ESG Report

2024

Table of contents

1.

Letter from the CEO

Dear All,

I am presenting the ESG Report of the TFKable Group, which encompasses the business operations of TELE-FONIKA Kable S.A. and JDR Cable Systems Ltd.

Sustainability is much more than just our obligation – it is a natural consequence of conducting business responsibly. In addition to meeting non-financial reporting requirements, this report reflects the informed choices that we make. Our actions in the areas of environmental, social and corporate governance are guided by clearly defined values, prior experience and a long-term perspective.

In 2024, we experienced substantial growth and strengthened our position in key market segments. At our manufacturing plant in Bydgoszcz, we continue to expand production infrastructure, including the construction of a new technological tower. This is one of the Group's flagship development projects, and will significantly enhance our capacity to produce high-voltage and extra-high-voltage cables. The accreditation of our quality control unit according to ISO/IEC 17025 has confirmed the highest standard of our laboratory and testing processes.

At JDR Cable Systems, a company specialising in offshore solutions, we are building a state-of-the-art plant in Cambois (Blyth), which is set to become one of Europe's most important submarine cable production sites. This project (supported additionally by the development of 132 kV cable technology) is a strategic response to the growing demand in the renewable energy market.

In the past year, our products were used in the implementation of all three largest wind farms that are now under construction in the Baltic Sea, i.e. Baltic Power, Bałtyk 2, Bałtyk 3, and Baltica 2. This shows the trust in the Group's skills and our contribution to the construction of modern and sustainable infrastructure as part of the ongoing energy transformation processes.

In the area of environmental protection, we have further increased our efforts to reduce emissions, and improve energy efficiency. We continued to implement projects focused on process heat recovery, optimisation of electricity consumption and increasing the share of renewable energy used at our manufacturing facilities. Additionally, we have worked on developing emission monitoring systems and enhancing processes for segregating and recycling production waste – all in line with the EU climate goals and carbon neutrality strategy.

As regards social engagement, we maintained a high level of involvement in educational activities and local initiatives. We cooperate with technical universities to devise internship programmes and R&D projects. We actively support vocational schools as well as initiatives that promote vocational education and training. We also run social and charity initiatives, including support for local non-governmental organisations, youth sports clubs or educational campaigns concerning occupational safety and environmental protection.

Everything we do is rooted in the values of responsibility, partnership, and long-term commitment. Working in close cooperation with clients, institutions and local communities, we develop innovative products and solutions while at the same time respecting the environment and human rights.

We believe that sustainability is the essence of business operations, rather than just an addition to them. That is why our ESG strategy is reflected in every investment decision, in the skills management model, as well as in transparent and responsible reporting.

I would like to thank everyone who contributes to our Group's value creation, i.e. our employees, business partners, customers and local communities. Thanks to our shared commitment, we can effectively respond to the challenges of the contemporary world while building a safe and sustainable future.

Respectfully,
Monika Cupiał-Zgryzek

Chief Executive Officer, TELE-FONIKA Kable S.A.
Chief Executive Officer and Executive Chairman
JDR Cable Systems Ltd.

2.

TFKable Group

2.1. About TFKable Group

Visualization showing the expansion of the Bydgoszcz plant

TFKable Group is the term used to describe the close cooperation of internationally active companies, established through the integration of complementary cable brands TELE-FONIKA Kable and JDR Cable Systems. The structure of this collaborative group has been designed to enable each entity to retain its own operational and technological identity, whilst at the same time harnessing synergies in key areas such as innovation, research and development, quality, ESG management, and global logistics.

Tele-Fonika Kable S.A. Capital Group (TELE-FONIKA Kable), is a group of companies that serve as a production and distribution pillar in Europe, whereas JDR Cable Systems (JDR), which joined TFKable Group in 2017, is a competence centre in the field of submarine cables and offshore solutions, with facilities in the UK, the USA and Brazil. Both groups follow the same strategy, supported by central management structures, but at the same time operate in a manner that is suitable to the requirements of local markets and sectors.

TELE-FONIKA Kable offers a broad range of cable products used in the electrical energy, construction, railway, automation and telecommunications industries. The company's products are used in infrastructure and industrial projects, from local distribution networks to installations in such as large manufacturing plants. TELE-FONIKA Kable provides solutions for low-, medium-, high- and extra-high-voltage power generation, as well as halogen-free, specialty and signal cables.

JDR Group focuses on comprehensive cable systems for applications in challenging submarine environments, predominantly for the offshore renewable energy sector and the oil and gas industry. It offers Inter-Array Cables (33kV, 66kV & 132kV), Subsea Power Umbilicals, Steel Tube Umbilicals, IWOCS rental and oil & gas services, used for the construction and operation of offshore and onshore wind farms. Except for manufacturing processes, JDR Cable Systems also designs, tests and installs its solutions for various projects across Europe, the USA and Asia. The two groups of companies actively cooperate in providing high-voltage solutions for offshore applications and in the development of technological innovations.

TFKable Group's global presence includes a network of manufacturing, distribution and service companies. As a result, the Group is capable of providing efficient customer support in different geographical areas, quickly responding to changing market needs and performing large international contracts.

TFKable Group's business model involves cooperation with business partners and local communities, high quality of products and services, and commitment to sustainable development, including through investments in new technologies, employee training and responsible supply chain management.

2.1. About TFKable Group

JDR Cable Systems Ltd.
Blyth Plant
Northumberland, UK
Production of cables and wires
- investment in progress

JDR Cable Systems Ltd.
Newcastle, UK
Trade and service unit

JDR Cable Systems Ltd.
Hartlepool Plant, UK
Production of cables and wires

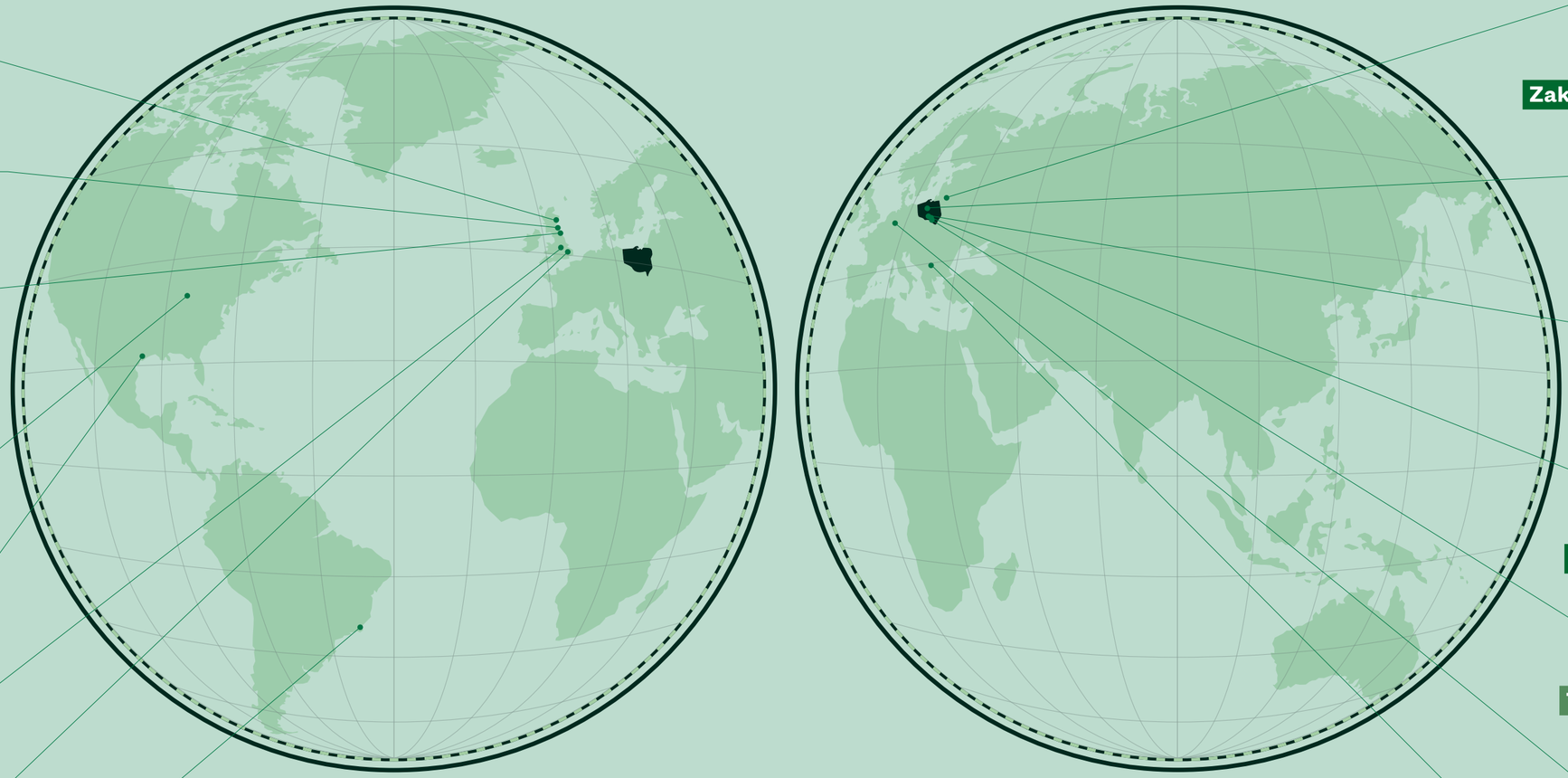
Tele-Fonika Cable
Americas Corp.
Lockport, IL, US
Distribution of cables and wires, warehouse services

JDR Cable Systems, Inc.
Tomball, TX, US
Trade and service unit

TELE-FONIKA UK Ltd.
Measham, UK
Sales support services

JDR Cable Systems Ltd.
Littleport Plant, UK
Production of cables and wires

JDR Fabricacao e Comercio de Sistemas de Cabos, Umbilicais e Servicos Ltda.
Macaé, RJ, BR
Trade and service unit



UAB TELE-FONIKA Baltic, Kowno, LT
Sales support services

TELE-FONIKA Kable S.A.
Zakład Recyklingu Bukowno, PL
Post-production waste recycling plant

TELE-FONIKA Kable S.A.
Zakład Bydgoszcz, PL
Production of cables and wires, sales

TELE-FONIKA Kable S.A.
Zakład Myślenice, PL
Production of cables and wires, sales

TELE-FONIKA Kable S.A.
Zakład Kraków-Wielicka, PL
Production of cables and wires, sales

TELE-FONIKA Kable Central Europe GmbH Hilden, DE
Distribution of cables and wires

TF Kable Fabrika Kablova Zajecar d.o.o., SRB
Production of cables and sales

MANUFACTURING PLANTS SALES SUBSIDIARIES SERVICE UNITS

2.2. ESG management

[ESRS2]

At TFKable Group, the foundation of long-term success is corporate governance that integrates strategic leadership with social and environmental responsibility. The Management Board and the Supervisory Board play the key role in shaping an organisational culture that is based on transparency, ethical approach and sustainable growth.

The management models adopted by the Tele-Fonika Kable S.A. Capital Group and the JDR Group take into account both the achievement of business goals and the evolving expectations of stakeholders, including customers, employees, partners, and local communities. TFKable Group believes that a responsible approach to management is not only an element of due diligence but also a factor supporting the long-term creation of economic and social value.

The parent company of the Tele-Fonika Kable S.A. Capital Group is Tele-Fonika Kable S.A., headquartered in Myślenice, hereinafter also referred to as the "Company," whose management body is the Management Board, and the supervisory body is the Supervisory Board.

[GOV-1]

At TELE-FONIKA Kable S.A., the Supervisory Board is responsible for overseeing all aspects of the Company's operations. Its powers and duties include assessing the compliance of the directors' report and the financial statements for a given fiscal year with the relevant books and documents, as well as with the actual status. It also evaluates the Management Board's suggestions regarding the distribution of profit or coverage of losses. The statutory powers of the Supervisory Board also include delegating representatives to temporarily perform the duties of Management Board members who have been dismissed, resigned or cannot perform their obligations for any other reason.

The Supervisory Board is made up of six members who have vast experience in management, finance, law, and the energy and industrial sectors. Members of the Supervisory Board boast combined skills in the areas of corporate governance, risk management, growth strategy and ESG standards. It consists of individuals with economic and engineering education, as well as experience from private and public companies, including corporate groups. The competencies of the Supervisory Board members also include internal audit, corporate finance, investments and implementation of corporate governance principles.

The Company has an Audit Committee appointed by the Supervisory Board, whose tasks include supervising the financial reporting process and monitoring the effectiveness of internal control, internal audit, and risk management systems. The Audit Committee also supervises external and internal audits. Members of the Audit Committee are selected from among the members of the Supervisory Board, and are supported by a legal expert.

Supervisory Board of TELE-FONIKA Kable S.A	
Number of members[1]	6
Representatives of employees and other individuals that perform work	0
Number of men	5 (83.3%)
Number of women	1 (16.7%)

In 2024, the Management Board of TELE-FONIKA Kable S.A. had three members who were appointed for an indefinite term by the General Meeting of Shareholders.

The appointment criteria include legal requirements (e.g. no criminal record and full legal capacity) and good practices, including the level of knowledge, skills and experience, personality traits, stakeholder opinions, and the principle of diversity and complementarity of competencies.

The Management Board operates as a collegial body. No internal committees or other management structures have been established within it. The Management Board is responsible for the day-to-day management of all areas of the Company's operations, excluding matters reserved for the Supervisory Board and the General Meeting of Shareholders. The Management Board represents the Company externally , i.e. in dealings with individuals, legal entities, and other organisations. Its responsibilities include legal activities such as executing agreements, making and receiving declarations of intent, and representing the Company before courts and public authorities at both national and local levels.

The Management Board of TELE-FONIKA Kable S.A. in 2024 (status of 31.12.2024):

- **Monika Cupiał-Zgryzek** – President of the Management Board. A graduate of strategic management studies. She has been with the Company since 2001, holding managerial positions in the Internal Audit Department and in roles related to general organisation and administration. Since 2015, she has served as the President of the Management Board.
- **Bartłomiej Zgryzek** – Deputy President of the Management Board. A graduate of finance and banking studies. He began his career within the Company's structures in 2001, developing competencies in the financial division in directorial positions, responsible for financial management and treasury. Since 2010, he has been acting as the Deputy President of the Management Board.
- **Piotr Mirek** – Member of the Management Board. He has a university degree in economics and completed postgraduate studies in offshore wind energy. He has been with the Company since 1993, boasting substantial experience in production management, development and investments, technology, strategic purchasing and sales.

[1] *Pursuant to the Polish law, all members of the Supervisory Board are non-executive members.*

2.2. ESG management

Members of the Management Board and Supervisory Board at TELE-FONIKA Kable S.A. possess knowledge in the field of sustainable growth, derived from their studies and courses related to ESG. In addition, they take part in meetings resulting from current strategic processes, in which they share and exchange knowledge with external entities specialized in sustainable development.

The Deputy President of the Management Board is responsible for ESG matters. His tasks include the integration of environmental, social and corporate governance aspects in the Company's operations, as well as supervision of the implementation of objectives related to energy efficiency and sustainable development of investment projects. The Deputy President of the Management Board is also responsible for implementing good practices regarding social and corporate responsibility, coordinating ESG data reporting processes and communicating with investors about environmental, social and corporate governance aspects.

The Data Protection Officer (DPO) is responsible for compliance with legal provisions regarding personal data protection during the stay. He reports regularly to the Management Board.

Management Board of TELE-FONIKA Kable S.A.	
Number of members[2]	3
Representatives of employees and other individuals that perform	0
Number of men	2 (66.67%)
Number of women	1 (33.33%)

The leading company in the JDR Cable Systems Group is JDR Cable Systems Limited, headquartered in the United Kingdom. The management and supervisory body of JDR Cable Systems Limited is the Management Board.

The members of TELE-FONIKA Kable's S.A. Management Board also hold important positions at JDR Cable Systems Ltd., which is managed by the Board of Directors. In 2024, the Board of Directors was composed of:

- CEO and Executive Chairman – **Monika Cupiał-Zgryzek**
- Chief Financial Officer (CFO) – **Tomasz Nowak**
- Chief Operating Officer (COO) – **Mark Braybrooke**
- Chief Strategy & Compliance Officer – **James Young**
- Director (Head of Supply Chain) and First Deputy CEO – **Piotr Mirek**
- Director – **Colin McKay**
- Non-executive Director – **Bartłomiej Zgryzek**

All members of the Board of Directors are dependent members; four of them perform executive functions, while three of them are non-executive. The appointment criteria include the candidates' skill sets, the opinions of stakeholders, and the need to ensure diversity and independence. The management team of JDR Cable Systems Ltd. (the Executive Management Team) performs tasks assigned to it in relation to the Company's operations, and reports to the CEO of JDR Cable Systems Ltd.

The Chief Executive Officer (CEO) of JDR Cable Systems Ltd. ensures the managerial staff's involvement in the implementation of organisational policies, including ones regarding:

- OHS, environmental protection and quality;
- ethics;
- anti-corruption and anti-bribery activities;
- privacy rules.

The Chief Strategy & Compliance Officer supervises activities covering the following areas:

- review of anti-corruption procedures;
- prevention of modern slavery;
- keeping records of gifts and hospitality;
- confidential abuse reporting channels.

The Data Protection Officer (DPO) is responsible for ensuring that JDR *Data Protection Policy* complies with applicable laws, and regularly reports to the Board of Directors of JDR Cable Systems.

Board of Directors, JDR Cable Systems Ltd. [3]	
Number of executive members	4
Number of non-executive members	3
Representatives of employees and other individuals that perform work	0
Number of women	1 (14%)
Number of men	6 (86%)

[2] In accordance with Polish law, all members of the Management Board are executive members.

[3] Under the UK law, the Board of Directors acts as both a supervisory and a management body, with individual members performing executive or non-executive functions.

2.2. ESG management

In 2024, the representatives of the Management Board of TELE-FONIKA Kable S.A. and the Board of Directors of JDR Cable Systems continued to expand their knowledge of sustainable development. The Chief Strategy & Compliance Officer conducts quarterly briefings on the increasing requirements for the reduction of emissions and the need to minimize the environmental impact of JDR Cable Systems' operations. (GOV-2) The Management Board of TELE-FONIKA Kable S.A. receives information on ESG impacts, risks and opportunities through periodic reports on sustainable development and dedicated analyses prepared by internal specialist teams or specialized external entities.

All such documents are submitted to the Management Board for information or approval.

The Management Board delegates selected ESG matters to lower organisational levels and working teams. However, the key ESG topics, analyses and strategic decisions remain under the direct supervision of the Management Board and require its approval.

In 2024, the Management Board and Supervisory Board of TELE-FONIKA Kable S.A. were discussing (on a regular basis) a range of issues related to sustainable development and ESG risk management, as part of general talks about the strategy and planned investment projects. Substantial ESG impacts, risks and opportunities were analysed in the broad context of new product development, investment projects and social and environmental responsibility. Moreover, in 2025, the Deputy President of the Management Board participated in the double materiality process, while the entire Management Board learnt about all the identified ESG impacts, risks and opportunities.

The Management Board and top management set ESG goals in cooperation with a dedicated internal team and with the support of external sustainable growth consultants. The aforesaid cooperation entails ongoing monitoring of progress and an analysis of challenges related to the implementation of sustainable development objectives. The process of monitoring the fulfilment of ESG goals is performed periodically. It includes the analysis of the reported data and qualitative evaluations as part of regular internal reviews.

TELE-FONIKA Kable S.A. takes ESG issues into account when making decisions regarding strategies and key transactions, analysing the impact, risks and opportunities related to sustainable development. Examples of the Company's activities in this regard in 2024:

- **cooperation with universities and the industrial sector** – the Company engages stakeholders (incl. universities) in the development of educational programmes and initiatives related to energy and technological innovation;
- **investments in the development of production and technological facilities.** The aim of these projects is to manufacture products that support the development of renewable energy sources, such as onshore cables for wind farms;
- **compliance with market needs and ESG requirements** – the Company adapts its product portfolio to the needs of the energy market, e.g. by providing solutions dedicated for renewable energy projects;
- **environmental transparency** – TELE-FONIKA Kable S.A. introduces activities aimed at monitoring and reporting the carbon footprint of products, thus ensuring full transparency and control over production processes, which forms an important element of project implementation following the ESG requirements.

At JDR Cable Systems, some tasks related to sustainable growth are delegated by the Board of Directors to the heads of the relevant departments. Progress is monitored through monthly reports submitted to the Board of Directors. ESG data and relevant topics are regularly discussed at management meetings. In 2025, the Board of Directors at JDR Cable Systems (like the Management Board of TELE-FONIKA Kable S.A.) reviewed the results of the double materiality process, including the risks, opportunities and impacts related to sustainable growth, identified during the assessment.

2.2. ESG management

[GOV-4]

Both groups of companies cooperating within the TFKable Group adhere to the principles of due diligence in employment-related matters, environmental protection and management.

Due diligence	
Vital element of the due diligence process	**Location in the sustainability statement**
Incorporating due diligence into corporate governance, strategy and business model	GOV-2, SBM-1
Cooperation with stakeholders impacted by the entity at all key stages of the due diligence process	SBM-2, S1-2
Unfavourable impact identification and assessment	SBM-3, IRO-1
Actions aimed at mitigating the identified adverse impacts	E1-1, E1-3, E2-3, E5-2, S1-4, S2-1, S2-4
Monitoring and providing relevant information on the effectiveness of those actions	E1-5, E1-6, E5-4, S1-9, S1-14, S1-16, S1-17

ESG REPORTING PROCESS MANAGEMENT

The preparation of the ESG report follows a fixed and repeatable pattern. It includes the following stages:

1. **Source data acquisition** - at the initial stage, data owners in the companies (i.e. individuals responsible for specific areas covered by reporting) are identified and engaged.

2. **Preparing the contents of the report –** based on the collected data, the contents of the ESG report are developed. This process includes descriptions and quantitative indicators.

3. **Substantive verification performed by data owners –** after the preparation of the report's initial version, the document is forwarded to the data providers for them to verify whether it is correct, up-to-date and consistent with the actual status. This stage forms an important element of the control process and ensures the reliability of information.

4. **Review and coordination by the project leader –** the report is reviewed by the ESG reporting coordinator.

5. **Competent management body's approval –** the report's final version is presented to the competent management body, which reviews and approves it. This stage serves as a formal confirmation that top management is responsible for the contents of the report.

The steps listed above are aimed at eliminating the risk of incorrect and/or non-verified data being included in the ESG report.

2.3. Stakeholder relations and management of the environmental impact

[SBM-2] TFKable Group has maintained close, respectful, and collaborative relations with following stakeholder groups for years. The Group provides comprehensive and reliable information about its results, activities and plans. The frequency and form of communication, as well as the topics discussed are adjusted to the needs of the Company and specific stakeholders.

STAKEHOLDERS	METHOD OF INVOLVEMENT
1. Right-holders	
Employees	Ongoing contact with immediate superiors and senior management is maintained. An employee satisfaction survey is conducted once every two years. The participation of the social labour inspectorate ensures safe working conditions and protection of employee rights.
Potential employees	Participation in job fairs, vocational training programmes for students, and internship programmes (incl. ones intended for university students).
Employees' families	Organising meetings/events for families, enabling children to visit the manufacturing plant, establishing a jogging club for families, engaging children through art competitions and exhibitions (e.g. the annual competition named "Mom and Dad, work safely"), organising gifts for Saint Nicholas Day, and subsidizing summer holidays for employees' children.
Clients	Daily contact, participation in conferences and fairs, and customer satisfaction surveys once a year.
Banks, capital providers	Ongoing cooperation / daily contact.
Suppliers of materials/raw materials and packaging	Daily contact, on-site audits, and evaluation based on surveys.
Transporters of raw materials, finished products and waste	Ongoing cooperation / daily contact.
2. Obliged entities	
Local administration: mayor, town hall	Ongoing cooperation.
Other institutions and offices: Sanitary Inspectorate, Provincial Environmental Protection Inspectorate, National Labour Inspectorate, fire brigades	Ongoing cooperation.
Certification bodies	Direct contact, as needed.
3. Other parties	
Competitors, importers	Participation in international professional organisations.
Local media	Direct contact, as needed.
Other TFK/JDR facilities	Meetings and workshops, exchange of knowledge and experience, safety days.

2.3. Stakeholder relations and management of the environmental impact

TELE-FONIKA Kable and JDR Cable Systems take into account the conclusions and effects of cooperation with stakeholders in their strategies and business models, viewing them as an important source of knowledge and a growth driver. Stakeholder opinions are regarded as significant guidelines for market and social expectations, but also as an equal voice in the strategic decision-making process. An example of the integration of these opinions into business operations is the cooperation with the Bydgoszcz University of Science and Technology regarding the engineering programme focused on energy. This programme was created on the basis of consultations with industry participants. The investment projects, such as the expansion of the plant in Bydgoszcz, also address the needs of stakeholders, both institutional and community ones. The construction of a new production hall and technological tower will enable the production of innovative high-voltage cables to meet the growing demand of the offshore sector. This process is accompanied by the "Stakeholder Engagement Plan for the Project in Bydgoszcz," which includes (among others) the identification of key groups, assessment of the project's environmental impact, as well as dialogue mechanisms and a complaint handling system. It forms an element of transparent and responsible communication, bolstering relations with the local community.

Stakeholders' opinions are also analysed in the context of the risks and impacts of the Group` operations, which is reflected in the "Assessment of the Organisations' Human Rights Impact."

TELE-FONIKA Kable stakeholders analyses and the information they provide are presented to the Management Board on a regular basis. The Management Board members receive a report containing a summary of the conversations with stakeholders, including their expectations, comments, and recommendations. This allows the Management Board to gain insight into key signals from the market, local communities and those involved in environmental protection. In 2024, based on this information, no changes were made to the strategy or the business model.

The Supervisory Board reviews this information as part of the annual directors' report, which includes a summary of the ESG report. In case an in-depth analysis is required, the Supervisory Board requests the Management Board to supplement the data or provide additional explanations regarding specific comments and the needs of stakeholders. Such a model of reporting and two-way flow of information ensures that both the Management Board and the Supervisory Board are up to date with relevant opinions and can effectively take them into account when making strategic and supervisory decisions.

SOCIAL ENGAGEMENT

In 2024, TELE-FONIKA Kable and JDR Cable Systems implemented a number of social and educational initiatives that form part of a long-term sustainable growth strategy. These activities focused on building relationships with local communities, supporting technical education, and promoting a healthy lifestyle and a culture of responsibility.

Education and Development of Youth Competencies

TELE-FONIKA Kable participated in the TFK City Trial, Job & Career Fair and nationwide educational projects, such as the Career Week at the Bydgoszcz University of Technology and the Young Electrician Days. The Company also invited students to its Bydgoszcz-based plant. In the United Kingdom, JDR Cable Systems visited secondary and technical schools, including HPL College, Ely College and Impington College, in order to promote technical and engineering professions. The Company also supported STEM programmes, such as ForeSEA Your Future and STEMFest Sunderland, developing young people's awareness of modern technologies.

Health, Integration and Local Communities

JDR Cable Systems and TELE-FONIKA Kable promote a healthy lifestyle and social bonds through sports and recreational activities. TELE-FONIKA Kable had its representatives at charity events (Dresden Marathon, Tour de Wind) and local runs (New Year's Eve Run in Kraków, Moustache Run in Kryspinów). There was also a range of family and cultural initiatives, such as the "Mom, Dad, Work Safely!" competitions and the Company's attendance at the Ster event in Bydgoszcz. JDR supported local social initiatives by sponsoring the FC Hartlepool football team and organising the Charity Ball.

Awards, Transparency and Ethics

In 2024, JDR Cable Systems and TELE-FONIKA Kable were recognised for their commitment and operating standards. TELE-FONIKA Kable received the Best in Safety Award, confirming high standards in OHS and safety culture. JDR Cable Systems won the Global Export Award and the Made in the North East Export Award, and joined the CQI Corporate Partner Programme, demonstrating the Group` commitment to the development of management quality and transparency.

2.3. Stakeholder relations and management of the environmental impact

MEMBERSHIP WITH PROFESSIONAL ORGANISATIONS

TELE-FONIKA Kable and JDR Cable Systems are members of dozens of professional associations and organisations, including:

2.3. Stakeholder relations and management of the environmental impact

One of the key professional organisations for TELE-FONIKA Kable and JDR Group is Europacable – an association of the largest European cable and wire manufacturers, operating since 1991. Since September 2015, the position of the Deputy President has been held by Monika Cupiał-Zgryzek.

In 2024, TELE-FONIKA Kable and JDR Group actively participated in national and international events, including fairs, conferences, exhibitions, and symposia. Their attendance presented an opportunity to promote innovative technological solutions supporting the development of renewable energy sources, as well as to showcase the effects of R&D efforts.

Subsea Expo – Aberdeen, UK

Focused on offshore and subsea technology, the event addresses the environmental impact of subsea installations and occupational safety in the offshore sector. ESG is gaining importance in terms of materials, recycling and operational standards. ENEX – Kielce, Poland Renewable energy and energy efficiency fairs supporting the regional energy transition. A strong emphasis on environmental innovation and certified solutions.

KEY Energy – Rimini, Italy

Italy's largest energy transition and climate event. A platform for companies promoting low-carbon technologies and sustainable products.

IPF – New Orleans, USA

A key offshore wind conference in the USA, emphasizing the development of local supply chains and the social dimension of investment projects. ESG matters are discussed in the context of job creation and environmental project planning.

OTC – Houston, USA

A global offshore forum, increasingly committed to ESG through the development of safer and more sustainable mining technologies. It promotes operational transparency and the decarbonisation of the oil and gas sector.

Battery Forum Poland – Warsaw, Poland

A conference focused on energy storage and battery technologies, with a strong emphasis on recycling and the environmental footprint of components. It promotes innovations supporting the energy transition.

Global Offshore Wind – Manchester, UK

A leading offshore wind industry event promoting the development of green energy and certified green components.

PWEA – Świnoujście, Poland

The most important event for the Polish wind market, addressing the issues of local employment, SME development and the social impact of offshore projects. ESG matters are analysed from a social and environmental perspective.

TOC Europe – Rotterdam, The Netherlands

Trade fairs and conferences for the port and container industry, with an emphasis on sustainable logistics and automation. ESG matters are discussed in the context of green ports and transparency of supply processes.

2.3. Stakeholder relations and management of the environmental impact

Energetab – Bielsko-Biała, Poland

The largest energy fairs in Poland, covering solutions for conventional and renewable energy. ESG matters are analysed concerning companies' activities related to certification, efficiency and safety.

WindEnergy - Hamburg, Germany

A global exhibition for the wind, onshore and offshore sector. ESG is strongly represented by companies offering decarbonisation solutions and environmental responsibility.

Rio Oil & Gas – Rio De Janeiro, Brazil

South America's largest energy event, with a growing focus on ESG in the context of social operating license and environmental protection. Companies present their activities in the field of sustainable mining.

MINEXPO 2024 – Las Vegas, USA

An international trade fair for the mining sector that integrates ESG in the area of environmental responsibility, reclamation and water management. It draws participants' attention to the social impact of mining operations.

TOC Americas – Panama, Panama Republic

A logistics event for the Americas, with a growing focus on sustainable maritime transport. ESG includes emissions management, digitization and social responsibility in ports.

Floating Wind – Aberdeen, UK

A conference revolving around floating wind farm technology, i.e. low-emission and less environmentally invasive solutions. ESG plays a key role in the environmental and social assessment of such projects.

PWEA Offshore Wind Poland – Warsaw, Poland

A specialized forum for the development of the offshore wind market in Poland, with a strong emphasis on the localisation of the supply chain and the environmental challenges related to the Baltic Sea. ESG forms part of strategic talks with government and industry.

TOC Asia – Singapore

A key event for ports and logistics in Asia. ESG matters are raised in the context of energy efficiency, operational transparency, and the implementation of green technologies.

OWNE – Sunderland, UK

A regional offshore wind conference with a focus on community inclusion and employee competencies development. ESG is discussed in relation to employment policies and local partnerships.

ADIPEC 2024 – Dubai, UAE

One of the most important global energy events, actively promoting decarbonisation and ESG reporting. It combines conventional fuels with innovations in green energy and responsible management.

ENERGETICS – Lublin, Poland

A trade fair focusing on modern energy and grid efficiency. ESG is discussed in the context of investments in smart infrastructure and sustainable regional development.

Awards and rating results in 2024

Made in the North East – Export Award 2024

Insider Media honoured JDR Cable Systems with the Export Award 2024 for its achievements in international trade and expansion into global markets, including Asia, the Middle East, and Brazil.

EcoVadis Silver Medal

TELE-FONIKA Kable has received an EcoVadis rating, placing the Company among the top 15% of assessed organisations. This result confirms TFKable's commitment to key areas of sustainability: environmental protection, respect for human rights and labour rights, ethics, and responsible purchasing practices.

EcoVadis Gold Medal

In 2024, JDR achieved a rating in the EcoVadis assessment, placing the Company among the top 5% of rated enterprises. The high score in areas such as the environment, labour and human rights, ethics, and sustainable procurement confirms JDR's strong commitment to sustainability initiatives and responsible supply chain management.

Subsea Expo Awards 2024

JDR was shortlisted in the Exporter of the Year category for the third time in 2024 by the Made in the UK Awards, which recognize the manufacturing heritage and capabilities within the UK. The gala took place in Liverpool on 27 June and is one of the largest national manufacturing awards dinners, attended by representatives of the UK's manufacturing sector, from SMEs to multinationals.

CDP B– Rating – Climate Transparency

In 2024, TELE-FONIKA Kable improved its rating in the Carbon Disclosure Project (CDP). The current rating of B–reflects the level of sustainable practices and the Company's efforts to reduce greenhouse gas emissions to achieve net zero emissions

CDP B Rating – Climate Transparency

In 2024, JDR improved its rating in the Carbon Disclosure Project (CDP), achieving a rating of B. The CDP assesses companies based on their climate strategy, risk management, and emissions reduction. The change in rating from C to B for JDR Cable Systems demonstrates progress in management and the pursuit of a more sustainable future.

2.3. Stakeholder relations and management of the environmental impact

In 2024, TELE-FONIKA Kable and JDR joined two sustainability initiatives: the Science Based Targets initiative (SBTi) and the UN Global Compact, which promotes responsible management in areas related to human rights, labour, the environment, and anti-corruption.

In 2024, JDR targets for achieving net zero emissions were officially approved by the Science Based Targets initiative (SBTi). This approval confirms that the adopted targets are in line with the latest climate science guidelines and meet the requirements set by the SBTi for reducing greenhouse gas emissions.

According to the adopted plan:

- By 2033, a reduction of 54.6% in Scope 1 and 2 emissions is anticipated, and a 32.5% reduction in Scope 3 emissions.
- By 2050, a reduction of 90% in emissions across all three scopes (1, 2, and 3) is planned.

The actions taken in this area are part of a long-term decarbonisation strategy and encompass both internal operational processes and collaboration across the entire value chain.

3.

TELE-FONIKA Kable S.A.

3.1. Overview

[SBM-1]

TELE-FONIKA Kable is one of the very few technologically advanced suppliers offering medium-, high- and extra-high-voltage systems. The product portfolio also includes low-voltage cables with halogen-free insulation and coatings, including fire resistant cables, as well as telecommunications and fibre optic cables.

TELE-FONIKA Kable's R&D centres are equipped with devices that enable the conduct of qualification, routine and process tests, including fire tests. The Company's experience is confirmed not only by continuous deliveries to electricity distribution network operators or as part of ongoing investment projects, such as the conventional, wind and photovoltaic power stations, but also by positive results from audits of manufacturing processes carried out by reputable international certification bodies.

In 2024, TELE-FONIKA Kable had 2063 employees. The Company operates in over 80 countries, and its share in the domestic market is approx. 30%*.

** Source: own elaboration.*

3.1. Overview

TELE-FONIKA KABLE PRODUCTS:

- installation cables;
- low-voltage cables, 1kV with Cu or Al conductor;
- XLPE-insulated medium-voltage cables;
- high-voltage power cables (from 36 kV to 150 kV);
- extra-high-voltage power cables (from 220 kV to 400 kV);
- copper and fibre optic telecommunication cables;
- rubber-insulated cables, incl. cables for mines and cranes;
- signalling and controlling cables;
- EPR-insulated medium-voltage cables;
- three-core medium-voltage cables in corrugated aluminium sheaths, intended for the American market;
- high-voltage cables (66 kV and 132 kV) – cables in smooth welded aluminium sheath (SWAS), intended for the UK market;
- comprehensive energy storage solution for modern energy transition – TFPowerPack (industrial energy storage systems).

Cables and wires for onshore power and wind energy applications.

3.1. Overview

The main product groups offered in 2024 by TELE-FONIKA Kable did not undergo any changes compared to 2023. The Company did not sell products that are prohibited in certain markets, nor did it conduct any activities related to the fossil fuel sector, the production of chemicals or controversial types of weapons.

The markets served by TELE-FONIKA Kable are diversified both geographically and in terms of sectors. The United States accounts for the largest share of sales by region, with 33% of the total volume. Poland is the second largest market (26%), followed by Germany with a share of 23%. Other notable markets include the United Kingdom (9%), Southern Europe (4%), the Baltic States (3%), and the rest of the world (3%).

The sales structure of TELE-FONIKA Kable by sector indicates the predominance of distribution (42%) and energy, including high voltage (39%). In the Company's opinion, these are stable and long-term promising sectors, especially in the face of the growing demand for the modernisation and expansion of power grids. In 2024, the industrial area accounted for 10% of sales, while the mining sector was responsible for 7%.

In 2024, net revenues from the sale of TELE-FONIKA Kable products and their installation (EFRAG sector: Production) amounted to PLN 4,320,755,325, making up approx. 99% of total net revenues, i.e. PLN 4,364,399,319.

The adopted business model and strategic decisions regarding sustainable development, innovative products and continuous improvement of the product range lead to a situation in which the customers of TELE-FONIKA Kable S.A. benefit from a variety of high-quality products that meet industry standards and are reliable in use. Modern research centres are responsible for introducing technologies and products that address the changing needs of the market. The Company's transparent financial and sustainability results are stable and allow us to expect further growth in numerous markets. Entities that can be found in the TELE-FONIKA Kable value chain benefit from having a stable and reliable business partner that rewards organisations promoting the culture of sustainable development.

3.1. Overview

KEY DEVELOPMENT PROJECTS AND RESEARCH & DEVELOPMENT INFRASTRUCTURE

One of the key elements of the TELE-FONIKA Kable mission is 'innovations designed in the cable industry,' while the Company's goals include 'striving to develop unique and innovative solutions.'

R&D activities are performed in the Kraków-Wielicka Fire Testing Laboratory, the Kraków-Bieżanów Extra-High Speed Cables Laboratory, and the High and Extra-High Voltages Laboratory in Bydgoszcz.

The Company uses state-of-the-art technologies, and advanced instrumentation allows it to conduct extensive and specialised research. TELE-FONIKA Kable laboratories conduct qualification tests, routine tests and process tests, including fire tests. The research covers high-voltage cables (HV) and extra-high-voltage cables (EHV).

Modern R&D facilities enable the Company to optimise projects for challenging environmental conditions. TELE-FONIKA Kable operates equipment for testing the density of emissions of smoke and the level of corrosive gas emissions. Depending on the test methodology, the continuity of the core and the resistance of the cables to fire under simultaneous impact and water spray are also checked.

Several hundred flammability tests are carried out every year. The equipment of TELE-FONIKA Kable research centres includes the following:

- the cable torsional testing equipment to evaluate the resistance of products to repeated stresses due to rotational movements;
- the cable coating abrasion test machine;
- the climatic test chamber for testing the resistance of materials at different temperatures;
- the accelerated ageing chambers to evaluate resistance to bending, winding, pressure, prolonged elongation, and exposure to ozone;
- the drying and heating chambers to simulate ageing of cables, plastics and elastomers;
- the Weather-Ometer chamber to test the resistance of cables to UV radiation;
- device for testing longitudinal water tightness of cables;
- the tear strength testing machine;
- the Faraday chamber to test high-voltage cables.

GOOD PRACTICE

In recent years, TELE-FONIKA Kable has developed TFPowerPack, namely an innovative industrial energy storage system, adapted for microgrids and RES installations. The system supports energy balancing, management of electric vehicle chargers and stabilisation of local distribution networks. This solution allows customers to reduce energy costs and effectively protect themselves against power outages. In addition, TFPowerPack facilitates the deployment of solutions based on renewable energy sources, contributing to the effective reduction of CO_2 emissions. It was named “Product of the Year” at the Energetics 2024 fair, and received an award from the Minister of Climate and Environment at Energetab 2024. TELE-FONIKA Kable offers its customers a full range of services, from an analysis of network needs, through the design of appropriate solutions, production, assembly and installation on site, to employee training, maintenance and long-term services. The power and energy flow management module of TFPowerPack optimizes the use of renewable energy sources and manages electric vehicle charging stations. The solution also enables integration with PV farms and minimizes electricity losses, thereby eliminating the need to switch off electricity in the event of a sudden rise in grid voltage.

3.2. TELE-FONIKA Kable's strategy and business model

[SBM-1]

The business strategy of TELE-FONIKA Kable is based on development which is aligned with the trends of energy transformation, increased innovation and responsibility towards the environment. The Company is committed to the development of modern energy infrastructure, providing cables and technological solutions for strategic investment projects in renewable energy sources, such as offshore wind farms. TELE-FONIKA Kable supports the energy transition processes in Poland and international markets.

One of the key strategic goals is to increase the Company's value. This objective can be achieved through activities focused on three areas:

- The improvement of cost and sales efficiency in the commodity segment.
- The development of a range of high-margin specialist products.
- The implementation of complex projects, especially in the offshore sector, in cooperation with JDR Cable Systems.

TELE-FONIKA Kable's key growth direction is the ongoing strengthening of its operational potential. The Company invests in the expansion of production capacity, modernization of technological lines and enhanced automation of manufacturing processes. At the same time, R&D competencies are being developed. TELE-FONIKA Kable continues to invest in the development of laboratory facilities in Kraków, Myślenice, and Bydgoszcz, which ensures the maintenance of high quality and reliability of products, especially in challenging environmental conditions.

New technologies are also being developed, such as the 2X(F)KL2Y-SC-WTC power cable equipped with a smooth welded aluminium sheath, or HV and EHV cables for mechanical installation, e.g. A2X(F)KL2Y-SC-WTC, as well as TFEasyLineMVC – a low-voltage cable line service system; the solutions were designed for challenging transmission applications. These innovations facilitate efficient connections between turbines and transformer stations, supporting the reliable transmission of energy to distribution networks and addressing the current needs of the energy transition.

TELE-FONIKA Kable's business strategy is complemented by the *Sustainable Growth Strategy.* In that document, the Company highlights its pursuit of stable growth and sustainable market edge, relying on ESG principles. The approach is based on active participation in building a low-carbon society, developing responsible practices in the value chain, and continuous monitoring and improvement of operational activities.

TELE-FONIKA Kable perceives climate change as a serious challenge and emphasises the Company's role in reducing greenhouse gas emissions and adapting to climate changes. The Company also declares its responsibility towards employees, associates, suppliers and contractors, including respect for human rights, ensuring equality and diversity, empowering local communities and commitment to employee development. The *Sustainable Growth Strategy* also shows TELE-FONIKA Kable's commitment to compliance with international and national regulations, counteracting corruption and promoting integrity throughout the supply chain.

3.2. TELE-FONIKA Kable's strategy and business model

The objectives adopted in the *Sustainable Growth Strategy* include the following:

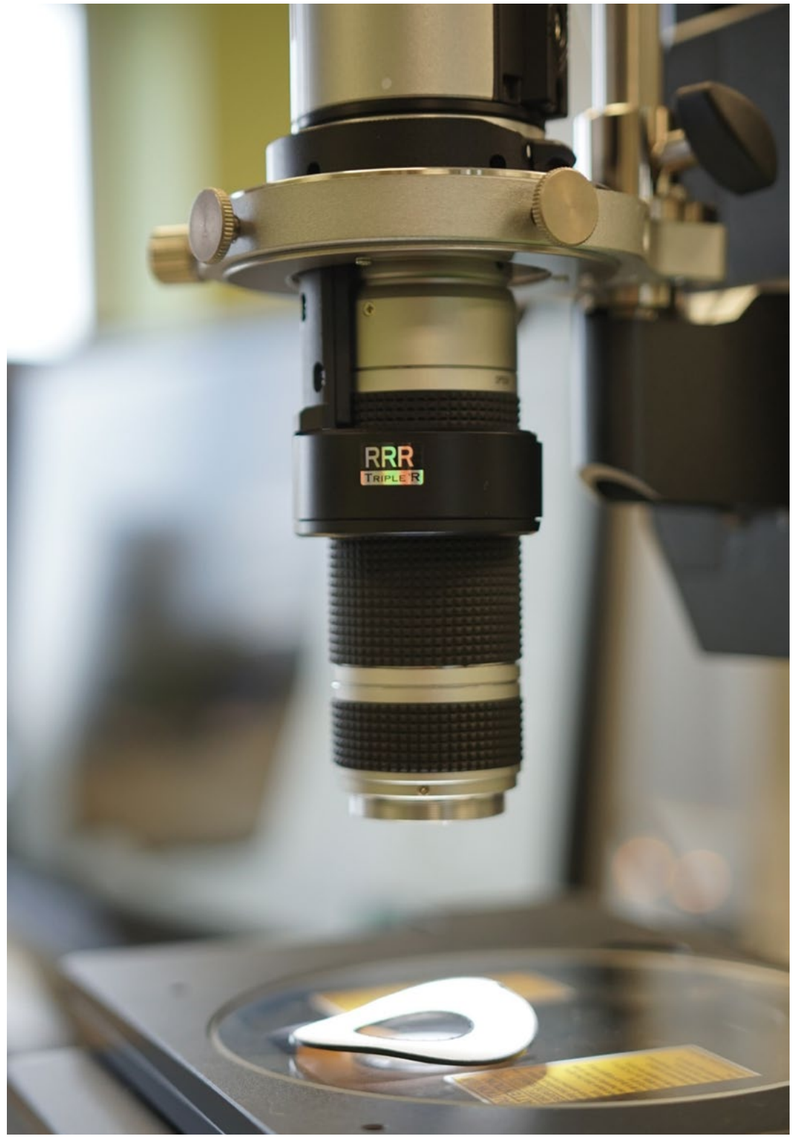
- Increasing the share of energy generated from renewable sources in production processes to 40% until 2030.
- Reduction of the carbon intensity index by over 20% until 2030 compared to 2023.
- Incorporating carbon footprint disclosure and reduction requirements into inquiries to suppliers.
- Developing a decarbonisation plan:
  - 2023: Preparation and collection of data for the calculation of Scope 3 emissions (development of methodology, and preparation for data collection).
  - 2024: Scope 3 emissions calculation.
  - 2025: Developing a decarbonisation plan.

The ESG goals adopted by TELE-FONIKA Kable have a direct impact on the development of the products offered by the Company but do not determine the sales directions or the choice of target markets. The Company consistently implements solutions aimed at lowering the emission intensity of its products, focusing on cooperation with existing suppliers in reducing the carbon footprint of raw materials. At the same time, it is looking for new partners that offer lower-emission materials, including recycled ones.

Even though ESG objectives do not affect the decisions related to geographic markets, their implementation is reflected in some products. A good example here would be cables intended for installation in wind and photovoltaic farms, which support the global energy transition and the growth of renewable energy sources. Equally important are products designed for energy storage systems, which form part of low-carbon infrastructure and sustainable energy.

Actions taken in 2024 to support the achievement of ESG goals include the following:

- expansion of production capacities with respect to medium-, high- and extra-high-voltage cables, which is important for increasing the availability of products supporting the energy transition, especially in the infrastructure used for the transmission of energy from renewable sources.
- investments in photovoltaic installations that directly reduce the emissions resulting from manufacturing processes.



3.2. TELE-FONIKA Kable's strategy and business model

VALUE CHAIN

The value chain begins with the sourcing of high-quality raw materials from trusted suppliers, while transportation and logistics systems enable the fast and safe transport of materials and products. In modern manufacturing plants, products are made in accordance with the highest standards. An extensive distribution network ensures that products reach customers all over the world. TELE-FONIKA Kable also ensures the recovery of raw materials during the recycling process and, if necessary, their disposal in an environmentally safe way.

Suppliers of TELE-FONIKA Kable are required to adhere to the principles of social and environmental responsibility. Contractors are obliged to follow ethical principles. Compliance with them is verified during audit procedures. The issues of the sustainable supply chain are governed by internal procedures and policies that have been implemented and are strictly followed.

The Company expects all new suppliers to complete a self-assessment survey, including information on the quality of the product offered, the production process, and their ESG best practices. Additionally, the following documents are required: a current product safety data sheet, a RoHS declaration (if applicable), an EMRT or CMRT declaration for conflict minerals (e.g., tin, mica), approval of the TELE-FONIKA Kable *Supplier Code*, a completed ESG Supplier Survey, and certificates or other quality documents containing test results or characteristics of the supplied material. Where applicable, confirmation of compliance with environmental requirements consistent with the ISO 14001 standard is also required.

SUPPLIERS OF TELE-FONIKA KABLE

66%	Poland
21%	EU
13%	the rest of the world

THE COPPER MARK | RESPONSIBLY PRODUCED COPPER

TELE-FONIKA Kable and JDR are participants in the Copper Mark – an industry initiative aimed at promoting responsible production and trade in copper. The Copper Mark is a certification system that enables the identification of mining operations which meet specific sustainability criteria in environmental, social, and governance (ESG) areas.

Companies participating in the programme undergo detailed assessments and independent audits to confirm their commitment to responsible practices in the copper supply chain. The initiative supports transparency, accountability, and continuous improvement in the industry, contributing to the reduction of environmental impact and the strengthening of social standards.

3.3. Material impacts, risks and opportunities for TELE-FONIKA Kable

[SBM-3] In the course of the analysis of double materiality analysis, TELE-FONIKA Kable identified the following material impacts, risks and opportunities. These impacts, risks, and opportunities result directly or indirectly from the adopted business model and strategy.

	IMPACT/ RISK/ OPPORTUNITY	TYPE	DETAILS	LOCATION
E1	Risk	Physical risks related to climate change	Destruction of infrastructure, equipment or products as a result of a violent storm.	Organisation
E1	Risk	Transition risk related to climate change	Higher costs of doing business due to climate regulations (e.g. taxes or other fees related to greenhouse gas emissions).	Organisation
E1	Risk	Transition risk related to climate change	Higher costs of doing business due to high energy costs in the future.	Organisation
E1	Opportunity	Opportunity related to adaptation to climate change	Selling new products or technological solutions that support the fight against climate change, which may lead to financial benefits.	Organisation
E1	Impact	Actual positive impact	TELE-FONIKA Kable strongly support the growth of renewable energy sources, supplying cables for wind farms.	Organisation Value chain
E1	Impact	Actual negative impact	Cable production requires energy and processes that generate greenhouse gas emissions.	Organisation Value chain
E1	Impact	Potential positive impact	The Company is in the process of adopting a decarbonisation plan with goals set until 2035 and an outlook until 2050, which will contribute to the mitigation of climate change effects.	Organisation Value chain
E1	Impact	Potential negative impact	The emissions may be higher in the case of increased production and lack of actions reducing greenhouse gas emissions.	Organisation Value chain

3.3. Material impacts, risks and opportunities for TELE-FONIKA Kable

	IMPACT/ RISK/ OPPORTUNITY	TYPE	DETAILS	LOCATION
E1	Impact	Actual negative impact	The Company's operations are energy-intensive. In 2024, 85.3% of energy came from non-renewable sources.	Organisation
E1	Impact	Potential positive impact	The Company intends to obtain energy from renewable sources and may reduce its energy consumption. The share of purchased electricity coming from renewable energy sources will be 30% in 2025 and 100% starting from 2026.	Organisation
E1	Impact	Potential negative impact	In the case of a change of the energy supplier or failure to meet the assumptions, the energy will come from non-renewable sources.	Organisation
E2	Impact	Actual negative impact	Cable production involves the use of hazardous substances. Some rubber compounds contain hazardous ingredients, such as emulsions and oils used in cable systems, galvanic bath components and plastic additives, as well as substances aimed at reducing the flammability of cables.	Organisation
E5	Impact	Actual positive impact	The Company replaces some of the raw materials with recycled materials. In addition, it has its own Cable Recycling Plant, which recovers copper and plastics from cable waste. Thereby, it reduces the need for primary raw materials.	Organisation
E5	Impact	Actual negative impact	The Company uses primary raw materials, such as copper, aluminium, plastics and rubbers. Obtaining these raw materials is associated with the depletion of deposits.	Organisation
E5	Impact	Actual positive impact	The cables produced by the Company are largely recyclable; they contain copper and aluminium. By recycling cables, the Company ensures that a significant part of cable waste is reused as a raw material.	Organisation Value chain
E5	Impact	Actual positive impact	The Company employs a circular economy approach, recycling over 90% of production waste.	Organisation

3.3. Material impacts, risks and opportunities for TELE-FONIKA Kable

	IMPACT/ RISK/ OPPORTUNITY	TYPE	DETAILS	LOCATION
E5	Impact	Actual negative impact	The production process generates significant amounts of waste, however, not all of it is reused or recycled.	Organisation
E5	Impact	Potential negative impact	The Company might not have any influence on the method of recycling or disposal of used cables, as these processes are handled by other entities.	Value chain
S1	Impact	Actual positive impact	Over 89% of the staff are employed under indefinite-term contracts, which points to employment stability.	Organisation
S1	Impact	Actual positive impact	The Company offers competitive salaries and pays them in a timely manner; it also offers a range of fringe benefits.	Organisation
S1	Impact	Actual negative impact	Despite the mitigation of OHS risks, OHS training and campaigns raising employee awareness in this regard, there are some workplace accidents.	Organisation
S1	Impact	Actual negative impact	Despite promoting equal opportunities, the Company recorded a gender pay gap in 2024.	Organisation
S1	Impact	Actual positive impact	The Company invests in the development of its staff. Employees regularly participate in training courses, including those that improve their qualifications. The Company also runs internship and apprenticeship programmes as part of the young talent management program.	Organisation
S1	Impact	Actual positive impact	The Company declares its support for diversity and equal opportunities, with the principle of equal treatment being one of the core values.	Organisation

3.3. Material impacts, risks and opportunities for TELE-FONIKA Kable

	IMPACT/ RISK/ OPPORTUNITY	TYPE	DETAILS	LOCATION
S2	Impact	Potential positive impact	The Company may require its subcontractors to hire employees based on employment contracts or other stable forms of employment, thus exerting a positive impact in the value chain.	Value chain
S2	Impact	Actual positive impact	The Company requires contractors to comply with applicable standards, including with respect to OHS.	Value chain
S2	Impact	Potential negative impact	Despite the requirement for entities in the value chain to comply with applicable OHS standards, some suppliers might fail to do so.	Value chain
S4	Impact	Actual positive impact	Audited processes and certified cables increase the safety of end users, minimising the risk of electrical failures that pose a threat to life or property.	Organisation Value chain
G1	Impact	Actual positive impact	The Company has clearly defined corporate values. Care for the safety of the team is a priority embedded in these values, which translates into an organisational culture that promotes compliance with OHS rules and mutual respect. Appropriate policies have been adopted to manage the corporate culture.	Organisation
G1	Impact	Actual positive impact	The Company has dedicated anonymous channels for reporting irregularities – employees can report any abuse without fear of reprisal (the Company guarantees protection against retaliation for employees who report suspected violations in good faith).	Organisation
G1	Impact	Actual positive impact	The Company requires its partners to meet applicable ethical and social standards.	Organisation
G1	Impact	Actual positive impact	The Company actively prevents corruption through training courses and compliance procedures. New hires undergo mandatory training to become familiar with the *Code of Ethics and Conduct*.	Organisation

TELE-FONIKA Kable does not report influences that do not result from the ESRS.

3.3. Material impacts, risks and opportunities for TELE-FONIKA Kable

The Company has identified most of the risks in the medium and long term, with the exception of the risk of damage to infrastructure, equipment or products, which also applies in the short-term perspective. Consequently, the Company does not currently face financial consequences, and actions to mitigate the risks do not need to be immediate. The identified risks may contribute to a decrease in revenues by at least 3%. Thus, in the environmental section of the report, the Company describes the steps it takes to mitigate the impact of these risks on its operations.

In the chapters related to the environment, employment, value chain, end users and corporate governance, TELE-FONIKA Kable describes its approach to managing material impacts and ensuring the robustness of its business model.

It is worth noting that, in cable production, water is used in technological processes for the purposes of cooling and steam production. All cooling installations and systems operate in a closed circuit, and water is drawn from the water supply network exclusively in order to compensate for evaporation and droplet drift losses. The total water consumption at TELE-FONIKA Kable in 2024 amounted to 253,385 m^3 (data based on invoices and internal water consumption meters), of which about 30% was used for domestic purposes. For this reason, it has been decided that issues related to water intake and consumption are not of material significance for TELE-FONIKA Kable. Furthermore, none of the production plants is located in an area exposed to water-related risks.

In 2024, TELE-FONIKA Kable implemented measures to reduce the use of water and to recover and reuse it. A system has been installed at the Myślenice plant to collect stormwater from the roof of the pumping station for use in the cooling circuit. At the Kraków-Wielicka plant, fan-cooled water chillers in closed circuits were modernised. Modern droplet eliminators and spray nozzles were installed, allowing for the reduction of water losses. In addition, the plant replaced steam trap parts on the steam network to reduce steam and high-energy water losses. The steam condensate system was also insulated over a 120-metre section to reduce leakage-related losses.

3.4. Taxonomy

In accordance with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("EU Taxonomy"), key performance indicators are presented below, together with accompanying information, which reflect the degree of compliance of the TELE-FONIKA Kable corporate Group's operations with the EU Taxonomy, and identify environmentally sustainable activities.

The following legal acts form the basis for the calculation of indicators, and the manner of data presentation:

- Regulation 2020/852, together with Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021; (establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, as updated by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023);
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (related to article 8 of the EU Taxonomy);
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (nuclear and fossil gas related activities);
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178;
- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139.

This disclosure applies to TELE-FONIKA Kable corporate Group's operations between 1 January and 31 December 2024, and includes information about the percentage share of:

- EU Taxonomy-aligned operations; and
- EU Taxonomy Eligible/Non-Eligible operations

This disclosure is presented in three categories::

- Revenue (turnover);
- Capital expenditure (CapEx);
- Operating expenditure (OpEx).

These indicators have been developed in accordance with the requirements of Delegated Regulation (EU) 2021/2178, based on best available knowledge and due diligence.

The disclosure also includes qualitative (explanatory) information, prepared in accordance with Delegated Regulation (EU) 2021/2178, taking into account the amendments resulting from Delegated Regulations (EU) 2022/1214, 2023/2486 and 2023/2485.

PROVISION OF WARRANTY

The TELE-FONIKA Kable corporate Group meets the minimum safeguards discussed in article 18 of Regulation (EU) 2020/852.

The assessment of compliance with the minimum safeguards that was performed on the basis of the recommendations included in the Final Report on Minimum Safeguards, developed by the Platform on Sustainable Finance (October 2022). This document indicates that failure to meet the minimum safeguards occurs when at least one of the two criteria applies within four core topics:

- Human rights
- Corruption
- Taxation
- Fair competition.

The analysis of minimum safeguards also concerned the guidelines provided in the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

Human rights

The TELE-FONIKA Kable corporate Group meets the requirements of minimum safeguards in the area of human rights. *The Human Rights and Diversity Policy* declares the application of due diligence and undertakes to use it in operational activities. A human rights impact assessment was carried out in accordance with internationally recognised guidelines (Human Rights Impact Assessment: Guidance and Toolbox, prepared by the Danish Institute for Human Rights), demonstrating a systemic approach to identifying actual and potential adverse impacts. The Group takes risk mitigation measures, which are documented in OHS and HR reports. The reporting procedure allows stakeholders to report violations and includes mechanisms to monitor effectiveness in that respect, including a review of the level of remuneration compared against fair wages. In addition, the Group discloses information on human rights in its annual sustainability reports. As of the disclosure date, there were no final court judgments regarding human rights violations by the TELE-FONIKA Kable corporate Group.

Corruption

The TELE-FONIKA Kable corporate Group meets the requirements of minimum safeguards in the area of counteracting corruption. Due diligence matters are discussed in detail in the *Code of Conduct and Ethical Standards* and the *Anti-Corruption Policy*, covering both preventive

3.4. Taxonomy

actions and remedial mechanisms. The Group expressly prohibits all forms of corruption and has introduced an obligation to report suspected violations, as well as procedures for conflicts of interest. Business partners were also verified in accordance with the "Know Your Client" principle. Steps have been taken to gradually implement anti-corruption clauses in contracts. In 2024, the Group and its representatives were not convicted of any violation of anti-corruption laws.

Taxation

The TELE-FONIKA Kable corporate Group meets the requirements of minimum safeguards in the area of taxation. The *Tax Strategy* adopted in 2021 serves as the formal basis for tax due diligence. This document sets out the rules for managing risk, tax processes and stakeholder relations; it is updated on a regular basis. The Company actively identifies actual and potential tax risks, e.g. through ongoing monitoring of legislative changes and analyses of the tax consequences of the planned activities. In order to mitigate the effects of risks, practices compliant with the guidelines of competent tax authorities have been implemented, and the opinions of external advisors and advance tax rulings are used. There is also a procedure for reporting irregularities and annual audits that include verification of tax compliance. Information about the implementation of the strategy is published at the Company's website. In 2024, the Group and its representatives were not convicted of any violation of tax laws.

Fair competition

The TELE-FONIKA Kable corporate Group meets the requirements of minimum safeguards in the area of fair competition. Due diligence is comprehensively covered in the *Code of Conduct and Ethical Standards*, which prohibits unfair market practices, such as bid rigging, price fixing, dumping and market sharing. Employees undergo training in prohibited activities and are obliged to make independent business decisions. The Code also specifies the obligation to report potential violations and expectations towards business partners with respect to compliance with the principles of fair competition. TELE-FONIKA Kable S.A. has an internal procedure for reporting irregularities. As of the disclosure date, there is no information on court judgments imposing penalties on the Group for any violation of the principles of fair competition.

Assessment of compliance with the EU Taxonomy

Pursuant to Regulation 2020/852, an economic activity shall qualify as environmentally sustainable where that economic activity:

- contributes substantially to one or more of the six environmental objectives:
  1. Climate Change Mitigation (CCM);
  2. Climate Change Adaptation (CCA);
  3. Water and Marine Resources (WTR);
  4. Circular Economy (CE);
  5. Pollution Prevention and Control (PPC);
  6. Biodiversity and Ecosystems (BIO);
- does not significantly harm any of the other environmental objectives (the "Do No Significant Harm" (DNSH) rule);
- is carried out in compliance with the minimum safeguards laid down in article 18; and
- complies with technical screening criteria that have been established by the Commission.

For each identified activity eligible for the EU Taxonomy, an assessment of compliance with the relevant contribution criteria and the DNSH rule has been conducted, in accordance with the relevant delegated acts.

The turnover, capital expenditure and operating expenditure listed in the tables below have been determined on the basis of the definition of indicators in Annex I to Commission Delegated Regulation (EU) 2021/2178 and further amending Regulations. Individual types of activities conducted by the TELE-FONIKA Kable corporate Group have been assigned to only one eligible activity in order to avoid double-counting. In addition, the finance department responsible for aggregating financial data performed a verification process confirming the allocation within a single taxonomic activity.

3.4. Taxonomy

TURNOVER KPI

Accounting principles

In order to calculate the turnover KPI, the 2024 financial statements of the TELE-FONIKA Kable corporate Group, prepared in accordance with the Accounting Act, were used. The value of net sales revenues, disclosed in those statements, served as the denominator of the indicator.

Assessment of conformity with Regulation (EU) 2020/852

With respect to the TELE-FONIKA Kable corporate Group's activities eligible for the EU Taxonomy, an assessment of compliance with the technical screening criteria and the DNSH rule was performed. After gathering and analysing the evidence, all four activities were found to meet the technical screening criteria and the DNSH requirement. Given TFK Group's compliance with the minimum safeguards, these activities can be considered as EU Taxonomy-aligned.

An analysis of revenues generated in 2024 showed that **34.66% (PLN 1,513,658,000)** of revenues are eligible for the EU Taxonomy:

- For Objective I – activity 3.1: Manufacture of renewable energy technologies:
  - Production of cables for photovoltaics and wind turbines, sold to customers in the renewable energy generation market.
- For Objective I – activity 3.6: Manufacture of other low carbon technologies:
  - Fibre optic production.
- For Objective I – activity 3.20: Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation:
  - Production of power cables and wires (high-, medium- and low-voltage) intended for the extension of power grids in countries with a share of renewable energy generation higher than or equal to the EU target for 2030, i.e. 42.5%.
- For Objective I – activity 4.9: Transmission and distribution of electricity:
  - Products and installation services intended for the onshore transmission and distribution network.

Contributions to multiple objectives

Does not apply to the TELE-FONIKA Kable corporate Group. No activities contributing to multiple environmental objectives have been identified.

Disaggregation of KPIs

Not applicable. The TELE-FONIKA Kable corporate Group does not disaggregate the turnover KPI into individual companies within the Group.

Contextual information

Neither the numerator of the KPI nor the eligible activities show any amounts related to the Group's own consumption activities.

3.4. Taxonomy

Financial year	2024			Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) turnover, year 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		PLN k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	374,215	8.57%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture of other low carbon technologies	CCM 3.6	15,541	0.36%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	923,675	21.15%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	299,227	4.54%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,513,658	34.66%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Of which enabling		-																	
Of which transitional		-																	
A.2 Taxonomy-eligible but environmentally unsustainable activities (non-Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	-	-	-	-	-	-	-									26.30%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	**1,513,658**	**34.66%**	**-**	**-**	**-**	**-**	**-**	**-**									**26.30%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities	2,853,062	65.34%																	
TOTAL	**4,366,720**	**100%**																	

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	34.66%	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

3.4. Taxonomy

KPI CAPEX

Accounting principles

The basis for calculating the CapEx KPI was the capital expenditure recognised in the financial statements of the TELE-FONIKA Kable corporate Group, corresponding to the costs defined for the denominator of the CapEx KPI:

- IAS 16 Property, Plant and Equipment, item 73 e) (i) and (iii);
- IAS 38 Intangible Assets, item 118 e) (i);
- IAS 40 Investment Property, items 76 a) and b) (for the fair value model);
- IAS 40 Investment Property, items 79 d) (i) and (ii) (for the model based on the purchase price or manufacturing cost);
- IAS 41 Agriculture, items 50 b) and e);
- IFRS 16 Leases, item 53 h).

The denominator of the CapEx KPI includes positive gross values of investments in fixed assets and intangible assets.

Assessment of conformity with Regulation (EU) 2020/852

With respect to the TELE-FONIKA Kable corporate Group's activities eligible for the EU Taxonomy, an assessment of compliance with the technical screening criteria and the DNSH rule was performed.

An analysis of capital expenditure in 2024 has shown that 36.50% (PLN 87,145,000) of capital expenditure is EU Taxonomy-aligned:

- For Objective I – activity 3.1: Manufacture of renewable energy technologies;
- For Objective I – activity 3.6: Manufacture of other low carbon technologies;
- For Objective I – activity 3.20: Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation;
- For Objective I – activity 4.9: Transmission and distribution of electricity;
- For Objective I – activity 4.10: Storage of electricity.

Contributions to multiple objectives

Does not apply to the TELE-FONIKA Kable corporate Group. No activities contributing to multiple environmental objectives have been identified.

Disaggregation of KPIs

Does not apply to the TELE-FONIKA Kable corporate Group.

Contextual information

The reported value of capital expenditure eligible for the EU Taxonomy, incurred in the financial year 2024, concerned the assets or processes related to the business operations of the TELE-FONIKA Kable corporate Group (activities: 3.1, 3.6; 3.20 and 4.9 for Objective I), as well as those originating from entities that conduct EU Taxonomy-eligible activities (purchase-related investments covered by business activities eligible for the Taxonomy, and investments related to individual measures allowing the target activity to become low-carbon or enabling it to reduce greenhouse gas emissions (activity 4.10)).

The TELE-FONIKA Kable corporate Group does not have a plan aimed at expanding economic activities in accordance with the EU Taxonomy or enabling the EU taxonomy-eligible economic activities to adapt to the EU Taxonomy, i.e. "CapEx plans," as defined in item 1.1.2 of Annex I to the Delegated Regulation (EU) 2021/2178.

The value of the CapEx KPI-eligible numerator includes the value of expenditure related to the manufacturing activities of the TELE-FONIKA Kable Group – the part that corresponds to the share of turnover from the sale of eligible products in the total revenue. The Group also identified specific values in the numerator, which were assigned directly to a given activity. Other capital expenditure was recognised as originating from entities that perform EU Taxonomy-eligible or EU Taxonomy-non-eligible activities. The reason for adopting this approach was the inability to separate part of the expenditure incurred by the TELE-FONIKA Kable corporate Group related to individual eligible activities from the total capital expenditure, due to the lack of the technical capability to separate production assets used exclusively for the manufacture of eligible products.

3.4. Taxonomy

Financial year	2024			Substantial contribution criteria						DNSH criteria								
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) turnover, year 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		PLN k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	25,163	10.54%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture of other low carbon technologies	CCM 3.6	2,026	0.85%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	49,079	20.56%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	10,639	4.46%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Storage of electricity	CCM 4.10	238	0.10%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		87,145	36.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling		-																	
Of which transitional		-																	
A.2 Taxonomy-eligible but environmentally unsustainable activities (non-Taxonomy-aligned activities)																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-									27.5%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)	87,145	36.50%	-	-	-	-	-	-									**27.5%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities	151,596	63.50%																	
TOTAL	**238,741**	**100%**																	

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	36.50%	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

3.4. Taxonomy

KPI OPEX

Accounting principles
The basis for calculating the OpEx KPI based on the definition in Annex I to Delegated Regulation 2021/2178 and other amending Regulations is the separation – from the general costs presented in the financial statements – of operating expenses related to:

- R&D works;
- building renovation activities;
- short-term leases;
- maintenance and repairs; and
- any other direct expenditure related to the ongoing maintenance of fixed assets by the Company or a third party to which the activities necessary to ensure the continuous and efficient operation of those assets have been outsourced.

Due to the lack of such data in the financial statements, the denominator does not match any item in the financial statements. Detailed data on operating costs incurred come from financial and accounting records. These costs are related to the costs of materials and spare parts – in the part corresponding to the costs of maintenance services, the costs of renovations, repairs, maintenance and inspections, rental and lease services, other services (incl. the cleaning costs as part of keeping the premises and external areas clean and orderly, legalisation of measurement inspections, forklift operator licenses issued by the Office of Technical Inspection), costs of employees of maintenance services, whose task is to directly perform activities related to ensuring the proper functioning of machines, equipment, etc. constituting the technical infrastructure of the manufacturing plants (other than machine operators), and employees of economic departments, whose duties are related to maintaining order and cleanliness (cleaners, repair workers).

Assessment of conformity with Regulation (EU) 2020/852
With respect to the TELE-FONIKA Kable corporate Group's activities eligible for the EU Taxonomy, an assessment of compliance with the technical screening criteria and the DNSH rule was performed. The criteria were met for each activity, meaning that all of the Group's operating expenditure as part of these activities can be considered compliant with the EU Taxonomy.

An analysis of operating expenditure in 2024 has shown that 34.93% (PLN 18,443,000) of the expenditure is EU Taxonomy-aligned:

- For Objective I – activity 3.1: Manufacture of renewable energy technologies;
- For Objective I – activity 3.6: Manufacture of other low carbon technologies;
- For Objective I – activity 3.20: Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation;
- For Objective I – activity 4.9: Transmission and distribution of electricity.

Contributions to multiple objectives
Does not apply to the TELE-FONIKA Kable corporate Group. No activities contributing to multiple environmental objectives have been identified.

Disaggregation of KPIs
Does not apply to the TELE-FONIKA Kable corporate Group.

Contextual information
The reported value of operating expenditure aligned with the EU Taxonomy, incurred in the financial year 2024, concerned the assets or processes related to the business operations of the TELE-FONIKA Kable corporate Group, i.e. those from which sales revenues are generated.

The value of the CapEx KPI numerator includes the value of expenditure related to the manufacturing activities of the TELE-FONIKA Kable Group – the part corresponding to the share of turnover from the sale of EU Taxonomy-aligned products in the total revenue. The Group also identified specific values in the numerator, which were assigned directly to a given activity. Other operating expenditure was recognized as EU Taxonomy-non-eligible. The reason for adopting this approach was the inability to separate part of the operating expenditure incurred by the TELE-FONIKA Kable corporate Group related to individual eligible activities, from the total operating expenditure, due to the lack of the technical capability to separate production assets used exclusively for the manufacture of EU Taxonomy-aligned products.

3.4. Taxonomy

Financial year	2024			Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
		PLN k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	4,507	8.54%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture of other low carbon technologies	CCM 3.6	272	0.52%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	11,252	21.31%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Transmission and distribution of electricity	CCM 4.9	2,411	4.57%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-		
Operational expenditure from environmentally sustainable (Taxonomy-aligned) activities (A.1)		18,443	34.93%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling		-																	
Of which transitional		-																	
A.2 Taxonomy-eligible but environmentally unsustainable activities (non-Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	-	-	-	-	-	-	-									26.3%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)	**18,443**	**34.93%**	**-**	**-**	**-**	**-**	**-**	**-**									**26.3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities	34,360	65.07%																	
TOTAL	**52,802**	**100%**																	

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	34.93%	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

3.4. Taxonomy

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

The TELE-FONIKA Kable corporate Group does not conduct, fund or have exposure to the activities referred to in sections 4.26 – 4.31 of annexes I and II to the Commission Delegated Regulation (EU) 2021/2139, as shown in the tables below.

	Nuclear energy related activities	KPI Turnover	KPI Capex	KPI Opex
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO	NO	NO
3	The undertaking carries out, funds or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO	NO	NO

	Fossil gas related activities	KPI Turnover	KPI Capex	KPI Opex
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO	NO	NO
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO	NO	NO
3	The undertaking carries out, funds or has exposures to the construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO	NO	NO

Due to the lack of activities discussed in the aforesaid section 4.26 – 4.31, there is no need for additional tables included in Annex XII of Commission Delegated Regulation 2022/1214.

3.5. Environmental impact

IMPACT ON THE CLIMATE

[SBM-3] [IRO-1]

As part of its double materiality assessment, TELE-FONIKA Kable identified its material impacts. The actual negative impact results from greenhouse gas emissions generated during the production and provision of services, both within the organisation and in the value chain. In 2024, greenhouse gas emissions (Scope 1, 2 and 3) amounted to 36,372,777.6 tCO2e according to the location-based method, and 36,387,254.1 tCO2e according to the market-based method. Conversely, the actual positive impact is associated with products that are used in projects related to renewable energy sources. There is also a potential negative impact concerning an increase in greenhouse gas emissions, but the adoption of a decarbonisation plan acts as a potentially positive impact. The production of cables is energy-intensive, which gives rise to the second actual negative impact. At the same time, the Company plans to obtain energy from renewable sources and reduce energy intensity; thus, it may exert a potentially positive impact on energy consumption. A potentially negative impact on energy consumption emerges in the case of a possible change in energy efficiency plans.

The double materiality assessment showed that in the medium (1-5 years) and long term (over 5 years), there is an opportunity to sell new products or technological solutions supporting the fight against climate change. Three potential risks arising from climate change have been identified:

1. Higher costs of doing business due to climate regulations (e.g. taxes or other fees related to greenhouse gas emissions) – transition risk;
2. Higher costs of doing business due to high energy costs in the future – transition risk;
3. Destruction of infrastructure, equipment or products as a result of a violent storm – physical risk.

All of these risks occur in the medium- and long-term perspective. In the case of damage to infrastructure, equipment and/or products as a result of a violent storm, the risk may also materialise in the short term. The analysis of risks and opportunities was carried out in accordance with two climate scenarios: SPP 2-4.5 and SPP 5-8.5. The first scenario involves the introduction of new technologies and regulations to reduce greenhouse gas emissions. The second scenario assumes a rise in greenhouse gas emissions in the absence of actions aimed at reducing them.

The disclosures in the following chapter are intended to outline the ways in which the Company mitigates risks and adverse impacts.

[E1-1][E1-2]

TELE-FONIKA Kable has identified the areas that have the greatest impact on climate change. In order to manage them effectively, the Company has developed and implemented its internal regulations, especially the *Climate Strategy*, the *Sustainable Growth Strategy* and the *Environmental Policy*. The documents are available at the Company's website and in the internal documentation system, i.e. the Quality Portal. The Management Board is responsible for the implementation of the aforesaid Policy and Strategies.

The *Environmental Policy* acts as a declaration that the Company's development will take into account the principles of sustainable development, including respect for environmental protection. The provisions of the document are implemented by (among others) preventing the emission of pollutants into the environment, with a strong emphasis on reducing greenhouse gas emissions, managing energy utilities and improving energy efficiency.

In the *Sustainable Growth Strategy*, TELE-FONIKA Kable describes activities related to mitigating climate change. They focus on increasing the share of energy generated from RES in the energy mix and calculating the carbon footprint in Scope 3. In the next stages, short- and long-term emission reduction targets will be defined as part of decarbonisation, based on the SBTi (i.e. Science Based Targets initiative) methodology.

The *Climate Strategy* sets targets for reducing greenhouse gases. According to this document, TELE-FONIKA Kable will reduce its Scope 1 and 2 emissions by 63% by 2035 compared to 2021, and until 2050 it intends to reach climate neutrality. This will be done by increasing the share of energy from renewable sources in the energy mix, reducing the carbon footprint and developing a decarbonisation plan. The *Climate Strategy* has been developed based on an analysis of risks and opportunities related to climate change, in accordance with the TCFD guidelines and IPCC scenarios (RCP 4.5 and RCP 8.5).

A full revision of the *Climate Strategy* is supposed to be completed until 2026, including a review of climate scenarios and risk assessments. According to the new document, the reduction in Scope 1 and 2 greenhouse gas emissions will be 75% until 2030 and 83% until 2035, compared to 2023. The new strategy also includes Scope 3, in which TELE-FONIKA Kable will focus on active tasks with suppliers to come up with shared solutions aimed at reducing emissions.

When developing climate change policies, TELE-FONIKA Kable takes into account the opinions of key stakeholders. In accordance with the *Employee Dialogue Policy*, the Company conducts employee satisfaction surveys every two years. In addition, the Company has the Stakeholder Engagement Plan for the Project in Bydgoszcz, which adopts assumptions and a method of communication with the local community to ensure the right approach to climate and environmental objectives that address the needs of employees and stakeholders.

3.5. Environmental impact

Climate impact mitigation measures

[E1-3]

In 2024, TELE-FONIKA Kable continued its activities aimed at improving energy efficiency and reducing the impact of the Company's operations on the climate. One of the key steps was obtaining a guarantee of origin for 13,000 MWh of electricity, which significantly increased the share of renewable energy in the Company's energy mix.

The actions taken in the Kraków-Wielicka plant were technical investments. These included:

- replacement of traditional lighting with energy-saving LEDs (this process began in previous years);
- improvement of water cooling in a closed circuit due to the reconstruction of the cooling tower;
- reduction of compressed air consumption by installing blowers on production lines.

At the plant in Bydgoszcz, some of the windows and gates in the production halls were replaced, leading to improved tightness and thermal efficiency of the facilities.

The Company has also taken steps to reduce greenhouse gas emissions and increase the share of RES. A 942 kWp PV installation is nearing completion at the Bydgoszcz plant, and there are plans for another system with a capacity of approx. 50 kWp in Myślenice and the second stage of PV expansion in Bydgoszcz (2 MWp). These activities support the achievement of the Company's goals in terms of reducing emissions, improving energy efficiency, and increasing the share of renewable sources in the energy mix.

At the value chain level, TELE-FONIKA Kable actively cooperates with suppliers in Poland and abroad, collecting greenhouse gas emission factors for purchased raw materials.

The actions are ongoing. In addition, the Company has developed a decarbonisation plan in line with the requirements of the Science Based Targets initiative, which will be approved by the Management Board of TELE-FONIKA Kable in 2025. In 2024, there were no cases of environmental damage requiring remedial action.

Climate change targets

[E1-4]

The objectives of TELE-FONIKA Kable, related to climate change mitigation and adaptation, have been defined in the *Climate Strategy* and the *Environmental Policy*. The primary goal is to achieve climate neutrality by 2050. In the short term, the Company's goals are as follows:

- reduction of scope 1 and 2 greenhouse gas emissions by 63% by 2035, compared to 2021, in line with the assumptions of the SBTi;
- increasing the share of renewable energy to 40% by 2030;
- reduction of CO_2 emission intensity (tCO_2e / tonne of product) by more than 20% by 2030, compared to 2023;
- verification of the decarbonization plan, taking into account the data available after the expansion of production plants, including the one in Bydgoszcz;
- calculations of Scope 3 emissions (the entire value chain) by the end of 2025, and using this data in the reduction strategy.

3.5. Environmental impact

ENERGY CONSUMPTION

[E1-5] TELE-FONIKA Kable is aiming to use raw materials more efficiently and increase the share of renewable energy sources in the energy mix.

Energy consumption and energy mix		
1)	Fuel consumption from coal and coal products (MWh)	0
2)	Fuel consumption from crude oil and petroleum products (MWh)	6,015
3)	Fuel consumption from natural gas	30,823
4)	Fuel consumption from other fossil sources (MWh)	125
5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	93,248
6)	**Total fossil energy consumption**	130,210
	Share of fossil sources in total energy consumption (%)	90.9
7)	**Consumption from nuclear sources (MWh)**	0

Energy consumption and energy mix		
8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,000
10)	The consumption of self-generated non-fuel renewable energy (MWh)	55.3
11)	**Total renewable energy consumption (MWh)**	13,055.3
	Share of renewable sources in total energy consumption (%)	9.1
	Total energy consumption (MWh)	143,266
	Energy intensity*	32.83 MWh / PLN 1 million

**TELE-FONIKA Kable generated 99% of its net revenues in 2024, i.e. PLN 4,364,399,319, in the sector that has a substantial impact on the climate (i.e. manufacturing/processing). The total energy consumption for activities in that sector is 143,266 MWh. Both values were used to calculate the energy intensity of the Company.*

3.5. Environmental impact

GREENHOUSE GAS EMISSIONS

[E1-6]

The total greenhouse gas emissions of TELE-FONIKA Kable in 2024, amounted to:

- according to the location-based method: 36,372,777.6 tCO_2e,
- according to the market-based method: 36,387,254.1 tCO_2e.
- Scope 1: 8,200.48 tCO_2e
- Scope 2 (location-based): 51,419.09 tCO_2e
- Scope 2 (market-based): 65,895.65 tCO_2e
- Scope 3: 36,313,158 tCO_2e
  - Cat. 1: 49,9758 tCO_2e
  - Cat. 4: 24,608 tCO_2e
  - Cat. 5: 160 tCO_2e
  - Cat. 6: 472 tCO_2e
  - Cat. 7: 1,971 tCO_2e
  - Cat. 11: 35,786,189 tCO_2e

The methodology for calculating the Scope 1 included the following assumptions:

- for emissions related to the production of heat, cooling and steam – pollutant emission indicators from fuel combustion processes were applied on the basis of documents prepared by the National Centre for Emissions Management (KOBiZE);
- fluorocarbon emissions were calculated on the basis of the leakage register, using the global warming indicators of individual factors published in Regulation (EU) 2024/573 and IPCC AR6;
- for emissions from transport processes – the calculation was performed using the "fuel consumption data" method, using the Transport Tool, according to the GHG Protocol.

When calculating Scope 2 emissions related to electricity consumption, consumption data based on purchase invoices was used, minus the number of purchased and redeemed guarantees of origin. The calculation applying the location-based methodology was carried out with the use of KOBiZE indicators. Residual mix indicators were used for calculations made in line with the market-based methodology. Emissions related to the purchase of heat consumption were based on purchase invoices, whereas calculations were made using URE (Energy Regulatory Office) emission factors.

For Scope 3, the following calculation methods were adopted:

- Category 1 – purchased goods and services.

Category 1 calculations include purchases of all raw material groups and basic packaging within TELE-FONIKA Kable. Input data:

- annual purchase report with a breakdown into individual product groups (types of raw materials / other materials);
- list of purchases of wood and steel packaging;
- information about the carbon footprint of the raw materials and production materials supplied, obtained directly from the 15 largest suppliers of raw materials, i.e. copper, aluminium, polyethylene and PVC.

Regarding the calculations of the Scope 3, Category 1 carbon footprint:

- for raw materials and other materials for which data were obtained directly from suppliers, the calculations were performed using the supplier-specific method;
- for copper and aluminium, for which suppliers did not specify the carbon footprint of their products, the average CF value from data received from other suppliers of the same materials was used;
- for other raw material groups listed in the annual purchase report and for packaging, indicators from the DEFRA database were used (indicators applicable to similar materials).

- Category 4 – transportation and distribution.

As part of Scope 3, Category 4 of the carbon footprint, which concerns the transport of sold products, greenhouse gas emissions are calculated based on actual logistics data from a given accounting year. The input data includes a summary of all shipments, along with information about the means of transport used, the weight of the transported goods and the length of the route travelled. DEFRA 2024 data was used to determine the emission factors. For the transport of raw materials, materials and packaging, data collected from suppliers was used. For distribution, the source data included goods owned by TELE-FONIKA Kable, deposited in warehouses located outside the production plants. The distribution process does not significantly contribute to the Company's carbon footprint, and emissions from this process are disregarded in the final result for Category 4.

- Category 5 – waste generated in operations.

Scope 3, Category 5 includes emissions related to the processing of waste generated in TELE-FONIKA Kable manufacturing plants, excluding municipal waste. The calculation was based on a detailed list of types and quantities of waste generated at all of the Company's locations, developed on the basis of Waste Record Cards kept in the BDO [Waste Database] system.

3.5. Environmental impact

- Category 6 – business travel.

Scope 3 Category 6 includes emissions related to business trips of TELE-FONIKA Kable employees, made with the use of any means of transport other than Company cars. In addition, the number of overnight stays of employees was taken into account, along with information about the country where they were staying. The main source of data was the register of business trips in the analysed year, containing information such as the purpose and route, the means of transport used, the number of overnight stays and the location of accommodation. The carbon footprint for this category is calculated using the distance-based method, which takes into account the distance travelled with a specific means of transport and the number of overnight stays. Emission factors from the DEFRA 2024 database and data from the Hotel Footprints database for overnight emissions are used for calculations.

- Category 7 – employee commuting.

Scope 3, Category 7 includes emissions related to the daily commute of all employees working at TELE-FONIKA Kable plants. The input data for the calculation was obtained through a survey conducted among employees in all the Company's locations. The survey took into account (among others) the type of means of transport, the frequency of commuting and the estimated distance covered on the way to and from work. The survey results were extrapolated to employees who did not respond. The calculations were made using the distance-based method, which multiplies the number of trips, the length of the route and the applicable emission factor. Emission factors from the DEFRA 2024 database were used to determine emissions.

- Category 11 – use of sold products.

Category 11 includes two groups of emissions: mandatory direct emissions and voluntary indirect emissions, related to the end-users' use of the products sold by the reporting organisation.

For TELE-FONIKA Kable, only indirect emissions in category 11 were identified, related to losses on energy transmission, which occur during the use of the cables sold. In order to calculate transmission losses, the recommendations of the Carbon Footprint Task Force of Europacable's sustainability team were used. The carbon footprint was calculated using technical data on the types of cables sold (incl. dissipation power in the cable per year, maximum current in the conductor or the number of active wires in the cable), service life, length, as well as the country to which the cables were sold and emission indicators for electricity from KOBiZE, AiB (Association of Issuing Bodies) and the CaDI (Carbon Database Initiative) database for individual countries.

In the reporting period, TELE-FONIKA Kable did not record biogenic CO_2 emissions from the combustion or biodegradation of biomass, both within Scope 1 and 2 and in the value chain included in Scope 3.

3.5. Environmental impact

POLLUTION CONTROL

[IRO-1]

As part of the double materiality assessment process, TELE-FONIKA Kable identified the actual negative impact of operations in its production plants. It is related to the use of hazardous substances that raise special concerns.

The two basic groups of hazardous substances used by TELE-FONIKA Kable are SVHC and non-SVHC. SVHC form part of some of the raw materials used in the production process; they are incorporated into products and released into the environment as finished products. SVHC are not emitted from plants as waste.

Non-SVHC are found in some raw materials and auxiliary materials used in manufacturing processes. These are (among others) drawing emulsions, components of galvanic baths, fuel oils, diesel oils, paints, and solvents. Some of these substances are emitted into the environment in the form of waste.

[E2-1][E2-2]

The Company's handling of hazardous substances is precisely defined in the *Chemical Substances Handling Policy* and the Rules of Conduct to Meet the REACH Requirements for Potentially Hazardous Substances. They aim to ensure that all legal requirements for SVHC are complied with. In addition, the *Environmental Policy* adopted by the Company is an expression of its commitment to prevent, control and reduce emissions of pollutants into the environment.

The implementation of the *Chemical Substances Handling Policy* ensures the safe use, storage and transport of these substances, as well as care for the health of employees and the natural environment. Every employee of TELE-FONIKA Kable, who comes into contact with hazardous substances in their daily work, knows their characteristics and potential risks, and uses appropriate protective measures. Supervision over compliance with these rules and responsibility for employee training is borne by managers in individual areas of the Company.

TELE-FONIKA Kable also obtains safety data sheets from suppliers in accordance with the *Chemical Substances Handling Policy*. The Company's OHS, environmental protection and regulatory risk specialists verify their correctness. The principle of not allowing the use of hazardous substances, including SVHC, without an up-to-date safety data sheet and secured packaging, is strictly observed throughout the Company. The substances are stored in designated places, with appropriate markings, security measures, and fire-fighting equipment. Hazardous substances, including SVHC, must be stored in their original and labelled packaging; if substitute packaging is used, it needs to be properly labelled.

[E2-3]

The Company's goal is to replace hazardous substances with safer alternatives to the widest extent possible. This applies to medium-chain chlorinated paraffin (SVHC) – in 2024, the Company conducted technological trials and tests of finished products available in the market, that serve as the substitutes for this substance.

3.5. Environmental impact

[E2-5]

In 2024, TELE-FONIKA Kable used the following SVHC in the manufacturing processes of its products

	Quantity acquired/ used [kg]
Triphenyl phosphate	138
Bumetrizole	53
Decamethylcyclopentasiloxane	311
Octamethylcyclotetrasiloxane	231
Lead	48,3113
Dicumyl peroxide; bis(α,α-dimethylbenzyl) peroxide	205,550
C14-17 chloralkanes	304,693
Imidazolidine-2-thione	3,483

GOOD PRACTICE

TELE-FONIKA Kable has the Environmental Product Declarations (EPDs) for its selected products. Such a document includes an assessment of the product's environmental impact throughout the entire product lifecycle, i.e. from obtaining materials through production, transport, assembly and use, to disposal and recycling. The preparation of EPDs is based on the requirements specified in:

- ISO 14025 "Environmental labels and declarations – type III environmental declarations – principles and procedures";
- EN 15804 containing basic EPD principles for construction products;
- PCR (Product Specific Rules) documents containing specific rules and requirements that define how to conduct a product life analysis and disclose its results.

In this way, TELE-FONIKA Kable informs its customers, stakeholders and the market in general that it has committed to reducing the environmental impact of its production processes. Thanks to the detailed information contained in the declarations, informed purchasing choices can be made favouring products with a lower environmental impact.

3.5. Environmental impact

RESPONSIBLE WASTE MANAGEMENT

[IRO-1]

TELE-FONIKA Kable replaces some of the raw materials with recycled materials. The Company also has its own Cable Waste Recycling Plant, which recovers copper and plastics from cable waste. Thus, it reduces the need for primary raw materials, enabling the identification of an actual positive impact (as part of the analysis of double materiality) on the creation of a circular economy. The cables produced by the Company are highly recyclable (containing copper, aluminium and steel). The Company recycles more than 90% of its production waste, which has also been recognised as an actual positive impact.

The Company uses primary raw materials, such as copper, aluminium, plastics and rubbers, which have to be categorised as an actual negative impact. Also, the production process itself is associated with another actual negative impact as not all waste from the production process can be recycled. In the value chain, there may be a potential negative impact, such as improper recycling or disposal of the cables that are no longer used, which is beyond the Company's control.

The aforesaid impacts occur or may occur in all of the Company's production plants.

TELE-FONIKA Kable takes care of closing the cycle of raw materials systemically used in its production, identifying opportunities to reduce the purchase of raw materials, limit the amount of waste generated and increase competitiveness. The Company is the owner of the Cable Waste Recycling Plant in Bukowno, operating since 2007, which serves as the key system for the rational use of resources. The plant processes waste generated during the production of cables and used cables from renovation and construction works.

GOOD PRACTICE

The Cable Waste Recycling Plant in Bukowno has the capacity to recycle up to approx. 10,000 tonnes of cable waste per year, and the technologies used make it possible to recover raw materials with a purity of over 99.5%. The processes employed there allow for mechanical grinding and separation of materials, thanks to which granules of non-ferrous metals, plastics and rubber are produced. The recovered copper is melted and then used to produce new cables. Plastic and rubbers are sent to other companies for further processing and production of items other than cables.

[E5-1]

At the Bukowno plant, a detailed selection of waste intended for recovery is carried out in order to minimize the recycling-related risk of using raw materials contaminated with additives that reduce quality parameters. The copper melting process is strictly supervised, and the produced copper wire rod undergoes thorough inspections.

In Bukowno, the Company's experts and scientists from the AGH University of Science and Technology in Kraków developed the cable recycling technology, enabling the recovery of raw materials of quality comparable to virgin materials.

3.5. Environmental impact

At TELE-FONIKA Kable, waste-related matters are regulated in a special procedure, Waste Handling Rules, thanks to which it is possible to properly identify waste and send it for recycling or disposal.

GOOD PRACTICE

TELE-FONIKA Kable's products are designed with durability, reliability and lifecycle extension in mind. In the design process, both application requirements and environmental and operational aspects are taken into account, which allows for the creation of products that are resistant and durable. A key element of the design strategy is the selection of materials – the Company uses high-quality raw materials with increased resistance to external factors, such as UV radiation, corrosion, moisture or changing temperatures. In addition, the materials are characterized by high mechanical parameters, incl. increased hardness and abrasion resistance, which translates into the durability of the final products.

Cable designing processes entail optimal wall geometry and thickness, elimination of potential stress points, and selection of parameters that minimize the risk of premature wear. At the same time, the full lifecycle of products is analysed. Designers take into account the anticipated method and intensity of use, adapting the design to a given application in order to counteract known degradation mechanisms.

Production processes are strictly controlled and repeatable, and the Company implements quality control mechanisms at every stage, from operational self-control to advanced strength and environmental tests. Fatigue tests and long-term durability tests carried out in conditions similar to the operating ones enable the verification of cable parameters in various use scenarios.

[E5-2]

In 2024, the Company continued its existing activities and implemented new measures to prevent waste generation as early as at the design and implementation stage of manufacturing processes. Key initiatives include the following:

- design focused on material savings, with an emphasis on the principle of modularity, consisting in splitting the product and the production process into separate, independent elements. This reduces the number of intermediate products and minimizes the need for a variety of process conditions, thus reducing waste;
- simplification and optimisation of product design, which translates into lower consumption of raw materials and reduction of the amount of offcuts and process waste;
- extending production series, which allows for more efficient use of raw materials and reduces material losses resulting from frequent changes in production parameters;
- returning selected plastics to the production process by granulating them directly on the production line and re-extrusion – while taking care of the quality and safety of the final products;
- maintaining optimum raw material stocks and applying the FIFO (First In, First Out) principle, which effectively reduces the risk of raw materials becoming expired and wasted.

The Company also reduces the consumption of raw materials and other materials in its production processes. Detailed analyses and mapping of activities are carried out to identify waste-generating areas. Owing to the implemented lean manufacturing approach and Kaizen philosophy, unnecessary operations are eliminated and material waste is reduced. In 2024, a total of 56 inspections were carried out to optimize production. TELE-FONIKA Kable also operates a just-in-time system, which allows materials to be delivered only when they are needed, which reduces the level of inventory and losses resulting from excessive amounts.

GOOD PRACTICE

In 2024, a total of 135 activities related to waste elimination, OHS and quality were conducted in the key departments at TELE-FONIKA Kable Kraków-Wielicka and Myślenice plants.

3.5. Environmental impact

The Company has also taken steps to increase the efficiency of the use of materials by introducing high-quality substitutes. The production lines are equipped with sensors and control/measurement devices, which significantly reduce the number of errors and material waste. The product design process has also been optimised: TELE-FONIKA Kable employs the principle of modularity, which allows products and processes to be divided into independent and easy-to-connect parts. This made it possible to lower the number of semi-finished products and limit the need for changing technological conditions.

Simultaneously, the Company conducts detailed quality inspections, placing strong emphasis on early defect prevention. The principle of self-control of production line employees has been introduced, enabling faster detection of errors and reduction of the number of defects. These activities are complemented by the improvement of inventory management and internal logistics – the use of the FIFO method and the Kanban system reduced the risk of expired or damaged raw materials.

In 2024, the Company also took measures to increase the share of secondary raw materials in the production processes. A detailed assessment of the applicability of raw materials containing recycled ingredients was performed through an analysis of existing processes and identification of areas where it is possible to replace primary raw materials with secondary ones. These activities were accompanied by material tests to assess the quality, performance and durability of secondary raw materials. At the same time, the Company continued to purchase raw materials (including copper and steel) from suppliers offering materials with a high proportion of recycled ingredients. In accordance with the *Responsible Minerals Sourcing Policy*, TELE-FONIKA Kable requires its suppliers to submit statements on the origin of conflict minerals and other minerals of special importance, reaching the level of mines and smelters. In 2024, such information was collected from 100% of tin and mica suppliers.

When it comes to maintaining the value and efficiency of products, the Company focused on improvements of production processes and preventive maintenance of technical infrastructure. One of the activities at the Kraków-Wielicka plant was the implementation of production measurements on a machine intended for the production of mixtures, which enabled ongoing monitoring of operating parameters and contributed to the reduction of technological waste. In addition, a new head was purchased to replace the machine elements showing signs of wear, which improved production efficiency and reduced material losses.

GOOD PRACTICE

TELE-FONIKA Kable cooperates only with waste recipients that conduct business operations in the area of waste collection or processing. Information is obtained from those recipients on how to further deal with waste, how to manage and recycle it. If waste recovery is not possible, the Company permits waste disposal alongside energy recovery; waste is never transferred to entities that manage waste through landfill disposal.

[E5-3)]

TELE-FONIKA Kable's objectives related to resources, circular economy and waste:

- **Elimination of medium-chain chlorinated paraffin from raw materials used in production, and its replacement with long-chain paraffin in finished products. The substance is included in the European SVHC list.**
- **Testing and searching for safe substitutes for raw materials that contain ingredients posing a risk to health or the environment.**
- **Maximising the volume of recycled waste.**
- **Waste management practices that avoids landfill storage.**
- **Purchasing raw materials (mainly metals) with the highest possible proportion of recycled ingredients.**

3.5. Environmental impact

RAW MATERIALS IN TELE-FONIKA KABLE'S PRODUCTS

[E5-4]

TELE-FONIKA Kable uses the following materials in its production processes:

- raw materials and other materials (including critical raw materials and rare earth metals);
- non-ferrous metals (copper, aluminium, lead, tin);
- ferrous metals (steel);
- plastics (PVC, PE, LSOH, PU);
- rubbers;
- ingredients for the production of rubber mixtures (incl. carbon black, chalk, kaolin, rubbers, oils);
- dyes for rubber and plastics;
- non-metallic tapes;
- fabrics and yarns;
- printing inks and solvents;
- chemical preparations;
- oils and other petroleum derivatives;
- packaging made of wood, plastics and steel.

Materials used for production in 2024:[4]

Type of materials purchased	Quantity [Mg]
Copper wire rods, tapes and cathodes	50,600
Aluminium wire rods and tapes	22,097
Plastics and rubber	47,731
Steel, lead and other metals	943
Other	2,648

The Company does not use entirely recycled raw materials but is taking steps to introduce materials containing a significant proportion of recycled ingredients into its production processes. These include:

- copper wire rod purchased from external suppliers, containing between 4% and 30% recycled ingredients;
- copper wire rod produced at the Cable Waste Recycling Plant in Bukowno, containing from 30% to 40% recycled components.
- steel wires – containing approx. 17% recycled ingredients.

4) The data derived from direct measurements of purchased raw materials and other materials.

3.5. Environmental impact

WASTE MANAGEMENT

[E5-5]

Most of TELE-FONIKA Kable's products are designed for recycling at the end of their lifecycle. According to the Company's data, 90% of the metal elements in its products can be recovered at a later stage. The possibility of recycling other components depends on their type and design; some cable components may be joined during production, making their separation during processing difficult. Conversely, almost all packaging waste used by the Company can be recycled.

Application	Expected Durability (years)
Domestic installations	30-50
Industrial installations	25-40
Power industry (cable lines)	40-60
Telecommunication cables	15-30

Total waste generated from own operations (kg)

Total amount of waste that avoided disposal – by weight, broken down into hazardous and non-hazardous waste, as well as into the following types of recovery operations:				
Waste type	**Prepared for re-use**	**Recycling**	**Other recovery processes**	**Total**
Hazardous waste	47,761	16,546	471,608	535,915
Non-hazardous waste	1,895	8,047,880	2,077,218	10,126,993
Total	**49,656**	**8,064,426**	**2,548,826**	**10,662,908**
Amount of waste sent for disposal – by weight, broken down into waste treatment types and total amount of waste (the sum of all three types of recovery process), and broken down into hazardous and non-hazardous waste. Waste treatment types that need to be disclosed:				
Waste type	**Combustion**	**Storage**	**Other disposal processes**	**Total**
Hazardous waste	23,610	0	76,898	100,508
Non-hazardous waste	48,947	0	25,690	74,637
Total	**72,557**	**0**	**102,588**	**175,145**

In 2024, TELE-FONIKA Kable generated a total of 175,145 Mg of non-recycled waste, which represents 1.62% of all waste.[5]
The Company's primary waste streams included ferrous and non-ferrous metal waste, plastic and rubber waste, and packaging waste. The materials present in the waste primarily consist of metals (including copper), plastics and rubber, wood and petroleum waste. The Company also generated 580,384 Mg of hazardous waste.

[5] *According to the Company's own data and information provided by waste collection companies.*

3.6. Employment and working conditions

[SBM-3]
TELE-FONIKA Kable's employees were involved in the double materiality process. Also, in an anonymous survey, they were asked to evaluate the Company's impact on environmental, social and corporate governance matters. The impacts identified in this manner are considered material. This indicates that the Company manages these impacts by seeking to minimise negative impacts and maximise positive ones, as described in this chapter. The assessment did not reveal any material risks or opportunities for employees.

The Company's positive impact on employment conditions is confirmed by the fact that over 89% of employees have entered into indefinite-term agreements. In addition, the wages are competitive, paid on time and combined with a range of perks, which is regarded as an actual positive impact. TELE-FONIKA Kable also exerts an actual positive impact resulting from investing in staff development and conducting internship and apprenticeship programmes. The principle of equal treatment is one of the Company's core values, contributing to an actual positive impact on equal opportunities and diversity among employees.

During the double materiality process, two actual negative impacts were identified. The first one concerns safety: despite the reduction of OHS risks, training in this area and campaigns to raise employee awareness, there are some workplace accidents. Furthermore, despite promoting equal opportunities, the Company has identified a gender pay gap.

These impacts are related to TELE-FONIKA Kable's strategy and business model, which assumes that competent and motivated employees in a safe work environment enable the Company to achieve its targets and deliver products that meet customer expectations.

Employment-related matters are incorporated into the Company's growth plans, contributing to numerous positive impacts. The identified negative impacts stem from the nature of the manufacturing industry and HR conditions.

TELE-FONIKA Kable has adopted a climate strategy, with the fundamental objective to reduce Scope 1 and 2 emissions by 63% until 2035 and to reach climate neutrality in 2050. This does not have any negative impact on employees. At TELE-FONIKA Kable's manufacturing plants in Poland, there is no risk of child labour or forced labour practices.

[S1-6]
TELE-FONIKA Kable has two main groups of employees: production workers and office workers. Each group plays a distinct role in the Company's operations and faces unique professional challenges.

Production employees are primarily responsible for operating machines and equipment used in the manufacturing process. Among them, we can distinguish machine operators, quality controllers and employees supporting production processes. This work is associated with health and safety risks, including mechanical injuries or noise. An additional challenge is the significant turnover resulting from the market conditions, which can impact team efficiency. Production workers work in shifts.

Office workers perform administrative and office tasks using computers. This group includes administrative assistants, HR, finance and logistics specialists, as well as department managers responsible for supervising the work of teams and making strategic decisions. Their work involves additional risks, such as prolonged sitting, stress related to deadlines and responsibilities, and challenges in maintaining a work-life balance.

3.6. Employment and working conditions

Total number of employees, and breakdown by gender (as of 31 December 2024)	
Women	294
Men	1 769
Total employees	**2 063**

Total number of employees, and breakdown by agreement type and employment term (as of 31 December 2024)	
Definite-term employment agreements	
Women	52
Men	249
Total employees	**301**
Indefinite-term employment agreements	
Women	242
Men	1,520
Total employees	**1,762**

Total number of employees, and breakdown by agreement type and employment term (as of 31 December 2024)	
Full-time employees	
Women	280
Men	1,751
Total employees	**2,031**
Non-full-time employees	
Women	14
Men	18
Total employees	**32**

In 2024, 201 employees left TELE-FONIKA Kable – 35 women and 166 men. The employee turnover rate was 10.04%. [6]

[6] To calculate employee turnover, the Company includes the total number of employees who have left voluntarily or as a result of dismissal or retirement. This figure serves as the numerator in the employee turnover rate calculation. Conversely, the denominator is the average number of employees for 2024

3.6. Employment and working conditions

[S1-7]

TELE-FONIKA Kable also engages people on various agreements other than employment contracts. These include experts providing consulting and IT services under B2B contracts, as well as individuals engaged in additional activities in production and administration through cooperation agreements. Additionally, as part of external cooperation, the Company receives services in data analytics and the development of AI solutions. TELE-FONIKA Kable also utilises production outsourcing, in accordance with applicable legal provisions.

As of 31 December 2024, 27 individuals were hired under civil-law contracts for specific cooperation agreements. 22 experts were hired under B2B agreements. Additionally, at the end of 2024, 31 individuals were employed by an external entity under employee outsourcing arrangements.

[S1-1]

All employees of TELE-FONIKA Kable can rely on transparent employment and promotion policies established by the Company. Matters related to employment, professional development, occupational health and safety and equality in the workplace are governed by internal regulations. The key ones include:

- *Workplace Rules & Regulations;*
- *Occupational Health and Safety Policy;*
- *Corporate Code;*
- *Code of Conduct and Ethical Standards*.

The Management Board is responsible for the implementation of these policies. These documents are accessible to employees through internal IT systems and are presented to each new hire.

TELE-FONIKA Kable's *Workplace Rules & Regulations* define the principles of the organisation, as well as the rights and obligations of employees and health and safety issues. The document applies to everyone, regardless of the form and length of employment. These regulations ensure that the work performed aligns with the agreements and qualifications. They also guarantee fair remuneration, the right to rest, and safe working conditions. The Workplace Rules & Regulations specify that the remuneration is paid no later than the tenth day of the month following the one for which it is due. The default method of payment is a bank transfer; however, at the employee's written request, payment can be made in cash. Detailed rules for calculating and disbursing remuneration are outlined in the Remuneration Regulations. Employees are entitled to receive an additional payment for night-time work. In the event of a breach of professional obligations, disciplinary penalties may be imposed, including fines not exceeding one-tenth of the net salary. The funds collected from fines are allocated to improve health and safety conditions.

The employer's OHS obligations include providing safe workstations, work clothes, personal protective equipment and access to appropriate sanitary facilities. The employer refers employees to mandatory medical examinations and organizes health and safety training (both initial and periodic) tailored to the type of work performed. The employee is required to understand and comply with OHS regulations, participate in training, and undergo medical examinations. The Workplace Rules & Regulations also include the right to refrain from work in the event of a direct threat to life or health, while at the same time retaining the right to remuneration. Additionally, if an employee is in poor mental or physical condition, they may refuse to perform duties that require a certain level of physical fitness.

TELE-FONIKA Kable's *OHS Policy* reflects the Company's commitment to fully respecting the principles of occupational health and safety in its operations. It is implemented in accordance with applicable Polish laws and, where necessary, local laws in the countries where the Company operates. Key principles of the *OHS Policy* includes:

- reducing hazards and risks at work-stations;
- organising the work environment in a way that ensures the safety of employees;
- preventing accidents, injuries and occupational diseases;
- raising the qualifications and awareness of employees in the field of responsibility for occupational health and safety;
- implementing technologies that improve working conditions;
- enabling employees to participate in OHS consultations;
- ensuring the safety of all people (incl. subcontractors) within the area of the production plants.

The Company's Management Board commits to complying with applicable legal requirements, monitoring working conditions, continuously improving the OHS management system (in line with ISO 45001), and supporting activities aimed at enhancing working conditions

3.6. Employment and working conditions

In 2025 at TELE-FONIKA Kable, the principles of equal treatment and respect for human rights are outlined in the ***Corporate Code*** and the ***Code of Conduct and Ethical Standards***. The Company ensures equal treatment of all employees and stakeholders, regardless of gender, age, race, religion, sexual orientation, origin, gender identity, family situation, health condition or opinions. These rules apply both at the workplace and throughout the supply chain. TELE-FONIKA Kable takes proactive measures to eliminate all forms of discrimination, and expects the same from its business partners.

The Company declares respect for human rights based on the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. It strongly opposes all forms of forced labour, child labour, and modern slavery. It provides employees with development opportunities, promotes work-life balance, and ensures the freedom to express their opinions and participate in social dialogue, such as through trade unions. The Company also supports the representation of women in management structures. Currently, the President of the Management Board is a woman, and the composition of the Supervisory Board includes representatives of different genders. TELE-FONIKA Kable promotes the principles of inclusivity, transparency, respect, and mutual trust, which form the foundation of an ethical organisational culture.

RELATIONS WITH EMPLOYEES

[S1-2]

TELE-FONIKA Kable believes that an open dialogue is an important element of relations with employees. Employees can submit their comments and proposals for organisational and technical improvements through a dedicated mechanism implemented for this purpose. The suggestions are analysed and, if possible, implemented in the organisation, which demonstrates the effectiveness of this approach. Additionally, the views of employees are considered during formal consultations with trade unions. The meetings are held regularly and concern matters related to employment and changes to the Workplace Rules & Regulations, the Remuneration Regulations and the Social Benefits Fund Regulations. The Human Resources and Administration Department is responsible for employee relations. It acts as a contact and performs activities related to communication and internal relations. Its commitment and professionalism mean that there is no risk of marginalisation of employees' opinions within the Company. Consequently, no additional mechanisms have been established in this regard.

GOOD PRACTICE

In 2024, the Employee Satisfaction Survey was conducted – it was an online survey sent to employees using Company computers, and a paper questionnaire for production workers. A total of 684 responses were received, representing 34% of all employees.

- 88% of TELE-FONIKA Kable employees believe that their immediate superior treats them with respect.
- 87% of employees believe that their immediate superior is open to conversation.
- 84% of respondents identify with the Company and care about its development.
- 90% of the surveyed production employees say that they have the opportunity to improve their qualifications.
- 91% of office workers say that their work is interesting and they are satisfied with it.

3.6. Employment and working conditions

[S1-3] [G1-1]

TELE-FONIKA Kable has implemented a system enabling employees and external stakeholders to report information about irregularities. The system provides two distinct reporting channels:

- Whistleblower notification in accordance with the Whistleblowers Protection Act of June 14, 2024;
- Non-Compliance report, related to violations of internal regulations, ethical standards or situations that may pose a threat to the interests, reputation or good name of the Company.

Reports may be submitted through the following methods:

- electronically, to a dedicated email address compliance@tfkable.com, or through a contact form;
- in writing – in a closed envelope, addressed to the Company's registered office, with a note saying "Reporting of irregularities," which will be forwarded to the Compliance Manager;
- by phone, using a dedicated number (+48 12 372 75 53 for non-compliance incidents).

All these channels ensure and confidentiality. Anonymous reports can be made via traditional mail. Upon receipt of a notification, the Company undertakes investigative measures to verify the accuracy of the information provided. The process involves analysing the evidence provided by the whistleblower, obtaining additional materials, and interviewing the whistleblower, unless the report was submitted anonymously.

If the notification is confirmed to be valid, TELE-FONIKA Kable implements corrective measures that are relevant to the type of violation. These may include:

- organisational changes;
- updating procedures or instructions;
- training for employees;
- modification of decision-making processes;
- if necessary – notifying competent public authorities.

To protect whistleblowers, TELE-FONIKA Kable has established the Internal Procedure for Reporting Violations and Follow-up Actions. The document expressly prohibits any form of retaliation against whistleblowers. Information about this procedure was communicated to employees via email, notices on information boards, and publication on the Company website. To encourage whistleblowing notifications, the Company has included information about compliance management within the Whistleblowing System on its website. The effectiveness of the reporting channels is monitored on the basis of the number and type of information received. Employees also have the opportunity to actively participate in improving the system by submitting questions and requests regarding its operation directly to the Compliance Manager.

3.6. Employment and working conditions

SAFE WORKING CONDITIONS

[S1-4]

In 2024, TELE-FONIKA Kable upgraded part of its machinery to newer, safer equipment, thereby enhancing working conditions. The OHS situation was improved concerning machines, production halls, and the surrounding areas. Another important activity was the modernisation of the lighting system in order to adapt it to the applicable standards and legal requirements. Monitoring of working conditions was introduced at individual workstations, and an OHS Committee was extended. The findings from the analysis of accident causes in 2023 informed the implementation of additional preventive measures. The Company mitigated the risk of accidents during business trips in Company vehicles by recommending against travelling in larger groups or at night. In 2025 the car fleet was replaced with vehicles equipped with modern safety and traction control systems.

Preventive OHS measures are implemented continuously; the Company views OHS as an area requiring constant attention and development, following applicable laws and the needs of its manufacturing plants. In 2024, no situations requiring corrective action were identified in connection with OHS violations.

OHS activities apply not only to individuals employed by the Company. TELE-FONIKA Kable also provides training to people from outside the Company – each employee of an external Company performing work on the premises of the manufacturing plant is obliged to undergo OHS training before starting work. This also applies to people visiting the plant. The Company's plans include training related to the certification of machines and specific work-stations (e.g. ones intended for the operation of chainsaws and scythes). In addition, Social Labour Inspectors were appointed in the Company's organisational units. The expected outcomes of these activities include an increase in occupational safety, a reduction in occupational risks associated with machine operation, a decrease in workplace accidents, a reduction in their severity, and a lower level of absenteeism due to injuries.

[S1-14]

Percentage of employees and associates covered by the OHS system	100%
Number of accidents	46
Accident rate (LTIR)	11.86
Death toll	1
Number of confirmed occupational diseases	0
Number of days lost due to workplace accidents	1,746

Following the tragic accident, the procedures for material storage were reviewed. In addition to fulfilling legal obligations, the family received psychological support and additional financial assistance.

[S1-5]

The Company's target regarding occupational health and safety is to continually enhance safety and working conditions across all production plants. The activities in that regard include infrastructure investments, health and safety initiatives and modernisation of employee spaces, with an emphasis on preventive actions and comfortable working conditions.

TH!NK SAFETY

TELE-FONIKA Kable and JDR Cable Systems (as part of the TFKable Group) learn from each other, exchange experiences and share best practices. A flagship example of the benefits of such cooperation is the TH!NK SAFETY and TH!NK QUAL!TY programmes – British solutions that have been successfully implemented at TELE- FONIKA Kable. TH!NK SAFETY and TH!NK QUAL!TY support the continuous improvement process and the culture of care for quality, safety and elimination of waste in each Company. The core of the programme is the involvement of employees in the development and implementation of improvements at their workplaces. TH!NK QUAL!TY initiatives can be submitted in three ways – through special cards, an engineering process change form and a continuous improvement form. TH!NK SAFETY fosters a culture of responsibility for safety among employees and encourages them to observe 21 key risk factors, reporting their comments and actions taken using special TH!NK SAFETY cards.

3.7. Employee education and development

TELE-FONIKA Kable supports employees' professional development by providing training to enhance their qualifications and create promotion opportunities. Training plans are prepared regularly and take into account the needs of both employees and the Company. The Company prioritises internal recruitment; when a vacancy arises, candidates are first sought from within the organisation.

In 2024, training courses were delivered according to the annual training plan, which encompassed both technical and soft skills. A strong emphasis was placed on ESG and ethics, with the goal of training at least 15% of employees in this area. These training sessions were conducted as on-site workshops and through online materials, and were mandatory for selected employee groups. They were complemented by voluntary educational activities for individuals interested in expanding their knowledge in these areas.

[S1-13]

Average number of training hours per person	
Women	**6.5**
mid-level staff	9.5
management	9.8
other	9.2
production-related employees	4
production workers	7.4
specialists	5.5

Average number of training hours per person	
Men	**8.9**
mid-level staff	8.6
management	5.7
other	8.3
production-related employees	9.3
production workers	10.7
specialists	7.4

GOOD PRACTICE

TELE-FONIKA Kable supports the education of future staff through collaboration with various institutions, such as the Cracow University of Technology. The agreement with the university includes (among others) scientific projects, conferences and seminars, sessions taught by specialists from the Company, and internships for students.

In 2024, 14 students and graduates from the AGH University of Science and Technology, the University of Agriculture in Kraków, the University of Economics in Kraków and the West Pomeranian University of Technology in Szczecin completed internships at the Kraków-Wielicka plant. Simultaneously, the Young Staff development programme was implemented to prepare students and graduates for independent work. The programme included technological training, CAD courses and participation in development projects.

GOOD PRACTICE

During the 2024/2025 academic year, the Company continued to act as a patron for power engineering studies at the Bydgoszcz University of Technology. Classes are also held at the Bydgoszcz plant, where TELE-FONIKA Kable's engineers deliver lectures on production processes, standardisation and certification of products, material science, and industry-specific English. In February 2025, four students completed internships in the Technology and Quality Control Department. As part of the cooperation, students may prepare and defend their academic dissertations.

In addition, as part of a trilateral cooperation with the Electrical School Complex in Bydgoszcz and the Bydgoszcz University of Technology, a polytechnic class was launched in the technical secondary school in September 2024. The Company actively supports the "Poligon" educational initiative, takes part in open days, and supplies the school with relevant materials.

3.8. Remuneration principles and equality among employees

TELE-FONIKA Kable S.A. ensures fair treatment, respect, and attention for all employees. The company provides career and professional development opportunities tailored to their capabilities and needs. The company takes steps to ensure equal pay for women and men for equal work.

[S1-10]

At TELE-FONIKA Kable, all employees receive at least the minimum wage by the applicable labour law regulations. The Company ensures compliance with statutory wage standards at all of its business locations. In 2024, wages were analysed for the first time in the context of the so-called fair wage, which ensures a standard of living sufficient to meet basic economic, social, and cultural needs. 100% of the Company's employees received remuneration above the established fair wage thresholds.

[S1-4]

In 2024, TFKable intensified its activities to promote equal treatment and combat discrimination among employees.. An important step was the introduction of new Workplace Rules & Regulations, which clearly define the principles of equality and prohibit discrimination. A training programme was launched for employees, focusing on the prevention of workplace discrimination and harassment. In 2024, 548 employees participated in the training programme, representing 27% of the total workforce. The Company has set the goal of gradually increasing the percentage of people covered by training in this field.

There was also a range of activities related to equal treatment. In 2025, new groups of employees will participate in the anti-discrimination training. A new policy addressing mobbing and discrimination has also been implemented. The overarching aim of these activities is to create a safe, open, and respectful working environment. Such initiatives are supposed to contribute to greater awareness of equality and strengthen the organisational culture based on inclusiveness and social responsibility. All activities in this area are ongoing in nature.

[S1-5]

The effectiveness of equality measures is assessed through regular monitoring and analysis of both qualitative and quantitative data. TELE-FONIKA Kable specifically analyses the following:

- the level of wages in the sector and fair wages;
- the existence and level of the pay gap;
- the number of complaints about discrimination and unequal treatment;
- results of periodic employee satisfaction surveys;
- quality and efficiency of two-way communication with employees.

The Company deliberately refrained from setting rigid numerical targets, recognising that activities aimed at building awareness and fostering an organisational culture based on openness and mutual respect are more effective in promoting equality. This approach allows for flexible adjustment of activities to the actual needs of the organisation and its personnel.

The effectiveness of this approach is evidenced by data showing the number of women in management and the pay gap level.

3.8. Remuneration principles and equality among employees

[S1-9]

	Number of women	Percentage of women	Number of men	Percentage of men
Management Board	1	33.33%	2	66.67%
Directors	18	43.90%	23	56.1%
Managers (people managing at least 1 employee)	15	19.74%	61	80.26%
Non-managerial positions	260	13.18%	1,683	86.62%

Age structure of employees:		
	Number of employees	Percentage share
under 30 years	211	10.23%
30-50 years	1,052	50.99%
over 50 years	800	38.78%

[S1-16] Average level of women's remuneration compared to men's average wage.

management	101.9%
mid-level staff	130.5%
specialists	85.3%
production-related employees	89.3%
production workers	92.4%
other employees	84.6%
average salary	**111.3%**

[S1-17]

In 2024, the Company was not given any fines, penalties or orders to pay compensation in relation to workplace discrimination. There were no serious incidents of human rights violations and no complaints from employees regarding discrimination or harassment. Anti-discrimination training is described in the chapter on corporate culture.

3.8. Remuneration principles and equality among employees

[S1-11]

According to applicable laws, all employees of TELE-FONIKA Kable have (among others) the right to sickness benefits, disability pension and parental leave. Those employed on the basis of an employment contract have pension contributions paid on their behalf; in case they lose their job, they have the right to receive unemployment benefits after meeting the relevant requirements arising from applicable laws.

Additionally, TELE-FONIKA Kable employees have the option of additional life and disability insurance, private healthcare, and sports cards. Employees also receive retirement severance pay and benefits from the Company Social Benefits Fund, including:

- co-financing for employee vacations;
- organisation of summer camps for employees' children;
- benefits in kind for holidays (Children's Day, Christmas, and Easter);
- in-kind assistance for those in difficult circumstances.

Individuals cooperating with TELE-FONIKA Kable under civil-law agreements for specific work, cooperation agreements or B2B agreements, as well as those hired through an employment agency (outsourcing), are covered by protection by Polish law. Details are presented in the table below.

Right to:	Cooperation agreement	Contract for specific work	B2B agreement (sole proprietorship)	Outsourcing
Sickness benefit	Yes, so long as the conditions specified in applicable laws are met	NO	Yes, so long as the conditions specified in applicable laws are met	In case of outsourcing, the Company does not have such information.
Unemployment benefit in the case of a job loss	Yes, so long as the conditions specified in applicable laws are met	NO	Yes, so long as the conditions specified in applicable laws are met	
Disability pension	Yes, so long as the conditions specified in applicable laws are met	NO	Yes, so long as the conditions specified in applicable laws are met	
Parental leave	NO	NO	NO	
Retirement pension (the agreement covers pension contributions paid to the Social Insurance Institution)	YES	NO	YES	

3.9. Workers in the value chain

[SBM-3]

TELE-FONIKA Kable considers matters related to workers in the value chain as part of its business model; the Company aims to cooperate only with suppliers who adhere to ethical standards and comply with applicable laws in their relations with employees. In order to verify and assess the employment standards among suppliers, the Company conducts periodic assessments.

The impact of TELE-FONIKA Kable on workers in the value chain was identified through the double materiality assessment. They are related to employment security and occupational health and safety.

The actual positive impact on the occupational health and safety of workers in the value chain arises from the Company's requirement for contractors to comply with specific standards, including those concerning OHS. Despite the requirement for entities in the value chain to comply with applicable OHS standards, some suppliers may fail to do so, which is categorised as a potential negative impact. Conversely, the Company may require its subcontractors to hire employees based on employment contracts or other stable forms of employment, thus exerting a positive impact in the value chain.

[S2-1]

TELE-FONIKA Kable has outlined its expectations for suppliers regarding compliance with employee and human rights in the *Supplier Code*, the implementation of which is the responsibility of the Management Board. Suppliers are required to comply with the Universal Declaration of Human Rights, the Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. The Company expects cooperating entities to:

- provide their employees with healthy and safe workplaces in accordance with applicable OHS regulations, internal regulations and other applicable requirements in this area;
- conduct business in accordance with applicable laws related to wages, working hours, overtime and other benefits;
- respect the right of employees to form associations, including the formation of and membership with trade unions;
- introduce the principles of equal opportunities, especially in the areas of recruitment, training and skills development, performance evaluation, access to promotions and benefits, and salaries;
- take into account the views of internal and external stakeholders, and engage in dialogue with their representatives;
- respect the rights of indigenous peoples in their places of operation;
- establish complaint submission and handling mechanisms for employees and stakeholders, and refrain from retaliation.

All suppliers of TELE-FONIKA Kable are required to report cases of violation of the *Supplier Code* and to effectively remedy them. The Company clearly communicates to its contractors that violations of the *Supplier Code* may adversely affect the business relationship, potentially leading to termination of the contract or suspension of cooperation.

The Company's Whistleblowing System facilitates the reporting of information by workers in the value chain. A whistleblowing notification (whether anonymous or not) can be sent via email or regular mail to the Compliance Manager or through the online contact form. The Company provides information about the possibility of reporting violations by publishing its ESG policies and the *Supplier Code* on its website.

[S2-4]

In 2024, activities related to workers in the value chain of TELE-FONIKA Kable focused on monitoring their rights through annual evaluations of suppliers. The Company reserves the right to monitor the suppliers' compliance with the *Supplier Code* and to conduct verification processes, including those related to workers in the value chain. The primary tools used to assess suppliers' compliance with the *Supplier Code* include documents submitted by suppliers, publicly available sources, and dedicated surveys or audits conducted by the Company or an external auditor appointed for this purpose. Each supplier is required to cooperate with TELE-FONIKA Kable representatives by providing the necessary documents and information, such as completed questionnaires or audit procedures. The Company will continue the aforementioned activities in the coming years.

3.10. Product quality and safety

[SBM-2]

Customer opinions influence TELE-FONIKA Kable's strategy and business model. Customer perspectives are gathered through the annual Customer Satisfaction Survey, which the Company has been conducting since 2018. The methodology is based on a quantitative analysis conducted via an online survey available in three languages, i.e. Polish, German and English. The survey participants were selected by the Domestic and Foreign Sales Departments of TELE-FONIKA Kable, with each having purchased at least one product in the past 12 months. In 2024, 417 responses to the survey were collected. The questionnaire includes 12 questions regarding key processes at TELE-FONIKA Kable, related to the product range, ordering process, complaints, and customer relationship management.

The results of the annual satisfaction survey confirm the Company's stable position as a business partner, with 84% of respondents expressing overall satisfaction with the cooperation. In particular, customers rated the technical quality of the products, availability of certificates, and timely deliveries highly.

An important measure of customer loyalty is the Net Promoter Score (NPS), which reached 40 points, with 64% of respondents identified as 'promoters'—individuals willing to recommend the Company to others. Compared to average results from 2019 to 2023, the 2024 ratings varied from +9% to -11%, confirming the overall stability of relationships and the Company's flexibility in adapting to market expectations.

Corrective actions introduced after 2023 in response to decreased compliance of deliveries with orders had a particularly strong positive impact. In 2024, this indicator rose by 9%, demonstrating the effectiveness of responding to customer needs and continuous process improvements.

CLIENT ENGAGEMENT

[SBM-3]

The double materiality analysis has shown a positive impact on the end-users of TELE-FONIKA Kable products, due to compliance with stringent quality and safety standards protecting users during installation and operation. The safe design of the products limits the risk for individuals who install and use the cables.

The end-users of TELE-FONIKA Kable products are employees of the Company's business customers operating across a broad range of industries, including:

- mining and tunnel construction (mining cables);
- renewable energy – onshore and offshore wind farms, and photovoltaic installations;
- energy transmission and distribution – high and extra-high voltage systems;
- oil and gas industry (specialty cables);
- lifting and hoisting industry (crane cables);
- shipbuilding, transport, railway, automation (power and control cables);
- telecommunications (fibre optic cables);
- residential and industrial construction (installation cables);
- energy storage.

TELE-FONIKA Kable provides comprehensive information about the cables purchased. The Company offers a detailed description of its products, including their characteristics, user manuals and safety-related information. These materials are available in catalogues published on the Company's website or in print, as well as in materials concerning the CPR.

Additionally, customers can access technical specifications prepared by TELE-FONIKA Kable or developed collaboratively, taking into account their requirements. The products meet the relevant standards, as confirmed by certificates or declarations of conformity. They also fulfill the requirements arising from safety standards and directives. At the customer's request, TELE-FONIKA Kable provides appropriate documents – declarations, certificates and attestations confirming the results of post-production tests in accordance with specific requirements. Detailed descriptions of the declarations of conformity and other certificates are available at the Company's website.

[S4-1]

All of these activities and practices contribute to a positive impact on end-user safety. TELE-FONIKA Kable manages safety based on the *Quality Policy* and additional procedures and guidelines related to quality control. The document is available to all stakeholders on the Company's website, and the Management Board is responsible for implementing its provisions.

In accordance with the internally adopted regulations, the Company's target is to gain and maintain the trust of customers, strengthen its market position, comply with applicable laws and meet customer expectations in the best way possible. The *Quality Policy* also represents the Company's commitment to the continuous improvement of the quality management system in accordance with ISO 9001:2015

3.10. Product quality and safety

[S4-2]

TELE-FONIKA Kable obtains customer feedback through ongoing operational contacts with sales and sales support employees, as well as by monitoring information on social media. Additionally, an indirect source of information about end-user opinions is the participation of the Company's representatives in industry conferences and membership in professional associations.

Cooperation with clients is organised at multiple levels. Each customer is assigned a dedicated sales representative responsible for direct relationships. Their work is supervised by regional directors and deputies, who report directly to the Sales Director at TELE-FONIKA Kable. Additionally, employees in the Sales Support Department assist customers with the completion of orders.

PRODUCT QUALITY

[S4-4]

In 2024, activities related to ensuring the safety of TELE-FONIKA Kable product users focused on product quality, as confirmed by relevant certificates. The Quality Control Department Laboratory at the Bydgoszcz plant plays a key role in the quality assurance system and is accredited by the Polish Accreditation Centre (PCA) in accordance with PN-EN ISO/IEC 17025:2018-02. The scope of accreditation includes, among others, electrical strength tests of insulation, partial discharge measurements, resistance to heating cycles, tightness tests of accessories, measurements of electrical parameters, tests of mechanical and physical properties of cable materials, and control of product structure and dimensions. The laboratory plays a strategic research and development role at TELE-FONIKA Kable, supporting projects in both the onshore and offshore energy sectors.

The results of tests performed at the Bydgoszcz-based Laboratory are recognised all over the world. This ensures that customers fully comply with international standards, supports global collaboration on cable projects, and guarantees that the solutions offered meet the most challenging technical specifications.

Additionally, TELE-FONIKA Kable's laboratories in Kraków and Bydgoszcz conduct specialised quality tests, including fire tests, mechanical tests, resistance to environmental conditions tests, and assessments of cable flammability. The parameters checked include abrasion resistance, stress, UV resistance, water resistance, and breaking force. Hundreds of tests are conducted annually to optimise the products for maximum safety. Such activities form an integral part of business processes, are conducted on an ongoing basis, and will be continued in the future.

TELE-FONIKA Kable's products comply with national and international standards, including:

- IEC, i.e. International Electrotechnical Commission standards, such as IEC 60331, IEC 60332, IEC 61034 and IEC 60754;
- EN, i.e. standards applicable in all European Union member states. They are usually developed at the initiative of the EU by the European standardisation organisations, CEN and CENELEC. CEN and CENELEC form the backbone of all national standardisation organisations in Europe;
- BS, i.e. British standards, which all cables and wires entering the UK market have to meet;
- DIN, i.e. standards developed by the German Institute for Standardisation (DIN), responsible for publishing standards for electronic and electrotechnical equipment used in Germany;
- UL, i.e. North American standards, such as UL 62, UL 44, UL1650 and UL1580;
- AS/NZS, a combined standard for Australia and New Zealand, covering the requirements for cables available in these markets;
- SANS, i.e. South African National Standards, such as SANS 1520-1 and SANS 1520-2.

3.11. Corporate culture and prevention of corruption

[IRO-1]
As part of the double materiality process, it was noted that TELE-FONIKA Kable has an actual positive impact on corporate governance. This is due to clearly defined values, including a commitment to staff safety, which is one of the Company's core values. The Company has established relevant policies to manage its corporate culture. Importantly, the Company has dedicated and anonymous channels for reporting irregularities, which have an actual positive impact on whistleblower protection. Regarding corruption prevention, another actual positive impact was identified, resulting from the Company's implementation of compliance training and procedures. New hires undergo mandatory training to familiarise themselves with the *Code of Ethics and Conduct*. The Company continuously analyses its operations to identify any corruption risks. TELE-FONIKA Kable also requires its partners to meet specific ethical and social standards, thereby exerting an actual positive impact.

All the impacts discussed above occur within the Company. Regarding relations with suppliers, the analysis covered relationships with all entities, regardless of their country of origin.

[GOV-1]
The Management Board of TELE-FONIKA Kable is responsible for entering into agreements with suppliers, managing the Company's affairs and representing it externally. In this regard, the Management Board is supported by management staff who report to Board members continuously. The Supervisory Board's tasks include ongoing supervision of the Company's operations. Details regarding the professional knowledge and experience of the Management Board and Supervisory Board members are provided in section 2.2..

CORPORATE GOVERNANCE MANAGEMENT POLICIES

[G1-1]
In its daily operations, TELE-FONIKA Kable recognises the importance of fostering an environment based on strong values that shape the Company's organisational culture.. These values are clearly defined in the *Code of Conduct and Ethical Standards*, which serves as the foundation of the Company's operations, influencing decision-making processes, stakeholder relations, team collaboration, and the approach to addressing challenges.
The core values are as follows:

- Reliability – transparency and diligence in conducting business, including compliance with applicable laws and the use of transparent business practices. Reliability also means the fulfilment of obligations towards business partners and employees.
- Honesty – the basis of trust, on which relationships with employees, business partners and local communities are built. The Company wants to operate in accordance with the highest ethical standards, adhering to moral principles and fair business practices.
- Responsibility – means conscious decision-making and actions, taking into account social, environmental and economic consequences.
- Passion – creating an inspiring work environment that supports the personal and professional development of each team member.

The *Code of Conduct and Ethical Standards* apply to all employees of TELE-FONIKA Kable. The Company promotes the principles specified in this Code and implements measures aimed at supporting the development of organisational culture and corporate governance. Employees can access documents covering ethical principles and organisational values through the Quality Portal and the Company's website.

The Management Board of TELE-FONIKA Kable is responsible for the formal adoption of the *Code of Conduct and Ethical Standards*. It passes relevant resolutions and resolves disputes regarding the interpretation of the Code. The Company's corporate culture serves as the foundation for developing procedures and instructions in the area of compliance, including risk analysis related to the prevention of corruption, money laundering, and practices that restrict competition.

The Company conducts training courses on ethics and corporate governance, primarily through its e-learning platform. Each employee (incl. new hires) of TELE-FONIKA Kable, who has a business email address, receives access to Compliance training. On-site training in this regard will also be provided to production workers alongside other mandatory training courses, such as those concerning OHS.

In 2024, 380 employees (19% of the total staff) participated in Compliance training. 379 employees participated in anti-money laundering training, and 370 (18% of all employees) attended ESG training.

In the previous year, the Company also conducted training on anti-discrimination and anti-harassment, aligning with the Company's values as reflected in the *Code of Conduct and Ethical Standards.* 548 people (27% of all employees) participated in this training.

The HR department monitors the effectiveness of educational and communication activities through indicators that show the number

3.11. Corporate culture and prevention of corruption

of employees trained in the area of ethics and ESG, as well as the results of employee satisfaction surveys. One of the evaluation tools was a survey conducted in April and May 2024, which collected 684 responses (34% of the total workforce). The survey was related to the organisational culture, among others.

All employees, including those without access to a computer, familiarise themselves with the Company's policies and codes during the onboarding process.

As part of the ethics and compliance management, TELE-FONIKA Kable provides employees and external stakeholders with mechanisms to report suspected violations of the Code or corporate governance principles. This is described in chapter 3.6 (Employment and working conditions).

ANTI-CORRUPTION POLICY AND PREVENTIVE ACTIONS

[G1-3]

TELE-FONIKA Kable counteracts corruption and bribery by launching internal anti-corruption training courses designed to increasing employee awareness in this area. These courses are delivered in SCORM format through a dedicated online training platform. The training sessions cover, among other topics, definitions and forms of corruption, applicable laws, consequences of corruption in the business environment, and standards and practices designed to prevent corruption. Each training course concludes with a single-choice knowledge test. The first training cycle took place in 2024, and the Company intends to repeat the training regularly, in accordance with the relevant schedule.

Anti-corruption training	
Total number of employees	2,063
Total number of employees who participated in the training in 2024	380
Percentage of employees who participated in the training in 2024	19%

As of the date of this report, TELE-FONIKA Kable has not identified any functions particularly exposed to the risk of corruption, concluding that this risk is similar for all employees. Anti-corruption matters are governed by the *Anti-Corruption Policy*, available at the Company's website and in the Quality Portal. This document outlines the actions to take in the event of suspected corruption, including the obligation to report such cases.

In accordance with the *Anti-Corruption Policy*, the Management Board member responsible for compliance receives information about reported and identified cases of corruption-related violations.

The *Anti-Corruption Policy* is also communicated to external stakeholders. Its contents have been integrated into the *Supplier Code*. When a business partners accepts the *Supplier Code*, this is regarded as the acceptance of the principles outlined in the *Anti-Corruption Policy*. Information about the *Supplier Code* can be found in the General Delivery Terms and Conditions published on the Company's website and in the orders placed.

[G1-4]

The effectiveness of corporate governance management and anti-corruption activities at TELE-FONIKA Kable is evidenced by the absence of recorded corruption cases in 2024. No court cases related to corruption were pending against the Company and no penalties related to corruption incidents were imposed on it.

3.12. Supplier relationship management

[G1-2]

TELE-FONIKA Kable manages relationships with suppliers based on the *Supplier Code* adopted in 2024, whose implementation is the responsibility of the Company's Management Board. The document outlines the standards expected from suppliers, subcontractors, and business partners. These include compliance with applicable laws, ethical standards, sustainable development, environmental protection, human rights and social responsibility. Suppliers must act in accordance with applicable laws, the *Anti-Corruption Policy*, and the Company's internal values. The Company expects suppliers to minimise their environmental impact by, among other measures, reducing their carbon footprint, resource consumption, and waste generation, as well as through responsible sourcing of raw materials and avoiding so-called 'conflict minerals' that may originate from regions affected by armed conflicts. Suppliers are also required to comply with international human rights standards, ensure safe working conditions, fair wages, equal opportunities and respect for diversity, as well as counteract discrimination, mobbing, forced labour, and child labour.

TELE-FONIKA Kable reserves the right to monitor compliance with the *Supplier Code* through documents, surveys, and audits. Any lack of cooperation or violations may result in the termination of the contract. Suppliers are required to communicate the principles of the *Supplier Code* to their subcontractors and verify their supply chain. Any irregularities should be reported to the Compliance Department by phone, email, online form, or regular mail.

All new and approved suppliers of direct and indirect production materials are required to sign up to the TELE-FONIKA Kable *Supplier Code of Conduct*. Additionally, the Company expects them to meet specific requirements regarding product compliance and environmental responsibility. They are required to complete a self-assessment survey containing information on the quality of the offered product, the manufacturing process, and the ESG practices used. Required documents include:

- a RoHS declaration confirming that the offered product meets the requirements for the restriction of the use of hazardous substances in electrical and electronic equipment (if applicable);
- an EMRT or CMRT declaration regarding the use of conflict minerals (such as tin or mica);
- a completed ESG survey;
- certificates or other quality documents containing test results or characteristics of the purchased material;
- a current safety data sheet (if applicable).

The Company assesses the impact of suppliers' social and environmental activities. The process is based on several key parameters, including timely deliveries, number of complaints, quality of cooperation, and the results of ESG surveys concerning quality, environment, and social issues.

TELE-FONIKA Kable minimises the risk of disruptions in the supply chain through the diversification of suppliers and maintaining call-off stock warehouses that enable a quick response to the changing market needs. The Company also maintains raw material buffers at both suppliers and ports to ensure continuity of production in the event of logistical delays. Additionally, purchases and deliveries are planned from a long-term perspective, while the availability of raw materials is monitored continuously. The Company maintains adequate inventory levels for critical raw materials.

TELE-FONIKA Kable's plans for 2025 include:

- obtaining as many confirmations as possible from qualified suppliers regarding their acceptance of and obligation to comply with the *Supplier Code*;
- obtaining as many supplier self-assessment surveys as possible from key suppliers (raw materials, technical materials, packaging, accessories).

[G1-6]

Matters related to payments to suppliers are governed by relevant agreements and the conditions specified in each order. Payment terms are agreed upon and negotiated individually with each supplier, regardless of its size. The average time taken to pay an invoice in 2024 was 60 days.

During the reporting period, 95.94% of payments were made on time. There are no pending court proceedings against the Company regarding late payments. The payment rules applied by the Company comply with the Prevention of Excessive Delays in Commercial Transactions Act of 8 March 2013. According to this Act, if the creditor is a micro, small, or medium-sized enterprise and the debtor is a large enterprise, the maximum payment term must not exceed 60 days from the invoice delivery date. TELE-FONIKA Kable complies with these requirements and does not exceed the limits specified in the aforementioned Act.

TFK.Group

4.

JDR Cable Systems Ltd.

4.1. Basic information about JDR Cable Systems

The JDR Cable Systems group of companies (JDR Group) is a global company specialising in the design, manufacture, and supply of subsea power cables and advanced cable solutions for the offshore wind and energy sectors, as well as the oil and gas industry. JDR Cable Systems operates globally, providing customers with critical infrastructure that supports the global energy transition and the development of renewable energy sources.

The JDR Cable Systems group of companies (JDR Group) is a global company specialising in in the United Kingdom in Hartlepool and Littleport, as well as one under construction at Cambois, near Blyth (hereafter referred to as 'Blyth'). JDR Group also has sales and service units in the United Kingdom, United States and Brazil. JDR conducts research and development activities, with a strong focus on high-voltage power cables for offshore wind and energy applications, and umbilicals for oil and gas applications. These activities ensure that JDR delivers fully qualified and reliable products for both static and dynamic subsea installations, in accordance with customer and industry requirements.

JDR product portfolio includes a comprehensive range of cables and umbilical systems designed for harsh environmental conditions. The main product groups include:

- Inter-Array Cables (33kV, 66kV, 132kV) – used for connections between wind turbines and offshore sub-stations, used in fixed and floating wind farm projects;
- Subsea Power Umbilicals – integrated systems for power and data transmission;
- Export cables for wind farm projects;
- SPCs for electrification and/or carbon capture projects;
- Thermoplastic and Steel Tube Umbilicals – designed for applications in the offshore oil & gas industry.

The main product groups offered by JDR Group in 2024 remained unchanged compared to 2023. The company did not sell products that are prohibited in certain markets, nor does it engage in activities related to the extraction or processing of fossil fuel sector, the production of chemicals or controversial types of weapons.

In 2024, JDR celebrated a double anniversary – the 50th anniversary of the company's founding and the 30th anniversary of operating under its current name. The business originated in 1974, when it was established as Pneu Hydraulics Ltd., developing technology and commencing the production of Umbilical Life Support Systems, which initiated the development of specialised subsea solutions.

Over the years, the company expanded its operations at the plants in Littleport and Hartlepool, and underwent a rebranding, adopting the name Jacques De Regt Cable Systems. In 1994, the name JDR Cable Systems was adopted, becoming a recognised brand in the global subsea cable systems market. In 2000, the company completed a groundbreaking project by supplying 33 kV inter-array cables for the Beatrice offshore wind farm, solidifying its position in the offshore wind sector.

In 2017, JDR joined the TFKable Group, contributing to further technological development and strengthening competencies in Subsea Umbilicals. The company is currently investing in the construction of a new manufacturing facility in Blyth (Northumberland), and its commitment to the 132 kV static-array cable project supports global efforts towards energy transformation and achieving climate neutrality by 2050.

4.1. Basic information about JDR Cable Systems

KEY PROJECTS

Hail and Ghasha Project, Abu Dhabi

JDR Cable Systems has secured a contract to supply steel tube umbilicals for the Hail and Ghasha project in Abu Dhabi. This will be the world's first gas project with net-zero emissions, capturing 1.5 million tonnes of CO_2 annually, storing CO_2 underground, and producing low-emission hydrogen. The project will utilise low-emission energy from nuclear and renewable sources, supporting the gas self-sufficiency of the United Arab Emirates. JDR will design and manufacture four subsea umbilicals ranging from 7 km to 48 km in length, incorporating steel tubes, medium-voltage electrical cores, and fibre optic cables. Production will occur at the plant in Hartlepool, UK. The umbilicals will be loaded onto a vessel and transported to Abu Dhabi for installation at the offshore site.

EolMed's Floating Wind Turbines Project, France

For the 30 MW floating offshore wind farm in Occitanie, France, JDR Cable Systems will supply 66 kV Inter-Array Cables to connect three floating wind turbines anchored at a depth of 60 metres. The project will generate 100 GWh annually, supporting France's ambition to achieve 40 GW of offshore wind power by 2050. The 66 kV Inter-Array Cables will be produced and tested at JDR's' plant in Hartlepool.

Coastal Virginia Offshore Wind (CVOW) Project, USA

JDR Cable Systems is participating in the Coastal Virginia Offshore Wind (CVOW) project. By 2026, the largest offshore wind farm in the United States is expected to be established. It will generate 2.6 GW of power, providing electricity to approximately 660,000 homes. The 66 kV Inter-Array Cables produced by JDR will connect 176 wind turbines and three offshore substations. The CVOW project is expected to significantly contribute to the economic development of Virginia and play a key role in the United States achieving its goal of producing 30 GW of offshore wind energy by 2030.

Hornsea 3 Offshore Wind Farm Project, United Kingdom

JDR is involved in constructing the Hornsea 3 offshore wind farm in the UK, which will contribute to increased renewable energy production. JDR has secured a contract for Testing & Termination (T&T) of the Array Cable and the integration of all wind turbines with the offshore substations. The project continues the work of the Hornsea 1 and 2 wind farms, where JDR Cable Systems demonstrated its expertise in delivering subsea cables and T&T solutions.

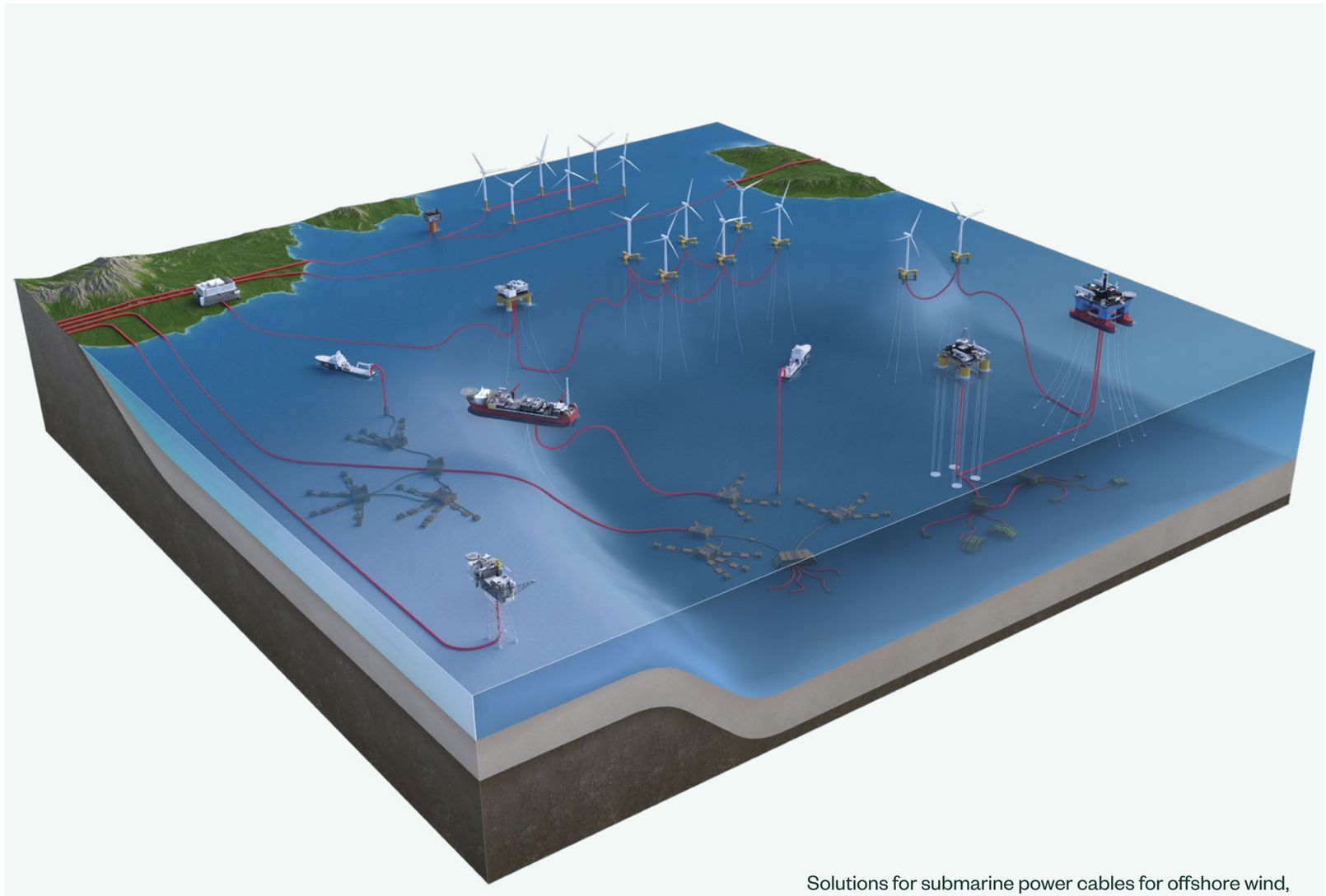
Dai Hung – Phase 3, Block 05-1(a), Vietnam

JDR Cable Systems has completed the Dai Hung – Phase 3 project in Block 05-1(a) offshore Vietnam. Phase 3 involved delivering a 3-kilometre dynamic subsea power system, connecting a Floating Production Unit (FPU) to the Wellhead Platform (WHP-D1). The subsea dynamic power system, equipped with fibre optics and accessories, was manufactured at JDR's plant in Hartlepool. After production, the cable was loaded onto a 9.2-metre diameter drum and dispatched to the installation site.

4.1. Basic information about JDR Cable Systems

JDR OFFERS:

- Conventional IWOCS umbilical and reeler
- Self-supporting open-water IWOCS umbilical and winch
- Dynamic subsea production umbilical (SPU)
- Dynamic subsea power cable (SPC)
- Shore-to-platform subsea power cable (SPC)
- Thermoplastic Hydraulic Flying Lead (HFL)
- Steel Tube Flying Lead (STFL)
- Static Array Cable
- Dynamic Export Cable
- Dynamic Array Cable
- Static Export Cable
- Interconnector Cable
- Shore to Subsea Umbilical / Power Cable
- Infield Umbilical / Power Cable
- Floating Turbines to O&G Platform / Vessel
- Product and Installation Support
- Engineering Services
- SSIV (Subsea Isolation Valve) Umbilicals



Solutions for submarine power cables for offshore wind, wave and tidal energy projects.

4.2. JDR Group Strategy and Business Model

[SBM-1]
JDR Cable Systems pursues a strategy of providing comprehensive cable and umbilical solutions for the most demanding projects in the offshore renewable energy sector and the offshore oil & gas industry. The company's business model focuses on combining product innovation, engineering consulting, and technical support with high-quality production and operational reliability.

JDR Cable Systems' activities cover the entire project lifecycle, from consulting and technical design, through production and testing of submarine cables and umbilicals, to their installation and operational support. A key distinguishing feature of JDR is its commitment to developing tailor-made solutions, making it a technological partner for customers undertaking investment projects in challenging environmental conditions.

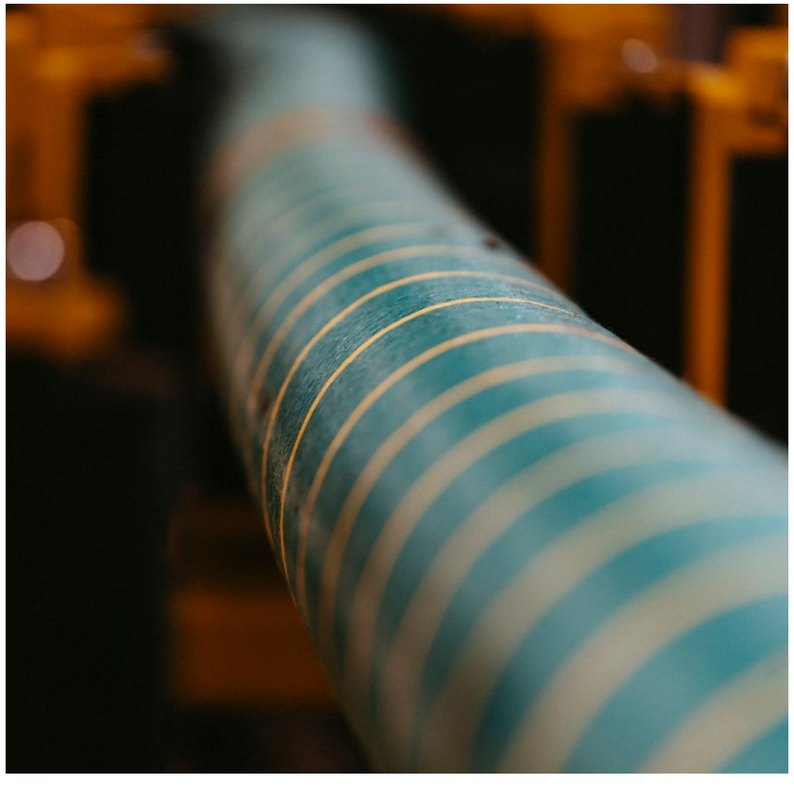
In terms of sustainable development, JDR Cable Systems focuses on implementing activities aimed at improving occupational safety, quality, and environmental efficiency. The Company's activities focus on the following, among others:

- supporting the energy transition by designing and manufacturing cables for floating and fixed wind farms;
- reducing the carbon footprint of production and installation processes;
- applying high standards in human rights protection and business ethics;
- ensuring compliance with international quality and environmental requirements.

ESG issues are supervised by Compliance Officer. The role includes monitoring compliance with standards and regulations, and regular briefings for the Board.

GOOD PRACTICE

JDR Cable Systems also promotes local cooperation, e.g. through partnerships with universities, support for employee initiatives, and participation in projects supporting talent development in the cable sector.



VALUE CHAIN

In the supply chain, JDR emphasises responsibility and compliance with ethical and environmental requirements. The company has implemented the *Responsible Sourcing Code*, which outlines expectations for suppliers regarding compliance with human rights, labour standards, environmental regulations, and anti-corruption regulations. Contractors are required to comply with quality and OHS policies, and environmental protection rules, while their activities are subject to a range of supervision procedures.

JDR's business model is firmly anchored in long-term customer partnerships and continuous improvement of technologies and processes. The company is an engineering partner in projects of key importance for the global energy transition. It actively participates in the creation of modern energy infrastructure, thereby increasing the availability of clean energy around the world.

The company's value chain includes:

- product design and development;
- obtaining raw materials and components;
- production;
- testing in accordance with international standards;
- transport and installation of offshore and onshore systems;
- servicing, inspections, and operational support throughout the project lifecycle.

4.3. Material impacts, risks and opportunities for JDR

[SBM-3]

During double materiality analysis, JDR identified the following material impacts, risks, and opportunities. These result directly or indirectly from the adopted business model and strategy.

	IMPACT/ RISK / OPPORTUNITY	DETAILS	PLACE OF OCCURRENCE
E1	Actual positive impact	JDR significantly supports the development of renewable energy by supplying cables for wind farms.	Organisation Value chain (Upstream)
E1	Actual negative impact	Cable and umbilical production requires energy and involves processes that generate greenhouse gas emissions.	Organisation Value chain (Upstream)
E1	Potential positive impact	JDR can play a significant role in the decarbonisation process by supporting efforts to mitigate climate change.	Organisation Value chain (Upstream)
E1	Potential negative impact	Emissions may increase with higher production levels and a lack of actions to reduce greenhouse gas emissions.	Organisation Value chain (Upstream)
E1	Actual negative impact	The company's operations are energy intensive.	Organisation
E1	Potential positive impact	The company intends to obtain energy from renewable sources and may reduce its energy consumption.	Organisation
E1	Potential negative impact	In the event of a change of the energy supplier or failure to meet the assumptions, the energy will come from non-renewable sources.	Organisation
E2	Actual negative impact	Cable and umbilical production involves the use of hazardous substances. Some rubber compounds contain hazardous ingredients, such as emulsions and oils used in cable systems, galvanic bath components and plastic additives, and substances aimed at reducing the flammability of cables.	Organisation
E3	Actual negative impact	Cable and umbilical production requires large amounts of water (mainly for cooling). Even though manufacturing processes do not lead to water losses (most of the water returns after treatment), they still burden on local water resources.	Organisation

4.3. Material impacts, risks and opportunities for JDR

	IMPACT/ RISK / OPPORTUNITY	DETAILS	PLACE OF OCCURRENCE
E5	Actual positive impact	The company replaces some of the raw materials with recycled materials, thereby reducing the need for primary raw materials.	Organisation
E5	Actual negative impact	The company uses primary raw materials, such as copper, aluminium, plastics, and rubbers. The extraction of these raw materials is associated with the depletion of deposits.	Organisation
E5	Actual positive impact	The cables produced by the company are largely recyclable, containing copper and aluminium. By recycling cables, the Company ensures that a significant part of cable waste is reused as a raw material.	Organisation Value chain (Downstream)
E5	Actual positive impact	The company adopts a circular economy approach, by recycling its production waste.	Organisation
E5	Actual negative impact	The production process generates significant amounts of waste, of which not all is reused or recycled.	Organisation
E5	Potential negative impact	The company may not have any influence on the method over recycling or disposal of used cables as these processes are managed by other entities.	Value chain (Downstream)
S1	Actual positive impact	Most staff are employed based on indefinite-term agreements, which points to employment stability.	Organisation
S1	Actual positive impact	The company offers competitive salaries, which are paid promptly, and provides a range of fringe benefits.	Organisation
S1	Actual negative impact	Despite mitigating OHS risks through training and campaigns to raise employee awareness, some workplace accidents still occur.	Organisation
S1	Actual negative impact	Despite promoting equal opportunities, the Company recorded a gender pay gap in 2024.	Organisation

4.3. Material impacts, risks and opportunities for JDR

	IMPACT/ RISK / OPPORTUNITY	DETAILS	PLACE OF OCCURRENCE
S1	Actual positive impact	The company invests in the development of its staff. Employees regularly participate in training courses, including ones that improve their qualifications. The Company also runs internship and apprenticeship programmes as part of the young talent management programme.	Organisation
S1	Actual positive impact	The company expresses its support for diversity and equal opportunities, with the principle of equal treatment being one of the core values.	Organisation
S2	Potential positive impact	The Company may require its subcontractors to hire employees based on employment contracts or other stable forms of employment, thereby exerting a positive impact in the value chain.	Value chain (Upstream)
S2	Actual positive impact	The company requires contractors to comply with applicable standards, particularly regarding OHS.	Value chain (Upstream)
S2	Potential negative impact	Despite the requirement for entities in the value chain to comply with applicable OHS standards, some suppliers may fail to do so.	Value chain (Upstream)
S4	Actual positive impact	Audited processes and certified cables enhance the safety of end users, minimising the risk of electrical failures that pose a threat to life or property.	Organisation Value chain (Downstream)
G1	Actual positive impact	The company has clearly defined corporate values. Caring for the safety of the team is a priority embedded in these values, which translates into an organisational culture that promotes compliance with OHS rules and mutual respect.	Organisation
G1	Actual positive impact	The company has dedicated channels for reporting irregularities	Organisation
G1	Actual positive impact	The company requires its partners to adhere to applicable ethical and social standards.	Organisation
G1	Actual positive impact	The company actively prevents corruption through training courses and compliance procedures. The company analyses its operations on an ongoing basis to identify any corruption risks.	Organisation

JDR Cable Systems does not report impacts that do not result from the ESRS.

4.4. Environmental impact

IMPACT ON THE CLIMATE

[SBM-3] [IRO-1]

Through the double materiality analysis, JDR identified its material impacts. The actual negative impact is related to greenhouse gas emissions associated with manufacturing and service operations, both within the organisation and throughout the value chain. Increasing emissions would have a potentially negative impact. The company's actual positive impact is related to the products used in renewable energy projects.

The cable and umbilical manufacturing process is energy intensive, which is the second actual negative impact. However, JDR has a strategy for sourcing energy from renewable sources and a plan to reduce energy intensity, which can positively affect energy consumption and has been identified as a potentially positive impact. Conversely, a potentially negative impact on energy efficiency may occur in the case of changes in energy efficiency improvement plans.

[E1-2]

Climate change issues and counteracting them are primarily governed by two internal policies adopted by the company, i.e. the *Sustainability Policy* and the *HSEQ Policy.* JDR treats the fight against climate change as a strategic priority and an integral element of its operations. The company adopts a holistic approach to environmental issues, implementing measures both in the area of its own operations and in relations with external partners.

The policy emphasises the need to comply with applicable environmental regulations and at the same time declares transparency in reporting results and compliance with the principles of the UN Global Compact.

The company has also joined the SBTi, with validated emission reduction targets establishing a pathway to achieving climate neutrality. The policy also outlines the actions taken by JDR to mitigate the effects of climate change. They are based on reducing energy consumption and carbon footprint, e.g. by increasing energy efficiency, investing in new technologies and renewable energy sources, as well as optimising production processes.

JDR's *Sustainable Policy* applies to all employees, contractors, and business partners. It is approved annually by the management team and signed by the Chief Strategy and Compliance Officer. In the *HSEQ Policy*, JDR declares its intention to achieve global carbon neutrality by 2050. The company's commitments include the following:

- optimisation of energy and resource consumption, with an emphasis on moderate consumption of materials;
- reducing environmental impact throughout the supply chain, including through the development of innovative solutions and reducing product emissions;
- setting annual environmental and sustainability goals and indicators, monitored and reported both locally and at the Board of Directors level.

Responsibility for implementation of the policy rests with the management team of JDR.

The company shares its climate and environmental policies with stakeholders. The *Sustainability Policy* and the *HSEQ Policy* are available on the company's website and intranet.

GOOD PRACTICE

The company considers the interests of key stakeholders when developing policies regarding climate change. Stakeholder group engagement occurs through materiality analyses, climate workshops, and sustainability working groups in which customers, suppliers and employees participate. The conclusions drawn from them have a direct impact on policy-making, including climate change mitigation and adaptation targets.

4.4. Environmental impact

[E1-3]

The actions taken by the company in 2024 related to the reduction of greenhouse gas emissions, energy management and adaptation to climate change were aligned with the net-zero strategy and the approved goals under SBTi. These included:

- Reducing greenhouse gas emissions:
  - submitting climate targets for validation by SBTi;
  - establishing cooperation with consultants to map Scope 3 emissions;
  - initiating analyses on the wider use of recycled metals (copper and aluminium);
  - conducting energy audits at all production plants;
- Improvements in energy management:
  - conducting a formal energy audit;
  - monitoring energy consumption across all plants for future ISO 50001 compliance;
  - publishing a new regulation on energy management and energy efficiency;
  - modernisations to reducing energy consumption in production;
  - planned energy management training for employees;
- Climate change adaptation:
  - considering sea level rise and taking flood risks into account when planning the new Blyth plant.

The organisation's plans for the coming years include the purchase of renewable energy. Decisions were also made not to connect the new plant in Blyth to the gas network, and the existing plant in Hartlepool intends to eliminate its dependence on gas by introducing alternative heating solutions. JDR is collaborating with suppliers to increase the use of low-carbon and recycled materials, primarily metals and polymers. At the same time, research and development works on energy-efficient high-voltage cables will be conducted. The implementation of these measures is expected to reduce Scope 1 and 2 greenhouse gas emissions by 54.6% and Scope 3 emissions by 32.5% by 2033, enabling the company to achieve climate neutrality in Scope 1 and 2 by 2035 and full neutrality across all scopes by 2050.

[E1-5] Energy consumption and energy mix

Type of energy consumption	
Consumption of fuel from coal and coal products (MWh)	0
Consumption of fuel from crude oil and petroleum products (MWh)	0
Consumption of fuel from natural gas (MWh)	854.96
Consumption of fuel from other fossil sources (MWh)	0
Consumption of purchased or obtained electricity, heat, steam and cooling from fossil sources (MWh)	2,056.91
Total fossil fuel energy consumption (MWh)	2,911.87
Share of fossil sources in total energy consumption (%)	75.2%
Nuclear energy consumption (MWh)	0
Consumption of fuel from renewable sources, including biomass (MWh)	0
Consumption of purchased or obtained electricity, heat, steam and cooling from renewable sources (MWh)	966.56
Consumption of renewable energy produced independently without the use of fuel (MWh)	0
Total renewable and low-carbon energy consumption (MWh)	966.56
Share of renewables in total energy consumption (%)	24.8%
Total energy consumption (MWh)	3,878.43

4.4. Environmental impact

JDR operates within the industrial processing sector. Total energy consumption in this sector amounted to 3,878.43 MWh, and the income from sectoral activities in 2024 reaching GBP 112,019,000.

[E1-6]

In 2024, the company's total greenhouse gas emissions were 153,871.60 tCO_2e. Scope 1 emissions amounted to 185.71 tCO_2e, all of which came from outside the Emissions Trading Schemes. Scope 2 emissions were 677.63 tCO_2e. Scope 3 emissions totalled 153,008.26 tCO_2e, with the largest contributors being:

- Purchased Goods and Services (80,112.46 tCO_2e);
- Capital Goods (4,011.48 tCO_2e),
- Fuel and Energy Related Activities (261.73 tCO_2e),
- Upstream Transportation and Distribution (2,297.92 tCO_2e),
- Waste Generated In Operations (10.82 tCO_2e),
- Business Travel (945.35 tCO_2e),
- Employee Commuting (453.06 tCO_2e),
- Downstream Transportation and Distribution (1,014.35 tCO_2e),
- Use of Sold Products (63,901.00 tCO_2e),
- End of Life Treatment of Sold Products (0.09 tCO_2e).

JDR's 2024 carbon footprint has been prepared using the Greenhouse Gas Protocol as the primary methodological framework. The assessment includes Scope 1, Scope 2, and all applicable Scope 3 categories, with the exception of Category 10: Processing of Sold Products and Category 13: Downstream Leased Assets. These exclusions are based on the materiality and relevance of these categories to JDR's operations.

The organisational boundary is defined using the operational control approach. The assessment covers all seven greenhouse gases regulated under the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF_6); and nitrogen trifluoride (NF_3).

Emissions calculations are based on a combination of primary activity data (e.g., fuel use, energy consumption, business travel, raw materials) and secondary data sources, including emission factors from the UK Government GHG Conversion Factors, DESNZ, and recognised lifecycle databases.

The reporting period is from 1 January 2024 to 31 December 2024. Emissions are benchmarked against the 2023 reporting year and normalised using a revenue-based intensity metric.

POLLUTION CONTROL

[E2-1]

The issue of air pollution at JDR is managed according to the Environmental Aspects and Impacts Procedure. The company identifies pollution sources, emission pathways, and their recipients according to this procedure. The COSHH Procedure has been implemented for hazardous substances.

[E2-2] [E2-3]

Although the company has not formally adopted targets regarding air pollution, it consistently takes actions to reduce emissions. These include the process of phasing out the use of natural gas and a plan to utilise only renewable energy in JDR's plants in the United Kingdom. In 2024, efforts were also focused on using extraction ventilation for welding processes. The implementation of this solution has resulted in a reduction in the emission of harmful by-products.

Regarding hazardous substances, JDR regularly reviews the substances it uses to determine if they can be replaced with less harmful alternatives. The company does not produce, use, or export hazardous substances or SVHCs, as defined in REACH. There is also no trading of mixtures or goods containing such substances within the organisation.

Emissions from JDR in 2024 include:

- Heavy metals (As, Cd, Cr, Cu, Hg, Ni, Pb, Zn): 0 kg
- Organic compounds (benzene, ethylbenzene, toluene, xylenes, formaldehyde, dioxins/furans): 0 kg
- Inorganic compounds:
  - Ammonia (NH_3): 0 kg
  - Nitrogen oxides (NOx): 2,436.9 kg[7]
  - SOx, HCl, HF: 0 kg
  - Pesticides and ozone-depleting substances: 0 kg

The company did not record significant changes in emissions in 2024 – they remain stable and are dependent exclusively on energy consumption.

[7] *Emissions related to transportation*

4.4. Environmental impact

WATER CONSUMPTION

[IRO-1]
JDR operational processes do not involve intensive consumption of water resources – the company's water consumption is mainly limited to cooling applications, after which it is discharged. In the Company's view, the level of environmental risk associated with water is relatively low.

[E3-1]
Despite this, JDR adopted the *Water Management Policy* in 2024. According to its provisions, the company regards responsible water management as an integral element of its sustainable development strategy and production practices. The company considers water a key resource for the environment and society, and strives to systematically reduce its water footprint while actively protecting the quality of water in the vicinity of its plants. None of the plants of JDR are located in areas exposed to the risk of water scarcity.

The *Water Management Policy* requires the company to save water and reuse it where practicable at every stage of its operations – from production processes, through supply chain management, to administrative activities. The implementation of the policy is overseen by the Health, Safety and Environment (HSE) team, which is responsible for ensuring that water-related activities are effectively integrated into the day-to-day running of the organisation.

JDR is committed to monitoring and evaluating the impact of its operations on water resources. Consequently, the company implements measures aimed at:

- reducing water consumption in technological processes;
- reducing the amount of industrial wastewater;
- preventing pollution of local reservoirs and watercourses.

The company implements good water management practices in the production process, including training employees in responsible water management, promoting the reuse and recycling of water, and searching for and implementing solutions that contribute to reducing water consumption.

The *Water Management Policy* is implemented by the JDR Board and is subject to annual review. The document is available to all internal and external stakeholders.

[E3-2]
In 2024, the company began assessing water-related risks and opportunities as part of its environmental impact assessment. The process considered the projected increase in water demand resulting from the construction of the plant in Blyth. The results of the evaluation will be used as the basis for future activities. In 2025, the Company plans to include the following, among others:

- installation of water consumption measurement and monitoring systems at key production points;
- analysis of the possibility of reusing rainwater for auxiliary purposes (e.g. washing equipment, flushing toilets);
- evaluation of cooling water recycling technology.

JDR also plans to develop a comprehensive water management strategy, which will include setting quantitative targets for water consumption.

[E3-4] Water consumption at JDR in 2024:[8]

Total water consumption	3,805 m^3
Total water use in risk areas (e.g. water shortages, poor water quality)	0 m^3
Total water reused	3,805 m^3

[8] *Water consumption data is mainly based on readings from water meters. In some locations, consumption is estimated on the basis of monthly average values, especially in cases where the measurement periods cover more than one calendar year. This method allows for a more consistent and representative annual statement.*

4.4. Environmental impact

WASTE MANAGEMENT AND RECYCLING

[IRO-1]

JDR is actively replacing some of its raw materials with recycled materials, reducing the need for virgin raw materials. This allowed the company to identify (as part of the double materiality assessment) its actual positive impact on the development of the circular economy. In addition, the cables manufactured by JDR are highly recyclable, containing copper and aluminium. The company has achieved recycling rates of over 90% of its production waste, which has also been recognised as an actual positive impact. Nevertheless, it needs to be noted that the company consumes primary raw materials, such as copper, aluminium, plastics and rubbers, which has an actual negative impact on natural resources. The production process also has another actual negative impact as not all waste can be recycled. There may be potential negative impacts on the value chain due to improper recycling or disposal of used cables, which the company cannot directly control. All of these impacts might occur at all JDR production plants.

[E5-1]

At JDR, waste management is integrated with the company-wide HSE Manual, developed in accordance with the requirements of ISO 14001:2015 and environmental operational procedures. The processes implemented by the company include minimisation of waste generated, its selective segregation at source, increasing the share of waste sent for recycling, and controlled removal of other fractions. All activities are carried out on the basis of documented procedures in force at production plants.

The sourcing of raw materials is regulated by the *Sustainable Procurement Policy* and the *Responsible Sourcing Code*. These documents contain provisions on environmental, ethical, and social requirements for material suppliers. Supplier evaluation in procurement processes also covers criteria related to the origin of raw materials and environmental practices in the supply chain.

[E5-2]

In 2024, JDR began working on developing a formal policy for the use of recycled materials. In addition, the company is taking steps to increase the share of secondary raw materials, primarily recycled copper and aluminium. Internal targets have been set to increase the recycled content of the products. The company has also started to explore business opportunities for partnerships with customers in the field of end-of-life dismantling and recovery of materials.

[E5-3] Targets of JDR:

Area	Targets [9]
Use of raw materials	Increasing the proportion of copper, aluminium and recycled steel in the cable production processes, where technically feasible and in line with customer requirements.
Waste generation	Maintaining zero waste to landfill at the Littleport manufacturing plant.
	Achieve zero waste to landfill at the Hartlepool plant in subsequent stages.
Circularity	Setting targets for the recycled content of submarine cable components.
	Setting targets for material recovery and reuse at the end of product lifecycle.
Sourcing raw materials	Acting in accordance with the *Sustainable Procurement Policy* and the *Responsible Sourcing Code*.

[8] *The targets of JDR Cable Systems are voluntary and do not result from applicable laws.*

4.4. Environmental impact

[E5-2]
JDR waste management efforts in 2024 include achieving zero waste sent to landfill at the Littleport plant and reducing waste landfilled at the Hartlepool plant to less than 5%. The company has also expanded waste segregation systems at all operational locations.

In order to reduce waste throughout the value chain, the company monitored suppliers' compliance with the principles of the *Responsible Sourcing Code,* and conducted environmental assessments of suppliers, taking into account their waste minimisation, and carried out activities to identify opportunities for reuse or recycling of materials.

At the same time, in order to reduce the consumption of raw materials in production processes, JDR optimised the designs of cable parts in 2024. By introducing innovative and effective cable cross-sections, it became possible to maintain the full technical properties of products with reduced consumption of materials.

GOOD PRACTICE

JDR designs its subsea products for a typical service life of 25-35 years, increased durability and environmental resistance, reparability and future material recovery. At the same time, the efforts of professional offshore service teams to repair and maintain cables can extend their service life and reduce the need for replacement, thus extending the lifecycle of products.

The company assesses the transition to a circular economy model as an opportunity related to:

- increasing the use of recycled metals (copper, aluminium, steel) in production processes;
- reducing waste and achieving the goal of "zero landfilling;"
- development of products with increased durability, especially cables for offshore installations.

The risks identified include increased costs or limited availability of secondary raw materials, the need to re-qualify suppliers according to responsible sourcing standards, and the lack of compliance with future extended producer responsibility regulations.

Waste management and circularity issues were not formally consulted with the impacted communities at JDR. However, the company continues to receive information about its customers' expectations with regard to environmental management, including waste management. Such information is provided as part of project reviews, audits conducted by contractors and direct talks with key customers from the offshore wind energy sector. The data obtained forms the basis for shaping strategies in the field of resource use and waste reduction.

4.4. Environmental impact

RESPONSIBLE USE OF RESOURCES

[E5-4]

In 2024, JDR did not introduce any raw materials, critical materials or rare earth metals into its operations. The company did not use biological materials or biofuels intended for purposes other than energy. There were also no certification systems concerning the sustainable origin of such materials.

The share of recycled materials was 30.3% for copper and 19.8% for galvanised steel wire.

Material consumption in 2024 [10]

Material	Weight in tonnes
Copper	461,5
Aluminium	1,211.9
Stainless steel pipes	16.5
Optical fibre	93,4
Galvanised steel wire	4,637.5
Bitumen	102.0
Tape	160.4
Fillers and ropes	1,321.6
Aramid Fibre	91.3
Polymers (Total)	2,039.8

In 2024, JDR continued its efforts to implement the principles of the circular economy in the area of design and lifecycle management of its products. The company's products (especially those intended for subsea applications) are designed to have a long service life,typically between 25 and 35 years. The company also offers the possibility of having the products repaired and maintained by a dedicated service department that provides round-the-clock technical support, including installation, commissioning, inspections and repairs.

The main raw materials used for production are copper, aluminium, steel and polymers, all of which are recoverable. In 2024, the estimated share of recycled materials in new products was 10.4%, equivalent to approximately 1,058 tonnes. [11] [12]

[E5-5]

The total amount of waste generated in 2024 was 1,905,883 kg. 1,781,239 kg was recycled, 75,241 kg was prepared for reuse, and 49,403 kg underwent other recovery processes. 124,644 kg of waste was not recycled, accounting for 6.54% of the total weight. The generated waste streams include metals (copper, aluminium and steel), plastics, wood, bitumen, packaging materials, electrical and electronic equipment, ropes and hydraulic oils.

[10] Material consumption data comes from direct measurements recorded in the ERP system. This system tracks material quantities at the level of orders, deliveries and consumption in production.

[11] The data is based on supplier declarations and internal raw material tracking systems.

[12] JDR does not conduct precise measurements with respect to packaging. Nevertheless, the Company's general operating practice is to recycle cardboard, paper and wood. The Company also reduces single-use plastics in packaging processes.

4.4. Environmental impact

In 2024, JDR generated 1,194,449 kg of hazardous waste, of which 1,145,046 kg was recycled and 49,403 kg was neutralised.[13]

Total waste generated by JDR in 2024:

Type of waste	Prepared for reuse	Recycling	Other recovery processes	Including
Hazardous waste	0	1,145,046 kg	49,403 kg	1,194,449 kg
Non-hazardous waste	75,241 kg	636,193 kg	0	711,435 kg
Including	75,241 kg	1,781,239 kg	49,403 kg	1,905,883 kg

Type of waste	Combustion	Storage	Other disposal processes	Including
Hazardous waste	150 kg	0	1,194,299 kg	1,194,449 kg
Non-hazardous waste	0	0	711,435 kg	711,435 kg
Including	150 kg	0	1,905,733 kg	1,905,883 kg

[13] *Waste data is based on actual measurements provided by external waste management contractors, and is reported in accordance with the ISO 14001 classification methodology. The categorisation of waste streams for reporting purposes prevents double counting of the same quantities in different recovery categories.*

4.6. Employment and working conditions

[SBM-2]
As part of the process of double materiality process, the employees of JDR were asked in an anonymous survey to evaluate the company's impact on environmental, social and corporate governance aspects. The identified impacts were considered material. This means that the company actively manages these impacts, striving to minimise the negative ones and maximize those that are positive, as described in this chapter. No risks or opportunities related to employees were identified during this process.

[SBM-3]
The company offers attractive working conditions, with the vast majority of its staff being employed on the basis of indefinite-term employment contracts. Timely payment of competitive salaries, combined with an appealing benefits package, is also regarded as having an actual positive impact.

During double materiality analysis, it was concluded that there are actual negative impacts resulting from the fact that, despite the measures taken to reduce OHS risks and training, some workplace accidents occur.

These impacts are related to JDR strategy and business model, which are based on the assumption that competent and motivated employees in a safe work environment can achieve their goals and deliver products that meet customer expectations. The identified actual negative impact results from the nature of the manufacturing industry and staffing conditions. There is no risk of child labour or forced labour with respect to JDR
.

JDR has adopted a climate strategy, and its primary goal in that regard is to achieve climate neutrality until 2050. This does not exert any negative impact on the employees.

[S1-6]
JDR has three main groups of employees, divided on the basis of the nature of the work performed and the associated occupational risks:

- Production employees are responsible for operating the machines used in the production and testing of cables. They are exposed to risks that are typical for the industrial environment, such as mechanical injuries, noise, overloads resulting from manual handling of materials, and exposure to chemicals.
- Offshore technicians are involved in the submarine installation of cables. Their work is associated with the risk resulting from the movement of vessels, difficult weather conditions, work at height and prolonged stay off land.
- Office workers support the company's operations in areas such as engineering, HR, finance, and project management. In their case, the key risks are related to working long hours at a computer and potential challenges for mental well-being.

All employees are covered by an occupational health and safety management system in accordance with ISO 45001. The company provides appropriate training for safe work and conducts regular risk assessments. Health and safety performance is reviewed monthly by the management team.

4.6. Employment and working conditions

Overview of the company's employees as of 31 December 2024:

Total number of employees and gender breakdown	
Women	87
Men	468
Total number of employees	**555**

Total number of employees, incl. by type and validity term of the employment agreement	
Number of employees with definite-term contracts	
Women	6
Men	20
Total number of employees	**26**
Number of permanent employees	
Women	81
Men	448
Total number of employees	**529**

Total number of employees, incl. by type and validity term of the employment agreement	
Number of full-time employees	
Women	75
Men	458
Total number of employees	**533**
Number of part-time employees	
Women	12
Men	10
Total number of employees	**22**

Employee turnover[14]	
Number of employees	
Women	83
Men	445.5
Total number of employees	**528.5**
Number of employees who left the company	
Women	8
Men	37
Total number of employees	**45**
Employee turnover	
Women	9.6%
Men	8.3%
Total number of employees	**8.5%**

[14] *In order to calculate the employee turnover, JDR adds up the total number of employees who left voluntarily. This number acts as the numerator in the calculation of the employee turnover. The denominator is the average number of employees in 2024.*

4.6. Employment and working conditions

[S1-7]

In the employment structure of JDR, the company distinguishes three basic groups of associates:

- Individuals employed by temporary employment agencies – they support the production plant in periods of increased demand, providing adequate human resources to operate production machines. These individuals are exposed to similar risks as full-time production workers.
- Contractors – service technicians whose task is to provide temporary support for installations, especially during periods of increased number of offshore projects. These individuals are exposed to risks associated with working at sea.
- Contractors working at the Blyth plant – they provide specialist services directly related to the construction of the Blyth plant. The scope of risks depends on the type of work performed but may include standard construction hazards, such as working at height, handling heavy equipment or exposure to environmental factors.

Characteristics of JDR Cable Systems' associates:

Number of people who are not JDR employees but constitute JDR's own workforce	30 temporary workers from the agency
Number of people collaborating under employment contracts (self-employed)	1 self-employed person (bi-weekly)
People made available to JDR by entities engaged in employment-related activities	JDR engaged 4 people from outside the Company (from temporary employment agencies) for non-service positions at the Blyth plant. In addition, service contractors are used to support internal service teams.

4.6. Employment and working conditions

EMPLOYEE ENGAGEMENT

[S1-2]

At JDR, employee opinions and rights are seen as an important element of the management process that affects the functioning and development of the organisation. Each production plant has its own Employee Forum, which is attended by a representative of senior management, the plant manager, a member of the HR team and employee representatives selected from individual areas of operational activity. This Forum is a consultation platform enabling dialogue between employees and the company's management on important business, communication and organisational issues. It performs an advisory function and does not have any decision-making powers. JDR has not entered into a formal agreement for the recognition of collective bargaining agreements with trade unions. However, each employee has the full right to join a trade union of their choice.

The company complies with the laws of the country in which it operates, including the Equality Act 2010 and the Trade Union Act 2016, which guarantee freedom of association and the right to peaceful assembly.

Meetings of the Employee Forum are held every month. The subjects include health and safety issues, information from the HR department, company announcements and topics raised by employee representatives. In addition to regular Forum meetings, the company conducts additional consultations with employee representatives whenever required by applicable laws, e.g. in the case of mass redundancies or significant changes to employment conditions. Line managers, management and the HR department are responsible for communication with employees.

GOOD PRACTICE

JDR has implemented an employee suggestions program in which employees are rewarded with gift vouchers for ideas that have been submitted and implemented.

The effectiveness of cooperation with the staff is assessed on the basis of feedback from employee representatives and conclusions from exit interviews, i.e. conversations with employees leaving the company. In addition, minutes from the Employee Forum meetings are made available to all employees and published on the intranet. Opinions from the exit interviews are sent to department heads and the HR department.

GOOD PRACTICE

JDR assumes that apprentices face the biggest risk of their opinions being disregarded due to their young age and lack of professional experience. Hence, the company appointed one of its employees, a former intern, to the position of the apprentices' representative. This person takes part in the meetings of the Employee Forum.

[S1-3]

Employees of JDR can use various channels to report irregularities. All employees have access to the confidential reporting area on the company's intranet and to the Speak Up hotline. Additionally, each employee can communicate any concerns to the company through employee representatives at the monthly Employee Forum meetings. A complete set of information about the reporting channels is provided to each new hire. In addition, the company has implemented the *Code of Ethics*, which specifies the method of reporting irregularities through the Speak Up hotline.

Each whistleblowing notification is considered separately, depending on its nature. If the information provided in such a notification is confirmed to be true, the person conducting the investigation process prepares recommendations, which are subsequently discussed with the HR department and relevant managers. Additional preventive measures are implemented if necessary.

The effectiveness of the reporting channels is monitored. Information about them is reported during quarterly meetings of the JDR Compliance Team. In the case of any planned changes to whistleblowing channels, these are consulted with employee representatives.

In 2024, JDR received one report of alleged discrimination, submitted by a temporary worker employed by the agency. The case was investigated and the allegations were not substantiated. The reporting person appealed against this decision.

4.6. Employment and working conditions

GOOD PRACTICE

In 2024, JDR Cable Systems analysed the employment conditions of its associates, including those hired by temporary employment agencies and contractors cooperating on the basis of B2B agreements. The results of the review indicate that people employed through temporary employment agencies have potential access to basic social benefits, such as sickness benefits, benefits applicable in the case of workplace accidents, parental leave and pension benefits – so long as they meet the criteria specified in applicable laws. Access to benefits is provided by the employment agency, which is responsible for working conditions and social security. Temporary contracts also include notice periods.

Contractors working with JDR Cable Systems on a self-employed basis can independently insure themselves against illness, job loss or retirement; however, they are not covered by the standard employee benefits system offered by the company.

SAFE WORKING CONDITIONS

[S1-1]

JDR Cable Systems ensures safe working conditions for all employees. The company has implemented a certified occupational health and safety management system in accordance with ISO 45001. The system applies to all the company's manufacturing plants. Security-related matters are regulated by the *HSEQ Policy* and the HSE Manual. These documents act as the company's commitment to ensuring a safe and healthy working environment, appropriate training and skills development possibilities for employees, as well as their active participation in safety management. The responsibility for implementing health and safety policies lies with the management team, in particular the Chief Operating Officer and the HSE Manager in the UK. Employee involvement in safety issues is further fostered by 'Toolbox Talks', employee forums, daily meetings of production teams and participation in risk assessments and audits.

The HSEQ Policy is publicly available on the company's website and is reviewed annually.

Occupational safety is maintained through comprehensive risk assessments, an incident reporting and investigation system, regular workplace inspections, mandatory training and emergency procedures.

The management team analyses OHS performance during monthly meetings and an annual management review. Employees are encouraged to actively participate in safety activities, e.g. by attending consultation forums, reporting threats as part of the TH!NK Safety programme, and analysing the lessons learned from incidents.

GOOD PRACTICE

In 2024, JDR continued to establish a strong culture of health and safety across all sites through its flagship TH!NK SAFETY programme. The initiative empowers employees to take personal responsibility for safety, identify risks, and drive continuous improvement in workplace conditions. Throughout the year, a total of 2,442 TH!NK SAFETY cards were submitted by staff, with a 99% close-out rate, indicating strong engagement and proactive safety behaviours. The top reported risk conditions were slips, trips & falls, tools & equipment, and procedures. This employee-led approach continues to support hazard awareness, strengthen operational safety, and foster a shared culture of accountability across the business.

4.6. Employment and working conditions

Health and safety of JDR Cable Systems employees in 2024 – activities and achievements:

OHS	• Annual TRCF at 0.35; • 25% reduction in the number of cases requiring first aid per year.
TH!NK Safety	• Increasing the participation of the Executive Management Team in TH!NK Safety & Quality Walk and Talk Tours (SQWAT); • Implementation of TH!NK Safety before starting customer projects; • Raising employee awareness and understanding of key risks; • Introduction of TH!NK Safety for JDR supply chain.
Employee health	• Launching a corporate occupational health programme; • Introduction of the Well Person Clinic.

In 2025, JDR Cable Systems implemented life-saving rules and workplace inspections to assess the safety conditions. The aim of this initiative is to reduce the risk of fatal accidents at work and those resulting in disabilities. Additionally, reviews of potentially hazardous events and observations are conducted as part of the TH!NK Safety programme is to increase employee awareness and improve workplace safety. The company expects that these actions will contribute to a reduction in the number of accidents.

The actions apply to both JDR Cable Systems employees and contractors working on the company's premises.

GOOD PRACTICE

The Livewire "28 Days" initiative is a targeted health and safety performance improvement measure implemented at JDR to enhance the efficiency and accountability of our incident management process. 'Livewire' is JDR's internal HSE reporting system, used to log all incidents, near misses and safety observations across the business.

The "28 Days" component of the initiative refers to the company's commitment to closing all reported cases within a 28-day period from the date of the initial report. This includes completing a thorough investigation, identifying root causes, implementing corrective actions, and formally closing the case in the system. The initiative was introduced to promote a consistent and timely response to all safety-related events, reduce the backlog of open cases, and strengthen our proactive safety culture.

By setting clear and measurable targets, the initiative supports faster resolution of safety incidents with improved visibility of safety trends, enabling early intervention, prevention, and continuous learning by ensuring lessons from incidents are shared and acted upon.

4.6. Employment and working conditions

[S1-14]

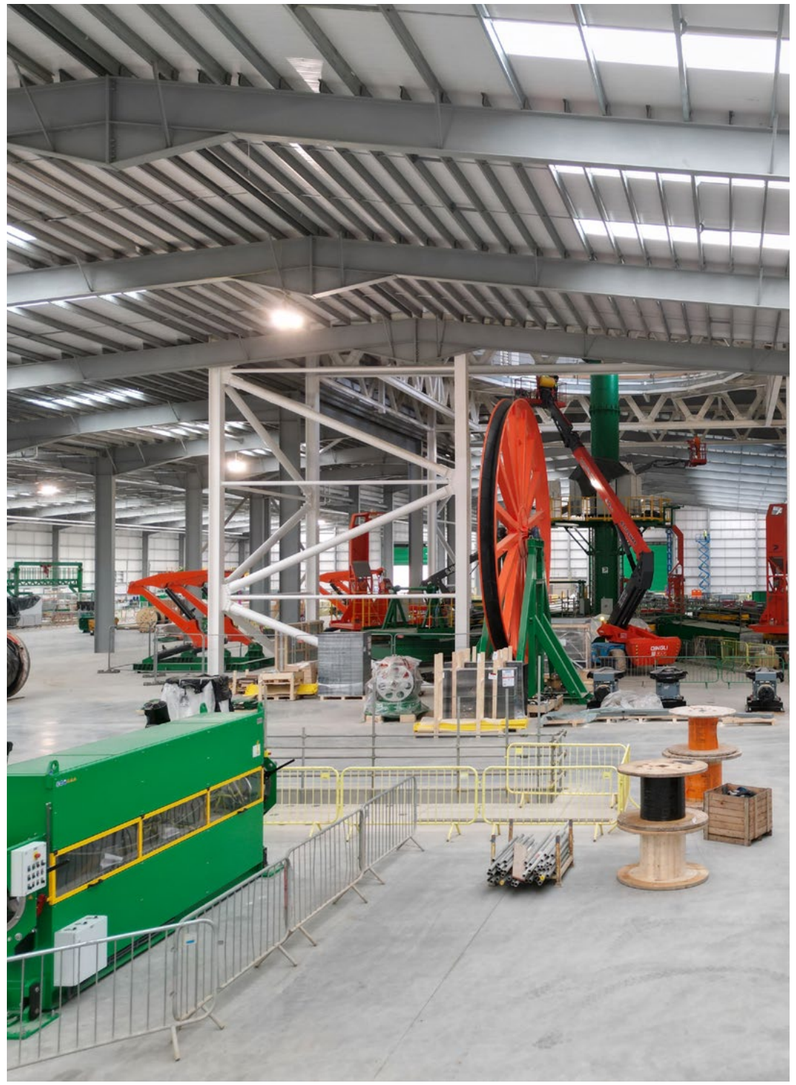
Percentage of employees and associates covered by the OHS system	100%
Number of accidents	30
Accident rate (TRCF)	0.76
Death toll	0
Number of confirmed occupational diseases	0
Number of days lost due to workplace accidents	24

GOOD PRACTICE

As part of its ongoing commitment to improving health, safety, and environmental (HSE) performance, JDR Cable Systems launched the "Life Saving Rules" campaign in February 2025. This initiative introduces 10 principles that provide clear and practical standards of behaviour aimed at preventing accidents and ensuring the safety of all employees.

These principles promote consistency in actions, accountability, and a proactive approach to risk management. The campaign emphasises the shared responsibility of all employees, suppliers, and subcontractors in maintaining a safe working environment, while also strengthening the safety culture by encouraging responses to potential hazards.

Work on the campaign began in 2024, with its official launch scheduled for 2025.



4.7. Employment and development of employees

JDR Cable Systems develops the competencies of its employees. The company offers a wide range of training courses, including programmes aimed at improving professional qualifications, managerial programmes, and mandatory OHS training. Every year, individual employee development plans are created, based on which a company-wide training plan is developed. The training register is kept by the Training Coordinator, and the training qualification process is transparent and the same for everyone.

At JDR Cable Systems, a culture of mentoring and coaching is promoted as a form of supporting professional development. Managers are obliged to share knowledge and competencies to ensure effective and sustainable knowledge transfer within the organisation. Employees who have been promoted to higher positions are initially set development goals that are subsequently evaluated. At the same time, employees who have not been promoted receive feedback and guidance for future development, as well as encouragement to include the areas for improvement in their annual development plan.

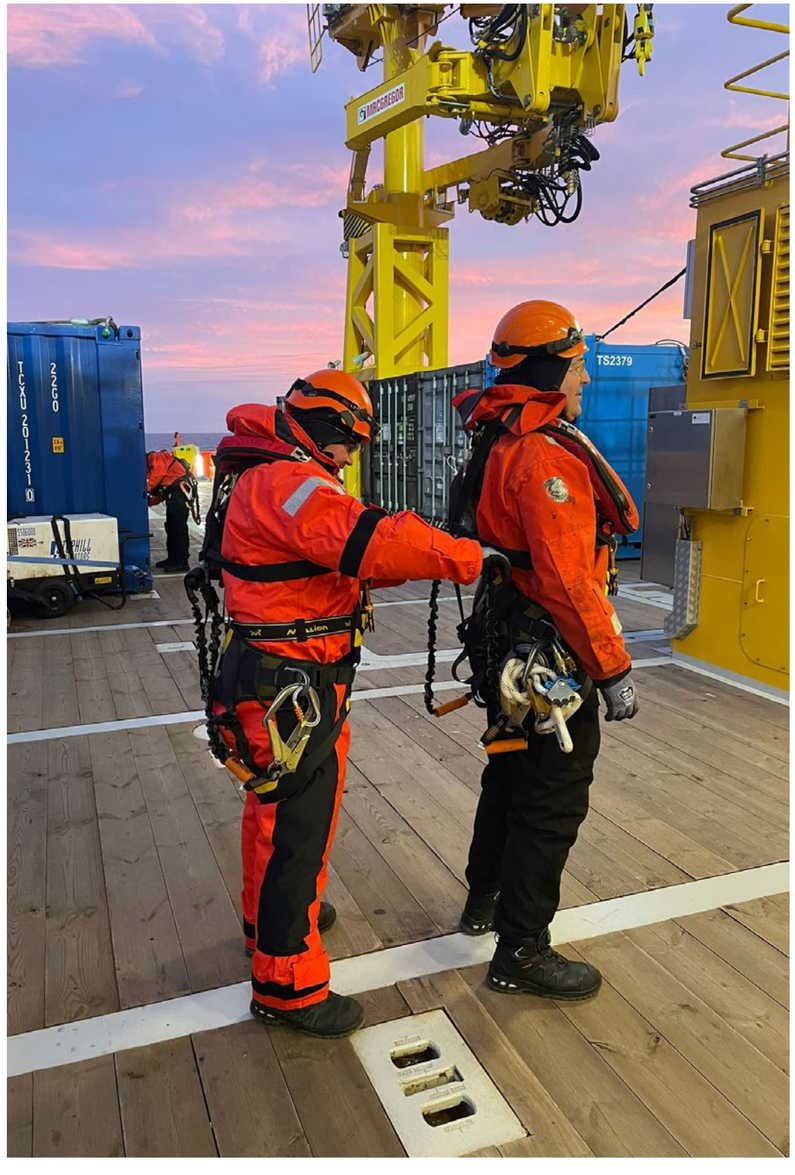
These activities indicate that JDR Cable Systems has an actual positive impact in terms of investments in employee development.

[S1-13]

In 2024, the average number of training hours in the Company was 7.59 for men and 1.15 for women respectively. All employees were included in the performance evaluation process; for 31% of them, the process was completed in 2024.

GOOD PRACTICE

In 2024, JDR Cable Systems received re-accreditation to the Investors in People (IIP) standard. This confirms the company's commitment to employee development and creating a workplace where employees are valued and supported in their growth. The IIP accreditation highlights consistency in building an organisational culture, leadership, and development processes that align with the highest standards, thereby affirming the prioritisation of employees as a key element of the company's operations.



4.8. Principles of remuneration and equality among employees

At JDR Cable Systems, the principle of equal treatment is one of the key values, which contributes to an actual positive impact on equal opportunities and team diversity. It is also worth noting that, despite the promotion of equality of opportunity within the company, a gender pay gap was identified during the double materiality assessment and recognised as an area requiring attention. The following paragraphs describe what the Company does to maximise positive impact and minimise negative impact.

[S1-1]

JDR Cable Systems has a comprehensive *Equality and Diversity Policy* that covers all stages of the employment cycle - from the point of application to the end of employment. The policy covers salaries, working conditions, promotions, training, parental leave, flexible working hours, and procedures related to the termination of contracts.

The company has introduced a clear definition of discrimination, according to which it means unequal treatment of people on the grounds of (among others) age, race, ethnic origin, religion, sexual orientation, disability unrelated to work, trade union membership or political opinions. In the case of discrimination, harassment or mobbing, the company has detailed procedures in place to address such situations – the *Sexual Harassment Policy* and the *Bullying & Harassment Policy*

GOOD PRACTICE

In the recruitment process, the company collects data solely to pursue a specific legitimate interest. This information is only kept for the period necessary for the job application, and candidates are informed about how their personal data is processed.

The company also promotes diversity as part of its employment and professional development policy. The principles of equal treatment apply to all decisions regarding promotion or training – they are based solely on competence, experience and work performance. JDR Cable Systems also declares respect for human rights and standards of the International Labour Organisation, including the prohibition of child labour and minimum wages, both in its own operations and in the supply chain.

The *Equality and Diversity Policy* is available to all employees on the intranet. Any changes are preceded by consultations with employee representatives at the Employee Forum. The document was created on the initiative of the HR department and the company's management, taking into account the opinions of employees.

[S1-4]

In 2024, JDR Cable Systems also examined any gender equality issues, with a particular focus on the gender pay gap. In view of the irregularities noticed, recommendations for possible changes were formulated. A similar approach was used in annual reviews of employee salaries, especially in the context of company-wide pay rises. Possible discrepancies were investigated, and the results of the analyses were translated into recommendations for further actions.

[S1-16]

The average wage gap in 2024, expressed as a percentage difference between the average gross hourly rate of women and men, was 10.1%. The median gender pay gap was 10.0%.

With regard to employee bonuses, the average gender gap was 17.1%, while the median gap was 0%, meaning that at the middle point of the wage distribution, women's and men's bonuses were equal. In terms of access to bonuses, 91.9% of employed men and 92.2% of women received a bonus.

The size of the gender pay gap is attributed to the specific nature of the business and the significant predominance of men among the staff. The recruitment processes at JDR Cable Systems are based on objective criteria for evaluation of candidates. Employment is based on competence, rather than gender.

4.8. Principles of remuneration and equality among employees

[S1-9]

Category	Number of women	Percentage of women	Number of men	Percentage of men
Management	1	14.3%	6	85.7%
Directors	1	16.7%	5	83.3%
Managers (people managing at least 1 employee)	13	15.7%	70	84.3%
Non-managerial positions	72	15.7%	387	84.3%

Age structure of employees:

Age of employees	Number of employees	Percentage share
under 30 years	296	53.3%
30-50 years	163	29.4%
over 50 years	96	17.3%

4.9. Workers in the value chain

[SBM-3]
In the value chain of JDR Cable Systems, an actual positive impact on people performing work in the value chain has been identified, which results from the fact that the company requires contractors to comply with standards, including those related to health and safety. JDR Cable Systems can also have a potentially positive impact in another way – by requiring its subcontractors to hire employees under employment contracts or other stable forms of employment. Conversely, despite the requirement for entities in the value chain to comply with applicable standards, including. OHS ones, some suppliers might fail to do so, which is regarded as a potentially negative impact on the value chain. The level of revenue is determined by the company's business model and strategy, which assumes the acquisition of raw materials and other materials for production in a manner that ensures high ethical and employment standards.

The key employee groups in the JDR Cable Systems value chain are:
- people employed by suppliers (mainly in the sectors of metal production, processing and logistics);
- employees of external service providers, including agents and contractors performing non-production tasks (e.g. IT, service and cleaning);
- individuals working at joint ventures or special-purpose companies.

[S2-1]
JDR Cable Systems wants to cooperate with subcontractors that provide their workers with stable employment conditions. Although, from a formal point of view, the company's internal documents do not impose a specific type of employment contract on subcontractors, assessment practices and ethical requirements materially affect the standards of employment of people in the value chain. The company has implemented an extensive system of qualification and assessment of contractors, including HSE competence surveys, monthly reporting and, if necessary, pre-contract audits. In addition, the company checks the registers of penalties for environmental and OHS offences.

GOOD PRACTICE

With respect to compliance with OHS standards, JDR Cable Systems requires contractors to meet the applicable standards at every stage of cooperation. Before signing the contract, their competence in occupational safety is assessed, and any high risk identified leads to additional audits. The cooperation is carried out in accordance with the *HSEQ Policy* and the *Stop Work Policy*, the *Anti-Alcohol Policy* and the Testing Procedure. The company monitors legislative changes and updates its procedures, maintaining consistency with ISO 9001, 14001 and 45001.

The company also prioritises its business partners' respect for human rights and ethical principles. The *Code of Ethics*, the *Code of Responsible Procurement* and the *Human Rights and Modern Slavery Policy* set out clear rules in this regard. The company expects the following (among others) from its business partners:
- a ban on forced and child labour, with strict rules on age verification and the fight against human trafficking and slave labour;
- respect for equality, non-discrimination and the right to form associations;
- safe and hygienic working conditions, including access to protective equipment, toilets, drinking water and medical assistance;
- fair remuneration and transparent remuneration rules, in accordance with local laws and collective bargaining agreements;
- limiting working time, guaranteeing the right to rest, and the voluntary nature of overtime;
- maintaining the dignity of employees and introducing a ban on corporal punishment, harassment, abuse and threats.

Each supplier must also declare compliance with (among others) international UN and OECD standards on human rights. These procedures are communicated at the website, on the intranet and during direct interactions.

[S2-2]
The rights and opinions of people working in the JDR Cable Systems value chain are taken into account in the company's business model. This issue is formally regulated, e.g. by the *Code of Responsible Procurement*. The company has introduced a number of changes, including tighter requirements for suppliers in terms of working conditions and environmental protection, implementation of mandatory certifications in accordance with ISO 9001, 14001 and 45001, and increased transparency of reporting in the supply chain.

4.9. Workers in the value chain

JDR Cable Systems has also implemented mechanisms to respond to the negative effects of its activities on people working in the value chain. Key activities in 2024 included:

- implementation of the *Sustainability Procurement Policy*, taking into account ESG and human rights;
- conducting supplier surveys and audits with respect to compliance with ethical policies;
- reducing workers' exposure to hazardous substances through disclosure requirements and compliance with EU rules on chemicals, health and the environment (REACH/RoHS).

[S2-3]

The company provides specific reporting channels for workers in the value chain. In accordance with the *External Grievance Policy and Procedure,* information may be provided by email or in writing to the Compliance Officer. The procedures guarantee the confidentiality and protection of whistleblowers. The company informs suppliers about reporting channels through contractual documentation and audit requirements. The effectiveness of the aforementioned mechanisms is monitored, for example by reporting the number of reports at compliance meetings, assessing the effectiveness of corrective actions, and reviewing the satisfaction ratings of whistleblowers.

GOOD PRACTICE

The Head of Global Supply Chain, who coordinates operational cooperation with suppliers and partners, and the Sustainability Manager, who integrates environmental and social aspects into business operations, are responsible for cooperation with workers in the value chain.

[S2-4]

The engagement of people working in the value chain is based on the *Code of Responsible Procurement*. This document must be signed by all suppliers – JDR Cable Systems did not face any refusal to sign the *Sustainability Procurement Policy* in 2024 or any previous year. The company's largest suppliers are thoroughly audited in accordance with ISO 9001, 14001 and 45001. In 2024, the company expanded its audit programme to include an assessment of compliance with the *Code of Ethics* and social policies. The effectiveness of cooperation with partners in the field of impact on workers in the value chain is assessed through KPIs, supplier scorecards, periodic business reviews and risk and compliance audits.

4.10. Product quality and safety

[SBM-3]
JDR Cable Systems provides durable and certified cables that significantly increase the safety of end-users. Thanks to the use of high-quality materials and modern technologies, the products minimise the risk of electrical failures that can pose a threat to life or property. This actual positive impact occurs both within the company and throughout the value chain.

CLIENT ENGAGEMENT

[SBM-2] [S4-2]
Feedback from customers and end-users of JDR Cable Systems' products influences the company's strategy and business model. The company works closely with customers at all stages of the project lifecycle. The scope of this cooperation includes the design and engineering phase, the review of technical documentation, participation in acceptance tests at the production plant, coordination of the delivery process, and installation support. The cooperation is consistent with the customer's technical specifications and is aimed at ensuring that the product complies with the design requirements.

GOOD PRACTICE

Design reviews are used to formally record and incorporate customer and end-user feedback. The collected data is forwarded to senior management and the Board of Directors through the Project Director. In each project, the responsibility for ongoing communication with clients lies with the Project Manager. Customer relations are also supervised by the Project Director.

The quality of cooperation with clients at JDR Cable Systems is assessed based on formal project summaries (close-out reviews), feedback from customers, lessons learned workshops, and the repeat business index, which the company treats as measures of customer satisfaction.

JDR Cable Systems' products are used (among others) in offshore wind farms, oil platforms and subsea infrastructure. The recipients are international offshore wind farm developers, oil and gas companies and EPC (Engineering, Procurement and Construction) contractors. Products are supplied to global markets – the oil and gas sector is dominated by projects implemented in the Middle East, whereas in the offshore wind sector, products are mainly sold to Europe, the United States and the Asia-Pacific region.

Each customer receives full engineering and production documentation tailored to the nature of a given project. It includes technical specifications, test certificates, production records, operating and installation manuals and warranty documents. The kits are prepared individually for each project and then submitted for review and approval by the customer.

GOOD PRACTICE

JDR Cable Systems has been awarded the Corporate Partnership certificate by the Chartered Quality Institute (CQI).

Obtaining this certificate provides access to a wide range of CQI resources and enhances the organisation's visibility through publications in the Institute's quarterly newsletter, reaching a global community of members and corporate partners. The partnership also allows for participation in advanced quality management training, educational programmes, and the exchange of best practices.

4.10. Product quality and safety

PRODUCT QUALITY

[S4-1]

The safety of JDR Cable Systems products is ensured by strict compliance with international technical standards, including IEC and ISO, as well as internal procedures in the areas of OHS, environmental protection and quality. These issues are detailed in internal policies, including:

- HSE Manual (Health, Safety and Environment);
- Quality Manual;
- test procedures.

These documents define uniform rules of conduct in the areas of production, machine operation and product testing. Their common goal is to ensure a high level of operational safety.

[S4-4]

The actions taken by JDR Cable Systems in 2024 to strengthen the safety and reliability of products from the perspective of end-users include the following:

- Development and testing of high-voltage cables – qualification and testing programmes for high-voltage inter-array cables for the offshore wind sector were carried out in cooperation with Offshore Renewable Energy (ORE) Catapult;
- Qualification of 132 kV cables – the company completed the qualification process of high-voltage cables adapted to the growing capacity of offshore wind farm turbines;
- Hartlepool Plant Upgrades – investments in manufacturing infrastructure enable the production of longer cables, thereby improving the structural integrity of offshore products;
- A new service centre in Macaé (Brazil), offering local technical support, repair and maintenance services.

[S4-5]

JDR Cable Systems' strategic targets related to the impact of the company's products on end-users are as follows:

- no product safety incidents;
- timely reporting of all incidents;
- continuous improvement of product safety standards.

When defining the goals, customer requirements and feedback were taken into account. The goal-setting process included management reviews, security risk assessments and data from the conversations with end-users. The targets' fulfilment progress status is monitored monthly through internal reporting. The company also conducts management reviews once a year. Achieving these goals translates into improved product design, higher standards of offshore installations, and increased customer satisfaction.

In 2024, JDR Cable Systems did not record any serious human rights violations related to end-users' products.

GOOD PRACTICE

JDR Cable Systems promotes responsible business practices in its daily contacts with customers. This is governed by the company-wide *Sustainability Procurement Policy*. The company formalises its expectations towards contractors as regards respect for employee and human rights, ethical standards of conducting business, environmental protection, and due diligence in the supply chain.

GOOD PRACTICE

The company plans to implement the Life Saving Rules initiative, whose scope will include the promotion of the principles of personal responsibility and responses to dangerous situations, training for project and installation teams, and refinement of guidelines for the operation and installation of offshore products.

4.11. Corporate culture

[IRO-1]

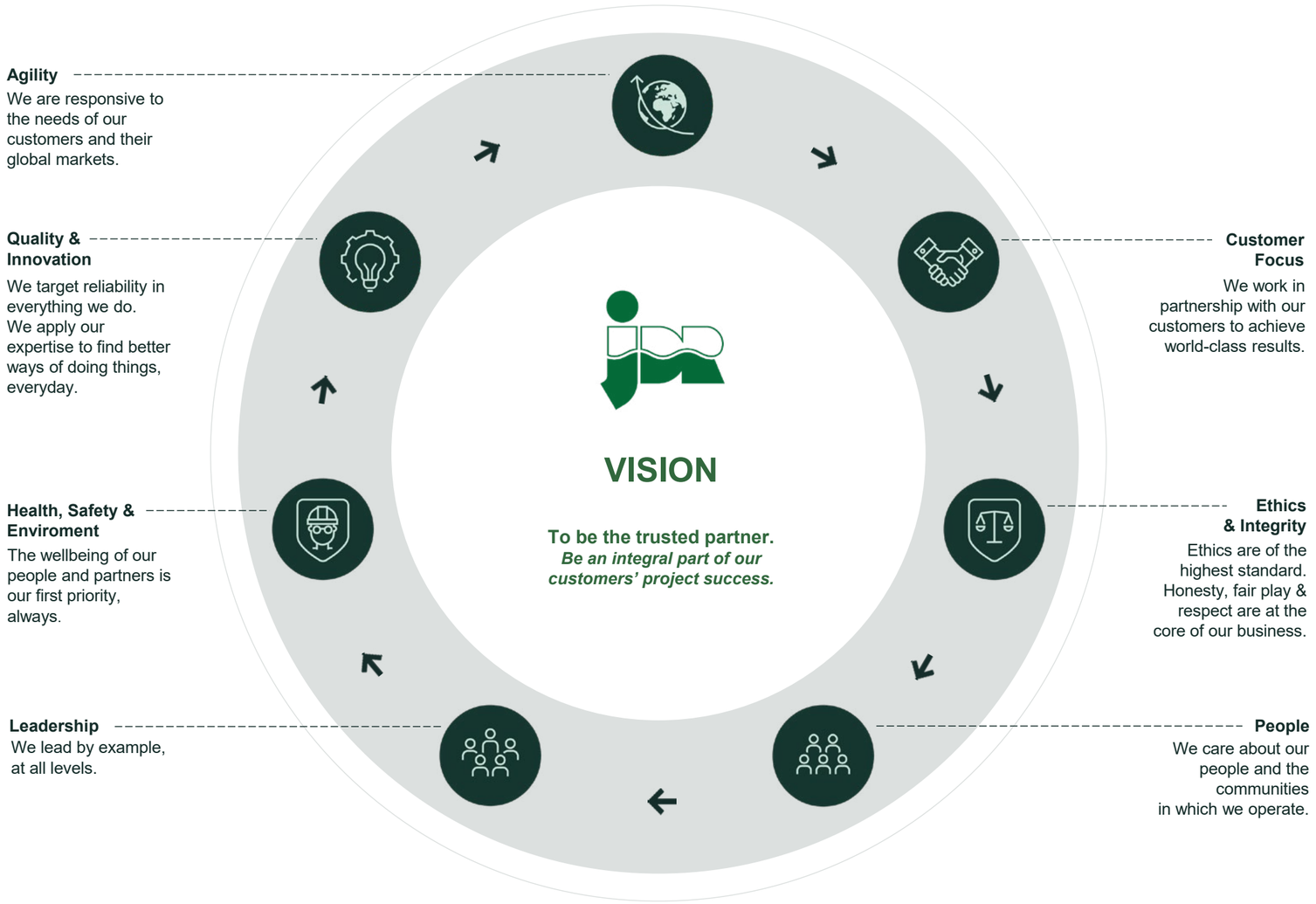
In terms of corporate culture, JDR Cable Systems exerts an actual positive impact in three key areas. The company has clearly defined values and policies supporting corporate governance management, with a strong emphasis on employee safety. An important element of the organisational culture is the protection of whistleblowers – the adopted mechanisms enable anonymous reporting of irregularities and effectively prevent retaliation. In addition, JDR Cable Systems conducts anti-corruption activities, including training, compliance procedures, and the *Code of Ethics*. All these practices form part of the Company's operations in the United Kingdom, in the industrial manufacturing/processing sector.

[G1-1]

The foundation of JDR Cable Systems' corporate culture is the *Code of Ethics*, which defines the core values that are followed in daily operations. The *Code of Ethics* is available on the company's website, and the principles contained in it are communicated to employees through the intranet.

JDR Cable Systems is committed to upholding the highest ethical and operational standards through its core values, which include:

- preventing fraud and fraudulent behaviour;
- anti-corruption and anti-money laundering;
- promoting equality and diversity;
- health and safety;
- respect for the environment
- human rights;
- countering modern slavery;
- responsible management of Company property and information.



4.11. Corporate culture

[G1-3]

The company conducts training on corporate values every three years; the scope of such training includes promoting equality and diversity and counteracting sexual harassment. A strong emphasis is placed on the prevention of bribery and corruption. The training and the participation of employees are monitored. Attendees take part in an interactive quiz to check their knowledge of anti-corruption measures. Additionally, JDR Cable Systems has identified positions particularly exposed to the risk of corruption or fraud; for these roles, on-site training is conducted every two years. The Legal and Contract Department collects the opinions of training participants each time in order to assess and enhance the effectiveness of the training.

In 2024, 78.51% of JDR employees completed the anti-bribery training. 97.24% of employees who are at potential risk of being exposed to high or medium corruption practices have completed the anti-bribery training.

The *Code of Ethics* and the values of JDR Cable Systems are communicated to all new hires.

GOOD PRACTICE

Employees and other stakeholders of JDR Cable Systems may report violations of the *Code of Ethics* through the independent third-party Speak Up platform. The company accepts personal and anonymous reports – the phone number of the caller is not registered, and all conversations with the operator are treated as strictly confidential. If an employee decides to leave a voice message, it will be transcribed and the recording will be permanently deleted. In addition, information can also be sent to a dedicated email address. Matters related to reporting channels and the investigation of submitted reports are governed by the *External Grievance Policy and Procedure*; it is available in the form of announcements at JDR plants and on the Company's intranet. The company provides full protection against retaliation to all whistleblowers.

Issues related to organisational culture are integrated with risk management processes and compliance procedures. The company:

- takes into account the cultural risk (e.g. the ethical behaviour and the tone of communication of leaders) in the overall risk management system;
- incorporates its values into compliance training, codes of conduct and reporting systems;
- links cultural indicators (e.g. whistleblower activity, employee behaviour) to risk and compliance metrics;
- ensures collaboration between HR, legal and audit departments to maintain consistent cultural standards.

4.12. Supplier relationship management

[GOV-1]
Concluding contracts with suppliers, as well as managing the company's affairs and representing it externally, are the executive responsibilities of the Board of Directors, which is supported by the management staff.

[IRO-1]
At JDR Cable Systems, environmental and social criteria form an integral part of supplier selection. All entities cooperating with the company are obliged to sign the *Sustainability Procurement Policy*, which specifies the expectations for suppliers in the areas of ethics, OHS, labour standards and environmental responsibility. Consequently, during the double materiality assessment, it was determined that JDR Cable Systems has a real positive impact on business. In order to determine the impact, the relations between the company and all entities (regardless of their country of origin) were analysed.

[G1-2]
For the key suppliers, additional criteria are used to take into account the supplier's risk assessment; these suppliers are expected to complete ethical and OHS questionnaires, whose results are then verified during on-site audits. The results form the basis for the approval of cooperation or development of recovery plans.

In accordance with the guidelines of ISO 20400, JDR Cable Systems categorises suppliers based on their importance, conducts supply chain mapping and makes purchasing plans with risk analysis. In addition, the company diversifies the sources of key raw materials and assesses the operational resilience of selected suppliers. The company also develops the skills of purchasing teams – the training organised for them covers cooperation with suppliers, dialogue on sustainable development, ethical negotiations and building relationships based on shared values.

The social and environmental assessment of suppliers is based on preliminary surveys, covering environmental impacts, OHS, human rights and ethics. The collected data is analysed by legal and OHS teams, and the conclusions are communicated to the audit team. The company has also started working on the implementation of measurable ESG indicators for suppliers, which will be included in the continuous assessment system.

JDR Cable Systems' targets in terms of supplier relationship management:

- **promoting sustainable purchasing practices;**
- **reducing emissions in the supply chain through supplier engagement;**
- **increasing the transparency of ethical and environmental activities;**
- **strengthening the operational resilience of suppliers.**

Ongoing relations with key suppliers are maintained through regular performance reviews, risk analyses and workshops. The cooperation focuses on reducing the environmental footprint and implementing the principles of the circular economy. The assessment of the effectiveness of such activities is based on the results of audits – they are centrally recorded and analysed.

[G1-6]
JDR Cable Systems has not implemented a formalised policy on payment practices towards suppliers. These issues are managed operationally by the finance department. Payment terms are set individually, regardless of the size of the supplier. According to the data published by the UK Payment Practices Reporting System, the average invoice payment time at JDR Cable Systems was 56 days from the date of the invoice. Approx. 3% of invoices are paid on time, while 97% of invoices are paid after the agreed-upon due date, with the majority paid within 60 days of invoice receipt.

5.

About the Report

5. About the Report

[BP-1]

The 2024 ESG report is the eighth sustainability report. The document pertains to the TELE-FONIKA Kable corporate Group, whose parent Company is TELE-FONIKA Kable S.A., with its registered office at Hipolita Cegielskiego 1, 32-400 Myślenice, Poland, and JDR Cable Systems Ltd., with its registered address at Mazars, Capital Square, 58 Morrison Street, Edinburgh, United Kingdom. Unless expressly stated otherwise, the data presented in the report covers the period from 1 January to 31 December 2024, and two companies, TELE-FONIKA Kable S.A. and JDR Cable Systems.

The term TFKable Group is a trade name used solely for organisational and communication purposes. It refers to two separate corporate groups operating in Poland and the United Kingdom. It should not be construed as a corporate group within the meaning of the Polish Commercial Companies Code, as a capital group within the meaning of the Polish Accounting Act, or as a tax capital group within the meaning of the Polish Corporate Income Tax Act.

The report has not undergone any external independent verification, and does not contain revisions to the information contained in prior publications.

The 2024 report was prepared based on the European Sustainability Reporting Standards (ESRS) introduced by the Corporate Sustainability Reporting Directive (CSRD). TELE-FONIKA Kable and JDR Cable Systems identified material impacts, opportunities, and risks related to sustainable growth during the double materiality assessment performed in 2025.

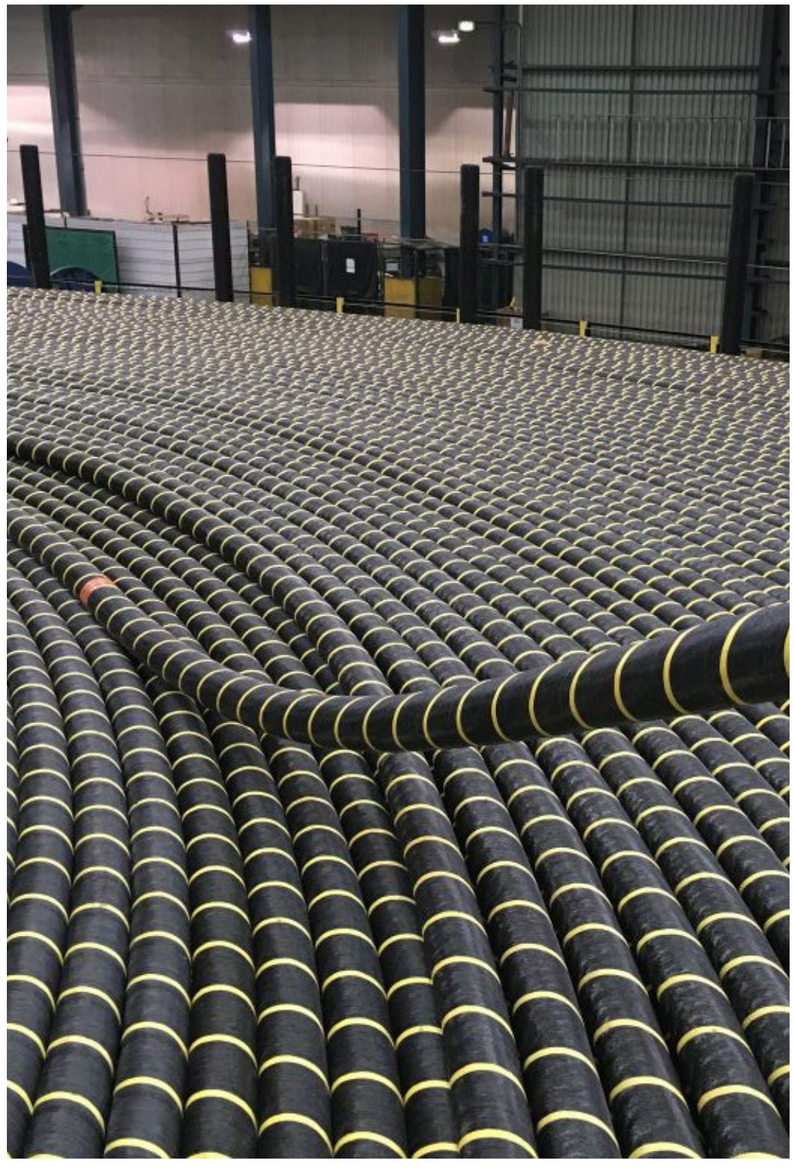
The document applies to the upstream and downstream value chain. The possibility to refrain from providing information about intellectual property, know-how or innovation results has not been used.

[BP-2]

In preparing their sustainability statement, TELE-FONIKA Kable and JDR Cable Systems adhered to the definitions provided in ESRS 1 regarding short-, medium-, and long-term perspectives, using 1 year for the short term, 5 years for the medium term, and over 5 years for the long term. The value chain data published in the statement was not estimated based on indirect sources, such as sectoral average data or other alternative indicators. The document does not contain quantitative indicators or amounts that would entail a high level of measurement uncertainty.

The 2024 report is the companies' first ESG statement prepared based on ESRS. Consequently, there are no changes in how the sustainability report is prepared or presented, nor are any errors reported with respect to the previous periods. The business entities covered by the report do not rely on sustainability reporting regulations other than those specified in the ESRS. They do not rely on European standards approved under the European standardisation system (ISO/IEC or CEN/CENELEC).

Any questions, comments and suggestions related to the report should be sent to Magdalena Kardela, Marketing Director at TELE-FONIKA Kable S.A., to the following email address : *magdalena.kardela@tfkable.com*



5. About the Report

DETAILS OF THE DOUBLE MATERIALITY ASSESSMENT PROCESS

[IRO-1]

The double materiality assessment was conducted in accordance with the guidelines provided in the ESRS and additional EFRAG publications. The purpose of the double materiality assessment was to produce two lists of material topics: one for TELE-FONIKA Kable and the other for JDR Cable Systems.

Due to the size and scale of TELE-FONIKA Kable operations in Poland, the analysis for subsidiaries registered in other countries was omitted. The same approach was adopted during the double materiality assessment covering JDR Cable Systems.

The following disclosure requirements were considered in the double materiality assessment process:

- ESRS 1, chapter 3 – Description of the principle of double materiality, definitions and parameters of impact and financial materiality and their interrelations.
- ESRS 1 AR 16 – a three-level list of issues that should be covered by the materiality assessment.
- ESRS 2 SBM-2 – the requirement specifying how stakeholders are included in the materiality assessment.
- ESRS 2 IRO-1 – the requirements specifying what information on the materiality assessment process should be disclosed in the report.

Both TELE-FONIKA Kable and JDR Cable Systems are engaged in manufacturing operations (cable production) according to the EFRAG classification. Consequently, the benchmarking analysis of entities with a similar business profile, ESG ratings and industry reports included both companies. However, the value chain analysis, dialogue with stakeholders, impact assessment, and assessment of risks and opportunities were conducted separately for TELE-FONIKA Kable and JDR Cable Systems.

For the double materiality assessment, the channels of contact with key stakeholders and methods of engaging them were discussed. A questionnaire was sent to key stakeholders, allowing for the assessment of which topics, sub-topics, and smaller units in ESRS 1 AR 16 are important in their opinion (what type of impact occurs and its strength). Stakeholder assessments were considered when determining the materiality of the impact of individual topics.

In accordance with the ESRS methodology, the evaluation was conducted from the perspectives of impact materiality and the financial significance of operations conducted by TELE-FONIKA Kable in Poland. For JDR Cable Systems, the assessment focused on operations conducted in the United Kingdom.

The materiality of the impact considers all criteria (positive vs. negative, actual vs. potential), as well as the scale used to identify the magnitude of the impact (scale, extent, and (ir)reversibility). A scale from 1 to 5 was used, with 1 representing the lowest rating and 5 the highest.

The financial materiality analysis identified risks and opportunities, including dependence on natural and social resources. A scale was used to determine the potential size of the financial impact on the Company and the probability of occurrence. In that scale, 1 is a low impact/range and 5 is a very high impact/wide range.

A list of risks was created, to which appropriate scores were assigned as part of the financial materiality assessment scale, identifying material issues from the perspective of financial materiality. None of the identified impacts and risks was assessed as more material than any others. A member of the Management Board of TELE-FONIKA Kable participated in the double materiality assessment. A member of the Board of Directors of JDR Cable Systems was also involved in this process.

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