



Report on respect for human rights in TAURON Group

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Ladies and Gentlemen,

We are presenting to you the Report on Respect for Human Rights in TAURON Group. It is an expression of the TAURON Group's commitment to meet best practices and market standards as well as to conduct its business in a responsible and sustainable manner. As a basis for the creation of the Report, we have adopted existing and internationally recognised standards defining human rights as well as labour rights.

We are aware that our market position commits us to do more than what is required of us under the national law. In view of the foregoing, the TAURON Group, having a significant impact on the Polish economy and playing an important role in the national energy system, assumes responsibility for the protection and respect for all internationally recognised human rights.

However, preserving and respecting human rights is not possible without reference to values. Therefore, our system of values, which is the foundation supporting the development of the organisation, continues to be the subject to constant evolution from the perspective of the requirements of our environment, as well as the experience of TAURON Group's employees.

The right to work, to family life or to non-discrimination are still important and current issues and their protection is of particular concern to us. The development of IT tools brings new threats to the right to privacy and the protection of personal data, which we constantly face in the course of our business.

We are proud that since 2022, TAURON Group has been a member of the United Nations Global Compact (UN Global Compact), the UN's largest sustainable business initiative. As part of this initiative, we have committed to respecting the 10 Principles of the United Nations Global Compact on, among other things, respecting and promoting the protection of internationally recognised human rights and eliminating all case of human rights infringement by the company.

Moreover, the TAURON Group has already had the Policy on Respect for Human Rights in place since 2017, under which every employee, contractor and business partner is obliged to respect and promote the adherence to human rights and ensure their protection, refusing to take part in any events that may bear the hallmarks of human rights infringement, mobbing and discrimination as well as unequal treatment. We believe that the TAURON Group's Policy on Respect for Human Rights is a guarantee that human rights are respected in our Capital Group. In order to ensure the efficient and safe reporting of any irregularities, the TAURON Group put in place the Abuse Report System consisting of a systematic sequence of consecutive actions aimed at accepting and processing of the reports received and informing the reporting party of the results of the investigation performed.

The TAURON Group wants to continue its development in a responsible and sustainable manner and we are therefore committed to acting in accordance with the International Charter on Human Rights. We believe that respect for human rights is the foundation on which every modern organisation should be built, which by its actions affects not only the people it employs, but also the business environment, local communities and the environment.

President of the Management Board of TAURON Polska Energia S.A.

Katowice, dn. 27.06.2023 r.



INTRODUCTION

1 ■ General information

Respect for human rights is an essential element of the TAURON Group's activities. Bearing in mind the importance of these rights for stakeholders, in particular employees, the "Report on respect for human rights in TAURON Group" (the Report) was prepared. It contains data and information on the most significant issues related to human rights occurring within the framework of the Company business activities. The issues presented herein include the assessment

of the impact of the TAURON Group's activities on human rights and the identification of risks related to their observance. In addition, the Report contains information on the mitigating actions taken, as well as an action plan in the scope of respect for human rights in TAURON Group. This Report also responds to the demands and expectations addressed by:



EU and Polish legislators – requiring listed companies to include human rights information in non-financial reports.



Investors – who expect ever-increasing transparency regarding the achievements and performance of companies.



Rating agencies – seeking information on implementation of sustainability measures by companies, including respect for human rights.



International financial institutions – defining the requirements towards companies seeking various forms of financing.



Business customers – who want to ensure that the companies supplying them with goods and services do not expose them to risks of disrespect for human rights.



Consumers – who are increasingly making purchasing decisions based on information about how companies respond to the effects of negative impact on human rights.

The development of this Report is a result of the TAURON Group's commitment to meeting best practices and market standards, as well as to conducting its business in a responsible and sustainable manner.

2 Legal regulations and human rights standards

The TAURON Group respects and promotes the protection of all internationally recognised human rights, while preventing situations in which these rights are directly or indirectly violated.



1. International Bill of Human Rights, which consists of:

- Universal Declaration of Human Rights,
- International Covenant on Civil and Political Rights,
- International Covenant on Economic, Social and Cultural Rights.

The TAURON Group supports the United Nations Guiding Principles on Business and Human Rights (UNGPs) adopted in 2011. Accordingly, the TAURON Group specifically respects human rights and standards in its business activities arising from:



2. International Labour Organisation Conventions, which consist of, among others:

- Convention No. 29 concerning Forced or Compulsory Labour,
- Convention No. 87 concerning Freedom of Association and Protection of the Right to Organise,
- Convention No. 98 concerning the Application of the Principles of the Right to Organise and Collective Bargaining,
- Convention No. 100 concerning Equal Remuneration for Men and Women Workers and Women for Work of Equal Value,
- Convention No. 105 on the Abolition of Forced Labour,
- Convention No. 111 concerning Discrimination In Respect of Employment and Occupation,
- Convention No. 138 concerning the Minimum Age for Admission to Employment,
- Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

In addition, the TAURON Group respects and fully shares other standards and rights with regard to persons or groups particularly vulnerable to human rights violations, such as children, women, national and ethnic minorities, religious minorities or persons with disabilities, among others.

3 ■ Commitment to respect human rights at the TAURON Group

Business activities can have a negative impact on human rights. Respect for human rights is an unconditional obligation for any organisation, but as in any large corporate structure, the TAURON Group also faces potential risks of human rights violation. For this reason, the TAURON Group has assessed its operations from a human rights perspective and integrated a commitment to respecting human rights into its ongoing business activities.

In the opinion of the TAURON Group, human rights belong to every person and their source is the inherent human dignity. The obligation to respect them results from Polish law, in particular the Constitution of the Republic of Poland, as well as international law: the Universal Declaration of Human Rights adopted by the United Nations and the European Convention on Human Rights adopted by the European Union.

Aware of our responsibility to the society, including the fact that insufficiently prudent conduct may have a negative impact on, contribute to or involve the negative effects on human rights, the human rights and due diligence conducted should be understood as an ongoing process that forms part of transparent operation. The TAURON Group's holistic approach to respecting human rights is not limited to its business activities, as we aim to identify any human rights violations occurring anywhere in our value chain.



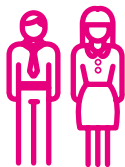
4 ■ Human rights in the TAURON Group Strategy

The TAURON Group's strategy for 2022-2030 with an outlook to 2050 (TAURON Group Strategy / the Strategy) includes the obligations in the scope of ESG (Environmental, Social and Corporate Governance), i.e. taking into account the environmental and climate, social and corporate governance aspects.

The inclusion of ESG commitments in the TAURON Group Strategy comprehensively and coherently regulates the approach to sustainable development by defining action directions and objectives dedicated to environmental protection and climate, concern for society and attention to the highest standards of corporate governance. In particular, the strat-

egy takes into account issues related to society and human rights. In line with the ESG criteria, the objectives of the TAURON Group Strategy in this area are measurable and allow monitoring of the implementation of commitments, are supported by actions, initiatives and projects through which their implementation is possible, and are consistent with the assumptions of the United Nations "Agenda 2030 for Sustainable Development".

The TAURON Group takes action to achieve all of the United Nations Sustainable Development Goals, including those related to human rights, which include:



GENDER EQUALITY

Consisting in elimination of gender discrimination and practices that are harmful for women.



ECONOMIC GROWTH AND DECENT WORK

Increasing economic productivity through innovation and modernisation of production. This goal also includes improving working conditions, ensuring fair wages, identification and elimination of abusive practices during the recruitment process, and combating all forms of child labour.



REDUCING INEQUALITIES

Assuming that in order to develop in a sustainable way, the poorest parts of the population must be helped to develop, appropriate jobs must be created and income must be sought to increase through them. Other measures that level the social playing field include abandoning discriminatory policies, introducing social protection and involving the local community in decision-making processes.

Notwithstanding the foregoing, in its Strategy the TAURON Group declared a focus on the 5 UN Sustainable Development Goals related to:

- 1. clean and accessible energy by ensuring that everyone has access to stable, sustainable and modern energy at an affordable price,**
- 2. innovation, industry, infrastructure by building stable infrastructure, promoting sustainable industrialisation and fostering innovation,**

3. sustainable cities and communities by making cities and human settlements safe, stable, sustainable and inclusive,

- 4. responsible consumption and production by ensuring sustainable consumption and production patterns,**
- 5. climate action by taking urgent action to address climate change and its impacts.**

With a view to sustainable development, the TAURON Group has specified objectives within its Strategy that seek

to respect human rights. The main directions in this regard include the recognition that employees are a key value of the TAURON Group, as well as customer orientation and consideration of the importance of social and business partnerships. Key objectives in this regard include:

- working environment that supports employee development and ensures compliance,
- with ethical and diversity principles,
- supporting customers in their strive for sustainability and

strengthening their competitiveness by developing their range of organic products,

- introducing facilities and removing barriers for people with disabilities,
- increasing customer satisfaction and digitisation of service processes,
- promoting action for public welfare and an effective and transparent dialogue.



5. TAURON Group's participation in UN Global Compact



Global Compact Network Poland

Since 18 October 2022, TAURON Polska Energia S.A. has been a member of the United Nations Global Compact (UN Global Compact), the largest UN initiative for sustainable business. The UN Global Compact is an integral part of the UN system with its headquarters in New York, operating in more than 160 countries. It is the world's largest sustainable business initiative, launched by the UN Secretary-Gen-

eral in 2000. It brings together companies that work with the UN and develop strategies and actions based on UN policies, particularly, in compliance with the Sustainable Development Goals and the 10 Principles of the United Nations Global Compact in four areas: human rights, labour standards, environment, anti-corruption.

The main principles of the UN Global Compact to which the TAURON Group is committed are as follows:

- 1** Businesses should support and respect the protection of internationally proclaimed human rights.
- 2** Make sure that they are not complicit in human rights abuses.
- 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4** The elimination of all forms of forced and compulsory labour.
- 5** The effective abolition of child labour.
- 6** The elimination of discrimination in respect of employment and occupation.
- 7** Businesses should support a precautionary approach to environmental challenges.
- 8** Undertake initiatives to promote greater environmental responsibility.
- 9** Encourage the development and diffusion of environmentally friendly technologies.
- 10** Businesses should work against corruption in all its forms, including extortion and bribery.

The TAURON Group reports on its commitment to human rights as part of its Communication on Progress report in connection with its participation in the UN Global Compact.

In addition, from January to June 2023, TAURON Polska Energia S.A. was a participant in the educational programme – Business & Human Rights Accelerator within the framework of UN Global Compact, aimed at providing companies

with the tools and knowledge necessary to respect human rights, not only towards their own employees, but also towards the local and international community.

Among others, participating companies had the opportunity to share insights and good practices, through training sessions and workshops.



HUMAN RIGHTS DUE DILIGENCE

1 ■ General information

Due diligence is the process that companies should follow to identify, prevent, mitigate and take responsibility for eliminating actual and potential negative impacts associated with their operations, supply chains and other business relationships in the spirit of the recommendations made in the OECD Guidelines for Multinational Enterprises (OECD Guidelines). Due diligence is intended to help companies anticipate, prevent and mitigate negative impacts. In some cases, due diligence may facilitate a decision to continue or cease activities or even withdraw from a business relationship because the risk of negative impacts is too high or mitigation measures are ineffective.

According to the OECD Due Diligence Guidelines for Responsible Business Conduct, due diligence¹:

- 1. is preventive in nature** (the purpose of due diligence is primarily to avoid causing or contributing to negative impacts on people, the environment and society and to seek to prevent negative impacts directly related to activities, products or services through business relationships),
- 2. encompasses multiple processes and objectives** (due diligence should be an integral part of corporate decision-making and risk management. In this context, it can go beyond traditional transaction-based due diligence processes or procedures),
- 3. is proportionate to the risk** (the measures taken by the company to carry out due diligence should be commensurate with the scale and the likelihood of an adverse effect occurring),
- 4. may include prioritisation** (the company should determine the order in which it takes action, based on the scale and likelihood of negative impact),
- 5. is dynamic** (the due diligence process is not static, but continuous, flexible and changing. It includes feedback mechanisms so that the company knows which actions have proven to be appropriate),
- 6. does not result in a transfer of responsibilities** (due diligence is not intended to transfer responsibilities from governments to companies or from companies causing or contributing to negative impacts to companies that are directly connected to them through their business relationships),
- 7. is tailored to the circumstances of the company** (the nature and extent of due diligence may be influenced by factors such as the size of the company, the context of its operations, its business model, its place in supply chains and the nature of its products or services),
- 8. can be adapted to the constraints of working within a business relationship** (companies may face practical and legal constraints on how they can influence business relationships to prevent or mitigate negative impacts on Responsible Business Conduct (RBC) issues or apply remedial action),
- 9. is based on stakeholder engagement** (stakeholders are individuals or groups that can be affected by the company's activities. Stakeholder engagement is characterised by two-way communication. It involves the timely exchange of relevant information needed by stakeholders to make informed decisions in a form that they understand and have access to),
- 10. includes ongoing communication** (this allows the company to build trust, make decisions and demonstrate good intentions).

Bearing in mind that due diligence should be proportionate to the risks and adapted to the specific conditions and context of the company's operations, the diagram below pre-

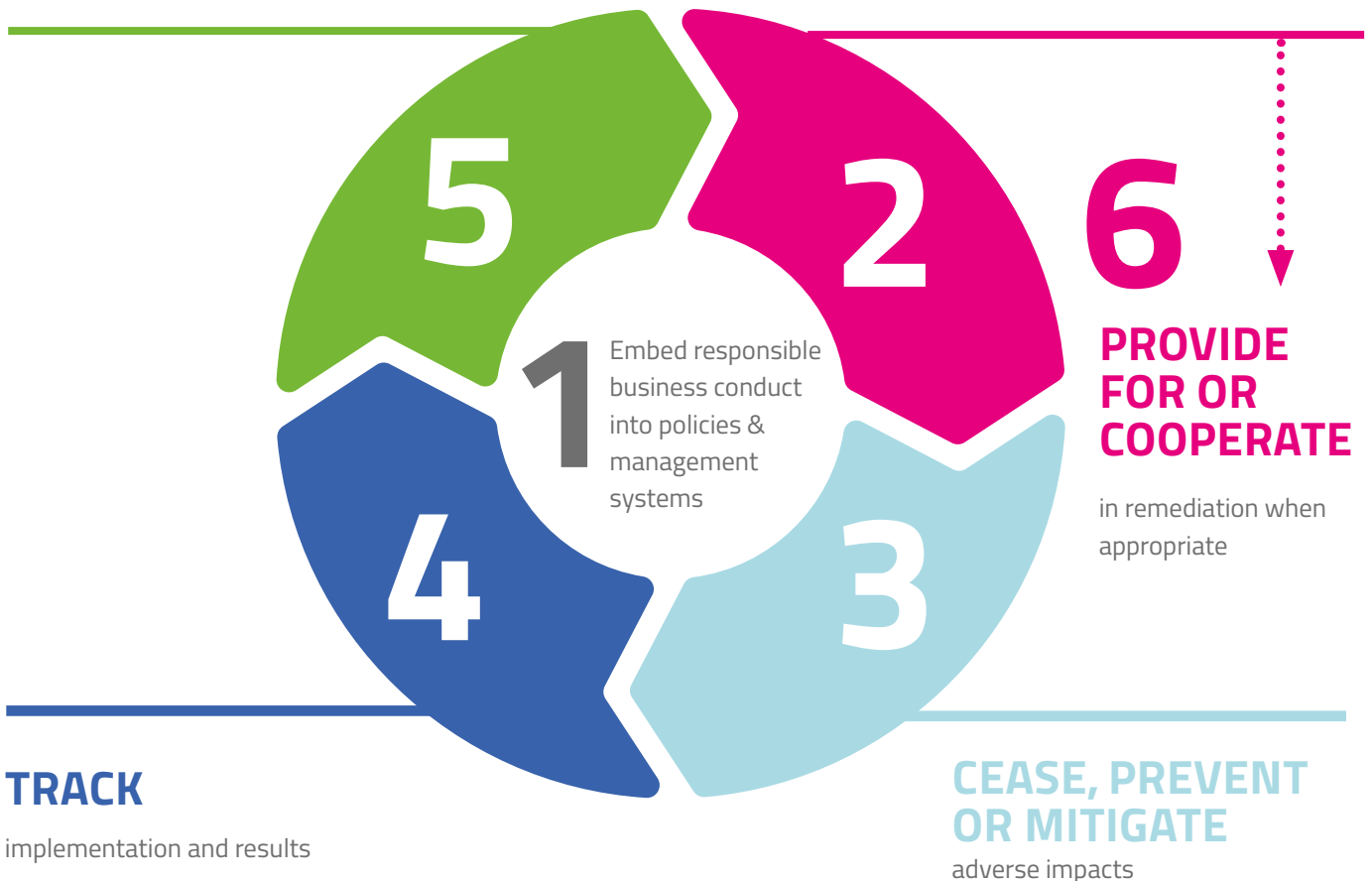
sents an outline of the due diligence process and supporting actions that the TAURON Group has considered as part of this Report.

HUMAN RIGHTS DUE DILIGENCE PROCESS

COMMUNICATE
how impacts are addressed

**IDENTIFY & ASSESS
ADVERSE IMPACTS**

in operations, supply chains & business relationships



Human rights due diligence process

Source: OECD Due Diligence Guidance for Responsible Business Conduct (2022), p. 21.

2 ■ TAURON Group stakeholders



Building good relations with stakeholders is crucial for the TAURON Group. As part of the TAURON Group's 2022 Non-Financial Information Report, the TAURON Group stakeholder mapping process was performed, which formed the basis for the analysis of human rights issues. This process is important for assessing the impact of the TAURON Group's activities on human rights and the risks associated with non-compliance.

The TAURON Group stakeholder mapping process was conducted in terms of full compliance with the AA1000 Stakeholder Engagement Standard - 2015 Edition (the so-called AA1000 SES standard), as well as using the ICMM (International Council on Mining & Metals), entitled "Stakeholder Research Toolkit". based in terms of its content on the Johnson & Scholes methodology.

The stakeholder mapping of the TAURON Group started with the separation of stakeholder groups. First, a quantitative study was used which, based on data from the Ministry of Climate and Environment and the Energy Regulatory Office, allowed for the generic analysis of stakeholders present in the energy market in Poland. Secondly, a detailed generic analysis of stakeholder responses to communications and reports issued by the TAURON Group in the period from July 2021 to August 2022 was conducted.



The above activities enabled to identify the following stakeholder groups of the TAURON Capital Group in 2022:

- local communities,
- public administration,
- investors, shareholders, analysts,
- suppliers,
- industry organisations,
- local authorities,
- media,
- customers,
- employees,
- banks, capital providers,
- regulators,
- innovators, start-ups,
- NGOs,
- environment and climate,
- research and scientific community,
- business partners,
- competition.

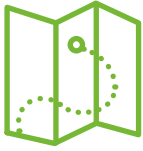
The next two-step stage of the stakeholder mapping process was the diagnosis and classification of stakeholders. First, the level of stakeholder interest in the organisation was analysed, followed by the level of influence of individual stakeholders on the organisation. Both parts of the analysis used the Johnson & Scholes methodology indicated above, based on an assessment of the level of interest and influence on a scale from -5 (very low level) to +5 (very high level). In parallel, the type of this level was indicated, defined as positive, neutral and negative.



Stakeholder interest levels were analysed through the use of a quantitative survey, consisting of an in-depth analysis of stakeholder responses to communications and reports published by the TAURON Group in the period from July 2021 to August 2022. A total of 22,957 stakeholder responses were identified, providing fully methodologically correct analytical material for assessing interest in the various groups identified.

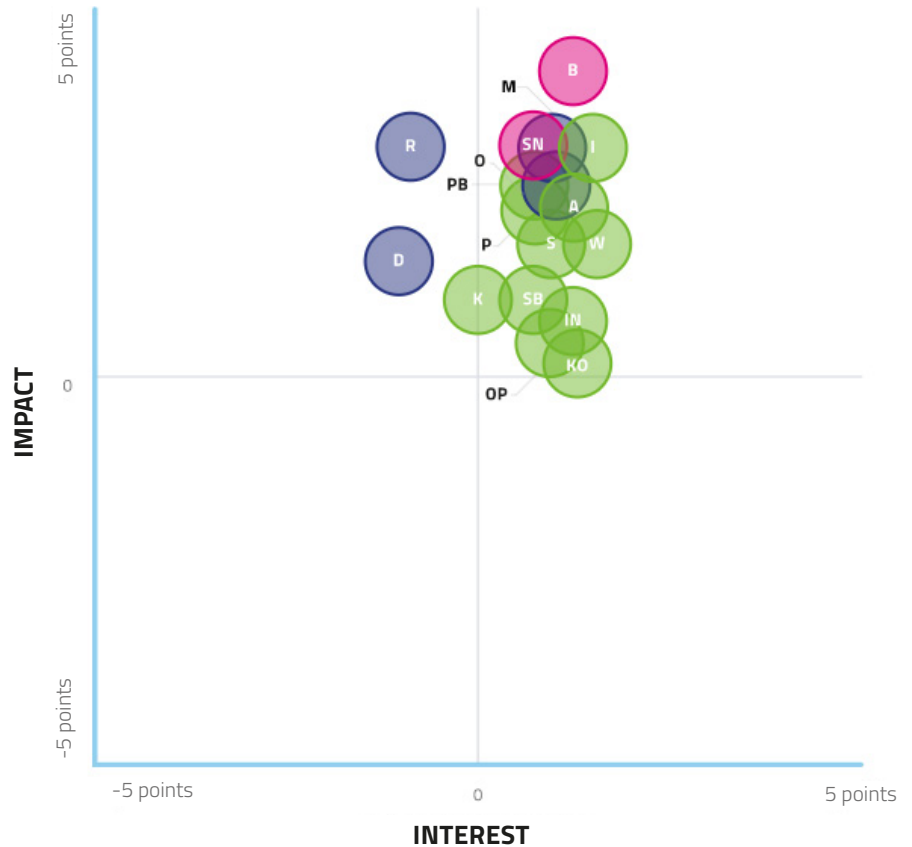
On the other hand, stakeholder influence levels were investigated using a quantitative survey, based on a questionnaire tool, conducted in October 2022 among top management and supported by a methodological workshop of several hours, led by an external specialist from the AGH University of Kraków.

The results of the above-mentioned research in both levels made it possible to identify four categories of stakeholders, separated within the Johnson & Scholes matrix for the TAURON Group. Key Stakeholders (with interest levels from 0 to +5 and influence levels from 0 to +5) became one of the categories, representing the most influential and important stakeholders of the Group.



The stakeholder map represents the fundamental value in terms of the ongoing sustainability process across the TAURON Group's value chain. Defining and creating the desired relationships with different stakeholder groups is an important part of the activities carried out within the TAURON Group's business strategy. The above result is also the starting point for determining the materiality of the reporting aspects for 2022, as these are issues in the implementation of which key stakeholders play a significant role.

Carrying out the above activities made it possible to draw up the final TAURON Group stakeholder map, which is presented below.



Stakeholders with positive impact and interest

Stakeholders with neutral impact and interest

Stakeholders with negative impact and interest

P Employees

S Local communities

OP NGOs

B Banks, capital providers

A Public administration

SN Environment

R Regulators

I Investors, shareholders, analysts

SB Research and scientific community

IN Innovators, start-ups

D Suppliers

PB Business partners

M Media

O Industry organisations

KO Competition

K Customers

W Local authorities

3 ■ Business areas of TAURON Group

The TAURON Group conducts business activities in the following areas:



DISTRIBUTION AREA

Includes distribution of electricity through the network located in southern Poland. The TAURON Capital Group supplies electricity in the provinces of Malopolska, Lower Silesia, Opole and Silesia, and partially in the Świętokrzyskie, Podkarpackie, Łódzkie, Wielkopolskie and Lubuskie provinces. Operations are carried out by TAURON Dystrybucja, which acts as the distribution system operator (DSO). Operational functions are performed by 11 branches, located in Będzin, Bielsko-Biała, Częstochowa, Gliwice, Jelenia Góra, Kraków, Legnica, Opole, Tarnów, Wałbrzych and Wrocław. TAURON Dystrybucja operations are supported by TAURON Dystrybucja Pomiary.



GENERATION AREA

Includes electricity generation from conventional sources and renewable energy sources, including from biomass combustion. Activities are carried out by TAURON Wytwarzanie and the Nowe Jaworzno company of the TAURON Group, which was incorporated into TAURON Wytwarzanie in 2022. Electricity generation in conventional units is carried out in power plants with a total capacity of approximately 4.1 GWe and 0.9 GWt, as well as in a 49 MWe biomass unit and a 5 MW photovoltaic power plant. The power plants are located in the cities of Łaziska Górne, Będzin, Trzebinia and Jaworzno. TAURON Serwis also provides technical maintenance services in this Area.



RES AREA

Includes electricity generation from renewable sources, with the exception of biomass combustion, which, in accordance with the Business Model, is implemented within the Generation and Heat Area. Biomass power generation in the TAURON Group is also classified as renewable energy. The Area manages 34 hydroelectric power plants with a total capacity of 133 MW, located mainly in southern Poland, 11 wind power plants with a total capacity of nearly 417 MW, located mainly in the north of the country, and a photovoltaic power plant with a capacity of 14 MW. Activities in this Area are carried out by TAURON Ekoenergia, TAURON Zielona Energia, special-purpose companies for the construction of new RES sources and TAURON Ekoserwis (a company performing maintenance services for water assets).



HEAT AREA

Includes the generation, transmission and distribution and sale of heat from cogeneration sources. Heat generation is carried out in 5 CHP plants with a total capacity of approximately 0.35 GWe and 1.2 GWt, located in the cities of: Katowice, Tychy, Bielsko-Biała, Czechowice-Dziedzice and Cieszyn, as well as in local boiler plants. The cogeneration units use hard coal and biomass for production, the district heating units also use oil and gas. District heating activities are carried out by the companies: TAURON Ciepło, SCE Jaworzno III, and Energetyka Cieszyńska, which together operate more than a thousand kilometres of distribution district heating networks in the areas of Katowice, Dąbrowa Górnicza, Sosnowiec, Będzin, Chorzów, Siemianowice Śląskie, Jaworzno, Mysłowice and Cieszyn, among others, of which 904 km are TAURON Ciepło's own networks, 119 km are SCE Jaworzno III own networks and 55 km are owned by Energetyka Cieszyńska.





SALES AREA

Includes sales of electricity and gas and related products to end users. Activities are carried out by TAURON Sprzedaż and TAURON Sprzedaż GZE. Sales are carried out nationwide and, on a smaller scale, on the Czech market. This Area also includes street lighting services and energy efficiency and smart technology services, mainly carried out by TAURON Nowe Technologie. The Company manages approximately 721,000 street lamps. In 2022, the TAURON Group also offered the sale of broadband internet access services. The service is provided by the company TAURON Obsługa Klienta. In addition, within the TAURON Group's Sales Area, mining activities are carried out, consisting of the open-cast mining of limestone and its processing and sale. The activity in this area is carried out by Kopalnia Wapienia "Czatkowice", which is an open-pit mining plant exploiting high quality Carboniferous limestone deposits located in the Krzeszowice municipality. Limestone from the Czatkowice deposit is widely used in the energy, metallurgical, construction, lime, cement and sugar industries, in road construction and in agriculture.



TRADING AREA

Includes wholesale electricity trading, trading and management of CO2 emission allowances and property rights resulting from certificates of origin for electricity and fuels. These activities are carried out by TAURON Polska Energia and TAURON Czech Energy.

Purchases of biomass and management of by-products of extraction and combustion, carried out by the Bioeko TAURON Group company are also located in the Trading Area.

For the purposes of this Report, based on the foregoing, four main business areas were identified, i.e. Energy (generation, sales, distribution of electricity and heat), Investments, Employee Relations and Suppliers, Contractors and Supply Chains, to which TAURON Group Stakeholders were assigned in accordance with the human rights due diligence process.



SHARED SERVICES

Other activities area has been separated into Shared Services Centres. It encompasses services provided to TAURON Group companies such as, among others, accounting, HR and IT services provided by TAURON Obsługa Klienta, insurance management for all Group companies - TAURON Ubezpieczenia. The activity in the area of property protection services was separated from the TAURON Group in December 2022, which is determined by optimisation measures and the need to raise the security level of the energy infrastructure owned by the TAURON Group. Such a distribution of competence is aimed at relieving the Business Areas from the implementation of processes not directly related to their operations, as well as reducing the costs of implementing these processes through economies of scale and improved operational efficiency. Within the TAURON Customer Service activity, customer service is also provided to TAURON Sprzedaż and TAURON Sprzedaż GZE, and, taking into account ensuring the independence of the DSO and other unbundling principles, to TAURON Dystrybucja.

Area of activity	Stakeholders
Energy – generation, sale, distribution of electricity and heat	customers, NGOs, public administration, natural environment, regulators, industry organisations, media, competition
Investments	local communities, customers, NGOs, public administration, banks/ capital providers, environment, investors, shareholders, analysts, research and academia, innovators/ startups, media
Employee relations	employees
Suppliers, Contractors, Supply chain	suppliers, innovators/ start-ups, business partners

4 Human rights relevant to the TAURON Group's operations

Based on legal regulations and human rights standards, an analysis was carried out to identify those human rights that are relevant to the TAURON Group's activities. As a re-

sult, seventeen rights were identified from among the catalogue of universally recognised human rights relevant to the TAURON Group's activities.

HUMAN RIGHT	DEFINITION ²
<p>1 </p> <hr/> <p>Right of not being subjected to slavery, servitude or forced labour</p>	<p>Slavery occurs when one human being actually owns another. The right to freedom from servitude encompasses other forms of domination, gross economic exploitation and degradation of human beings that may arise, for example, in the context of labour trafficking (including in the context of human trafficking).</p> <p>Forced or compulsory labour is any work or service that is required of any person under penalty and to which the person has not volunteered.</p> <p>Providing payment for labour does not mean that it is not forced labour if other aspects of the definition of forced labour are met.</p> <p>No one may be held in slavery or servitude (absolute prohibition). Nor may anyone be forced to perform forced or compulsory labour.</p>
<p>2 </p> <hr/> <p>Right to privacy</p>	<p>This right protects against arbitrary, unjustified or unlawful interference with privacy, family, home or correspondence, as well as attacks on honour and reputation.</p> <p>Arbitrary or unwarranted invasions of privacy are prohibited, even if they are permitted by the domestic law of the country concerned.</p>
<p>3 </p> <hr/> <p>Right to freedom of thought, conscience and religion</p>	<p>The right to freedom of thought, conscience and religion encompasses a person's freedom to profess, practise and follow the religion or belief of his or her choice. This freedom also protects non-religious persons and gives the right not to profess any religion or belief.</p> <p>The right to manifest religion or belief includes the right to worship, as well as to teach and observe rituals, such as wearing certain clothes or headgear.</p>
<p>4 </p> <hr/> <p>Right to freedom of expression and opinion</p>	<p>It is the right of every person to hold views free from external interference. This right cannot be restricted under any circumstances. It also guarantees freedom of expression, which is the right to seek, receive and impart ideas in any media or in any form. This right may be limited by measures provided by law and necessary to protect the rights or reputation of others, or to protect national security, public order, public health or morals.</p>
<p>5 </p> <hr/> <p>Right to freedom of association</p>	<p>It is the right to form or join associations of any kind, such as political parties, religious associations, sports and other recreational clubs, non-governmental organisations and trade unions.</p>

² Source: Framework for reporting in accordance with the UN Guiding Principles on Business and Human Rights (2015), pp. 106- 114.

6

Right to protection of the family and right to marry

Men and women of marriageable age have the right to marry and create a family, in accordance with the national laws governing the exercise of this right. This law does not provide for or prohibit the granting of marriage status to same-sex unions.

7

Right to participate in public life

It is a right to participate in public life that has been addressed to citizens. This right provides opportunities to influence the decisions of the organs of the state (inter alia, by guaranteeing freedom of expression, association and assembly), the right to participate and stand as a candidate in fair, periodic, universal, equal and secret elections, and the right to equal access to the public service, without any discrimination.

8

Right to equality before the law, equal protection under the law and the right to non-discrimination

This law guarantees equality before the law and equal protection of the law without discrimination. Individuals should be protected from discrimination on a variety of grounds, including but not limited to race, colour, sex, language, religion, political or other opinion, national or social origin, property rights, birth or other status.

9

Right to work

The right to work recognises the right of everyone to be able to earn a living through work that everyone freely chooses or accepts. This means that no one should be forced to work and that states develop systems to ensure that all workers have access to employment. Furthermore, workers should not be unfairly deprived of employment.

10

Right to benefit from fair and favourable working conditions

Every person in employment has the right to fair earnings, equal pay for work of equal value and personal security in the workplace. The right to fair and favourable working conditions is made up of various elements that are highly relevant to the actions of businesses as they relate to the treatment of employees. Companies can have a significant impact on the exercise of various rights as an employer.

11

Right to form and join trade unions and the right to strike

The right of everyone to form trade unions and to join a trade union of his or her choice, subject to the rules on members of that union. This right may be restricted by States only to the extent necessary, to protect national security, public order or the rights and freedoms of others.

12

Right to social security, including social security

A citizen has the right to social security in the event of incapacity to work due to illness or disability and upon reaching retirement age. The law also provides that a citizen who is unemployed involuntarily and has no other means of subsistence is entitled to social security.

13



Right to family life

Everyone has the right to respect for his private and family life, his home and his correspondence. There shall be no interference by a public authority with the exercise of this right, except in cases provided for by law and necessary in a democratic society for reasons of national security, public safety or the economic well-being of the country, the protection of order and the prevention of crime, the protection of health and morals or the protection of the rights and freedoms of others.

This right is closely linked to the protection of parenthood, including maternity, the right to raise children and the rights of the child to be raised by parents. It also includes the recognition of the child's subjectivity and the existence of parental responsibilities towards children. The state has a duty to ensure the support and protection of the family and to pursue policies that enable and support parents and legal guardians in the fulfilment of their responsibilities towards children.

14



Right to an adequate standard of living

The right to an adequate standard of living, including adequate food, clothing, housing and the right to continuous improvement of living conditions. This right is also interpreted to include access to sufficient water and adequate sanitation.

15



Right to health

Everyone has the right to health care regardless of their financial situation or equal access to publicly funded health care services. Public authorities are obliged to provide special health care to children, pregnant women, persons with disabilities and the elderly. In addition, public authorities are obliged to combat epidemic diseases and prevent the adverse health effects of environmental degradation.

16



Right to participate in cultural life, to benefit from the progress of science and to the protection of the material and moral rights of authors and inventors

Everyone has the right to participate in the cultural life of society and to benefit from the progress of science. This right includes the protection of the moral and material benefits of every author arising from any of his or her scientific, literary or artistic activities. This protection extends to the rights of indigenous rights peoples to preserve, protect and develop their indigenous and traditional systems of knowledge and cultural expressions.

17

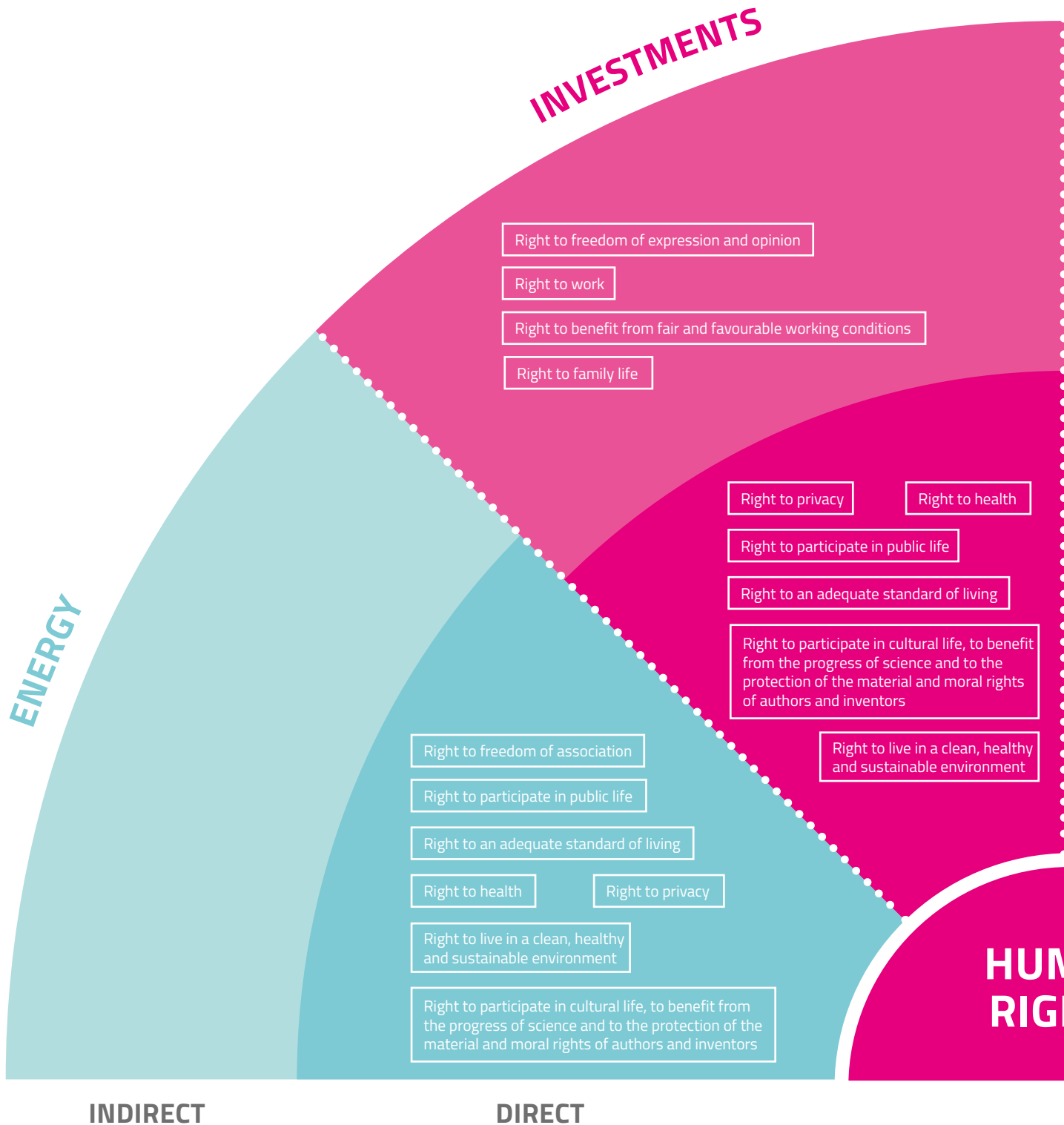


Right to live in a clean, healthy and sustainable environment

Everyone has the right to live in a clean, healthy and ecologically sustainable environment.

5 Assessment of the impact of TAURON Group's activities on human rights

The TAURON Group has assessed the impact of its activities on human rights, taking into account direct and indirect impacts.



HUMAN RIGHTS

EMPLOYEE RELATIONS

SUPPLIERS, CONTRACTORS, SUPPLY CHAIN

Right to privacy

Right to an adequate standard of living

Right to freedom of thought, conscience and religion

Right of not being subjected to slavery, servitude or forced labour

Right to freedom of expression and opinion

Right to work

Right to participate in public life

Right to freedom of association

Right to protection of the family and right to marry

Right to family life

Right to social security, including social insurance

Right to health

Right to equality before the law, equal protection under the law and the right to non-discrimination

Right to an adequate standard of living

Right to freedom of association

Right to benefit from fair and favourable working conditions

Right of not being subjected to slavery, servitude or forced labour

Right to participate in cultural life, to benefit from the progress of science and to the protection of the material and moral rights of authors and inventors

Right to freedom of expression and opinion

Right to protection of the family and right to marry

Right to form and join trade unions and the right to strike

Right to freedom of thought, conscience and religion

Right to live in a clean, healthy and sustainable environment

Right to equality before the law, equal protection under the law and the right to non-discrimination

Right to benefit from fair and favourable working conditions

Right to work

Right to form and join trade unions and the right to strike

Right to health

Right to family life

Right to social security, including social insurance

Right to participate in public life

Right to privacy

Right to participate in cultural life, to benefit from the progress of science and to the protection of the material and moral rights of authors and inventors

Right to live in a clean, healthy and sustainable environment

DIRECT

INDIRECT

6 ■ TAURON Group's Policy of Respect for Human Rights

Due to the fact that respect for human rights is a fundamental part of the TAURON Group's policy, issues concerning respect for human rights are described in the internal corporate regulation adopted for application. The TAURON Group's Human Rights Respect Policy aims to define principles regarding respect for human rights and actions taken to prevent human rights violations and to foster a working environment in which human rights are respected.

The TAURON Group's Policy of Respect for Human Rights was implemented on 20 December 2017 and was last updated on 30 June 2021. The content of the TAURON Group's Policy of Respect for Human Rights is available on the website (link: [Compliance w Grupie TAURON](#)) and on the internal intranet to which all employees have access.



TAURON Group's Policy of Respect for Human Rights

The introduction of the TAURON Group's Policy of Respect for Human Rights contributes to awareness raising of respect for human rights and promoting their protection.

The TAURON Group's Policy of Respect for Human Rights sets out principles dedicated to the respect and protection of human rights, concerning, among others:

- prohibition of mobbing and discrimination,
- prohibition of harassment and violence,
- prohibition of slavery and forced labour,
- ban on employment of children and minors,
- freedom of association and employee involvement,
- principles of compliance with conditions of employment and remuneration,
- health and safety rules,
- rules on cooperation with stakeholders, in particular with contractors and business partners,
- principles in the scope of local communities,
- reporting of violations, including those involving human rights violations.

In accordance with the provisions of the TAURON Group's Policy of Respect for Human Rights, each employee, contractor and external entity/business partner is obliged to respect and promote the observance of human rights and

ensure their protection, refuse to participate in any incidents that may bear the hallmarks of human rights violations, mobbing and discrimination and unequal treatment.

Every employee should be alert to signals and circumstances that could potentially suggest the possibility of an unequal treatment situation. If such concerns arise, employees should report them through specific communication channels.

Employees are acquainted with the subject of respect for human rights and the possibilities of reporting violations in this respect as part of their regular training programmes for employees.

Human rights issues are also captured within the TAURON Group's cyclical reporting on non-financial information.

The Executive Director for Compliance and Security at TAURON Polska Energia S.A. is responsible for updating the TAURON Group's Policy of Respect for Human Rights.

The President of the Management Board of TAURON Polska Energia S.A. shall supervise the implementation of its provisions.



7 ■ Respect for human rights in the supply chain

Ensuring sustainability and social responsibility in the company and its supply chain is one of the priorities for TAURON Group's business activities. The document that regulates social issues in the supply chain is the Code of Conduct for Contractors of TAURON Group Companies, which has been in force at the TAURON Group since 2017.

The document sets out the standards of conduct of the TAURON Group's counterparties, in particular in the area of the employee (including health and safety at work, discrimination, personnel policy, forced labour, employment of children and minors), the environment (environmental protection, responsible resource management, care for the climate), relations with the environment (e.g. fair competition, combating fraud, information security and protection, investor relations).

The TAURON Group expects to cooperate with contractors who respect human rights and act in accordance with legal regulations, provide safe and decent working conditions and

apply not only the highest ethical standards, but also care for the environment and the climate.

The implemented Code is a binding standard in the TAURON Group, promoting responsibility among stakeholders and encouraging the implementation of responsible practices among suppliers. The Code is applied in relations with the counterparties of the TAURON Group companies and applies to all employees, members of the management and supervisory bodies of the companies, as well as proxies and attorneys.

A contractor who takes part in proceedings organised by TAURON Group companies is obliged to submit a declaration confirming that it has familiarised itself with the Code of Conduct for Contractors of TAURON Group Companies and complies with its provisions.

The content of the Code of Conduct for Contractors of TAURON Group Companies has been published on the company's website at: [Tauron - Code of Conduct for Counterparties](#).

8 ■ Supervision of respect for human rights in the TAURON Group

All TAURON Group employees are responsible for respecting human rights. However, the leading role in this regard is played by the Executive Director responsible for Security who simultaneously serves as Compliance Officer of TAURON Polska Energia S.A. with the support of the Compliance Team and Compliance Coordinators appointed at TAURON Group companies.

The Human Resources Area plays an important role in terms of employee issues at TAURON Polska Energia S.A.

In addition, an ESG Committee has been established within the TAURON Group to ensure consistency of the TAURON Group's business strategy with ESG management issues, i.e. environmental and climate, social and corporate governance aspects.

The ESG Committee consists of:

- Vice President of Asset Management,
- Executive Director responsible for human resources,
- Executive Director with responsibility for communications and marketing,
- Executive Director with responsibility for financial management,

- Executive Director with responsibility for compliance and security,
- Executive Director responsible for purchasing and administration,
- Executive Director competent for IT and OT business continuity management,
- Strategy Team Leader,
- Head of the Environmental and Circular Economy Team.

The ESG Committee's tasks include:

- identification and analysis of organisational barriers related to the implementation of good ESG practices, taking into account the TAURON Group's operating conditions,
- identifying and implementing community, research and development initiatives and projects,
- analysing new issues that may affect the operations of the TAURON Group and its stakeholders.



9 Risks of non-compliance with human rights and mitigating actions

The most important identified risks of negative impacts on human rights related to TAURON Group's operations are presented below.

HUMAN RIGHT	POTENTIAL RISKS ASSOCIATED-WITH NON-COMPLIANCE WITH HUMAN RIGHTS	MITIGATING MEASURES
<p>1</p> <hr/>  <p>Right of not being subjected to slavery, servitude or forced labour</p>	<ul style="list-style-type: none"> ▪ Acceptance of forced labour by employees or suppliers beyond the applicable working time and overtime standards. ▪ Providing work without a contract or giving an employment contract in a language that the employee does not understand. ▪ Unknowingly using through their supply chains the labour of workers who are victims of trafficking and have been forced to work as slaves. 	<ul style="list-style-type: none"> ▪ Implementation of provisions resulting from the TAURON Group's Policy of Respect for Human Rights, the Code of Conduct for Contractors (Counterparties of TAURON Group's Subsidiaries). ▪ Assessing the reliability of business partners. ▪ Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).
<p>2</p> <hr/>  <p>Right to privacy</p>	<ul style="list-style-type: none"> ▪ Failure to protect the confidentiality of personal data held on employees, suppliers, contractors or clients. ▪ Breach of the provisions of the RODO, including the leakage of personal data. ▪ Requiring documents from employees or job applicants in contravention of applicable laws. ▪ Provision of information on persons to public bodies without their consent or in breach of in accordance with national legislation. 	<ul style="list-style-type: none"> ▪ Implementation of the provisions resulting from the Personal Data Protection Policy for the TAURON Group Entity and the Principles of use of GSM equipment and services in the TAURON Group. ▪ Conducting mandatory training on the Classification and Information Handling Policy and Handling of Information in the TAURON Group. ▪ Maintaining IT systems to control access to company computers and mobile phones. ▪ Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

3



Right to freedom of thought, conscience and religion

- Prohibiting employees, suppliers or contractors from wearing clothing or other religious symbols expressing their faith even if they do not interfere with legitimate safety concerns.
- Non-respecting religious holidays or respecting only the holidays and customs of one religion to the exclusion of others.
- Failure to allow employees to request leave from work for the time necessary to celebrate their religious holidays.
- Implementation of provisions resulting from the TAURON Group's Policy of Respect for Human Rights and the Policy on Compliance with Ethical Principles and Anti-Bullying and Discrimination at the TAURON Group.
- Conducting anti-bullying and anti-discrimination training.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

4



Right to freedom of expression and opinion

- The omission of dialogue with residents when carrying out new developments that affect their environment.
- Prohibiting the expression of truthful, honest opinions in the public domain that do not infringe the personal rights of another person or the reputation of the company.
- Censorship of statements made public in the media.
- Building awareness among employees of how and why to separate the private and professional spheres.
- Implementation of the provisions arising from the Diversity Policy in the TAURON Group.
- Informing employees and local communities about all company activities that may directly affect them.
- Ensuring that the company's activities, services or products do not restrict public access to information.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

5



Right to freedom of association

- Investments in countries where trade union and other rights are violated.
- Cooperation with companies where trade union rights are violated.
- Preventing workers from exercising their right of association.
- Enabling employees to associate within the organisation.
- Participation in trade associations.
- Conducting corporate social responsibility (CSR) activities.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

6



Right to protection of the family and right to marry

- Obstruction of family plans due to the need to carry out official duties.
- Discrimination against couples who are not in a formal relationship vis-à-vis those who are in such a relationship with regard to employment rights (e.g. childcare, holidays).
- Discrimination against women on the basis of marital status or reproductive status.
- Family-friendly initiatives e.g. 2 hours for the family, Megamoc Family, family picnics.
- Implementation of provisions resulting from the Work Regulations of TAURON Polska Energia S.A. employees, e.g. reduction of working hours for pregnant women.
- Running the lepiej.tauron.pl website.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

7



Right to participate in public life

- Appointment of work on election day that makes it impossible to vote in the election (24-hour work).
- Discrimination against an employee on the basis of political opinion.
- Implementation of the provisions arising from the TAURON Group's Policy of Respect for Human Rights.
- Enabling employees to associate within the organisation.
- Carrying out corporate social responsibility (CSR) activities.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

8



Right to equality before the law, equal protection under the law and the right to non-discrimination

- Discrimination against employees, suppliers, subcontractors.
- Use of legislation to disadvantage workers over others (e.g. foreigners, part-time/temporary workers).
- Working with suppliers and contractors who use bullying or discrimination against their employees.
- Exclusion of specific groups from the available notification channels.
- Implementation of the provisions stemming from the TAURON Group Human Rights Respect Policy and the TAURON Group Ethics and Anti-Bullying and Anti-Discrimination Policy.
- Anti-bullying and anti-discrimination training.
- Monitoring the number of cases reported to the Ethics Committee operating in the TAURON Group.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

9



Right to work

- Unjustified dismissal of an employee.
- Failure to respect the rules on staff promotion.
- Lack of opportunities to develop professional competences.
- Implementation of the provisions arising from the TAURON Group Human Capital Management Policy, the TAURON Group Recruitment Principles, the Rules and Regulations of the Join Up - TAURON Internship Programme.
- The implementation of the provisions arising from the TAURON Group's Policy of Respect for Human Rights and the Policy for the Observance of Ethical Principles and Counteracting Mobbing and Discrimination at the TAURON Group.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

10



Right to benefit from fair and favourable working conditions

- Failure to comply with regulations and rules concerning safe and hygienic working conditions (OSH).
 - Downplaying accidental incidents.
 - Significant differentiation in the remuneration of employees for the same work or work of equal value.
 - Implementation of the provisions arising from the TAURON Group Human Capital Management Policy, the TAURON Group Remuneration Principles and internal company acts, i.e. the Work Regulations, the Remuneration Regulations, the Job Descriptions Book.
 - Implementation of the provisions arising from the TAURON Group Health and Safety Policy and other internal legal acts.
 - Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).
-

11



Right to form and join trade unions and the right to strike

- Preventing or obstructing workers' right to organise.
- Drawing legal consequences against employees who have participated in a lawful strike or other industrial action.
- Omission of trade unions from negotiations or information.
- Cooperation with the Social Council of the TAURON Group.
- Appointment of an Ombudsman for Social Dialogue.
- Implementation of the provisions under the Social Dialogue Cooperation Agreement of 13 September 2016.
- Regular meetings with trade union representatives.
- Consulting the trade unions on amendments to work regulations, remuneration regulations and other documents whose consultation with the trade unions is required by generally applicable laws.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

12



Right to social security, including social insurance

- Unjustified denial of benefits for an accident at work or occupational disease.
- Implementation of Employee Pension Plans and Employee Capital Plans in the TAURON Group.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

13



Right to family life

- Failure to respect the rights of parents raising children under the law.
 - Obstruction of family plans due to the need to carry out official duties.
 - Failure to respect the rights of pregnant women (non-employment of overtime and night time, prohibition of employment in particularly arduous or harmful to health work).
 - Dismissing female workers who become pregnant after another pregnancy or treating them worse.
 - Hindering the use of leave.
 - Organising family-friendly activities in the TAURON Group.
 - Holiday subsidies.
 - Applied solutions that make it easier for employees to combine work and private life.
 - Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).
-

14



Right to an adequate standard of living

- Remunerating staff below their competence and experience.
- Implementation of investments with a negative impact on local communities and the environment.
- Failure to provide employees with appropriate conditions during work.
- Providing employees with benefits under the Company Social Benefits Fund (ZFSS) and additional benefits such as medical care.
- Ensuring proper working conditions for employees.
- Implementation of the provisions arising from the TAURON Group Health and Safety Policy.
- Adopting staff remuneration rules and adapting them to changing conditions.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).

15



Right to health

- Pollution resulting from the company's activities that adversely affects the health of workers or surrounding communities.
 - Failure to provide preventive medical examinations for employees.
 - Failure to provide personal protective equipment.
 - Failure to provide workers with information about risks to health and life.
 - Failure to familiarise workers with risk assessments and health and safety legislation and rules.
 - Providing employees with preventive examinations and additional health care.
 - Ensuring that appropriate protective and preventive measures are taken to eliminate or reduce the risks, including occupational diseases, at individual workplaces.
 - Training workers in occupational risk assessment and occupational health and safety regulations and rules and rules on health and safety at work.
 - Providing the required health and safety training and coaching to create employee awareness of health and safety issues and to contribute to the elimination of occupational accidents and diseases.
 - Running trainings and campaigns in the TAURON Group to promote active and healthy lifestyles, including activities aimed at managing stress.
 - Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).
-

16

- Lack of commitment to cultural and heritage initiatives.
- Copyright infringement.
- Implementation of the provisions arising from the TAURON Group's Intellectual Property Policy and the Principles for the Conduct of Corporate Social Responsibility (CSR) Projects in the TAURON Group.
- The use of transfer of copyright clauses in contracts.
- Implementation of corporate social responsibility (CSR) projects.
- Promoting employee volunteering actions and diversifying the direction of volunteering.
- Ensured communication and transparent dialogue with local community institutions when implementing investment projects.
- Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).



Right to participate in cultural life, to benefit from the progress of science and to the protection of the material and moral rights of authors and inventors

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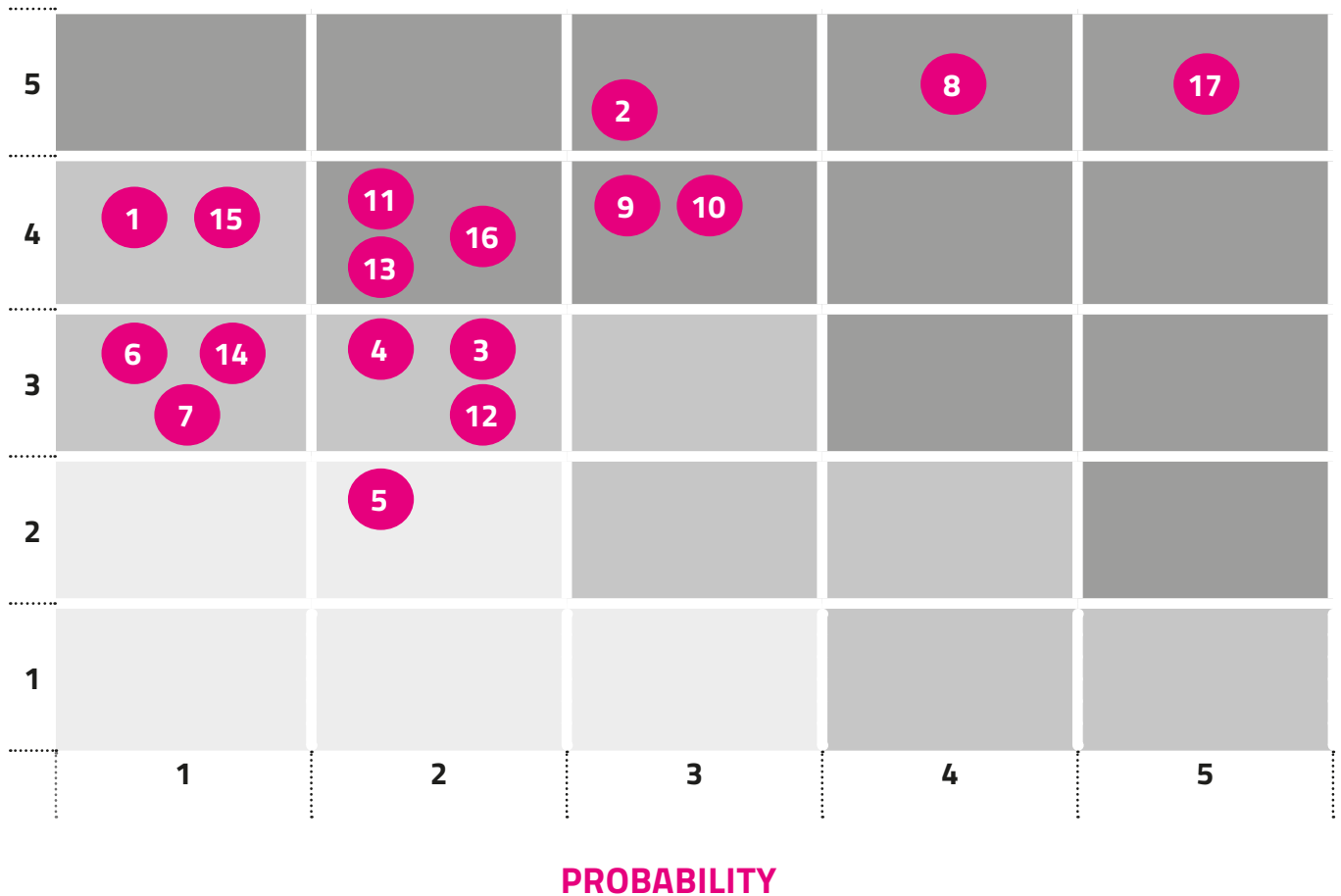


Right to live in a clean, healthy and sustainable environment

- Pollution resulting from the company's activities that adversely affects the health of workers or surrounding communities.
 - Working with contractors who have a negative impact on the environment.
 - Implementation of the provisions arising from the TAURON Group Environmental Policy and the TAURON Group Climate Policy.
 - Developing the TAURON Group's strategy to, inter alia, move away from fossil fuels to renewable energy sources.
 - Providing a secure grievance mechanism for people who believe their rights have been violated (including ensuring anonymity).
-

10. Prioritising human rights at the TAURON Group

The TAURON Group has prioritised the human rights relevant to its operations, taking into account the degree of likelihood and seriousness of potential violations.



LEGEND:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Right of not being subjected to slavery, servitude or forced labour 2. Right to privacy 3. Right to freedom of thought, conscience and religion 4. Right to freedom of expression and opinion 5. Right to freedom of association 6. Right to protection of the family and right to marry 7. Right to participate in public life 8. Right to equality before the law, equal protection under the law and the right to non-discrimination 9. Right to work 10. Right to benefit from fair and favourable working conditions | <ul style="list-style-type: none"> 11. Right to form and join trade unions and the right to strike 12. Right to social security, including social insurance 13. Right to family life 14. Right to an adequate standard of living 15. Right to health 16. Right to participate in cultural life, to benefit from the progress of science and to protect the material and moral rights of authors and inventors 17. Right to live in a clean, healthy and sustainable environment |
|---|--|

11 Action Plan on respect for human rights in TAURON Group

As part of the process, the TAURON Group has identified the most relevant human rights, i.e., those with the highest risk of violation and established an action plan for them. These actions fulfil the objectives indicated in the TAURON Group's ESG Strategy.

RIGHT TO PRIVACY



Improving data security methods using information technology and implementing a data management model in the TAURON Group.

Ensuring business continuity and enhance the security of infrastructure and systems.

Raising staff awareness of security, data protection and the threat from cyber space.

RIGHT TO EQUALITY BEFORE THE LAW, EQUAL PROTECTION UNDER THE LAW AND THE RIGHT TO NON-DISCRIMINATION



Actions for people with disabilities and disadvantaged groups through:

1. TAURON barrier-free programme - adapting all service channels to the needs of people with disabilities;
2. Undertaking activities/actions/campaigns to address digital exclusion;
3. Protecting vulnerable clients.

Providing modern, integrated sales and customer service channels, simplifying procedures by:

1. Implementing a knowledge management model to ensure consistent processes and procedures in customer service;
2. A new service model in the telephone and landline channel based on high service quality and standards that take into account changes in the energy market;
3. Implementation of new solutions in IT systems for customer service;
4. Moving away from paper documentation in all possible areas towards digitalisation and digitisation.

RIGHT TO WORK



Caring for employees, developing competencies in line with the challenges of the TAURON Group's transformation through:

1. Verification of the TAURON Group's competence model based on the analysis of the results of the survey of existing and expected competences, taking into account the competences of the future in the context of the energy transition;
 2. Implementation of business support solutions for human capital management: optimisation and digitalisation of human capital management area processes;
 3. Preparation of guidelines and implementation of an internship programme aimed at attracting young talent.
-

RIGHT TO BENEFIT FROM FAIR AND FAVOURABLE WORKING CONDITIONS

Shaping the organisational culture based on the TAURON Group values: Partnership - Development - Courage by conducting cyclical employee opinion surveys and preparing and implementing a plan of initiatives to improve engagement and communication indicators and to support the development of the organisational culture in line with the Group values.

Ensuring a safe and ethical and diverse working environment by:

1. Conducting annual ethics compliance and anti-bullying and anti-discrimination campaigns;
2. Implementing the monitoring of the gender pay equity indicator and publish the results (monitoring of salary disparities);
3. Annual analysis of the state of health and safety with the development of plans to improve working conditions;
4. Conducting education and training campaigns among employees to raise their awareness of risks at workplaces, e.g. the "Minute for Health and Safety" initiative;
5. Initiating regular activities to shape the health and safety culture in the workplace and the internal health and safety management system.

Development of the organisation's ethical culture and development of desirable patterns of behaviour by raising awareness of the Code of Responsible Business among employees through various initiatives, campaigns and training.

Awareness of the TAURON Group's rules on preventing irregularities, including corruption and conflict of interest:

1. Building awareness of the TAURON Group's whistleblowing channels;
2. Organising training for staff on countering irregularities, including corruption and conflict of interest.

Management of the whistleblowing channel system and whistleblower protection by ensuring the functioning of the whistleblowing channel system - maintaining secure whistleblowing channels with a whistleblower protection system.



RIGHT TO FORM AND JOIN TRADE UNIONS AND THE RIGHT TO STRIKE

The TAURON Group promotes a culture of dialogue and cooperation and respects and supports the freedom of Employees to associate and belong to employee organisations through:

1. Openness to workers' association, within workers' organisations;
2. Conducting Social Dialogue with Trade Unions;
3. Functioning of the TAURON Group Social Council, consisting of representatives trade unions of TAURON Group Companies;
4. Appointment of the Social Dialogue Ombudsman, who is responsible for coordinating and conducting social dialogue activities in the TAURON Group and cooperation between trade unions in individual TAURON Group Companies and the TAURON Polska Energia S.A. Management Board;
5. Signing of the Social Dialogue Cooperation Agreement of 13 September 2016, concluded with the TAURON Group Social Council, whose main objectives are:

- willingness to cooperate on an ongoing basis with integrity, i.e. in good faith and with respect for the rights and interests of the Parties, and to act with professional due diligence, within the limits imposed by law,
- protection of workers' and trade union rights under autonomous sources of labour law and generally applicable legislation,
- continuous consulting and issuing opinions on fundamental social and economic issues within the TAURON Group,
- implementation of the obligations arising from the agreements concluded in the framework of the Social Dialogue,
- ensuring that the interests of employees are properly represented, including ensuring that organisational transformations carried out respect the interests of employees and trade unions.

6. Implementation of the Respect for Human Rights Policy;
7. Functioning of the TAURON Polska Energia Employee Council.



RIGHT TO FAMILY LIFE

Measures aimed at balancing professional and non-work activities of employees including:

1. Balance support initiatives (webinars to improve self-awareness, self and time management, prioritisation of activities);
2. Webinars providing psychological support in the areas of relationship building and communication (classes with professionals in parenting, elder care, interpersonal relationships);
3. Actions to support the building of closeness with the family and the other (Family MegaPower - an initiative linked to the Global Social Movement - "Two hours for the family", organisation of family picnics, children's days);
4. Caring for the work-life balance of TAURON Group employees by supporting the development of passions, organising sports competitions for Group employees, organising open days, competitions or yoga classes;
5. Educational campaigns on healthy and "green" lifestyles (health week, health prevention).



RIGHT TO PARTICIPATE IN CULTURAL LIFE, TO BENEFIT FROM THE PROGRESS OF SCIENCE AND TO THE PROTECTION OF THE MATERIAL AND MORAL RIGHTS OF AUTHORS AND INVENTORS

Implementation of corporate social responsibility projects:

1. Activities to support those in need in the areas of upbringing, development and therapy by encouraging children and young people to be physically active and to practise sport: including projects for the TAURON Junior Cup Children's Football Tournament and cooperation with the SIEMACHA Association;
2. Supporting sick children and people with disabilities, levelling opportunities and eliminating barriers in cooperation with the ISKIERKA, Red Noses and DOM Foundations and through the Sherpas of Hope project;
3. Involvement in the just transformation of the region - TAURON is changing the reality for children in post-mining areas in cooperation with the Guardian Angels Home for Children and Young People Association;
4. Organising pro-social actions to promote active lifestyles and safe behaviour in the mountains, including cooperation with GOPR;
6. Caring for the work-life balance of TAURON Group employees by, inter alia, supporting the development of passions - cooperation with the Golec Brothers Foundation, UMKS Kępczanin, organisation of the "Family Mega Power" action, or organisation of sports competitions for TAURON Group employees;
7. Supporting students and teachers in accessing science, knowledge and modern technology through the implementation of TAURON's proprietary Green Laboratories project;
8. Involvement in environmental projects in collaboration with the National Park #Natural Heroes, or action, cleaning up water bodies;
9. Education in the ESG area through the implementation of the TAURON Fuses project, building awareness of safety, energy conservation and renewable energy.

Promoting employee volunteering actions and diversify the direction of volunteering by providing tools and space for grassroots employee volunteering initiatives and charitable giving actions.

Ensured communication and transparent dialogue with local community institutions when implementing investment projects through:

1. Developing and implementing communication plans that take into account local stakeholders in the implementation of investment projects;
2. Ongoing response to communication needs with local communities;
3. Forming and maintaining relationships with local government representatives.



RIGHT TO LIVE IN A CLEAN, HEALTHY AND SUSTAINABLE ENVIRONMENT



1. Construction of new photovoltaic and onshore wind farm generation facilities;
 2. Modernisation and construction of new sources in the area of hydroelectric power plants;
 3. Development of offshore wind energy projects;
 4. Transformation of the network heat production and transmission area;
 5. Construction of new district heating networks to connect new customers;
 6. Use of land and resources to strengthen the circular economy;
 7. Investment in the development and modernisation of the electricity distribution network;
 8. Implementation of smart metering of the distribution network;
 9. Implementing measures to improve the energy efficiency of the Group's assets and to reduce energy consumption for own consumption;
 10. Implementation of the Environmental and Climate Policy;
 11. Activities to support increased customer awareness of climate and environmental concerns;
 12. Development of a basket of organic products and services.
-



12. Monitoring the implementation of the Policy on respect for human rights in the TAURON Group



Monitoring the implementation and effectiveness of the TAURON Group's Policy of Respect for Human Rights includes:

- cyclical review of the risks identified and mitigating actions taken,
- identification of negative impacts or risks that may have been overlooked,
- in previous due diligence processes and to take them into account in the future,
- review the degree of implementation and timeliness of the tasks identified in the action plan,
- review of reported cases of human rights abuses,
- cyclical audits of internal regulations related to human rights.

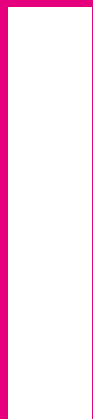
The above analysis will be carried out with a view to incorporating the conclusions into the company due diligence process aimed at improving the process and achieving better results in the future.

13. Communication on human rights in the TAURON Group

Information on the TAURON Group's human rights activities is communicated:

- to employees: through training, educational campaigns, information material (brochures/posters) via the internal Intranet, e-mail and also the website,
- to external stakeholders: in the company's cyclical non-financial reports, as well as via the website, information campaigns, information material (brochures / posters).

The activities undertaken are aimed at reaching as many people as possible and presenting information in an easily accessible and approachable way.



**MECHANISM
FOR REPORTING
HUMAN RIGHTS
VIOLATIONS**

1. General information

The TAURON Group attaches particular importance to responsible business, understood as conducting its activities in accordance with the law, internal regulations and intra-corporate ethical and moral standards and with respect for human rights. The risk of irregularities is inevitable. Therefore, detecting and responding to any irregularities or abuses is a priority.

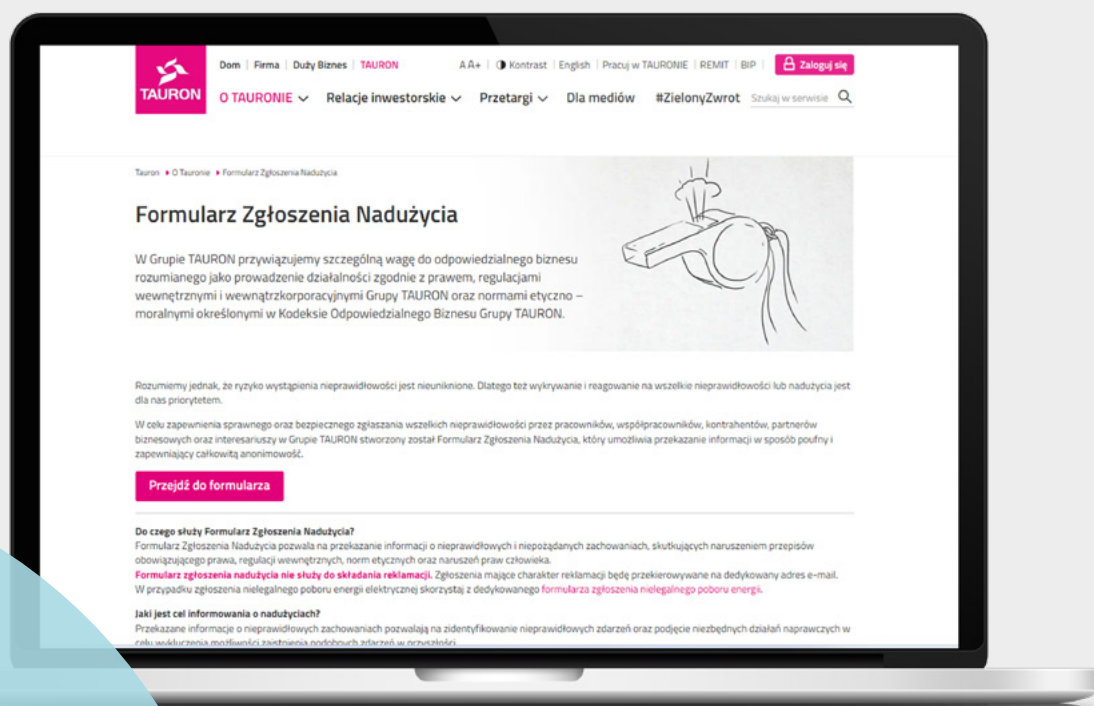
In order to ensure efficient and safe reporting of any irregularities by employees, colleagues, contractors, business partners and stakeholders, a Whistleblowing System was implemented in the TAURON Group. It is a systematic sequence of consecutive actions aimed at accepting and processing received reports and informing the reporting party of the results of the investigation carried out.

The Whistleblowing System is a part of the compliance management system of the organisation. It operates on the

basis of the provisions contained in the TAURON Group's Code of Responsible Business, the TAURON Group's Policy of Respect for Human Rights, the TAURON Group's Anti-Corruption Policy, and the TAURON Group's Principles of Ethics and Anti-Bullying and Discrimination Policy.

During its creation, the specific nature of the TAURON Group companies' activities, structure, as well as accessibility for employees, external persons and entities and other stakeholders of the TAURON Group was taken into account.

The developed Whistleblowing System enables the safe and confidential reporting of any irregularities by: employees, colleagues, contractors, business partners and other TAURON Group stakeholders. Caring for the comfort and freedom of all TAURON Group stakeholders, the possibility to report violations anonymously was also introduced.



2 ■ Notification channels

All cases of violations, including human rights violations, should be reported through the reporting channels referred to in the TAURON Group's Code of Responsible Business, the TAURON Group's Policy of Respect for Human Rights, the TAURON Group's Anti-Corruption Policy and the Policy for Compliance with the TAURON Group's Principles of Ethics and Anti-Bullying and Discrimination Policy.

Within the framework of the implemented organisational solutions, it is possible to signal actions that are not in line with generally applicable laws, violations of internal and intra-corporate regulations and human rights violations through the communication channels adopted in the TAURON Group, i.e.:



IN PERSON TO THE COMPLIANCE OFFICER



IN WRITING

Compliance Officer
TAURON Polska Energia S.A.
ul. Ks. Piotra Ściegiennego 3
40 - 114 Katowice



BY TELEPHONE + 48 32 774 22 22



VIA E - MAIL compliance@tauron.pl



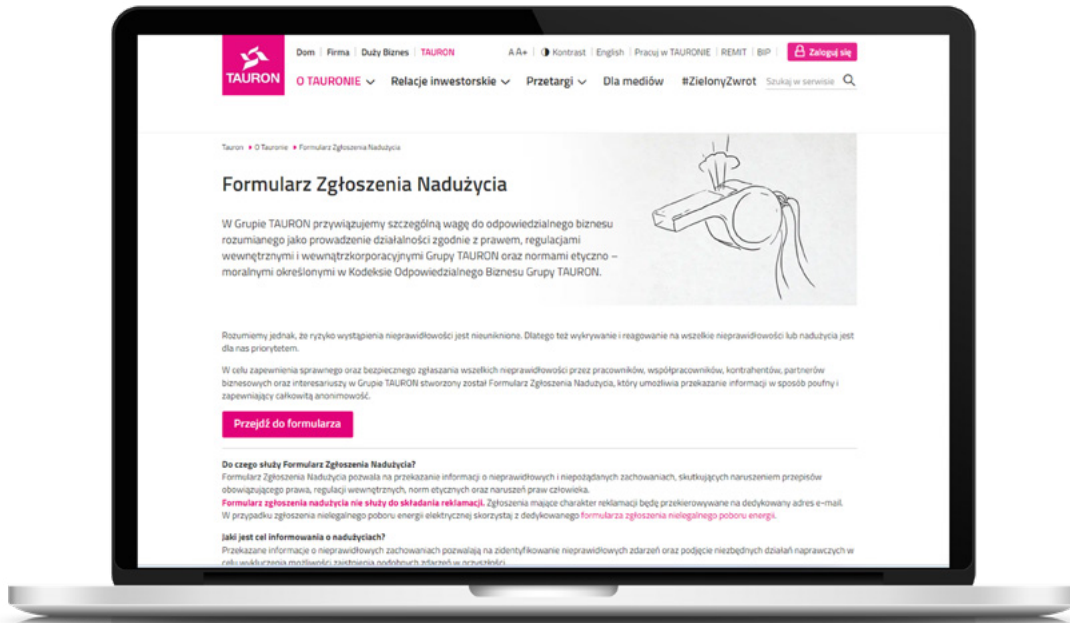
VIA THE ABUSE REPORT FORM

In TAURON Group Companies, reports can be submitted in person, by telephone, in writing to the Compliance Coordinator or via the abuse report form available on the website. Employees are obliged to report promptly any reasonable suspicion of corrupt activities or other abuses - including human rights violations.

To this end, the TAURON Capital Group provides:

- the communication channels identified above to allow employees and external parties to report potential breaches in a secure (including anonymous) manner,
- confidentiality of the reporting person and of the information provided,
- protection against all forms of retaliation for those who report in good faith of corrupt activities and other abuses - including human rights violations.

External entities, in particular contractors and other stakeholders of TAURON Group companies also have the option of using the Abuse Report Form in the event of the identification of irregularities or human rights violations.



[Abuse Report Form](#)

ETHICS COMMITTEE

Within the Ethics Committee, two sub-committees operate:

- an internal subcommittee whose members are appointed and dismissed by the Management Board of the company concerned, at the same time indicating the Chairperson of the Subcommittee,
- a group subcommittee consisting of eight members designated among the representatives of trade unions operating within the TAURON Group and eight representatives of employers designated by the TAURON Polska Energia S.A. Management Board.

The employee has the discretion to choose which Subcommittee he or she wishes to address in order to consider the notification.

Reports of violations of the Ethics Principles or in the event of suspected violations, in particular in cases of harassment or discrimination, can be addressed to the Ethics Committee through the following communication channels:

- a) in writing, either by submitting the application to any member of the subcommittee concerned or by sending the application to them by post,
- b) via the business email of the employee making the notification to the business email of any member of the subcommittee concerned,
- c) via email to the Group subcommittee's email address: KomisjaEtykiGK@tauron.pl .

An notification may also be submitted in a form other than the prescribed template, provided that the report contains the data referred to in bullet points (a) to (c) above.

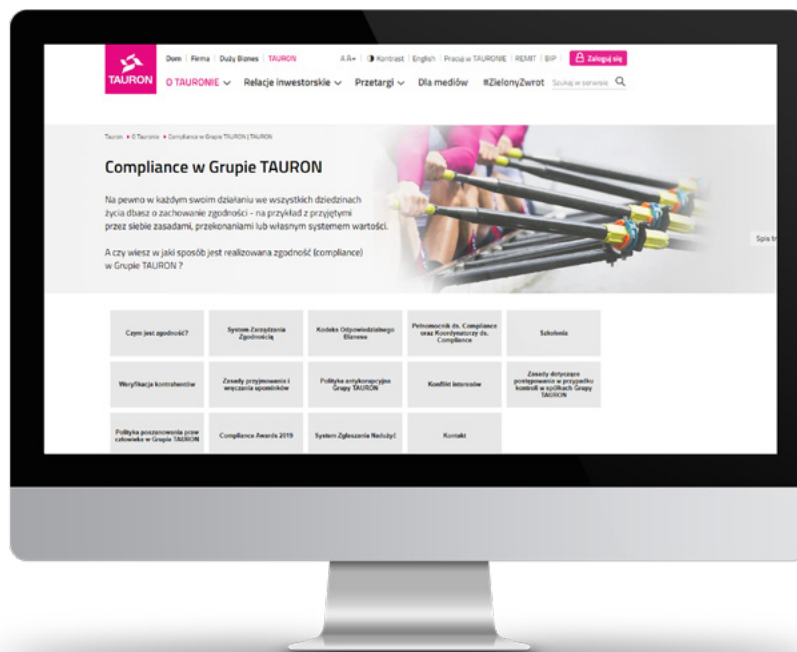
3. Procedure for processing the notifications

The Compliance Officer, or in a company other than TAURON Polska Energia S.A., the Compliance Coordinator, upon receipt of a report, confirms to the person submitting the report that it has been received, with the exception of anonymous reports, and verifies the veracity of the report, and subsequently undertakes, with due diligence, follow-up actions to clarify the circumstances indicated in the report in accordance with the procedures in force in this regard at the TAURON Group.

The Compliance Officer, or in a company other than TAURON Polska Energia S.A., the Compliance Coordinator, informs

the person submitting the report, with the exception of anonymous reports, of the final outcome of the investigation or its extension due to the ongoing analysis of the facts described in the report.

Where human rights violations are confirmed, companies take remedying action to prevent future incidents of a similar nature. The Compliance Officer and in companies other than TAURON Polska Energia S.A., Compliance Coordinators undertake educational and information activities to ensure that information on the rules for reporting violations in the TAURON Group is understandable and easily accessible.



[Information on TAURON Group's Human Rights Respect Policy](#)

ETHICS COMMITTEE

Proceedings before the Ethics Committee shall be initiated as soon as a duly submitted and prepared and drawn up, and the investigation shall be conducted if the case falls within the competence of the Ethics Committee. The Ethics Committee shall examine applications without undue delay. The investigation consists of examining the necessary documents and materials and hearing persons whose explanations may be relevant to the outcome of the case.

Members of the Ethics Committee and persons involved in the application process are required to maintain the confi-

dentiality of information obtained during or in connection with the application under consideration.

At the end of the investigation, the Ethics Committee concludes that the Ethics Principles have been violated or that harassment or discrimination has occurred, or that no violation to the above extent has occurred. The Ethics Committee may recommend corrective actions to ensure compliance with the Ethics Principles and to prevent similar violations in the future.

4. Monitoring of reported violations

The monitoring of reported violations in the TAURON Group is carried out on the basis of the corporate risk management system adopted in the Corporate Risk Management Strategy in the TAURON Group. Within the framework of the adopted system, the Compliance Officer manages and performs cyclical identification of risks that may have a negative impact on the TAURON Group's operations within the scope of his/her area of activity. The Compliance Officer monitors the risk of internal/external fraud, the risk of unethical behaviour, the risk of corruption and the risk of non-compliance due to non-compliance with laws or regulatory requirements.

The Compliance Coordinators, as part of their monthly risk monitoring, report to the Compliance Officer on identified and confirmed cases of non-compliance and violations (including human rights violations) within the TAURON Group.

In addition, as part of monthly monitoring, the Compliance Officer also obtains information from the Ethics Committee

on violations of ethics cases, in particular bullying and discrimination.

The aggregated data is forwarded by the Compliance Officer to the TAURON Polska Energia S.A. Risk Area.

In addition, after the end of each quarter, the Compliance Officer prepares a report for the Audit Committee of the TAURON Polska Energia S.A. Supervisory Board, and after the end of the first semi-annual period, the Compliance Officer also prepares a report for the TAURON Polska Energia S.A. Supervisory Board containing information on reported violations. After the end of the calendar year, a TAURON Group Compliance Report is drawn up, which also collectively provides information on risk monitoring and notifications received and follow-up actions taken. The above documentation is submitted in advance for approval by the President of the Management Board of TAURON Polska Energia S.A.

Information on instances of identified fraud and breaches is published in the TAURON Group's Non-Financial Information Report.





REGULATIONS

COMPLIANCE

RULES

STANDARDS

POLICIES

IV CORPORATE REGULATIONS RELATED TO HUMAN RIGHTS

1. General information

A detailed analysis of human rights in the TAURON Group was carried out with a view to their appearance in corporate regulations. Bearing in mind the areas of activity and the impact of human rights on the TAURON Group's activities, corporate regulations were selected which directly or indirectly refer to human rights. In addition, the analysis does not exclude that at

the level of the Companies within the TAURON Group there are other specific internal regulations in force, addressing issues related to human rights (e.g. Work Regulations, Remuneration Regulations or Books of Job Descriptions). The above is of key importance for ensuring respect for and protection of human rights in the TAURON Group's business activities.



2 List of intra-corporate regulations that directly or indirectly relate to human rights

The following is a list of internal corporate regulations in force at the TAURON Group that directly or indirectly relate to the human rights referred to in the body of this Report.

The list also reflects public expectations regarding corporate responsibility in terms of respect for human rights and the TAURON Group's commitment to respecting them.

NAME OF THE CORPORATE REGULATION	HUMAN RIGHTS THAT ARE RESPECTED REGULATIONS
<p>1 TAURON Group's Code of Responsible Business</p>	<p>The corporate regulation covers issues related to employees, such as health and safety at work, prohibition of discrimination and unequal treatment, friendly working environment, diversity management, transparent human resources policy, respect for work and professionalism in the performance of tasks, responsibility for resources, the issue of gifts and conflicts of interest. Another sphere mentioned in the document concerns the environment and includes environmental responsibility, environmental and climate protection and environmental awareness. The third sphere highlighted in the TAURON Group Code of Responsible Business is the environment, which includes customer orientation, energy security, innovation, investor relations, relations with the environment, fair competition, security, preventing and combating fraud and information protection.</p>
<p>2 TAURON Group's Policy of Respect for Human Rights</p>	<p>Prohibition of bullying and discrimination Prohibition of harassment, violence and exploitation Prohibition of slavery and forced labour Rules on the employment of children and minors Freedom of Association and Employee Involvement Compliance with conditions of employment and remuneration Health and safety at work</p>
<p>3 TAURON Group's Compliance Policy</p>	<p>Right to work Right to benefit from fair and favourable working conditions Right to live in a clean, healthy and sustainable environment</p>
<p>4 TAURON Group's anti-corruption policy</p>	<p>Right to freedom of expression and opinion Right to equality before the law, equal protection under the law and the right to non-discrimination Right to benefit from fair and favourable working conditions</p>
<p>5 Policy on Compliance with Ethical Principles and Anti-Bullying and Discrimination</p>	<p>Right to privacy Right to freedom of thought, conscience and religion Right to equality before the law, equal protection under the law and the right to non-discrimination Right to freedom of association Right to form and join trade unions and the right to strike</p>

6

**Diversity policy
at the TAURON Group**

Following the principles of equal treatment and counteracting any forms of discrimination
Openness to diversity
Principles for selecting staff for employment on the basis of objective merit criteria, respecting diversity
The issue of employing people over 50
Adaptation of work for people with disabilities

7

**Human Capital Management Policy of the
TAURON Group**

Right to benefit from fair and favourable working conditions
Right to work
Right to form and join trade unions and the right to strike
Right to social security, including social insurance
Right to an adequate standard of living

8

**TAURON Group Health
and Safety Policy**

Right to work
Right to benefit from fair and favourable working conditions
Right to an adequate standard of living
Right to health

9

**Remuneration regulations
in the TAURON Group**

Right to social security, including social insurance
Right to benefit from fair favourable working conditions

10

Insurance policy in the TAURON Group

Right to social security, including social insurance
Right to benefit from fair and favourable working conditions

11

**Terms and conditions of the
“Join Up - TAURON Trainee Programme”**

Right to work
Right to enjoy fair and favourable working conditions

12

**Business Continuity Management Policy
at the TAURON Group**

Right to work

13

Recruitment principles in the TAURON Group

Right to equality before the law, equal protection under the law and the right to non-discrimination
Right to work

14

TAURON Group’s Environmental Policy

Right to live in a clean, healthy and ecologically sustainable environment

15

TAURON Group’s Climate Policy

Right to live in a clean, healthy and sustainable environment

16

**TAURON Group’s individual printing
regulations**

Right to live in a clean, healthy and sustainable environment

17

TAURON Group Cyber Security Policy

Right to privacy

18

Personal Data Protection Policy for the TAURON Group Entity

Right to privacy

19

Principles for describing personal data processing in the TAURON Group - Personal data architecture

Right to privacy

20

Rules and regulations on sale of IT equipment to employees in the TAURON Group

Right to privacy

21

TAURON Group's PRO Customer Social Policy

Right to privacy
Right to an adequate standard of living

22

TAURON Group's Intellectual Property Policy

Right to participate in cultural life, to benefit from the progress of science and to protect the material and moral rights of authors and inventors

23

Regulations of the Academy of Internal Trainers in the TAURON Group

The right to participate in cultural life, to benefit from the science of progress and the protection of material and moral rights of the copyright and inventor

24

Principles of marketing activity in the TAURON Group

Right to participate in cultural life, to benefit from the science of progress and the protection of material and moral rights of the copyright and inventor

25

Principles of promotional activity in the TAURON Group

Right to participate in cultural life, to benefit from the science of progress and the protection of material and moral rights of the copyright and inventor

26

Principles of Sponsorship in the TAURON Group

Right to participate in cultural life, to benefit from the science of progress and the protection of material and moral rights of the copyright and inventor

27

Principles for running Corporate Social Responsibility (CSR) projects in the TAURON Group

Right to participate in cultural life, to benefit from the science of progress and the protection of material and moral rights of the copyright and inventor

28

Code of Conduct for Contractors (Counterparties) of TAURON Group Subsidiaries

Health and safety at work
Prohibition of discrimination and unequal treatment
Right to form and join trade unions
Transparent personnel policy
Banning slavery, forced labour and child labour
Environmental protection and waste management
Principles of fair competition
Security and information protection



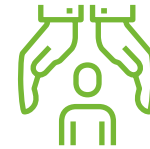
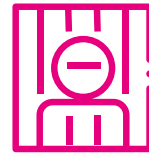
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SUMMARY

HUMAN RIGHTS

The TAURON Group treats respect for human rights and human dignity as the fundamental value of contemporary society. Formally, this position is confirmed in the adopted TAURON Group's Policy of Respect for Human Rights. Respect for human rights is also enshrined in other intra-corporate regulations in force in the TAURON Group. The actions taken and planned to avoid and reduce the risk of human rights violations provide the evidence that the TAURON Group treats its impact on human rights with due diligence. This is also evidenced by the analysis carried out to prioritise human rights, identify risk factors and mitigating actions. Implemented mechanisms for reporting violations available not only to employees but also to external stakeholders enable reports to be accepted and properly managed. All activities undertaken as part of the human rights due diligence process are an important instrument through which the commitment to respect human rights in operational activities is put into practice.

This Report is a manifestation of the TAURON Group's commitment to conducting its business in a responsible and sustainable manner, taking into account human rights issues. The Report also fulfils the obligation to report on human rights activities undertaken.





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