



TAURON GROUP'S ENVIRONMENTAL POLICY

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TAURON Group's environmental directions

To implement its mission, **TAURON Group** undertakes to conduct its business by relying on the best technology and respect for the law and sustainable development principles.

TAURON Group strives to continuously reduce the negative impact on the environment.

TAURON Group assumes the responsibility for the natural environment and the consequences of using its resources for the benefit of the present and future generations, recognizing it as an important social obligation to ensure environmental protection both in its operations as well as among its clients and partners.

TAURON Group's aim is to completely re-use any waste.



Objectives of TAURON Group's Environmental Policy

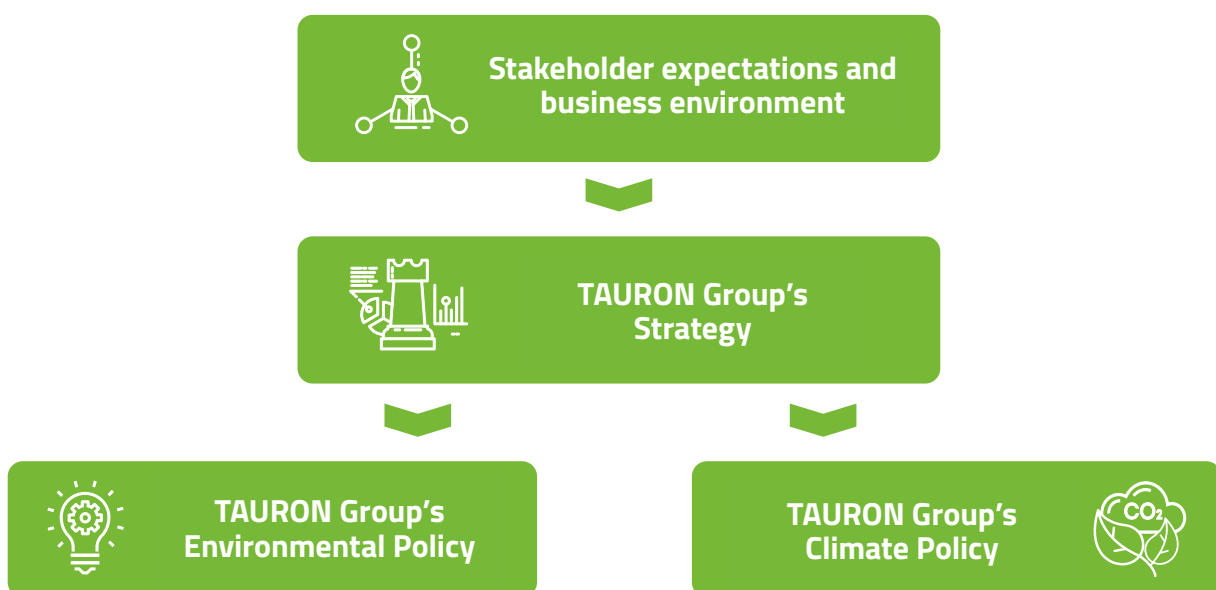
TAURON Group's Environmental Policy:

- defines the basic framework and principles, taking into account environmental aspects in processes implemented in TAURON Group's respective business areas, in order to ensure consistency and comprehensiveness of the approach, uniform understanding and coordination of activities in the environmental area
- is a document forming the backbone for the assessment of TAURON Group's operations in the area of environmental protection and environmental management
- enables the introduction of tools supporting the TAURON Group's assessment of environmental management, including all business processes functioning in TAURON Group.

Application of TAURON Group's Environmental Policy

The policy relates to all types of activities that TAURON Group carries out that are related to the impact on the environment and the use of its resources in line with the sustainable development principles.

This Policy is a reference for projects implemented in TAURON Group.



The Policy in the hierarchy of TAURON Group's strategic documentation.

Definitions



Asset Lifecycle – an asset management process covering design, construction, commissioning, operation, maintenance, repair, modification, replacement and disposal of assets.



Supply Chain – all activities related to the flow from / to TAURON Group of energy resources, semi-finished products, finished products, secondary raw materials, waste, also including the flow of information relevant for the whole process.



TAURON Group – TAURON Polska Energia S.A., its legal successors and any subsidiaries, parent or affiliated to TAURON (as defined in accounting regulations applicable to TAURON).



Business (operating) Areas – core business areas of TAURON Group, as defined in its Business and Operating Model.



Circular Economy – a closed-loop lifecycle of a product, divided into three stages: production, use, and re-use of waste in the next production cycle. The essence of this approach is the use of waste leading to reduced consumption of Resources and landfilled waste, and increased stream of waste used in recovery and recycling. The purpose of the closed-loop economy at TAURON Group is to optimize the waste management by maximising its re-use within TAURON Group and its re-processing into products that can be used in other industries.



Policy – this TAURON Group's Environmental Policy.



Resources – materials intended for further processing, including in particular: fossil fuels, biomass, waste, water.



Operating Limits – maximum values imposed in the area of environmental protection: permissible concentrations, annual limits, maximum working time, etc.



TAURON Group's Environment and Climate Expert Team – a working group of environmental experts from TAURON Group subsidiaries set up to cooperate within TAURON Group.

Priorities of TAURON Group's Environmental Policy

The general direction for TAURON Group's environmental activities is to minimise the negative impact on the environment, taking into account the specificity of the sector, technology development and access to environmentally friendly technologies. To this end, TAURON Group will:

- 1.** Identify and document key areas of the impact from all TAURON Group operations on the natural environment, across all stages of the Asset Lifecycle.
- 2.** Ensure compliance of TAURON Group's operations with the environmental protection regulations, taking into account local conditions, the specificity of the business and, at the same time, striving to increase efficiency.
- 3.** Implement the sustainable development principles throughout TAURON Group's Supply Chain, taking into account the needs of the parties interested.
- 4.** Strive for continuous development of knowledge and a culture of environmental responsibility among employees, customers, service providers and suppliers within TAURON Group's Supply Chain.
- 5.** Cooperate with all parties and stakeholders to identify and minimise the environmental impact.
- 6.** Seek solutions with the aim of implementing the Circular Economy principles at TAURON Group, among others through:
 - 6.1.** Support for activities reducing or at least not contributing to the consumption of Resources and/ or materials, looking for implementation options as 'good practices' of TAURON Group.
 - 6.2.** Reduction of the stream of waste thanks to product innovation, supply chain management and an informed asset decommissioning.
 - 6.3.** Waste segregation, promotion of the waste re-use across the Asset Lifecycle, thus striving to reduce the consumption of Resources, reducing landfilled waste and increasing the waste stream used in recovery and recycling.
 - 6.4.** Monitoring of production waste and by-products in terms of their quality and environmental impact resulting from TAURON Group's operations throughout the Supply Chain.
- 7.** Strive to improve energy efficiency in order to reduce or at least not contribute to higher consumption of fuel and energy, and to monitor the impact on the climate.
- 8.** Ensure efficient water management.
- 9.** Account for the impact of key assets on biodiversity.
- 10.** Promote protection of the nature, in particular habitats, plant and animal species in key locations, in order to protect biodiversity and ecosystems.
- 11.** Offer products and services that by design or method of use try to limit the scale of environmental impact above the regulatory requirements or applicable standards (taking into account cost optimisation).

- 12.** Expose the reduction of environmental impact beyond the regulatory requirements and applicable standards, in relations with customers.
- 13.** Cooperate with local authorities, the state administration and agencies in order to develop recommended actions and solutions.
- 14.** Partner with local communities.
- 15.** Ensure communication and understanding of TAURON Group's activities that have an impact on the environment.
- 16.** Monitor the drafting of legal regulations in order to implement advance measures in

TAURON Group's operations, in particular in the area of investments and asset management.

- 17.** Proactively search for technical and organisational solutions to minimise the potentially unfavourable impact of TAURON Group's operations on the environment.
- 18.** Monitor and exchange best good environmental practices of the industry.
- 19.** Continuously improve the environmental protection at TAURON Group.



Environmental impact control and reporting

TAURON Group monitors the main aspects of direct and indirect environmental impact of its operating activities on an ongoing basis.

Based on such control measures and taking into account the changing external regulations, TAURON Group plans for and takes actions to reduce the identified scale of environmental impact. By taking relevant actions, each Business Area defines measurable goals and determines the method and frequency of their monitoring.

The monitoring results are periodically presented to the relevant corporate bodies of TAURON Group Companies.

TAURON Group establishes indicators and reporting systems that allow unbiased identification and comparison of the environmental impact of various activities, for the purpose of better management decision-making in the Business Areas.

Appropriate units of TAURON Group Companies ensure the collection and transfer of complete and reliable information on the environment timely as needed to meet the reporting requirements, support compliance with regulatory requirements and ensure good management decision-making.

Operating Limits related to each subsidiary's indicators are reported to TAURON Polska Energia S.A.

TAURON Group Companies prepare annual environmental reports in which they report their Operating Limits, present their environmental impact, accounting for the principles of this Policy and indicating the recommended corrective actions where the Operating Limits could not be met.



Roles and Responsibilities

Employees of TAURON Group Companies

and persons working for TAURON Group at all organisational levels are required to follow this Policy.

Management Boards of TAURON Group Companies

are responsible for implementing and performing any underlying processes in line with the Policy objectives and priorities, ensuring timely, reliable and complete communication on the environment.

Environment and Circular Economy Team

(part of TAURON Polska Energia S.A.) coordinates the entire activity of TAURON Group Companies related to environmental protection at TAURON Group Companies, coordinates the work of TAURON Group

Environmental and Climate Expert Team in order to develop solutions and action recommendations that cover all aspects of TAURON Group's activities.

The Environment and Climate Expert Team

develops the recommendations of actions to be taken by the TAURON Group Companies in the area of environmental impact and the related direct impact on the assets of TAURON Group.



Tools for implementing TAURON Group's Environmental Policy

Communication:

In addition to TAURON Group's organization another channel to communicate this Policy will be TAURON Group's website.

The Policy will be updated whenever changes occur in the framework rules of TAURON Group's activity or priorities related to the environment, as well as any regulatory changes.

The tools supporting the implementation of the Policy are:

- Short-term and long-term environmental goals
- Integration and implementation of the flow of information and communication methods at TAURON Group in terms of internal and external communication
- By-laws and corporate rules
- Ongoing operational vigilance
- Incentive schemes
- Information-oriented activities
- Support for initiatives reaching beyond TAURON Group (indirect impact)
- Support for research and development work aimed at reducing negative impacts on the environment.



Related documents

Documents related to this Policy are:

- TAURON Group's Climate Policy
- TAURON Group's Asset Management Policy
- Documents referred to as 'environmental policy or declaration' or other relevant studies available in the respective Business Areas and setting forth the values / vision of a given TAURON Group Company in the area of its environmental impact.

Final provisions

The Manager of the Environment and Circular Economy Team is responsible for updates to this Policy.

The actual implementation of this Policy is supervised by the Vice-President of the Management Board of TAURON Polska Energia S.A. for Asset Management.



TAURON Polska Energia S.A.

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