ESG Strategy for 2022-2026. In an internal survey, participants - company boards and senior managers - indicated:

- key stakeholders,
- key areas of activity,
- relevant issues for the Group.

The identification process was based on an analysis of impact criteria and the relevance of specific topics to the company's business.

The key areas that subsequently materialised in the form of objectives in the ESG Strategy are, in order of importance:

- **relations with external stakeholders**, including public administration, shareholders, suppliers, the local community;
- **quality and safety**, including safe working conditions;
- **ethics and prevention of undesirable behaviour**;
- **environmental solutions** for energy consumption, raw materials management.

2.3.3. Risk identification and management

In MIRBUD Capital Group, non-financial risks have been identified, which have been grouped into three thematic areas corresponding to the topics covered in this report. These are presented in the table below.

Table 1. Non-financial risks in MIRBUD Capital Group in 2022.

Risks in the area of operations	Employee and social risks	Environmental risks
Disruption of the material supply chain	Shortage of staff or staff with inadequate skills	Adverse weather conditions affecting timely completion of investments
Economic downturn	Failure to respect employees' rights throughout the value chain	Air, water and land pollution
Corrupt and anti-competitive behaviour	Suspension or delay of investments due to public protests	Climate issues - GHG emissions, energy efficiency, energy mix

An event that undoubtedly affected the business area and increased the level of identified risks, as well as giving rise to new risks, was Russia's aggression against Ukraine. This event has, on the one hand, disrupted the material supply chain, but has also increased uncertainty in the area of staff shortages in 2022 and subsequent years.

MIRBUD Capital Group wants to adapt as best as possible to the changing economic situation and minimise identified risks, which is why it analyses the economic condition, creates scenarios and development plans in all areas of its business. MIRBUD Capital Group companies apply the precautionary principle by exercising the utmost care to ensure safety during construction, both for employees and subcontractors residing on the site and for the environment and local communities. The Management Boards of the companies comprising MIRBUD Capital Group review and assess performance in terms of impacts, opportunities and risks in relation to economic, social and environmental issues at least quarterly.

2.4. Membership in professional organisations

[GRI 2-28]

MIRBUD Capital Group is aware of the importance of exchanging knowledge, experience and good practices, which is why its companies are active members of a number of industry organisations operating in the field of construction, among others:

- **Polski Związek Pracodawców Budownictwa - Polish Union of Construction Employers (MIRBUD S.A.)** - a nationwide organisation associating companies from the infrastructure and construction industry, which jointly generate over PLN 50 billion worth of construction and assembly production in Poland and employ over 50,000 people.
- **Ogólnopolska Izba Gospodarcza Drogownictwa - Polish Chamber of Commerce of the Road Industry (MIRBUD S.A.)** - the largest road organisation of business self-government representing the interests of associated entrepreneurs towards public authorities, local government bodies and other institutions and organisations.

- **Stowarzyszenie Polski Kongres Drogowy - Polish Road Congress Association (KOBYLARNIA S.A.)**
- **Stowarzyszenie Emitentów Giełdowych - Association of Stock Exchange Issuers (MIRBUD S.A.)** - an organisation representing the interests of companies listed on the Warsaw Stock Exchange
- **Skierniewicka Izba Gospodarcza - Chamber of Commerce in Skierniewice (MIRBUD S.A.)** – its goal is to develop and promote initiatives, attitudes and activities that are conducive to entrepreneurship and economic activity, to maintain trust in the institution of private property and the market, to promote traditional work ethics and self-interest, and thus to contribute to the improvement of the economic situation of the region's inhabitants.
- **Pomorsko - Kujawska Izba Budownictwa - Pomeranian - Kuyavian Chamber of Construction (KOBYLARNIA S.A.)**
- **Pracodawcy Rzeczypospolitej Polskiej - Employers of the Republic of Poland (MARYWILSKA 44 Sp. z o.o.)** - an organisation of employers in Poland, active in areas related to the development of entrepreneurship, the economic growth of the country and in social issues, including social security, market and labour law.
- **Polsko – Ukraińska Izba Gospodarcza - Polish-Ukrainian Chamber of Commerce (MIRBUD S.A.)** - an organisation of business self-government representing the interests of its associated approx. 300 Polish and Ukrainian business entities towards the authorities and non-governmental organisations of both countries.
- **Polski Związek Firm Deweloperskich - Polish Union of Developers (JHM DEVELOPMENT S.A.)** - the largest organisation in the developers industry, which represents the interests of developers in Poland and the European Union. It takes action to create good legislation, improve the conditions for real estate investment and professional development.

3. Due diligence and human rights

[GRI 2-23, GRI 2-25, GRI 2-26, GRI 2-27, GRI 2-30, GRI 206-1, GRI 205-1, GRI 205-2, GRI 205-3, 409-1]

3.1. Ethics

MIRBUD Capital Group has had a "Code of Professional Ethics for Employees and Associates of MIRBUD S.A." in place since 2021. It was adopted by the Management Board of MIRBUD S.A. and transposed for implementation by the other companies in the Group. Its aim is to set the direction for the development of the organisational culture in its relations with key stakeholders - employees and the Group's external stakeholders. Constant adherence to ethical principles and values makes it possible, on the one hand, to build a positive image in the market and, on the other, to strengthen the identification of employees with the Group.

MIRBUD S.A.'s development is based on values, principles of conduct and behavioural patterns that ensure respect for all involved. MIRBUD's core values are:

- responsibility and integrity,
- open communication,
- honesty,
- skills exchange,
- partnership,
- initiative.

The Code of Professional Ethics sets guidelines for relations with:

- shareholders,
- employees,
- investors,

- contractors,
- competition.

The Code also addresses individual behaviour, conflicts of interest, as well as environmental and community issues.

MIRBUD Capital Group is committed to protecting human rights throughout its established supply chain. In the reported period, there was no violation or risk of violation of freedom of association and collective bargaining in any of the companies in the MIRBUD Group or our business partners. Subcontractors and suppliers also undertake not to use child labour and to respect human rights. During the reporting period, none of the companies of the Group received complaints regarding respect for human rights.

3.2. Infringement reporting system

MIRBUD Capital Group has had a "Procedure for reporting irregularities and fraud, including corruption at MIRBUD S.A. with its registered office in Skierniewice" adopted by the Management Board since 2021. Its objective is to eliminate any undesirable events in the Group, including those related to corruption risks. The procedure applies to all Employees and Associates. The channel for reporting irregularities or abuse is the Safe Line, where violations can be reported:

- at the following email address: bezpiecznalinia@MIRBUD.pl;
- to the correspondence address of the company with the note "To the hands of the President of the Management Board" or "To the hands of the Chairman of the Supervisory Board".

3.3. Anti-corruption activities

In accordance with the Code of Ethics, executives and employees do not engage in any illegal activities, including those of a corrupt nature. To ensure that the provisions of the Code are implemented, and in an effort to eliminate any undesirable events, including those related to corruption, the "Procedure for reporting irregularities and fraud, including corruption at MIRBUD S.A. with its registered office in Skierniewice" has been in place since 25 January 2021. Its purpose is to establish uniform rules in the event of identifying the possibility of occurrence and preventing, and counteracting abuses, including corruption. The procedure contains information on how to report suspected fraud, including corruption, the process of verifying the report and how to proceed.

Information on anti-corruption policies and procedures was provided to all (100%) members of the Management Board and to each employee. All members of the Board have taken anti-corruption training. As far as employees are concerned, such training was provided to senior and middle-level managers in 2022.

In order to ensure the highest standards of service, MIRBUD has also developed a "Code of Conduct for the Contractors of MIRBUD S.A.". They assume that both the selection of and cooperation with contractors is based on applicable legal standards, including the prevention of bribery and corruption practices.

In 2022, there were no cases of corruption and no confirmed incidents in which contracts with business partners were terminated or not renewed due to corruption violations. No public corruption court cases were filed against the organisation or its employees during the reporting period.

3.4. Compliance with the law

During the period covered by this report, no penalties related to non-compliance with regulations were imposed on MIRBUD Capital Group. In 2022, there were no violations of fair competition rules by MIRBUD Capital Group.

4. Employees and society

4.1. Employees and associates

[GRI 3-3, GRI 2-30]

Employees and associates are a key stakeholder, but also an asset of MIRBUD Capital Group. As the scale of the Group's operations increases, so does the level of employment. In contrast, it is worth noting that staff turnover is relatively low.

No trade unions have been formed in MIRBUD Capital Group and employees are not covered by a collective agreement.

4.1.1. Employment structure

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 401-3]

Employment in MIRBUD Capital Group as of 31.12.2022 was 831 full-time and part-time contract employees. A full-time equivalent was 820.1.

The employment structure is presented in the tables below. Extended information on the employment structure, in line with GRI indicators 2-7 and 2-8, is presented in the Annex.

Table 2. A full-time equivalent of contract employees.

	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives, including:	5.0	14.6	19.6	10.0	26.6	36.6
over 50 years of age	3.0	5.6	8.6	6.0	12.6	18.6
between 31 and 50 years of age	2.0	9.0	11.0	4.0	14.0	18.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	27.5	61.3	88.8	53.5	109.3	162.8
over 50 years of age	2.0	7.3	9.3	6.0	17.3	23.3
between 31 and 50 years of age	16.5	47.0	63.5	34.5	83.0	117.5
under 30 years of age	9.0	7.0	16.0	13.0	9.0	22.0
Other employees, including:	79.0	238.4	317.4	158.8	461.9	620.7
over 50 years of age	13.0	78.1	91.1	24.0	121.1	145.1
between 31 and 50 years of age	33.0	120.3	153.3	86.8	286.8	373.6
under 30 years of age	33.0	40.0	73.0	48.0	54.0	102.0
Employees at all levels of the structure						
over 50 years of age	18.0	91.0	109.0	36.0	151.0	187.0
between 31 and 50 years of age	51.5	176.3	227.8	125.3	383.8	509.1
under 30 years of age	42.0	47.0	89.0	61.0	63.0	124.0
Total for all levels of the structure	111.5	314.3	425.8	222.3	597.8	820.1
- including full-time employees	110.0	310.0	420.0	217.0	591.0	808.0

- of which part-time employees	4.0	12.0	16.0	8.0	14.5	22.5
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In 2022, a total of 266 new employees were hired across the MIRBUD Group, while 148 people left their jobs. Despite the difficult labour market situation in the construction sector, an increase in the number of employees in the Group is therefore evident as a result of the higher number of contracts carried out in the period under review.

Table 4. Number of newly recruited employees in 2022. – MIRBUD Capital Group

in the number of persons	MIRBUD Group								
	2022								
	for an indefinite period			for specified period			total		
	F	M	F+M	F	M	F+M	F	M	F+M
Senior executives, including:	0.0	2.0	2.0	0.0	8.0	8.0	0.0	10.0	10.0
over 50 years of age	0.0	1.0	1.0	0.0	6.0	6.0	0.0	7.0	7.0
between 31 and 50 years of age	0.0	1.0	1.0	0.0	2.0	2.0	0.0	3.0	3.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	1.0	4.0	5.0	15.0	48.0	63.0	16.0	52.0	68.0
over 50 years of age	0.0	0.0	0.0	0.0	8.0	8.0	0.0	8.0	8.0
between 31 and 50 years of age	0.0	4.0	4.0	11.0	35.0	46.0	11.0	39.0	50.0
under 30 years of age	1.0	0.0	1.0	4.0	5.0	9.0	5.0	5.0	10.0
Other employees, including:	0.0	4.0	4.0	60.0	124.0	184.0	60.0	128.0	188.0
over 50 years of age	0.0	1.0	1.0	5.0	18.0	23.0	5.0	19.0	24.0
between 31 and 50 years of age	0.0	3.0	3.0	24.0	84.0	108.0	24.0	87.0	111.0
under 30 years of age	0.0	0.0	0.0	31.0	22.0	53.0	31.0	22.0	53.0
Employees at all levels of the structure									
over 50 years of age	0.0	2.0	2.0	5.0	32.0	37.0	5.0	34.0	39.0
between 31 and 50 years of age	0.0	8.0	8.0	35.0	121.0	156.0	35.0	129.0	164.0
under 30 years of age	1.0	0.0	1.0	35.0	27.0	62.0	36.0	27.0	63.0
Total for all levels of the structure	1.0	10.0	11.0	75.0	180.0	255.0	76.0	190.0	266.0

Table 5. Number of newly recruited employees in 2022 - MIRBUD S.A.

in the number of persons	MIRBUD S.A.								
	2022								
	for an indefinite period			For specified period			total		
	F	M	F+M	F	M	F+M	F	M	F+M
Senior executives, including:	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0	2.0
over 50 years of age	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0	1.0
between 31 and 50 years of age	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0	1.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Managers and supervisors, including:	0.0	1.0	1.0	9.0	20.0	29.0	9.0	21.0	30.0
over 50 years of age	0.0	0.0	0.0	0.0	3.0	3.0	0.0	3.0	3.0
between 31 and 50 years of age	0.0	1.0	1.0	5.0	17.0	22.0	5.0	18.0	23.0
under 30 years of age	0.0	0.0	0.0	4.0	0.0	4.0	4.0	0.0	4.0
Other employees, including:	0.0	0.0	0.0	20.0	37.0	57.0	20.0	37.0	57.0
over 50 years of age	0.0	0.0	0.0	3.0	9.0	12.0	3.0	9.0	12.0
between 31 and 50 years of age	0.0	0.0	0.0	6.0	16.0	22.0	6.0	16.0	22.0
under 30 years of age	0.0	0.0	0.0	11.0	12.0	23.0	11.0	12.0	23.0
Employees at all levels of the structure									
over 50 years of age	0.0	0.0	0.0	3.0	13.0	16.0	3.0	13.0	16.0
between 31 and 50 years of age	0.0	1.0	1.0	11.0	34.0	45.0	11.0	35.0	46.0
under 30 years of age	0.0	0.0	0.0	15.0	12.0	27.0	15.0	12.0	27.0
Total for all levels of the structure	0.0	1.0	1.0	29.0	59.0	88.0	29.0	60.0	89.0

Table 6. Number of employees who left their jobs - MIRBUD Capital Group.

MIRBUD Group									
2022									
in the number of persons	for an indefinite period			for specified period			total		
	F	M	F+M	F	M	F+M	F	M	F+M
Senior executives, including:	0.0	2.0	2.0	0.0	6.0	6.0	0.0	8.0	8.0
over 50 years of age	0.0	1.0	1.0	0.0	6.0	6.0	0.0	7.0	7.0
between 31 and 50 years of age	0.0	1.0	1.0	0.0	0.0	0.0	0.0	1.0	1.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	0.0	14.0	14.0	1.0	48.0	49.0	1.0	62.0	63.0
over 50 years of age	0.0	3.0	3.0	0.0	6.0	6.0	0.0	9.0	9.0
between 31 and 50 years of age	0.0	10.0	10.0	0.0	39.0	39.0	0.0	49.0	49.0
under 30 years of age	0.0	1.0	1.0	1.0	3.0	4.0	1.0	4.0	5.0
Other employees, including:	5.0	10.0	15.0	23.0	39.0	62.0	28.0	49.0	77.0
over 50 years of age	2.0	5.0	7.0	7.0	6.0	13.0	9.0	11.0	20.0
between 31 and 50 years of age	2.0	3.0	5.0	13.0	29.0	42.0	15.0	32.0	47.0
under 30 years of age	1.0	2.0	3.0	3.0	4.0	7.0	4.0	6.0	10.0
Employees at all levels of the structure									
over 50 years of age	2.0	9.0	11.0	7.0	18.0	25.0	9.0	27.0	36.0
between 31 and 50 years of age	2.0	14.0	16.0	13.0	68.0	81.0	15.0	82.0	97.0
under 30 years of age	1.0	3.0	4.0	4.0	7.0	11.0	5.0	10.0	15.0
Total for all levels of the structure	5.0	26.0	31.0	24.0	93.0	117.0	29.0	119.0	148.0

Table 7. Number of employees who left their jobs - MIRBUD S.A.

MIRBUD S.A.			
2022			
in the number of persons	for an indefinite period	for specified period	total

	F	M	F+M	F	M	F+M	F	M	F+M
Senior executives, including:	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0	2.0
over 50 years of age	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0	2.0
between 31 and 50 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	0.0	9.0	9.0	1.0	24.0	25.0	1.0	33.0	34.0
over 50 years of age	0.0	3.0	3.0	0.0	3.0	3.0	0.0	6.0	6.0
between 31 and 50 years of age	0.0	6.0	6.0	0.0	19.0	19.0	0.0	25.0	25.0
under 30 years of age	0.0	0.0	0.0	1.0	2.0	3.0	1.0	2.0	3.0
Other employees, including:	2.0	8.0	10.0	16.0	22.0	38.0	18.0	30.0	48.0
over 50 years of age	2.0	4.0	6.0	6.0	4.0	10.0	8.0	8.0	16.0
between 31 and 50 years of age	0.0	2.0	2.0	8.0	15.0	23.0	8.0	17.0	25.0
under 30 years of age	0.0	2.0	2.0	2.0	3.0	5.0	2.0	5.0	7.0
Employees at all levels of the structure									
over 50 years of age	2.0	7.0	9.0	6.0	9.0	15.0	8.0	16.0	24.0
between 31 and 50 years of age	0.0	8.0	8.0	8.0	34.0	42.0	8.0	42.0	50.0
under 30 years of age	0.0	2.0	2.0	3.0	5.0	8.0	3.0	7.0	10.0
Total for all levels of the structure	2.0	17.0	19.0	17.0	48.0	65.0	19.0	65.0	84.0

4.1.2. Diversity and equal opportunities

[GRI 202-1, GRI 405-1, GRI 405-2, 406-1]

One of the most important principles in the MIRBUD Group Code of Ethics is to work for diversity, respect for others and their right to privacy. Any form of discrimination on the grounds of origin, colour, race, gender, culture, disability, age, marital status, religious or political beliefs or trade union membership is unacceptable. This area is regulated in detail by the Diversity Policy (<https://mirbud.pl/strony/kodeks-etyki-zawodowej-2>) introduced in 2021 in the companies of MIRBUD Capital Group, which implements the following Sustainable Development Goals:

- Objective 5 - gender equality,
- Objective 10 - less inequality.

The objectives of the adopted Diversity Policy are:

- actively managing diversity as part of its human resources management policy, creating an open and diverse working environment;
- countering all forms of discrimination;
- ensuring equal opportunities in access to information on the ethical standards in force at the MIRBUD Group.

The policy of MIRBUD Capital Group does not impose any barriers based on gender, age, health status, sexual orientation, religion, marital status, race, country of origin or form of employment and political beliefs. The Diversity Policy is implemented in particular through:

- activities aimed at creating an appropriate atmosphere and organisational culture, where the main criterion for evaluating employees is their commitment to work and their professional qualifications;
- development and implementation of a Diversity Policy;
- implementing a procedure for anti-bullying and anti-discrimination measures;

- implementing a whistleblowing procedure and protecting whistleblowers;
- annual reports on the implementation of this Diversity Policy.

In 2022, there was one final judgment in a discrimination case against a MIRBUD S.A. employee. The company has executed the judgment, i.e. paid the amount of damages. As part of the Group's preventive measures, the Anti-Harassment and Anti-Discrimination Procedure was immediately introduced and the management of the Group Companies was trained in the subject.

The Glass Ceiling Ratio (GCR) shows how much more difficult it is for women to be promoted to the 'managers and executives' group and then to 'senior executives'. This is the difference between the percentage of women among staff at a given grade and the percentage of women among all staff. The lower this indicator is, the fewer obstacles to career development for women. A value as close to zero as possible is desirable, as then the percentage of women in senior and middle management is equal to the percentage of women overall and therefore no vertical segregation is observed.

For the MIRBUD Group, the overall GCR was 4.7 %, for middle management (Managers, i.e. expert and managerial positions) it was 5.8% and for senior executives (company management board and divisional directors) it was 0.2%. The indicators for the parent company are at a similar level. It is important to emphasise that these are very good results that demonstrate the possibilities for easy promotion for women.

Table 8. Glass Ceiling Ratios

%	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives	25.5%	74.5%		27.3%	72.7%	
Managers and supervisors	31.0%	69.0%		32.9%	67.1%	
Other employees	24.9%	75.1%		25.6%	74.4%	
All personnel	26.2%	73.8%		27.1%	72.9%	
- senior executives, managers and supervisors	30.0%	70.0%		31.8%	68.2%	

GCR2	0.7%	0.2%
GCR1	4.8%	5.8%
GCR (senior executives, managers and supervisors)	3.8%	4.7%

Table 9. Ratio of average female pay to average male pay.

%	MIRBUD S.A.	MIRBUD Group
	2022	2022
Senior executives	47.8%	63.6%
Managers and supervisors	76.1%	64.0%
Other employees	53.6%	70.1%
All personnel	60.5%	70.6%

The Gender Pay Gap (GPG) is an indicator showing the gender pay gap. This means that the smaller the ratio, the smaller the difference in remuneration between women and men for the same grade in the Group's structure.

GPG is an indicator calculated as an absolute value from the difference between the ratio of the average salary (i.e. basic salary plus all additional elements, including bonuses) of one gender to the other and a value of 100%.

The Gender Pay Gap Ratio for both the Group and the parent company are at a relatively high level. The figures for all employees are 29.4% and 39.5% respectively. For senior executives, the gender pay gap is 36.4% for the Group, and 52.2% for the Company. For managers and executives, it is more favourable with 36%, and 23.9% respectively. However, for other employees in the case of the Group, the rate is around the average for all employees, and it amounts to 29.9%. For the parent company, it is significantly higher at 46.4%. This is mainly due to the characteristics of the industry - there are more men than women working in construction companies due to the types of jobs (e.g. machine operators). On the other hand, in the offices of companies from the group, women definitely predominate, and in non-construction companies, such as JHM Development and Marywilska 44, this ratio is significantly in favour of women.

Table 10. Gender Pay Gap Ratios.

	MIRBUD S.A.	MIRBUD Group
%	2022	2022
GPGR Senior executives	52.2%	36.4%
GPGR Managers and supervisors	23.9%	36.0%
GPGR Other staff	46.4%	29.9%
GPGR All employees	39.5%	29.4%

4.1.3. Health and safety

[GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-9, GRI 403-10]

[403-1].

The area of occupational health and safety is extremely important for MIRBUD Capital Group, as it operates in the construction sector. Therefore, the ESG Strategy 2022-2026 identifies 'Safe Workplace' as a key action area, with the following objectives to be pursued:

1. minimising the number of accidents among employees and colleagues;
2. increasing the safety of employees and colleagues on construction sites and in offices;
3. building employee awareness of occupational health and safety basics.

With this in mind, an occupational Health and Safety Management System has been implemented at the MIRBUD Group in accordance with the requirements of ISO 45001:2018. The standard sets out the minimum requirements for effective health and safety management, but also supports the systemic management of health and safety improvement activities.

The following procedures are the operational documents that support the occupational health and safety management process and provide detailed guidance on how to proceed:

- Procedure PB-11/1 "Occupational Health and Safety Management";
- Quality Procedure PJ-7.1.4/04 "Working Environment Supervision Procedure".

The above documents, but also a list of applicable legislation and other materials, are available on the internal web for all employees of the organisation.

The quality management procedure implements and organises a series of standards for ensuring health and safety at work. The Occupational Health and Safety Management System is designed to ensure compliance with internal standards that have been adopted in accordance with Polish legislation in this area.

The occupational health and safety management system covers all organisational units throughout the organisation, but MIRBUD S.A. also cooperates with companies in its supply chain in ensuring health and safety at work. Suppliers of products or services and other entities cooperating with MIRBUD S.A. are informed of the obligation to comply with the requirements in the area of occupational health and safety by introducing appropriate provisions in contracts concluded. Cooperation with subcontractors is based on legal requirements and internal MIRBUD S.A. requirements.

The object of the occupational health and safety management system is to define the rules for dealing with:

- identification of significant hazards, hazardous factors, particularly dangerous work;
- the occurrence of near misses, as well as dangerous situations and accidents;
- occupational risk assessment and analysis;
- preparedness and response to occupational health and safety incidents of own employees and subcontractors;
- carrying out an assessment of compliance with the company's occupational health and safety legal requirements.

[403-2].

In order to efficiently carry out processes related to occupational health and safety management, there is a dedicated organisational unit, the Occupational Health and Safety Department, which employs a full-time Chief Occupational Health and Safety Officer and an Occupational Health and Safety Inspector, who are responsible for the proper conduct of each construction process in accordance with occupational health and safety regulations and rules. The occupational health and safety service carries out the tasks set out in the Council of Ministers' Decree of 2 September 1997 on the occupational health and safety service and in accordance with the aforementioned quality management procedures.

Pursuant to Article 237 12 of the Labour Code, an Occupational Health and Safety Committee was also set up, consisting of:

1. Chairman of the Commission, Head of the Occupational Health and Safety Department, Chief Occupational Health and Safety Officer.
2. Deputy Chairman of the Commission, Staff Representative.
3. Member of the Commission, Occupational Medicine Physician providing preventive health care for employees.

The task of the Committee is to review working conditions, periodically assess OHS, give opinions on measures taken by the employer to prevent accidents at work and occupational diseases, formulate proposals for improving working conditions and cooperate with the employer in the implementation of their OHS obligations. The meetings of the OHS Committee shall be held during work time, at least once a quarter.

The same processes and procedures are in place on every project carried out to ensure proper occupational health and safety management. The Site Manager shall draw up a Health and Safety Plan (BIOZ) in consultation with the Occupational Health and Safety Department. Everyone working on the site is obliged to familiarise themselves with it. An Occupational Health and Safety Coordinator with the qualification of Inspector or Occupational Health and Safety Officer with relevant experience is also appointed. The Occupational Health and Safety Coordinator, in consultation with the Company's

Occupational Health and Safety Department and the Site Manager, monitors all occupational health and safety matters on an ongoing basis.

The system provides for daily detailed occupational health and safety inspections. A post-inspection report is drawn up for each occupational health and safety inspection carried out, together with photographic documentation. On the basis of these, proposals are drawn up to remedy any anomalies that occur. The site occupational health and safety coordinator also participates in coordination meetings by presenting the occupational health and safety deficiencies noted.

At MIRBUD S.A. before starting work on each investment, each subcontractor is required to have and present a number of documents in the field of occupational health and safety, e.g. Instructions for Safe Performance of Works, medical certificates of employees, certificates of completion of initial and periodic training for employees employed in manual positions.

Subcontractors are also required to comply with all applicable occupational health and safety rules. Any subcontractor may be fined for failure to comply with occupational health and safety regulations, as provided for in the contract.

MIRBUD S.A. also has an occupational risk assessment (ORA) in place for individual jobs, which is carried out in accordance with legal requirements.

Risk assessments are carried out for each workplace at a location (sites, departments, organisational units) by a risk assessment team. The results of the assessment are available on the internal IT network and are optionally stored with the head of the organisational unit concerned, who is responsible for the entire service delivery process. This process is carried out taking into account a range of information about both the location and specifics of the workplace, as well as the legislation, the risks identified and the protective measures taken. The assessment also involves interviews with employees and observations of the workplace and the external factors that affect it.

[403-3].

An important element in the identification and elimination of hazards and risks are the occupational medicine health professionals. They are responsible for initial, periodic and follow-up examinations. They also assess whether the employee's health condition allows them to work in a given workplace.

Health professionals carry out the immunizations necessary for work and also monitor the health status of people included in special risk groups, such as adolescents, the disabled or pregnant women. Their tasks also include emergency first aid and the implementation of health promotion activities, as well as the continuous monitoring and analysis of the health status of workers, especially with regard to occupational diseases and accidents at work.

[403-4].

MIRBUD Group communicates occupational health and safety issues both internally and externally. Internal communication takes place through a number of channels to ensure that information reaches all company employees. Staff training is organised and information is also provided through a regularly updated website and posted on notice boards. Employees also have the opportunity to submit complaints, requests, ideas and queries to the Head of Health and Safety.

External communication regarding the company's occupational health and safety area includes the communication of the necessary and mandatory reporting resulting from legislation and decisions. External communication is carried out with local and governmental authorities, external audit bodies, organisations and associations, external companies that provide services to the company and third parties.

It is conducted through a variety of channels:

- in writing - correspondence, documents, surveys,
- electronically - through online platforms, portals of specific institutions, e-mail,
- orally - by telephone.

[403-5].

In terms of occupational health and safety, initial and periodic training is provided. Initial training is carried out in accordance to programs developed for individual groups of positions and includes:

1. general initial training, hereinafter referred to as general training;
2. initial training on the job, hereinafter referred to as 'on the job training'.

General training provides the participants of the training with the basic provisions of occupational health and safety contained in the Labour Code, in collective labour agreements or in work regulations, with the provisions and principles of occupational health and safety applicable in the workplace, as well as with the principles of first aid in the event of an accident.

on-the-job training ensures that the training participants are familiar with the work environment factors occurring at their workstations and the occupational risks associated with their work, the methods to protect themselves from the hazards which these factors may cause and the methods to perform work safely at these workstations.

Periodic training in occupational health and safety is conducted in the form of a course, seminar or guided self-study course. General training is provided by a member of the occupational health and safety staff. On the other hand, on-the-job training is carried out by the employer's designated person in charge of the employees or by an employer who is qualified and experienced and trained in the methods of conducting on-the-job training.

At each of the organisation's projects, introductory training sessions are held for employees, during which the most important points of the BIOZ Plan are discussed, the construction management plan, how to supervise, cooperate and coordinate work, how to deal with accidents and environmental incidents, first aid and evacuation rules.

A list of particularly hazardous tasks (work involving significant hazards) has also been established. Site managers are required to specifically supervise the execution of particularly hazardous work, in particular:

- ensure that the basis for carrying out particularly hazardous work is a permit to carry out particularly hazardous work and an Instruction for Safe Work Performing (hereinafter referred to as IBWR) together with a risk assessment for the task in accordance with the model adopted by MIRBUD S.A.;
- ensure that particularly hazardous work is carried out by a minimum of two people;
- provide direct supervision when carrying out particularly hazardous work;
- ensure that particularly hazardous work (work involving significant hazards) carried out by MIRBUD S.A.'s subcontractors and employees takes place in accordance with MIRBUD S.A.'s occupational health and safety standards.

[403-9].

There were no serious, fatal or collective accidents among employees in 2022. The most common accidents among workers are sprains, dislocations or strains of the upper and lower limbs. A sprain or dislocation injury of the lower limb joint in 2022 occurred in two cases and a fracture of the upper limb in one case. There was one serious accident among subcontractor employees, while there were no fatal or collective accidents. The most common type of accident among subcontracted workers who are not employees of the organisation is a fall from height. The most common cause of such accidents was a

lack of protection during work at height. The most common injury among other workers as a result of a fall from height was a fracture of the lower limb.

The occupational risk assessment shows that the greatest risk of serious injury in the organisation is posed by falls from height. There were no injuries among the organisation's employees during the reported period. Preventive measures are in place to eliminate and reduce the risk of this hazard, and they include:

1. medical examinations confirming lack of contraindications to work at heights;
2. drawing up and following instructions for carrying out hazardous work and work at height;
3. using protection against falling from a height;
4. personal and group protection means

Table 11. Occupational Health and safety indicators.

	MIRBUD S.A.	MIRBUD Group
	2022	2022
Accidents among employees		
Minor accidents	3	8
Major accidents	0	0
Fatal accidents	0	0
Mass accidents	0	0
Total number of accidents	3	8
Accidents among employees of subcontractors working on site		
Minor accidents	11	15
Major accidents	1	1
Fatal accidents	0	0
Mass accidents	0	0
Total number of accidents	12	16
Accident frequency rate (accidents at work per 1,000 employees)	3.7	9.8
Number of days of incapacity for work due to accidents	112	278
Accident severity rate (number of days of incapacity for work per accident)	37.3	34.8
Number of cases of occupational diseases identified during the period	0	0
Number of employees working in a given year in conditions exceeding maximum permissible concentrations (MEL) or maximum permissible intensities (NDN)	0	4

[403-10].

No occupational diseases were identified in the organisation. No employees were excluded during the reporting period.

4.1.4. Training and staff development

[GRI 404-1, GRI 404-2]

Employees are an essential part of the value of MIRBUD Capital Group. Their development and professionalism influence the exemplary execution of investments. That is why MIRBUD Capital Group provides opportunities to improve their qualifications. Such requests are made through an open training plan to the Human Resources Department, depending on the needs of the department. Upon approval by the director, staff are directed to external training.

Table 12. Average number of training hours.

number of hours per employee in a given period	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives	9.6	20.2	17.5	10.2	13.4	12.6
Managers and supervisors	13.1	25.7	21.8	14.1	23.9	20.6
Other employees	2.0	2.8	2.6	5.4	3.9	4.3
All personnel	5.1	8.0	7.3	7.7	8.0	7.9
Expenditure on training during the period (PLN thousand)	26.0	89.0	115.0	32.5	90.2	122.7

Table 13. Number of employees upgrading their professional qualifications.

number of persons	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives	0	0	0	3	3	6
Managers and supervisors	0	0	0	1	0	1
Other employees	0	0	0	0	0	0
All personnel	0	0	0	4	3	7

4.2. Commitment to society

[GRI 3-3, 413-1]

MIRBUD Capital Group operates in segments that are often characterised by a significant impact on local communities. The implementation of investments, particularly those involving the construction of road infrastructure, can sometimes be disruptive to the surrounding area, which is why MIRBUD offers support to local communities, including by investing in projects that support various social groups - children and young people, the excluded or those with special needs. Support is also provided in the area of sports and cultural initiatives, wherever MIRBUD carries out its activities and investments. We are committed to levelling the playing field and incentivising people in small towns and we know that any investment in small sports clubs can be a springboard to development for many children.

In 2022, the company made cash donations with a total value of more than PLN 300,000. Among the beneficiaries were primarily non-profit organisations whose activities are devoted to helping the disadvantaged, supporting children and youth in access to cognitive and sports activities, as well as volunteer fire brigades. Last year, a donation was also made to help war-stricken Ukraine. Organisations to which the Company has made donations include:

- WSPÓLNA TROSKA Foundation for People with Disabilities,
- POLSAT Foundation - help for Natalia Karkucińska,
- Nursing Home in Skierniewice,
- Polish Social Welfare Committee in Skierniewice,
- Local Government Music School in Skierniewice,
- Association of Parents and People with Disabilities,
- NIEBO OTWARTE Foundation,
- Academy of Bishop I. Krasicki,
- Caritas Circle in Skierniewice,
- ARS IUVENTUTIS Association.

In addition, every year the Company supports local schools and sports clubs in the purchase of equipment for laboratories and gymnasiums needed to fulfil their curriculum. Support is provided to those individuals and organisations that operate in the vicinity of the headquarters or construction projects carried out by the companies being part of the MIRBUD CG.

5. Environment and climate change

The activities of MIRBUD Capital Group are related to the implementation of large investment projects involving the construction of transport infrastructure as well as cubature investments. These are projects that have a lasting impact on the natural environment and landscape, while at the same time often improving the quality of life of residents, such as improving air quality and increasing safety.

Environmental and climate protection is, according to the ESG Strategy, key for the MIRBUD Group. The implementation of management systems to reduce negative environmental impacts was adopted as one of the objectives in the Strategy. In pursuit of this objective, the ISO 14001:2015 Environmental Management System was implemented at MIRBUD S.A. in 2022. This has provided the company with a clear management framework to reduce its environmental impact and ensure that it meets regulatory requirements and builds stakeholder confidence.

Identifying waste as one of the significant environmental impacts in the Group companies, it uses the BDO Manager application to streamline waste recording. This has reduced the time spent on issuing waste transfer notes, and waste records are kept automatically. The application also makes it possible to generate summaries of the scope of waste management carried out.

5.1. Climate change - adaptation and mitigation

[GRI 3-3]

MIRBUD Capital Group is aware that it has an impact on climate change in the course of its activities and therefore implements measures to reduce such impact. Such activities are implemented, among others, through:

- supplying aggregates required for road construction from local quarries, reducing emissions from transport;
- reducing emissions from heating, through the use of gaseous fuel and heating control systems that minimise fuel consumption;
- upgrading the lighting installations in owned facilities, which will reduce electricity consumption.

In order to better manage the climate impact in 2022, Scope 1 and Scope 2 greenhouse gas emissions were calculated for the first time, i.e. emissions coming directly from the Group's operations as well as the electricity, heating and cooling it purchases. The calculations were made according to the standards and methodology of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition and GHG Protocol Scope 2 Guidance. This is the first step in assessing the impact of MIRBUD Capital Group's activities on climate change.

5.2. Fuels and energy

[GRI 302-1, GRI 302-3]

Construction is an energy- and fuel-intensive sector. MIRBUD Group's fuel and energy requirements are driven by:

- the implementation of construction projects - the operation of construction machinery and the transport of raw materials, building materials and waste;

- production of bituminous mass;
- operating activities - the use of company vehicles and the provision of energy to office buildings.

Table 14. Fuel and energy consumption in 2022.

		MIRBUD Group	MIRBUD S.A.
	Entity	2022	2022
Fuels consumed in buildings and installations			
Natural gas	GJ	17,581.9	2,736.7
Heating oil	GJ	31,945.2	0.0
LPG	GJ	3,067.2	0.0
Coal dust	GJ	72,088.6	0.0
Total fuels consumed in buildings and installations	GJ	124,682.9	2,736.7
Fuels consumed in transport using own vehicles			
Gasoline	GJ	19,041.2	9,102.5
Diesel	GJ	84,730.4	47,614.9
LPG	GJ	3,067.2	0.0
Total fuels consumed in transport using own vehicles	GJ	106,838.9	56,717.4
Energy generated			
Electricity generated from own RES	GJ	0.0	0.0
Purchased energy			
Heat energy	GJ	482.4	0.0
Electric power	GJ	58,585.1	23,951.6
Total energy consumption from all sources	GJ	290,589.2	83,405.7

The investment implementation cycle lasts from a year to even 3-4 years (in the case of public utility construction or road infrastructure). Therefore, a year-on-year comparison of fuel consumption and energy use may be unreliable. Variations can arise not only from the number of contracts in progress, but also from the current stage of the project, where the demand for machine work, bituminous mass production and transport can vary.

Table 15. Comparison of fuel and energy consumption between 2022 and 2021 for MIRBUD Capital Group and MIRBUD S.A..

		MIRBUD Group	MIRBUD Group	
	Entity	2021	2022	Change y/y
Coal	GJ	64,664.8	72,088.9	11.5%
Diesel	GJ	104,140.6	84,730.4	-18.6%
Heating oil	GJ	49,324.1	31,945.2	-35.2%
Natural gas	GJ	23,940.7	17,581.9	-26.6%
Total fuel consumed	GJ	242,070.1	206,346.4	-14.8%
Purchased energy				
Heat energy	GJ	678.4	482.4	-28.9%

Electric power	GJ	50,928.8	58,585.1	15.0%
Total energy consumption	GJ	293,677.4	265,413.8	-9.6%

		MIRBUD S.A.	MIRBUD S.A.	
	Entity	2021	2022	Change y/y
Coal	GJ	0.0	0.0	-
Diesel	GJ	59,915.6	47,614.9	-20.5%
Heating oil	GJ	0.0	0.0	-
Natural gas	GJ	3,442.8	2,736.7	-20.5%
Total fuel consumed	GJ	63,358.4	50,351.6	-20.5%
Purchased energy				
Heat energy	GJ	0.0	0.0	-
Electric power	GJ	19,516.7	23,951.6	22.7%
Total energy consumption	GJ	82,875.1	74,303.3	-10.3%

Table 16. Energy from renewable and non-renewable energy sources in MIRBUD Capital Group and MIRBUD S.A.

		MIRBUD Group	MIRBUD S.A.
	Entity	2022	2022
Energy from all renewable sources (derived from fuel and purchased energy)	GJ	10,485.8	4,222.0
<i>Percentage of energy from renewable sources</i>	%	3.61%	5.06%
Energy from all non-renewable sources (derived from fuel and purchased energy)	GJ	280,103.4	79,183.7
<i>Percentage of energy from non-renewable sources</i>	%	96.4%	94.9%
Total energy from all sources	GJ	290,589.2	83,405.7

Table 17. Energy intensity index at MIRBUD Capital Group and MIRBUD S.A.

		MIRBUD Group	MIRBUD S.A.
	Entity	2022	2022
<i>Renewable energy for completed construction contracts</i>	<i>GJ/contract</i>	126.3	71.6
<i>Renewable energy for PLN 1 million revenue</i>	<i>GJ/ PLN 1 million</i>	3.2	1.8
<i>Energy from non-renewable sources for completed construction contracts</i>	<i>GJ/contract</i>	3,374.7	1,342.1
<i>Energy from non-renewable sources for PLN 1 million of revenue</i>	<i>GJ/ PLN 1 million</i>	84.9	34.4
<i>Energy from all sources for completed construction contracts</i>	<i>GJ/contract</i>	3,501.1	1,413.7
<i>Energy from all sources for PLN 1 million revenue</i>	<i>GJ/ PLN 1 million</i>	84.9	36.3

5.3. Greenhouse gas emissions - Scope 1 and 2

[GRI 305-1, GRI 305-2, GRI 305-4]

In 2022, MIRBUD Group calculated Scope 1 and Scope 2 greenhouse gas emissions for the first time. Scope 1 and 2) according to the standards and methodology of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition and GHG Protocol Scope 2 Guidance.

The organisational boundaries include all companies within MIRBUD CG. The operating boundaries include Scope 1 emissions, i.e. emissions related to the direct use of fuels in buildings, vehicles and installations owned or controlled by the Group and emissions related to refrigerant volatilisation, and Scope 2 emissions, i.e. indirect emissions related to the Group's consumption of purchased electricity and thermal energy. The calculations for Scope 2 were performed according to two methods: location-based and market-based. For the location-based method, electricity consumption was multiplied by the average emission factor for Poland¹. In the market-based calculation, on the other hand, the energy consumption attributed to individual retailers was multiplied by the emission factor published by those energy retailers. In cases where no specific energy retailer was given, energy consumption was multiplied by the average for Poland.

For the calculation of greenhouse gas emissions for heat energy, the location-based method was used and an emission factor averaged for Poland was adopted².

In the calculation of emissions using the market-based method, 97.11% of the calculation is based on real data and 2.89% was approximated by aggregated indicators for Poland from public data (URE and KOBIZE).

Emissions are given in tonnes of carbon dioxide equivalent (Mg CO₂e). This measure includes total greenhouse gas emissions expressed through carbon dioxide emissions having the same environmental impact according to the Global Warming Potential (GWP).

Table 18. Scope 1 and 2 greenhouse gas emissions in MIRBUD Capital Group and MIRBUD S.A.

	Entity	MIRBUD Group	MIRBUD S.A.
		2022	2022
Scope 1			
Emissions resulting from fuel consumption in buildings and installations	Mg CO ₂ e	5,231.7	151.1
Emissions resulting from fuel consumption in transport	Mg CO ₂ e	7,749.2	4,241.8
Total GHG Scope 1 emissions	Mg CO ₂ e	12,980.8	4,392.9
<i>Scope 1 emissions for completed construction contracts</i>	<i>Mg CO₂e/contract</i>	<i>156.4</i>	<i>74.5</i>
<i>Scope 1 emissions for PLN 1 million revenue</i>	<i>Mg CO₂e/PLN 1 million</i>	<i>3.9</i>	<i>1.9</i>
Scope 2 location-based			
Emissions resulting from the purchase of electricity	Mg CO ₂ e	11,521.7	4,710.5
Emissions resulting from the purchase of heat energy	Mg CO ₂ e	49.2	0.0
Total GHG Scope 2 location-based emissions	Mg CO ₂ e	11,570.9	4,710.5
<i>Scope 2 location-based emissions for completed construction contracts</i>	<i>Mg CO₂e/contract</i>	<i>139.4</i>	<i>79.8</i>
<i>Scope 2 location-based emissions for PLN 1 million revenue</i>	<i>Mg CO₂e/PLN 1 million</i>	<i>3.5</i>	<i>2.1</i>
Scope 2 market-based			
Emissions resulting from the purchase of electricity	Mg CO ₂ e	10,489.6	4,247.8
Emissions resulting from the purchase of heat energy	Mg CO ₂ e	49.2	0.0

¹ "Emission indicator for CO₂, SO₂, NO_x, CO and total dust for electricity based on information contained in the National Greenhouse Gas and Other Substances Emissions Database for 2021", December 2022, National Emissions Balancing and Management Centre

² "Thermal power industry in numbers - 2021", December 2022, Energy Regulatory Office

Total GHG Scope 2 market-based emissions	Mg CO ₂ e	10,489.6	4,247.8
Scope 2 market-based emissions for completed construction contracts	Mg CO ₂ e/contract	126.4	72.0
Scope 2 market-based emissions for PLN 1 million revenue	Mg CO ₂ e/1 million PLN	3.2	1.9
Scope 1+2 location-based			
Total GHG Scope 1+2 location-based emissions	Mg CO ₂ e	24,551.8	9,103.4
Scope 1+2 location-based emissions for completed construction contracts	Mg CO ₂ e/contract	295.8	154.3
Scope 1+2 location-based emissions for PLN 1 million revenue	Mg CO ₂ e/PLN 1 million	7.4	4.0
Scope 1+2 market-based			
Total GHG Scope 1+2 market-based emissions	Mg CO ₂ e	23,519.6	8,640.7
Scope 1+2 market-based emissions for completed construction contracts	Mg CO ₂ e/contract	283.4	146.5
Scope 1+2 market-based emissions for PLN 1 million revenue	Mg CO ₂ e/PLN 1 million	7.1	3.8

5.4. Raw materials and other consumables, and waste - a circular economy

[GRI 301-1, GRI 306-1, GRI 306-2, GRI 306-3]

In its operations, MIRBUD Capital Group uses raw materials and other consumables from external suppliers and those produced by its own companies. Below is information on the consumption of raw materials in the Group and the parent company and a year-on-year comparison of consumption.

Table 19. Raw materials and other consumables - MIRBUD Capital Group and MIRBUD S.A.

		MIRBUD S.A.	MIRBUD Group
Entity		2022	2022
Asphalt	Mg	2,036	33,569
Cement	Mg	34,595	42,845
Concrete	Mg	306,425	337,734
Hydraulic binders	Mg	7,530	10,809
Limestone powder	Mg	0	15,298
Steel	Mg	13,933	19,206
Construction aggregates - sand	Mg	164,208	425,954
Construction aggregates - gravel	Mg	7,219	44,758
Road aggregates - sand	Mg	164,882	323,328
Road aggregates - grit	Mg	4,680	554,431
Road aggregates - other aggregates	Mg	647,307	1,001,520

Comparing the consumption of raw materials and other consumables in 2022 with 2021, there is a significant increase in the consumption of asphalt (+60.62%), concrete (+182.92%) and grit (+478.44%). This is due to the specific nature of the work being carried out in 2022, where the advancement of construction work on MIRBUD CG's road infrastructure contracts has increased significantly.

Table 20. Year-on-year comparison of raw materials and other consumables consumption - MIRBUD Capital Group

	Entity	MIRBUD Group	MIRBUD Group	Change y/y
		2021	2022	
Asphalt	Mg	20,900	33,569	+60.62%
Cement	Mg	53,740	42,845	-20.27%
Concrete	Mg	119,374	337,734	+182.92%
Hydraulic binders	Mg	21,140	10,809	-48.87%
Limestone powder	Mg	16,730	15,298	-8.56%
Steel	Mg	25,330	19,206	-24.18%
Construction aggregates - sand	Mg	562,800	425,954	-24.32%
Construction aggregates - gravel	Mg	no data	44,758	no data
Road aggregates - sand	Mg	838,200	323,328	-61.43%
Road aggregates - grit	Mg	95,850	554,431	+478.44%
Road aggregates - other aggregates	Mg	1,097,490	1,001,520	-8.74%

Table 21. Year-on-year comparison of raw materials and other consumables consumption - MIRBUD S.A.

	Entity	MIRBUD S.A.	MIRBUD S.A.	Change y/y
		2021	2022	
Asphalt	Mg	0.0	2,036.0	-
Cement	Mg	17,400.0	34,595.0	+98.82%
Concrete	Mg	97,152.2	306,425.0	+215.41%
Hydraulic binders	Mg	17,400.0	7,530.0	-56.72%
Limestone powder	Mg	0.0	0.0	-
Steel	Mg	20,970.0	13,933.0	-33.56%
Construction aggregates - sand	Mg	562,800.0	164,208.0	-70.82%
Construction aggregates - gravel	Mg	no data	7,219.0	-
Road aggregates - sand	Mg	162,080.0	164,882.0	+1.73%
Road aggregates - grit	Mg	0.0	4,680.0	-
Road aggregates - other aggregates	Mg	618,090.0	647,307.0	+4.73%

The Group's activities do not generate significant actual or potential waste-related impacts. The waste generated is stored in accordance with the Waste Act and implementing acts, and is then transferred to authorised recipients - companies with the relevant waste management permits. Control of the waste management process is carried out in particular using the BDO Manager system for this purpose. The extent of the activities actually performed by the subcontractors in the performance of the tasks and obligations under the individual contracts is also verified. The company also controls that cooperation in this area is carried out with recognised and reputable professionals with the best possible reputation.

Table 22. Waste management at MIRBUD Capital Group and MIRBUD S.A.

		MIRBUD Group	MIRBUD S.A.
	Entity	2022	2022
Waste collected and sent for recovery			
Hazardous waste	Mg	0.0	0.0
Preparation for re-use	Mg	0.0	0.0
Recycling	Mg	0.0	0.0
Other forms of recovery	Mg	0.0	0.0
Waste other than hazardous one	Mg	1,869,255.1	1,849,871.5
Preparation for re-use	Mg	1,219,096.8	1,200,000.0
Recycling	Mg	204.4	0.0
Earth mass	Mg	649,954.0	649,871.5
Total waste collected and sent for recycling	Mg	1,869,255.1	1,849,871.5
Waste collected and sent for disposal			
Hazardous waste	Mg	61.1	55.8
Combustion (with energy recovery)	Mg	0.0	0.0
Combustion (without energy recovery)	Mg	0.0	0.0
Landfill disposal	Mg	0.0	0.0
Other waste management options	Mg	61.1	55.8
Waste other than hazardous one	Mg	5,804.8	708.7
Combustion (with energy recovery)	Mg	591.7	0.0
Combustion (without energy recovery)	Mg	0.0	0.0
Landfill disposal	Mg	5,130.6	708.7
Other waste management options	Mg	82.5	0.0
Total waste collected and sent for disposal	Mg	5,865.9	764.5
Total hazardous waste	Mg	61.1	55.8
Total non-hazardous waste	Mg	1,875,059.9	1,850,580.2
Total waste	Mg	1,875,121.1	1,850,636.0

5.5. Water resources

[GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 2-27]

Water for the company's operations is drawn from municipal and community water supplies and consumed for employee purposes and company operations. With regard to the management and discharge of rainwater, the Company holds the relevant water rights permits, under which it discharges rainwater into water reservoirs supervised by Państwowe Gospodarstwo Wodne Wody Polskie. The manner and conditions for the discharge of rainwater specified in detail in the water rights permits are fulfilled by the Company on an ongoing basis. The implementation of these obligations is periodically inspected by environmental authorities.

In 2022 Silesian Voivodeship Inspector of Environmental Protection in Katowice imposed a fine of PLN 15,000 on MIRBUD S.A. for violating the conditions set out in the decision on environmental conditions mark: WOOŚ.4200.6.2016.RK.1.7. The penalty applies to a watercourse which is a tributary of the Sola River, where contamination in the form of earth from excavations was released into surface waters. MIRBUD S.A. filed an appeal against this decision, which was rejected, followed by a complaint to the Voivodeship Administrative Court (WSA). The case is currently pending before the WSA.

Wastewater is discharged into a collective sanitary sewer system or sealed collection and transfer tanks, which are emptied by specialised companies.

Table 23. Water and wastewater in MIRBUD and MIRBUD S.A. Capital Group.

	Entity	MIRBUD Group	MIRBUD S.A.
		2022	2022
Water consumption			
Water purchased	m ³	241,074.8	199,821.1
Water from own intakes	m ³	0.0	0.0
Total water consumption	m³	241,074.8	199,821.1
<i>Water consumption per number of construction contracts</i>	<i>m³/contract</i>	2,904.5	3,386.8
<i>Water consumption per PLN 1 million revenue</i>	<i>m³/PLN 1 million</i>	80.4	86.9
Sewage			
Wastewater discharged into the municipal network	m ³	31,443.8	4,967.6
Septic tank	m ³	2,921.6	1,367.0
Total wastewater discharged	m³	34,365.4	6,334.6
<i>Wastewater discharged per number of construction contracts</i>	<i>m³/contract</i>	414.0	107.4
<i>Discharged wastewater per PLN 1 million revenue</i>	<i>m³/PLN 1 million</i>	11.5	2.8

5.6. Other air, water and land pollution

[GRI 305-7]

Table 24. Emissions of other substances into the atmosphere.

	Entity	MIRBUD Group	MIRBUD S.A.
		2022	2022
SOx	kg	8,647.4	1.1
<i>SOx on the number of construction contracts</i>	<i>kg/contract</i>	104.2	0.02
<i>SOx on PLN 1 million revenue</i>	<i>kg/PLN 1 million</i>	2.9	0.0
NOx	kg	17,230.6	109.0
<i>NOx on the number of construction contracts</i>	<i>kg/contract</i>	207.6	1.9
<i>NOx per PLN 1 million revenue</i>	<i>kg/PLN 1 million</i>	5.7	0.1

5.7. Biodiversity and impact on the environment

[GRI 304-1]

The Group's properties are located outside protected areas, areas adjacent to protected areas and areas of high biodiversity value outside protected areas. All investments are carried out in accordance with environmental regulations, often, especially in the case of road investments, having environmental decisions. They are then carried out in accordance with the requirements of these decisions, which imposes a number of obligations on the contractor of the works with regard to the protection of the natural environment during the course of the works, as well as the performance of a number of elements mitigating the impact of the investment on the environment, such as animal crossings, fencing to prevent amphibians from encroaching on the carriageway, noise barriers, etc.

Activities normally carried out on site, especially for road projects, include:

- adequate protection of trees bordering the construction site,
- erecting temporary fences to protect amphibians from entering the construction site,
- regular inspections of the construction site by the nature supervisor and monthly reports on these inspections,
- securing and marking valuable natural habitats bordering the construction site to protect them from the construction machinery,
- relocation of protected plant and animal species away from the construction site,
- equipping the construction site with municipal waste bins and containers for construction waste,
- equipping the construction site with a sorbent for cleaning up possible spills from machinery.

6. Compatibility of environmentally sustainable operations with the EU Taxonomy

6.1. Introduction

The obligation to disclose information on compliance with the so-called EU Taxonomy of Environmentally Sustainable Activities was introduced by Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments. MIRBUD Capital Group discloses this information for the first time in this report. This Regulation, abbreviated as the EU Taxonomy (taxonomy), transposes the European Union's climate and environmental objectives into technical criteria for assessing whether an activity can be considered sustainable in relation to the 6 environmental objectives:

1. Mitigating climate change
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The taxonomy is therefore a classification system to examine and disclose the extent to which the Group's activities are environmentally sustainable.

Group's activities can be assigned to one of three categories:

- ▶ An eligible activity for which it has been established that the Technical Eligibility Criteria and Minimum Guarantees are met - it is an environmentally sustainable activity;

- ▶ a taxonomy-eligible activity for which the Technical Eligibility Criteria have not been tested or at least one criterion has been found not to be met, or the Minimum Guarantees have not been met - it is a taxonomy-eligible but environmentally unsustainable activity;
- ▶ non-taxonomy-eligible activities for which there are no Technical Qualification Criteria (this category includes, among others, those activities for which criteria will be created in the future and the activity will then be taxonomy-eligible).

Technical Qualification Criteria (TKK) are criteria that make it clear whether an activity makes a significant contribution to one environmental objective and does not cause serious harm to other environmental objectives. TKKs are contained in Commission Delegated Regulation (EU) 2021/2139³, as extended by Commission Delegated Regulation (EU) 2022/1214⁴. As of the date of approval of the report for publication, the aforementioned regulations contain criteria for a significant contribution to two environmental objectives (mitigation and adaptation to climate change) and criteria for no significant damage to other objectives. The European Commission plans to issue a delegated regulation containing criteria for making a significant contribution to the other four environmental objectives. The draft criteria were presented by the Sustainable Finance Platform (in March and November 2022), however, due to the fact that the criteria are in the draft phase, this report does not refer to them.

The Minimum Guarantees (MGs) set out in Article 18 of Regulation 2020/852 are the procedures used to ensure compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Any company that is subject to the obligations under Regulation 2020/852 is obliged under Article 8 of the Regulation to disclose three indicators:

- ▶ percentage of turnover derived from environmentally sustainable products or services;
- ▶ percentage of capital expenditure (CapEx) corresponding to assets or processes related to environmentally sustainable activities;
- ▶ percentage of operating expenditure (OpEx) corresponding to assets or processes related to environmentally sustainable activities.

The detailed requirements for the calculation and disclosure of the above indicators are set out in the Commission Delegated Regulation (EU) 2021/2178⁵, the so-called Article 8 Delegated Act.

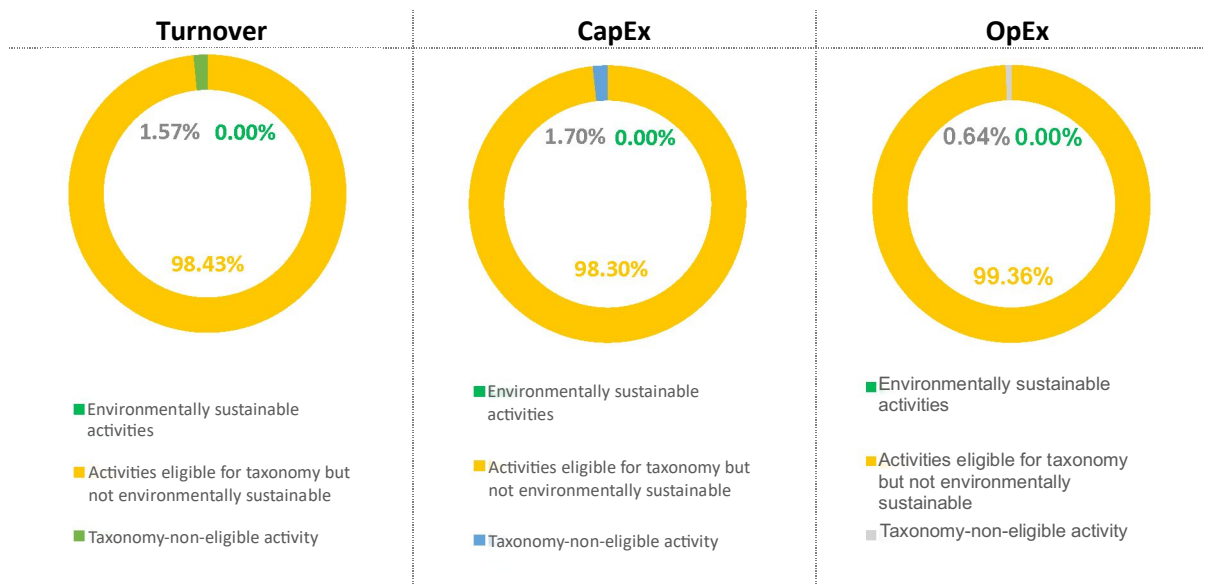
³ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical eligibility criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation, and whether that economic activity does not cause significant harm to any other environmental objective

⁴ Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities

⁵ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by clarifying the content and presentation of the information on environmentally sustainable business activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU and specifying the method to comply with this disclosure obligation

6.2. Compliance of the MIRBUD Capital Group's operations with the taxonomy

The following percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in line with the taxonomy was determined as a result of the analyses.



An examination of the compliance of the Group's activities with the taxonomy showed that:

- ▶ The sustainable activities of the Group in 2022 resulted in: 0.0% of turnover, 0.0% of capital expenditure and 0.0% of operating expenditure. This results, among others, from non-compliance of the due diligence processes in MIRBUD Capital Group with the requirements set out in the definition of Minimum Guarantees.
- ▶ Eligible but non-taxonomy compliant (environmentally unsustainable) activities in 2022 were derived from: 98.4% of turnover, 98.3% of capital expenditure and 99.4% of Group operating expenditure.
- ▶ Non-taxonomy-eligible activities in 2022 produced: 1.6% of turnover, 1.7% of capital expenditure and 0.6% of Group operating expenditure.

Table 25. Compliance of the MIRBUD Group's activities with the EU Taxonomy

	Turnover	CapEx	OpEx
Value in 2022 [million PLN]	3,469.8	37.2	17.4
sustainable activities (in line with taxonomy)	0.0%	0.0%	0.0%
unsustainable activity (taxonomy-eligible but not in line with it)	98.4%	98.3%	99.4%
neutral activities (not eligible for taxonomy)	1.6%	1.7%	0.6%

The following section describes the process of testing compliance with the Taxonomy, the accounting principles used and a detailed discussion of the three performance indicators with tables prepared in accordance with the so-called Article 8 Delegated Act, Commission Delegated Regulation (EU) 2021/2178⁶.

⁶ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by clarifying the content and presentation of the information on environmentally sustainable business activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU and specifying the method to comply with this disclosure obligation

6.3. Taxonomy eligibility testing process

The examination of compliance with the Taxonomy at MIRBUD Group was carried out in a four-stage process:

1. Identification

MIRBUD Group has carried out a review of its entire business to determine whether, and if so which, activities comply with taxonomy. The review examined revenue generated, capital expenditure and operating expenditure. The identification of individual activities was made on the basis of their descriptions in the annexes to Commission Delegated Regulation (EU) 2021/2139, which were compared to the activities actually carried out. Where the description of the activity was not sufficiently clear, the NACE taxonomy was analysed in a subsidiary manner.

2. Allocation

This stage involved assigning turnover figures, capital expenditure and operating expenditure to the various activities identified in the first stage. Details of the allocation methods used are described in the *Accounting Policies* section.

3. Verification

In this phase, two types of research were carried out:

- ▶ For all identified activities, an examination of the criteria for significant contribution was carried out using the TKK as set out in the Annexes to Commission Delegated Regulation (EU) 2021/2139. Details of the assessment are set out in the *Verification of compliance with the Technical Eligibility Criteria* section.
- ▶ An assessment of whether the Minimum Guarantees are met has been carried out. Details of the assessment are set out in the *Minimum Guarantees* section.

4. Calculation

On the basis of the information obtained in stages two and three, tables containing the required information have been drawn up and this supplementary information has been prepared in accordance with the requirements of Annexes I and II of Commission Delegated Regulation (EU) 2021/2178.

The process was carried out by a team comprising representatives of MIRBUD Capital Group with the support of an external consultancy.

6.4. Minimum Guarantees

In accordance with Article 18 of Regulation 2020/852:

*"The Minimum Guarantees referred to in Article 3(c) are the procedures to be followed by the business enterprise to ensure compliance with the **OECD Guidelines for Multinational Enterprises** and the **UN Guiding Principles on Business and Human Rights**, including the principles and rights set out in the **eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work** and the principles and rights set out in the **International Bill of Human Rights**."*

The examination of compliance with the Minimum Guarantees was carried out in accordance with the recommendations in the *Final Report on Minimum Guarantees* by Platform On Sustainable Finance. According to the recommendations, non-fulfilment of the Minimum Guarantees is declared when one of the four conditions is met:

1. Inadequate or non-existent human rights due diligence processes, including labour rights, corruption, taxation and fair competition.

2. The company has ultimately been held liable or found to be in breach of labour or human rights law in certain types of labour or human rights litigation.
3. Failure to co-operate with the OECD National Contact Point (hereafter OECD NCP) on a notification accepted by the OECD NCP.
4. The Business and Human Rights Resource Centre (BHRRC) took up the allegation against the company and the company did not respond within three months.

In the verification process at MIRBUD Capital Group, non-compliance with the aforementioned premises was examined as follows:

- ▶ **Premise 1:** Due diligence processes were examined on the basis of internal verification of the existence and operation of due diligence process elements derived from the framework of these processes contained in the documents mentioned in the definition of the Minimum Guarantees. The design of the due diligence processes as defined in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 is influenced primarily by the provisions of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises*. Verification of compliance took place using a compliance assessment tool using the assessment methodology proposed by the Platform on Sustainable Finance: *World Benchmark Alliance Core UNGP indicators*. The analysis identified that the due diligence process in place in the organisation is incomplete. In the analysis process, recommendations were provided to complete the missing elements of the due diligence process. The need for additions to the due diligence system is driven by the need to comprehensively examine the risks and impacts associated with the Group's operations as part of the significant issues mentioned in the Final Report on Minimum Guarantees by the Platform on Sustainable Finance.
- ▶ **Premise 2:** Premise 2 was verified in the process of supplementing the response to Premise 1 by verifying that there were no final convictions against the persons listed in the body of the premise during the period under review. The verification exercise concluded that there was a final judgment in 2022 in a case qualifying for compliance with premise 2.
- ▶ **Premise 3:** A verification of the OECD NCP notification database was carried out, which showed that no notifications occurred in relation to the Group during the period under review. [<http://mneguidelines.oecd.org/database/>].
- ▶ **Premise 4:** A verification of the Business and Human Rights Resource Centre (BHRRC) reporting database was carried out, which showed that there were no reports against the **Company/Group** during the period under review. [<https://www.business-humanrights.org/en/companies>].

The verification process revealed non-compliance of the due diligence processes in MIRBUD Capital Group with the requirements of the definition of the Minimum Guarantees (premise 1) and identified 1 case of a final judgment in a discrimination case (premise 2). The Group, aiming to conduct sustainable business as defined in the EU Taxonomy, will take steps to comprehensively address all elements of the due diligence process in the model set out in the UN Guiding Principles on Business and Human Rights.

6.5. Verification of compliance with the Technical Eligibility Criteria

Verification of compliance with the Technical Eligibility Criteria has been carried out for all taxonomy-eligible activities in terms of the analysis of the individual criteria of significant contribution. It consisted of verifying that the activity complies with the criteria for significant contribution set out in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139⁷, as extended by Commission Delegated

⁷ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical eligibility criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change

Regulation (EU) 2022/1214⁸. Taxonomy-eligible activities were not verified against the criteria of not doing serious harm to other environmental objectives. Therefore, all turnover, CapEx and OpEx for taxonomy-eligible activities were counted as not in line with taxonomy.

6.6. Accounting principles

The following rules were used to calculate the percentage of turnover, capital expenditures (CapEx) and operating expenses (OpEx) eligible for and compliant with the taxonomy.

Turnover

With regard to turnover, the denominator was the consolidated revenue of MIRBUD Group in 2022, as disclosed in the consolidated financial statements under sales revenue described in note 17. Revenues from activities that qualify for and at the same time comply with the taxonomy were assigned to the numerator.

Capital expenditure (CapEx)

With regard to capital expenditure (CapEx), the denominator was capital expenditure primarily for: the replenishment of the machinery fleet and the purchase of new transport vehicles. CapEx is included in the consolidated financial statements under 'Acquisitions' and is described in notes 1 and 32. The part of CapEx that relates to activities that qualify for and at the same time comply with the taxonomy has been assigned to the numerator.

Operating expenditure (OpEx)

With regard to operating expenses (OpEx), the denominator was all costs used to operate the Group's assets on an ongoing basis and keep them in proper working order. These included costs such as those associated with maintaining the proper functioning of buildings, equipment and vehicles used by the Group. The part of OpEx that relates to activities that qualify for and at the same time comply with the taxonomy has been assigned to the numerator.

The data used for the calculations came from the financial and accounting system of MIRBUD Capital Group and from the financial and accounting systems of the individual subsidiaries of MIRBUD Capital Group.

The Group avoided double counting when allocating turnover and capital expenditure by making the appropriate consolidation exclusions in accordance with the applicable accounting regulations. For operating expenses, which are defined in the Commission Delegated Regulation (EU) 2021/2178 in a way that does not refer to international financial reporting standards, all accounts in the Group's accounting system were reviewed and the identified items meeting the definition of OpEx were then assigned in each case to a particular taxonomy-eligible activity or to a set of other operating expenses (non-taxonomy-eligible).

No activities contributing to more than one environmental objective were identified during the analysis. There was therefore no need for special procedures to avoid double counting.

Verification of compliance with the Technical Eligibility Criteria was carried out for all taxonomy-eligible activities and consisted of an analysis of the individual criteria of significant contribution and not causing serious damage. In the case of other types of activity, not exceeding the materiality threshold, the analysis was not conducted, and this type of activity was included as eligible for taxonomy, but not compliant with it.

mitigation or adaptation, and whether that economic activity does not cause significant harm to any other environmental objective

⁸ Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities

The analysis showed that there was no need for a detailed disaggregation of the key performance indicators between the Group's individual operating units in accordance with section 1.2.2.3. Annex I of Commission Delegated Regulation (EU) 2021/2178. For more information, see the comments on the individual key performance indicators.

The Group does not carry out, finance or have exposure to the activities referred to in sections 4.26 - 4.31 of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 (activities related to the generation of energy through nuclear processes and the production of energy from gaseous fossil fuels).



Turnover

Table 26: Percentage of turnover eligible with taxonomy

Economic activity	Code or codes	Turnover (absolute value)	Part of turnover	Criteria for significant contribution							Criteria for the "no serious harm" principle							Percentage of turnover in line with taxonomy, year 2022	Percentage of turnover in line with taxonomy, year 2021	Category (supporting activities or)	Category (transition activities)
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Minimum guarantees					
		PLN million	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (taxonomy-eligible)																					
Turnover from environmentally sustainable activities (in line with taxonomy) (A.1)		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							N	0.00%	n/a		
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not in line with taxonomy)																					
Infrastructure supporting low-emission road transport and public transport	6.15	1,851.94	52.96%																		
Low-emission airport infrastructure	6.17.	46.95	1.34%																		
Construction of new buildings	7.1.	1,470.51	42.05%																		
Renovation of existing buildings	7.2.	18.22	0.52%																		
Acquisition and ownership of buildings	7.7.	54.37	1.55%																		
Turnover from activities eligible for taxonomy but not environmentally sustainable (not in line with taxonomy) (A.2)		3,442.00	98.43%															98.43%	n/a		
Total (A.1.+A.2.)		3,442.00	98.43%															98.43%	n/a		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																					
Turnover from non-taxonomy-eligible activities (B)		54.83	1.57%																		
Total (A+B)		3,496.83																			

In 2022 MIRBUD Capital Group achieved PLN **3,496.83** million in revenue. The vast majority of it (**PLN 3,442.00 million**) related to taxonomy-eligible activities, including:

- ▶ Turnover related to activities 6.15. *Infrastructure supporting low-emission road transport and public transport* amounted to PLN 1851.94 million (52.96% of total turnover)
- ▶ Turnover related to activities 6.17. *Low-emission airport infrastructure* amounted to PLN 46.95 million (1.34% of total turnover)
- ▶ Turnover related to activities 7.1. *Construction of new buildings* amounted to PLN 1,470.51 million (42.05% of total turnover)
- ▶ Turnover related to activities 7.2. *Renovation of existing buildings* amounted to PLN 18.22 million (0.52% of total turnover)
- ▶ Turnover related to activities 7.7. *Acquisition and ownership of buildings* amounted to PLN 54.37 million (1.55% of total turnover)

The remaining turnover of PLN 54.83 million (1.57% of total turnover) was considered ineligible for taxonomy. This turnover was related to the sale of building materials and the sale of bituminous mass. In the case of activity 6.15 *Infrastructure supporting low-emission road and public transport* , it was found that for part of the investment the criteria for a significant contribution to climate change mitigation were met (PLN 528.2 million, 15.1% of turnover), however, the criteria for not causing serious damage were not tested so the turnover related to this activity was considered eligible but not in line with taxonomy.

For activity 6.17. *Low-emission airport infrastructure*, 7.1. *Construction of new buildings*, 7.2. *Renovation of existing buildings* was not tested against the criteria of significant contribution and the criteria of not doing serious damage, so the turnover associated with these activities was considered eligible but not in line with *taxonomy*.

For activity 7.7. *Acquisition and ownership of buildings* for part of the turnover was confirmed to meet the relevant criteria of making a significant contribution to climate change mitigation, but the criteria of not doing serious harm to other environmental objectives were not met, so the turnover related to these activities was considered eligible but not in line with *taxonomy*.

In total, the proportion of turnover coming from taxonomy-eligible activities was 98.43%. The remaining 1.57% of turnover is attributable to revenues from activities that do not qualify for taxonomy, i.e. those for which the regulator has not established Technical Eligibility Criteria in the annexes to the delegated act.

Capital expenditure (CapEx)

Table 27: Percentage of capital expenditure (CapEx) in line with taxonomy

Economic activity	Code or codes	Capital expenditure in absolute terms	Percentage of capital expenditure	Criteria for significant contribution														Criteria for the "no serious harm" principle		Percentage of taxonomy-eligible capital expenditure, year 2022	Percentage of taxonomy-eligible capital expenditure, year 2021	Category (supporting activities or)	Category (transition activities)
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Minimum guarantees							
				%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E				
PLN million	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Y				
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (taxonomy-eligible)																							
Investment expenditures for environmentally sustainable activities (taxonomy-eligible) (A.1)		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	n/a				
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not in line with taxonomy)																							
Infrastructure supporting low-emission road transport and public transport	6.15	24.47	71.13%																				
Low-emission airport infrastructure	6.17.	0.25	0.66%																				
Construction of new buildings	7.1.	7.10	19.07%																				
Renovation of existing buildings	7.2.	0.10	0.26%																				
Acquisition and ownership of buildings	7.7.	2.67	7.19%																				
Capital expenditure for taxonomy-eligible activities but not environmentally sustainable (not in line with taxonomy) (A.2)		36.58	98.30%															98.30%	n/a				
Total (A.1.+A.2.)		36.58	98.30%															98.30%	n/a				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Capital expenditure for activities non-eligible with the taxonomy (B)		0.63	1.70%																				
Total (A+B)		37.21																					

MIRBUD CAPITAL GROUP realised capital expenditures of **PLN 37.21 million** in 2022. The vast majority of them related to activities eligible for taxonomy, including:

- ▶ Capital expenditures related to operations 6.15. *Infrastructure supporting low-emission road transport and public transport* amounted to PLN 26.47 million (71.13% of capital expenditures)
- ▶ Capital expenditures related to operations 6.17. *Low-emission airport infrastructure* amounted to PLN 0.25 million (0.66% of capital expenditures)
- ▶ Capital expenditures related to operations 7.1. *Construction of new buildings* amounted to PLN 7.10 million (19.07% of total capital expenditures)
- ▶ Capital expenditure related to operations 7.2. *Renovation of existing buildings* amounted to PLN 0.10 million (0.26% of total capital expenditures)
- ▶ Capital expenditures related to operations 7.7. *Acquisition and ownership of buildings* amounted to PLN 2.67 million (7.19% of total capital expenditures)

The remaining capital expenditure - PLN 0.63 million (1.70% of total capital expenditure) was considered non-eligible for taxonomy.

In the case of activity 6.15 *Infrastructure supporting low-emission road and public transport*, it was found that for part of the investment the criteria for a significant contribution to climate change mitigation were met (PLN 11.88 million, 31.9 % of the capital expenditure), however, the criteria for not causing serious damage were not tested so the capital expenditure related to this activity was considered eligible but not in line with the taxonomy.

For activity 6.17. *Low-emission airport infrastructure*, 7.1. *Construction of new buildings*, 7.2. *Renovation of existing buildings* was not tested against the criteria of significant contribution and the criteria of not causing serious damage, so the capital expenditure associated with these activities was considered eligible but not in line with the taxonomy.

For activity 7.7. *Acquisition and ownership of buildings* for part of the capital expenditure was confirmed to meet the relevant criteria of making a significant contribution to climate change mitigation, but the criteria of not causing serious harm to other environmental objectives were not met, so the capital expenditure related to these activities was considered eligible but not in line with the taxonomy.

In total, the share of capital expenditure from activities eligible for taxonomy was 98.30%. The remaining 1.70% of the capital expenditure is attributable to activities that do not qualify for taxonomy, i.e. those for which the regulator has not established Technical Eligibility Criteria in the annexes to the delegated act.

Operating expenditure (OpEx)

Table 28: Percentage of operating expenditure (OpEx) in line with the taxonomy

Economic activity	Code or codes	Operating expenditure in absolute terms	Percentage of operating expenditure	Criteria for significant contribution								Criteria for the "no serious harm" principle				Percentage of operating expenditure in line with taxonomy, year 2022	Percentage of operating expenditure in line with taxonomy, year 2021	Category (supporting activities or)	Category (transition activities)	
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Mitigating climate change	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems					Minimum guarantees
		PLN million	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
Operating expenditure for environmentally sustainable activities (taxonomy-eligible) (A.1)		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	n/a		
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not in line with taxonomy)																				
Infrastructure supporting low-emission road transport and public transport	6.15	5.47947	31.44%																	
Low-emission airport infrastructure	6.17.	0.08462	0.49%																	
Construction of new buildings	7.1.	3.24691	18.63%																	
Renovation of existing buildings	7.2.	0.03284	0.19%																	
Acquisition and ownership of buildings	7.7.	8.47288	48.61%																	
Operating expenditures on activities eligible for the taxonomy but are environmentally unsustainable (not in line with the taxonomy) (A.2)		17.31673	99.36%														99.36%	n/a		
Total (A.1.+A.2.)		17.31673	99.36%														99.36%	n/a		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Operating expenditures on taxonomy non-eligible activities (B)		0.11210	0.64%																	
Total (A+B)		17.42883																		

MIRBUD Group incurred operating expenses of PLN 17.43 million in 2022. The vast majority of these concerned activities not eligible for taxonomy. The remainder of the operating expenditures represented capital expenditures eligible for taxonomy, including:

- ▶ Operating expenditures related to operations 6.15. *Infrastructure supporting low-emission road transport and public transport* amounted to PLN 5.48 million (31.44% of capital expenditures)
- ▶ Operating expenditures related to operations 6.17. *Low-emission airport infrastructure* amounted to PLN 0.09 million (0.49% of capital expenditures)
- ▶ Operating expenditures related to operations 7.1. *Construction of new buildings* amounted to PLN 3.25 million (18.63% of total capital expenditures)
- ▶ Operating expenditures related to operations 7.2. *Renovation of existing buildings* amounted to PLN 0.03 million (0.19% of total capital expenditures)
- ▶ Operating expenditures related to operations 7.7. *Acquisition and ownership of buildings* amounted to PLN 8.47 million (48.61% of total capital expenditures)

The remaining capital expenditures - PLN 0.11 million (0.64% of total capital expenditures) was considered non-eligible for taxonomy.

In the case of activity 6.15 *Infrastructure supporting low-emission road and public transport*, it was found that for part of the investment the criteria for a significant contribution to climate change mitigation were met (PLN 2.12 million, 12.17% of the capital expenditure), however, the criteria for not causing serious damage were not tested so the capital expenditure related to this activity was considered eligible but not in line with the taxonomy.

For activity 6.17. *Low-emission airport infrastructure*, 7.1. *Construction of new buildings*, 7.2. *Renovation of existing buildings* was not tested against the criteria of significant contribution and the criteria of not causing serious damage, so the capital expenditure associated with these activities was considered eligible but not in line with the taxonomy.

For activity 7.7. *Acquisition and ownership of buildings* for part of the capital expenditure was confirmed to meet the relevant criteria of making a significant contribution to climate change mitigation, but the criteria of not causing serious harm to other environmental objectives were not met, so the capital expenditure related to these activities was considered eligible but not in line with the taxonomy.

In addition, the Group incurred operating expenses of PLN 0.11 million (0.64% of total operating expenses) related to activities that are not taxonomy-eligible.

Overall, the share of operating expenditure related to taxonomy-eligible activities was 99.36%. The remaining 0.64% of operating expenditure was attributable to activities that aren't taxonomy-eligible, i.e. those for which the regulator has not established Technical Eligibility Criteria in the annexes to the delegated act.

7. About the Report

[GRI 2-2, GRI 2-4, GRI 2-5]

7.1. Entities covered by the reporting

Entities included in the non-financial report of MIRBUD Capital Group:

- MIRBUD S.A.
- KOBYLARBARIA S.A.
- JHM DEVELOPMENT S.A.
- Marywilka 44 sp. z o.o.

The report on non-financial information is prepared for the period 1.01.2022 to 31.12.2022.

7.2. Significant developments in the reporting period

There were no significant changes during the reported period.

7.3. Contact person for questions regarding the report

The contact person for the MIRBUD Capital Group's non-financial report for 2022 is:

Paweł Bruger, Director of Corporate Communications - bruger@mirbud.pl.

7.4. Compliance tables (GRI Standards 2021, Accounting Act)

Table 29. List of GRI indicators for the MIRBUD Group Report

Indicator category	Indicator	Page
GRI 2: Core indicators		
1. Organisation and reporting practices	2-1 Organisation data	Page 4
	2-2 Entities covered by the organisation's sustainability reporting	Page 47
	2-3 Reporting cycle and contact details	Page 47
	2-4 Correction of information	Page 47
	2-5 External verification	The report has not been externally verified
2. Activities and staff	2-6 Business types, value chain and other business relationships	Page 3-5
	2-7 Employees	Page 14-15
	2-8 Persons providing services other than employees	Page 49-51
3. Management	2-9 Management structure	Page 8
	2-10 Nomination and election of the highest governing body	Page 8
	2-11 Chairman of the highest governing body	Page 8
	2-12 Role of the highest governing body in overseeing impact management	Page 8-9
	2-13 Delegating responsibility for impact management	Page 8
	2-14 The role of the highest governing body in sustainability reporting	Page 9-10
	2-15 Conflict of interest	Page 8
	2-16 Communication of critical issues	Page 8-9
	2-17 Collective knowledge of the highest governing body	Page 9
	2-18 Evaluation of the activities of the highest governing body	Page 9
	2-19 Remuneration policies	Page 8-9
	2-20 Remuneration process	Page 8-9
4. Strategies, policies and procedures	2-22 Statement on the Sustainable Development Strategy	Page 2
	2-23 Policy commitments	Page 12
	2-25 Mitigation processes	Page 12-3
	2-26 Mechanisms for seeking advice and raising concerns	Page 13
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8. Attachments

Table 30. Employees employed under indefinite term contracts of employment.

full-time equivalent	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives, including:	5.0	11.6	16.6	10.0	18.6	28.6
over 50 years of age	3.0	4.6	7.6	6.0	7.6	13.6
between 31 and 50 years of age	2.0	7.0	9.0	4.0	11.0	15.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	14.5	28.5	43.0	38.5	60.5	99.0
over 50 years of age	2.0	4.0	6.0	6.0	13.0	19.0
between 31 and 50 years of age	9.5	21.5	31.0	25.5	43.5	69.0
under 30 years of age	3.0	3.0	6.0	7.0	4.0	11.0
Other employees, including:	43.5	156.4	199.9	88.5	283.4	371.9
over 50 years of age	10.5	63.1	73.6	20.5	101.1	121.6
between 31 and 50 years of age	24.0	79.3	103.3	56.0	161.3	217.3
under 30 years of age	9.0	14.0	23.0	12.0	21.0	33.0
Employees at all levels of the structure						
over 50 years of age	15.5	71.8	87.3	32.5	121.8	154.3
between 31 and 50 years of age	35.5	107.8	143.3	85.5	215.8	301.3
under 30 years of age	12.0	17.0	29.0	19.0	25.0	44.0
Total for all levels of the structure	63.0	196.5	259.5	137.0	362.5	499.5
- including full-time employees	60.0	193.0	253.0	132.0	358.0	490.0
- including part-time employees	3.0	9.0	12.0	5.0	10.0	15.0

Table 31. Employees employed under fixed-term employment contracts.

full-time equivalent	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Senior executives, including:	0.0	3.0	3.0	0.0	8.0	8.0
over 50 years of age	0.0	1.0	1.0	0.0	5.0	5.0
between 31 and 50 years of age	0.0	2.0	2.0	0.0	3.0	3.0
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0
Managers and supervisors, including:	13.0	32.8	45.8	15.0	48.8	63.8
over 50 years of age	0.0	3.3	3.3	0.0	4.3	4.3
between 31 and 50 years of age	7.0	25.5	32.5	9.0	39.5	48.5
under 30 years of age	6.0	4.0	10.0	6.0	5.0	11.0
Other employees, including:	35.5	82.0	117.5	70.3	178.5	248.8
over 50 years	2.5	15.0	17.5	3.5	20.0	23.5
between 31 and 50 years of age	9.0	41.0	50.0	30.8	125.5	156.3
under 30 years	24.0	26.0	50.0	36.0	33.0	69.0

Employees at all levels of the structure						
over 50 years	2.5	19.3	21.8	3.5	29.3	32.8
between 31 and 50 years of age	16.0	68.5	84.5	39.8	168.0	207.8
under 30 years	30.0	30.0	60.0	42.0	38.0	80.0
Total for all levels of the structure	48.5	117.8	166.3	85.3	235.3	320.6
- including full-time employees	50.0	117.0	167.0	85.0	233.0	318.0
- including part-time employees	1.0	3.0	4.0	3.0	4.5	7.5

Table 32. Other data on persons providing work.

in the number of persons	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Number of persons cooperating on the basis of civil law contracts (contract of mandate and specific task contracts)	0	1	1	1	5	6
Number of persons cooperating on the basis of a B2B contract	13	158	171	27	246	273
Number of persons working with us under appointment contracts	2	4	6	11	12	23
Number of persons working with us based on outsourcing	0	0	0	0	0	0

Table 33. Percentage of women who, after giving birth and returning to work, gave up work within 12 months of returning to work.

	MIRBUD S.A.			MIRBUD Group		
	2022			2022		
	F	M	F+M	F	M	F+M
Percentage of those who, in a given year, left work less than 12 months after the end of parental, maternity or extended parental leave	-	-	-	33.33%	-	33.33%
Number of persons who terminated maternity, parental, or extended parental leave during the year in question	0	0	0	1	0	1
Number of persons who started maternity, parental, or extended parental leave during the year in question	4	0	4	8	0	8

Jerzy Mirgos	Sławomir Nowak
President of the Management Board	Vice-President of the Management Board

Paweł Korzeniowski	Tomasz Sałata
Member of the Management Board	Member of the Management Board