

Connecting globally. Connecting responsibly.

TELE-FONIKA Kable S.A.

Corporate Social Responsibility Report for 2019

2019



Structure of the report



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Letter to Stakeholders



Continuing sustainability at TFK.Group | GRI 102-14

At TFK.Group we consider sustainability as the very foundation of our activities. This principle has guided us since the humble beginnings of our activities as the small, but ambitious family company to the global industry leader that we are now today, with our business spanning across all continents. This would not be possible without strong values guiding our decisions, with first and foremost the most basic, yet the most powerful of them all - simply taking care. It is caring and being mindful about our people, our clients, the quality of our services and products, our environment and communities we operate in, that took us that far. We believe that such an approach will take us even further across the years and decades to come.

And what is sustainability, if not being mindful about our actions? Such a prospect of thriving well into the future means we must constantly step-up our efforts. 2019 was the seminal landmark for

us, as we published our second Corporate Social Responsibility Report for 2018 - but it was the first one for the entire TFK.Group, integrating our sustainability endeavors along the way. We did not stop there, as we focus on continual progress - and this allows us to present our further achievements.

To provide our readers with examples of tangible results - for example, we are advancing our efforts across the whole TFK.Group to encourage more and more young people to take up a career in science, technology, engineering and mathematics (STEM), bringing a lot of satisfaction and pride for our teams. We are also rolling out our TH!NK QUALITY and TH!NK SAFETY campaigns across all our facilities, to provide better care about our people and ensure we deliver deliver the products and services of the highest standards, utilising cutting-edge technologies, observing environmental standards and collaborating with the clients along

the way. This focus results in groundbreaking new projects, that sets the global direction for the 21st century, providing renewable energy for hundreds of thousands of households across Europe, whilst allowing a sustainable transition for our economies towards our low-carbon future. By being at the fore-front of these gamechanging ventures, we can contribute significantly to building a modern, environmentally friendly and competitive economy. Such an ambition requires from us constant technological advances, that we proudly present in the Report as well.

We are continuing our activities in contributing to a common better future and we invite all our stakeholders to learn about our efforts and most of all be inspired and encouraged by all that we do.

Monika Cupiał-Zgryzek,
Chief Executive Officer, TELE-FONIKA Kable S.A.

TFK.Group



Key highlights:

- TFK.Group – who we are and what we do
- Our history and strategy
- Corporate governance at TFK.Group
- Risk management across our operations
- Our approach towards ethics

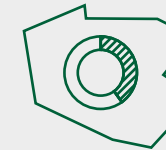
Key data & facts | GRI 102-2, GRI 102-7



100%
Polish capital



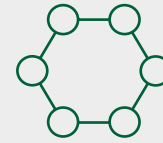
25,000+
types of wires and cables



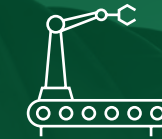
40%*
market share in Poland



9
manufacturing plants



6
trading companies



Over
500
production lines



4th*
place on the European
market among
technologically advanced
cables and wires
manufacturers



Almost
1bn EUR
annual revenue



5th*
place among rubber
manufacturers in
the world



Present in more than
80
countries



Over
405
international certificates



One of the top
25
Polish exporters

*Management estimations

2.1. General overview

TFK.Group emerged in 2017 as a result of the joining of forces between TELE-FONIKA Kable S.A. (TFKable), one of the top European manufacturers of cables and wires, and JDR Cable Systems (Holdings) Ltd. (JDR) – global leader in subsea production umbilicals, subsea power cables and Intervention Workover Control Systems for the offshore oil and gas industry, that operate in harsh, dynamic, subsea environments and a pioneer in the development of cutting-edge inter-array power cables for offshore

wind, wave and tidal energy projects. On August 29th 2017 JDR was acquired by TFKable's owner and both companies formed TFK.Group, which instantly became one of the leaders in the global market for cables and cable systems with production plants across Europe, and distribution networks worldwide. Our network of experienced and certified project managers, engineers, technicians, available anytime when needed, support customers through full life cycle of their projects.

We deliver custom-made services and products to the strategic industry sectors globally, being the key supplier to, among others, renewable energy sector. A broad range of our products are used in the construction of onshore and offshore wind farms, including cables and wires of low (EPR), medium and high voltages (XLPE), as well as control/optical cables for telecommunications, data transmission and provision of security.

Our global leadership started in 2008, with close cooperation between TFKable and JDR, manufacturing complementary products and expanding their markets in close cooperation. Our first common undertaking was delivery of medium voltage cores for the then largest offshore wind farm, Greater Gabbard, located on the Suffolk coast in the UK. Since then, we have successfully delivered together 73 projects all over the world, with more and more coming each year.

Image 1. Key facts about TFK.Group

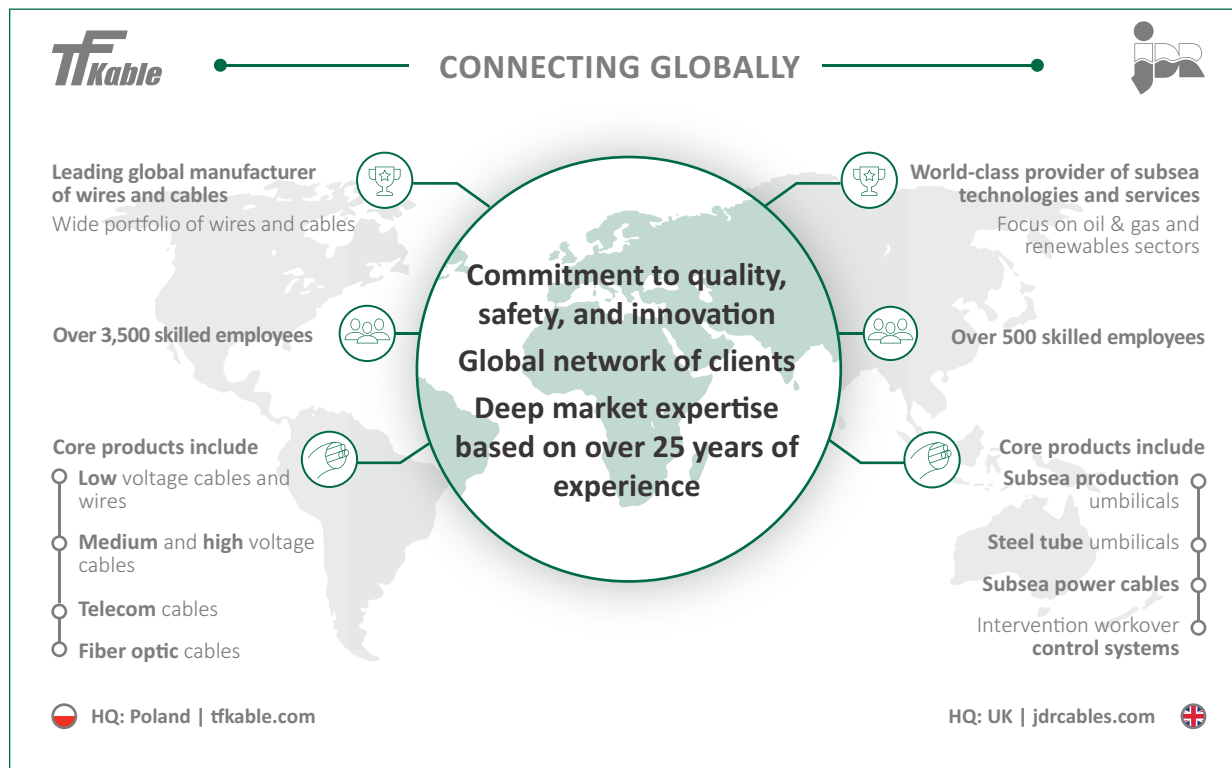


Image 2. Key projects started in 2019



Seamade
The single largest wind farm in Belgium.



Kriegers Flak
The wind farm will supply over 600,000 Danish homes with renewable energy.



Moray East
The wind farm that is first of two being developed in Scotland.



Hornsea Two
The world's largest offshore wind farm, will supply clean electricity to over 1,300,000 UK homes.



Windfloat Atlantic
The world's first application of innovative 66kV technology to dynamic cabling for floating offshore wind.



Formosa 1
The first offshore windfarm in Taiwan.

Organisational structure | GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7, GRI 102-45

TFKable is a joint-stock company, with the headquarters in Myślenice, Poland. JDR is a private limited company, with the headquarters in Edinburgh, UK. The sole shareholder and owner of TFKable and JDR is Bogusław Cupiał.

TFKable and JDR, together with their production plants and branch offices, create TFK.Group. Therefore, this report contains data for both TFKable and JDR. When cited information is relevant to both companies they are referred to as TFK.Group, despite it not being a separate legal entity. Key persons involved in the management process of TFKable also perform significant management functions in all entities belonging to TFK.Group. Therefore, TFKable is understood as the 'dominant' company in the TFK.Group for both formal structure and management model.

TFKable and JDR publish their financial results that include all their production plants and facilities.

Table 1. Organisational structure of TFK.Group*

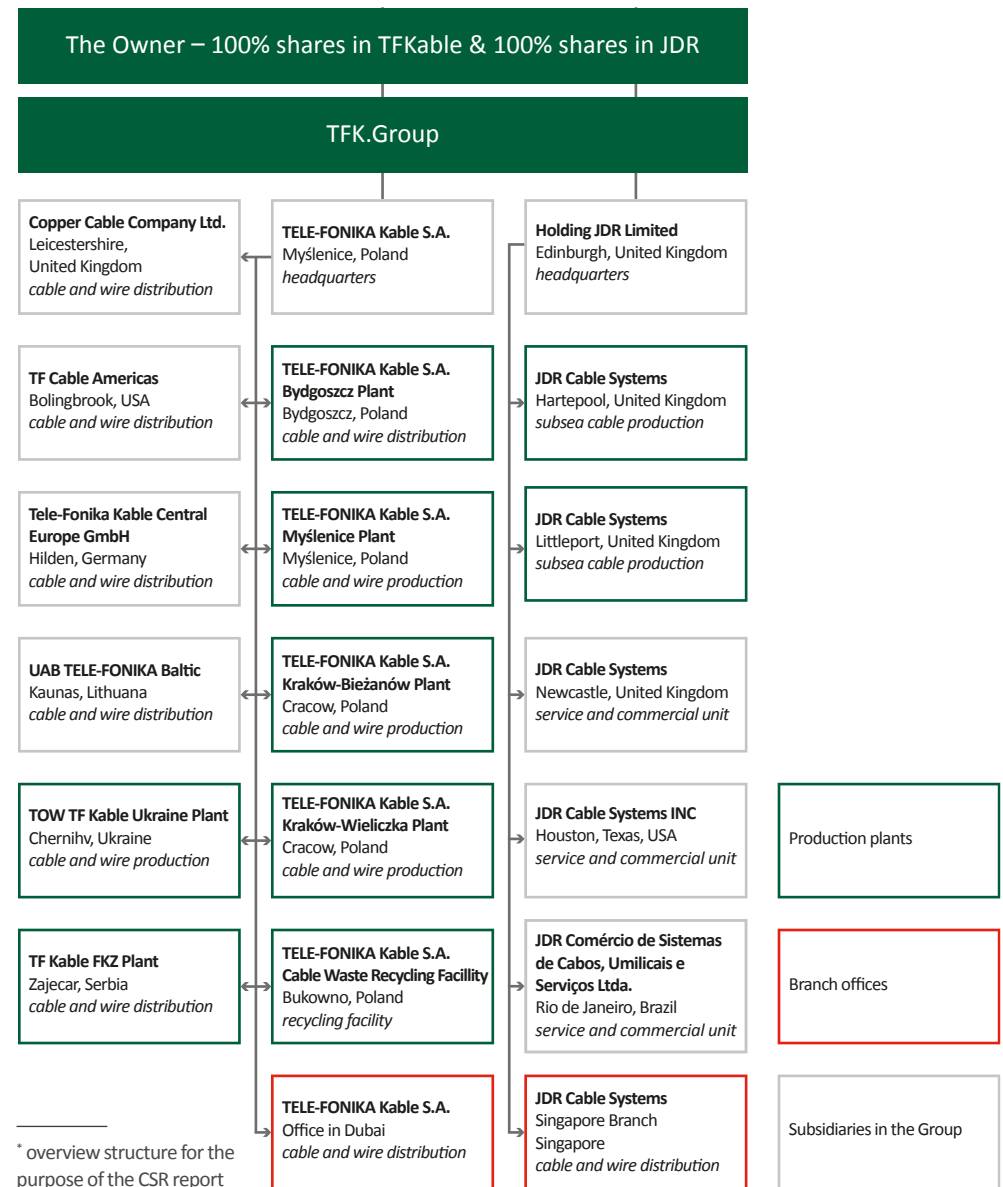
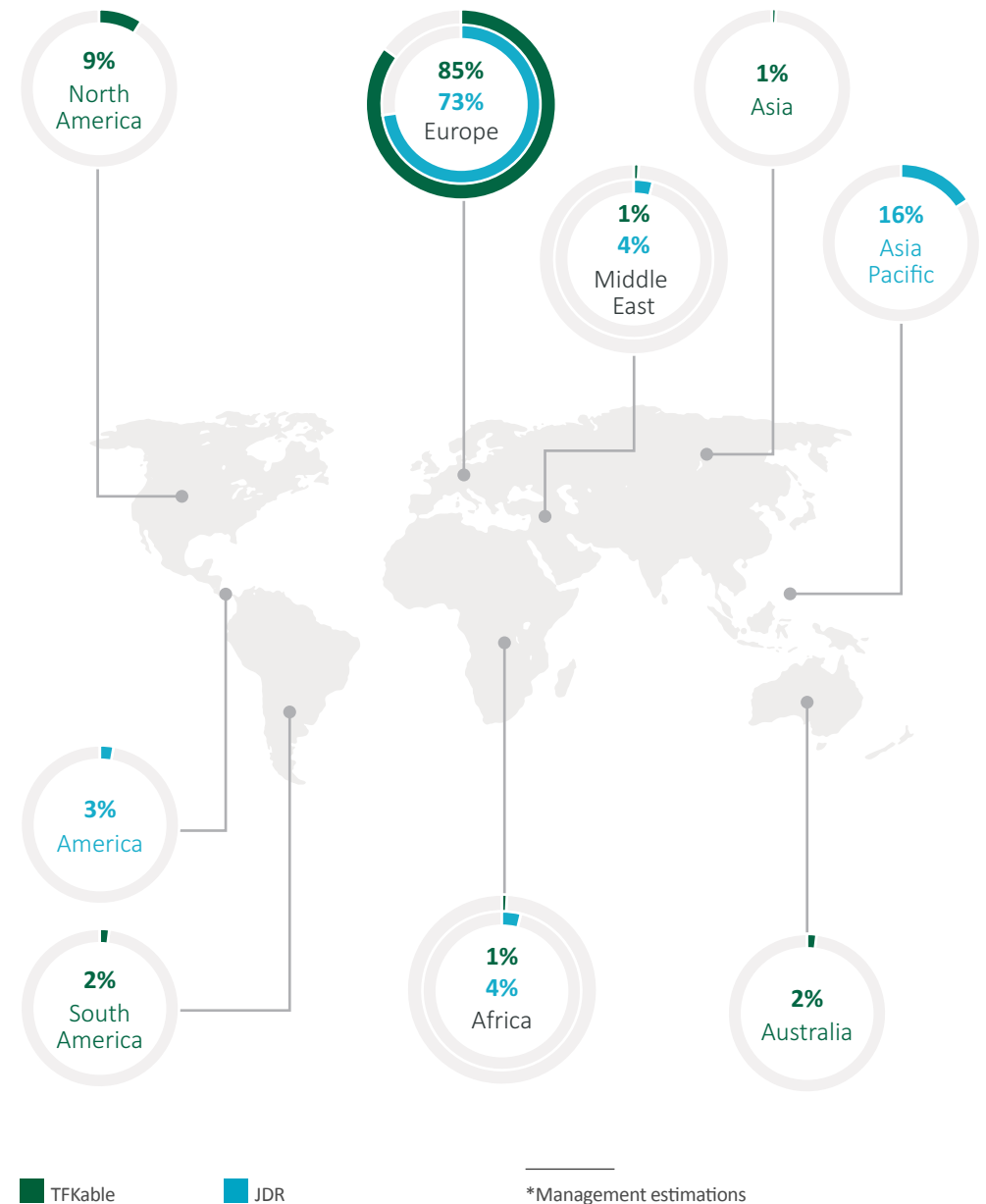


Image 3. Scale of the organization | GRI 102-7



Image 4. Sales by region and key markets in 2019* | GRI 102-6



Economic value | GRI 102-7, GRI 201-1

Financial results of the companies within TFK.Group are reported quarterly as required by the information obligation of the Loan Agreement dated April 10th 2020, concluded with the Consortium of Banks, of which the agent of the agreement is Santander Bank S.A. The annual and semi-annual financial results are audited or reviewed (respectively) by a financial auditor.

The scope of financial data presented in this report is different than in the report for 2018 what is a result of internal decision to standardize presentation of financial data.

The EUR exchange rate used in the table below is adopted in accordance with the provisions of the Accounting Act (Journal of Laws of 1994 No. 121, item 591).

Table 2. Key TFK.Group's financial data for 2018 and 2019

| Metric | Value [1,000 EUR] in 2018 | Value [1,000 EUR] in 2019 |
|--------------------|---------------------------|---------------------------|
| Total Assets | 805,489 | 783,077 |
| Equity | 186,886 | 188,657 |
| Total turnover | 973,201 | 925,728 |
| EBITDA | 66,332 | 65,846 |
| Current income tax | 6,390 | 8,051 |
| Net profit | 3,557 | 9,531 |
| CAPEX | 14,545 | 18,317 |



2.2. History and strategy

Our experience dates back to the early 20th century. TFKable started as a family business with one plant that produced and distributed cables domestically. Our Kraków-Wielicka Plant for 60 years served as the biggest power cable and wire manufacturing

facility in Poland. Driven by its strategic growth, on August 29th 2017, TFKable acquired JDR. The increase in assets went hand in hand with valuing the experience and skills of workers from the acquired plants. Today, TFK.Group builds on TFKable legacy

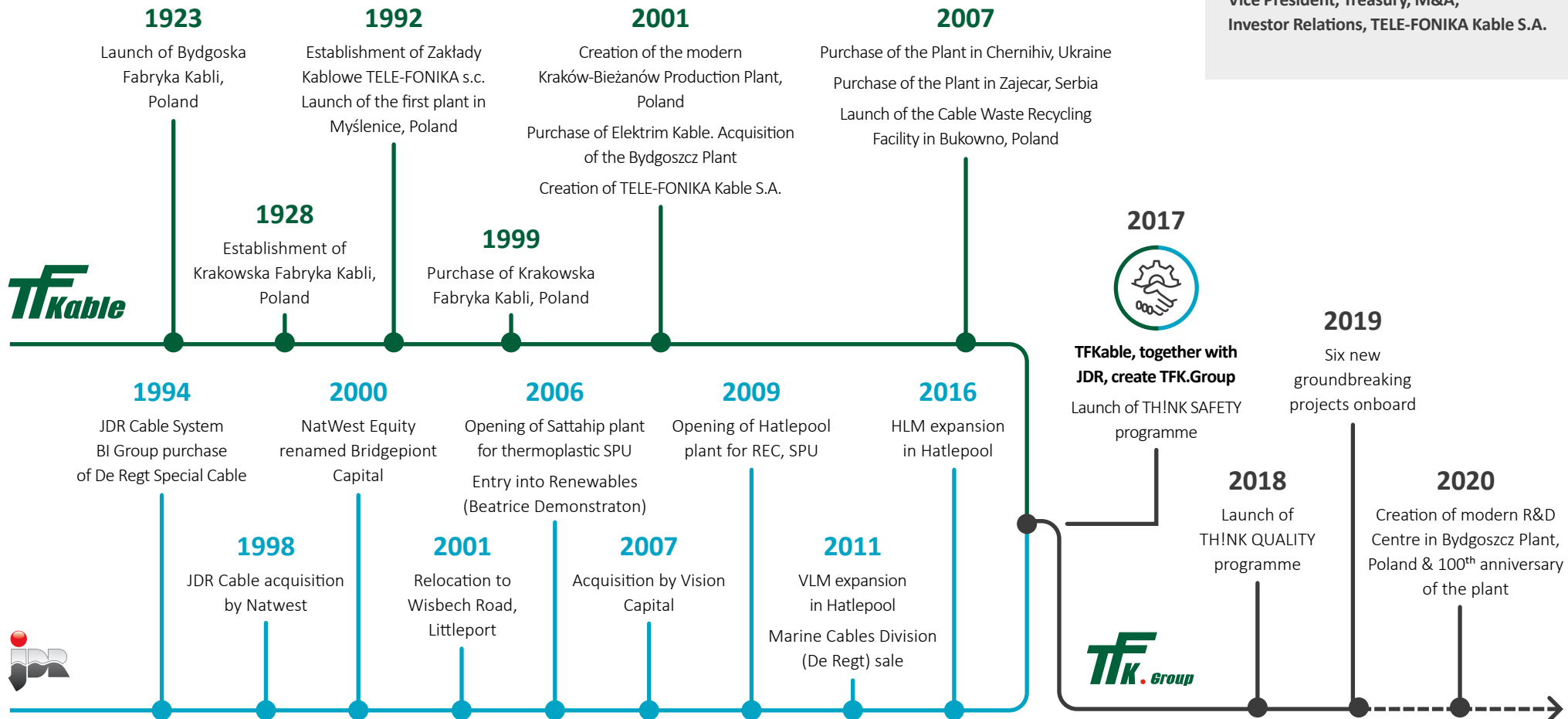
for many years and JDR's position on the market. It has transformed into a global leader in the cable and wire industry, contributing to the development of economies across continents.

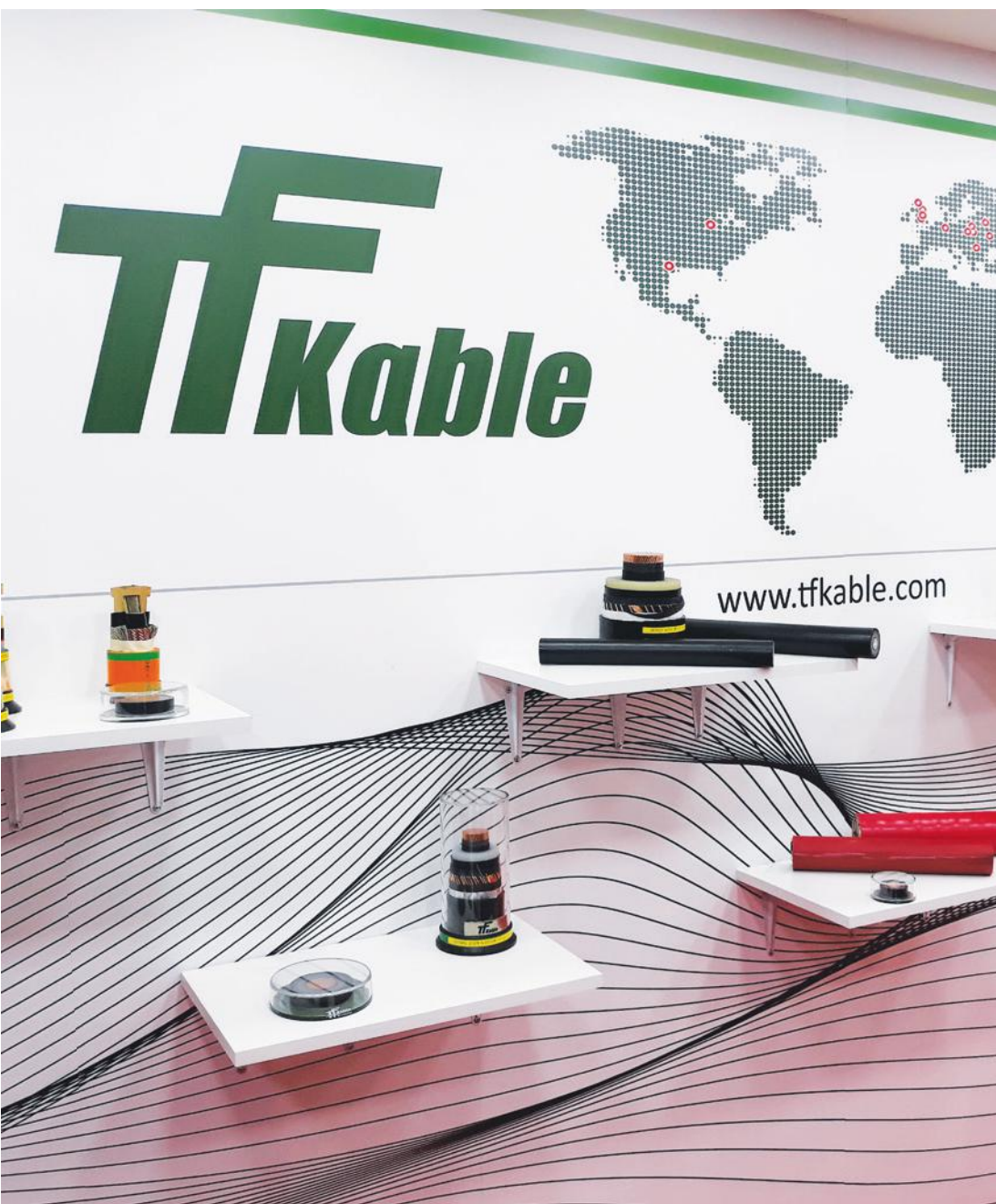


Our history and successful expansion show that our corporate governance principles and business decisions have been accurate and effective for over 100 years.

Bartłomiej Zgryzek,
Vice President, Treasury, M&A,
Investor Relations, TELE-FONIKA Kable S.A.

Image 5. History of TFKable and JDR





Our strategy

Our business model creates value for customers through the use of four key company resources – **our strategic development pillars.**

Image 6. Strategic development pillars of TFKable

| | |
|--|--|
| <p>Pillar 1 – Commodity</p> | <p>Development in this area involves managing business relations with numerous suppliers of TFK.Group to guarantee optimal raw material prices. At the same time, this should limit the risk of disruption to the supply and manufacturing process. This strategy allows for expanding the sales volume of products. Its purpose is to reinforce the position of TFKable as a leader in key markets, to increase the process efficiency and reduce cost and to maintain competitive advantage.</p> |
| <p>Pillar 2 – Special-purpose cables</p> | <p>Our goals in this area are focused around selective production development and sales of cables and wires to customers operating in market segments aligned with TFKable.</p> |
| <p>Pillar 3 – Comprehensive solutions</p> | <p>Growth in this area means continuing to manufacture and sell high and extra-high voltage cables together with accessories, as well as further cooperation with customers to whom we deliver undersea cables.</p> |
| <p>Pillar 4 – Acquisitions</p> | <p>Development in this area entails acquiring entities in attractive market segments, while considering geographic diversification.</p> |

2.3. Corporate governance

We understand corporate governance as the daily operation, management and supervision of an organisation which is based on the highest corporate standards and applicable law. This results in sustainable, transparent and trusted relationships with employees, suppliers, partners and investors which form a stable environment for success thriving in global markets.

Our mission

Our mission is to deliver high quality solutions which transmit current safely and are applied in industries that specialize in complex, challenging projects in water, underground, under the seabed or at very high temperatures. We want to contribute to the success of the most demanding projects in terms of infrastructure and technology.

Governance structure | GRI 102-18, GRI 102-19, GRI 102-22

TFKable

TFKable is a joint-stock company. According to the Code of Commercial Companies (Journal of Laws 2000 Nr 94 item 1037) this means decisions regarding company matters are made by the General Meeting of Shareholders and the Management Board. The responsibilities of these bodies are compliant with the aforementioned Code and Statute of TFKable.

The sole shareholder and owner of TFKable and JDR is Bogusław Cupiał.

The General Meeting of Shareholders is Bogusław Cupiał as the sole shareholder and owner of the company.

The Supervisory Board has permanent supervision over the activity of TFKable in all areas of its operation. **The Audit Commission** is a permanent commission appointed at the Supervisory Board. Issues pertaining to the functioning of the Supervisory Board, not regulated in the Code of Commercial Companies, are specified by the **Supervisory Board Code** adopted at TFKable. The Supervisory Board currently consists of five men.

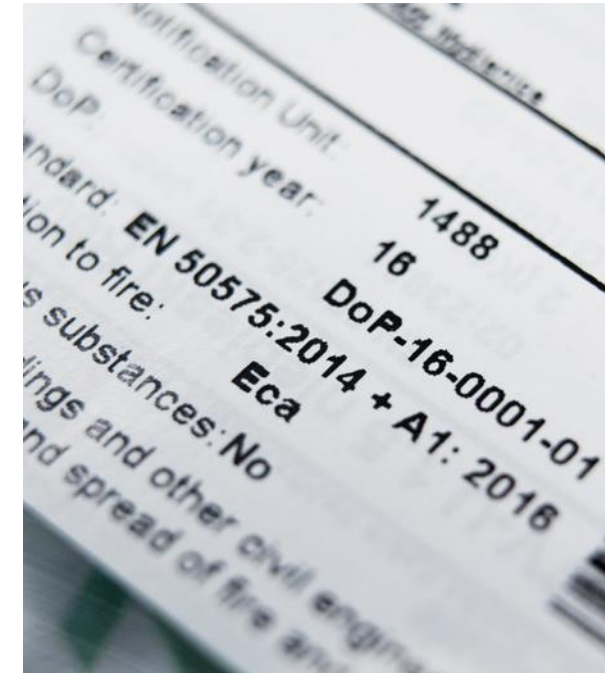


Image 7. Four elements of TFK.Group mission

Design, manufacturing and supply of modern technologies-based innovative solutions to ensure its versatile adaptability.

Sustainable development - health, safety and wellbeing of our employees as well as the environment in which we operate.

Constant improvement of our competences and actionable expertise, proven with required certificates and resulting in a strong team of world-class experts.

Investments raising production capacity, including use of modern technologies and the effective use of market opportunities, enabling us to deliver a wide range of products on time, in a convenient place and at competitive prices, with stable growth ensured.



Results? Let's see!

Serving as sustainability leaders in the industry, we have implemented environmentally friendly technology – our

cable waste recycling facility in Bukowno, Poland

has the capacity to process up to

10,000 tonnes of cable waste

per year, which means we recover fractions with

a purity of over 99.5%.

Members of the TFKable **Management Board** are responsible for specific operational areas of TFK. Group. Key persons involved in the management process of TFKable also perform significant management functions in all entities belonging to TFK.Group. The Management Board currently consists of five people - one woman and four men.

These are:

- Chief Executive Officer,
- Board Member, Vice President, Chief Operating Officer,
- Board Member, Vice President, Chief Financial Officer,
- Board Member, Vice President, Treasury, M&A, Investor Relations,
- Board Member, Vice President, Chief Sales Officer.

Issues related to the Board’s operations, not regulated by the Code of Commercial Companies, including the management of organisation and certain procedures, are specified by the internal **Management Board Code**. TFKable comprises of five people – one woman and four men.

JDR

JDR Cable Systems (Holdings) Limited and its subsidiary JDR Cable Systems Limited are governed by a **Board of Directors**. The Board of **Directors of JDR Cable Systems Ltd** is comprised of a number of the Executive Management teams of TFKable and includes the JDR **Chief Executive Officer (CEO)**, JDR

Chief Technology Officer (CTO), Chief Operating Officer (COO) and Chief Sales Officer Renewable Energy (CSO) since 2020.

Reporting to the **CEO** of JDR is the JDR’s **Executive Management Team**, which is assigned the relevant roles and responsibilities to operate the business.

For some elements of internal and external social responsibility, JDR Hartlepool and Littleport facilities operate an **Employee Forum**. This body has the purpose of discussing wider matters for the business and its staff.

JDR also operates a **Charity Committee** which is tasked with selecting the nominated charities for the organisation on an annual basis, and organising charity events and fund raising.

The **CEO** of JDR provides the leadership commitment to the policies of the organisation, including Health & Safety, Environment, Quality, Ethics, Anti-Bribery and Corruption, as well as Privacy Policy.

The **CTO** acts as the **Compliance Officer**, and leads the organisation in the review of Anti-Bribery and Corruption Procedures, Modern Slavery Compliance, Gifts and Hospitality Register Review, and confidential whistle-blowing hotline review.

The **Data Protection Officer (DPO)** is responsible for ensuring JDR’s Data Protection policies are compliant with the regulations. The DPO reports to the TFKable and JDR Boards.

Table 3. Corporate Governance Structure



Excelling at risk management | GRI 102-11 GRI 102-15

Risk management lies at the core of TFK.Group's corporate governance. And at the foundation of our risk management process lies the precautionary principle – meaning that we do not undertake any decisions or operations without prior risk assessment. By risk we understand not only the risk to the TFK.Group itself, but also to communities we operate in as well as the environment. Therefore, we make sure that precaution is the overarching philosophy for each of our decision-making processes.

As a company operating on a global scale, we are influenced by such critical forces as competitive marketplace, global fluctuations in demand and commodity pricing, increasing customer

expectations and complex supply chains and operations. Our situation is also conditioned by other risk factors, such as: customer insolvency, changes in prices of copper and other raw materials, currency risk, legal risk, liquidity risk, changes in managerial staff or loss of assets.

Therefore, in order to ensure our primary goal – manufacturing and efficient delivery of high quality products on location and on time – we examine and diagnose risks and opportunities in key areas of our operations, especially in the distribution and energy segments.

This approach allows us to make good business decisions i. e. ones which will enable us to continue

to deliver safe, technologically advanced cables and wires, while minimising the environmental impact of our manufacturing activities, developing innovations and maintaining our position as one of the leading cable manufacturers in the European and global market.

Risk management process is the basic tool we use to continuously examine risks and opportunities across all of our operations and to take appropriate

action. This approach consists of several stages during which we identify and assess risk, monitor it, report it and check the effectiveness of our risk reduction measures. The risk management process is supported by internal policies which regulate conduct in key areas of the company's operations. We follow industry management policies and standards which are regulated through suitable certificates and permits.



Image 8. Risk management process at TFK.Group




2.4. Ethics and values | GRI 102-16

Values, principles and norms of behavior

After acquiring JDR, one of the biggest challenges we face is the coherent merging of both companies' internal cultures in a way that is enriching for both and serves TFK.Group as a whole. Despite differently

formulated values in the, so far, independent entities, we share the common ground of aiming to conduct business with the highest standard of ethical behavior.

Table 4. Values of TFK.Group

|  TFK.Group's values | |
|---|---|
| TFKable | JDR |
| Reliability Reliable and efficient products, professional services and expert knowledge. | Health, safety and environment Always our priority. |
| Integrity Acting properly, earning trust & respect. | Customer focus Working in partnership with our customers. |
| Responsibility Respect for human dignity, rights and freedom. | Leadership Leading by example, at all levels. |
| Passion Inspiration, creativity and expanding our knowledge & competences | Agility Responsiveness to the needs of our customers. |
| Governance Being proud of our products and services. | Ethics and integrity Honesty, Fair play and respect. |
| Innovation Working together within a safe, communicative and transparent organisation. | People Caring about our people and the communities in which we operate. |
| Teamwork Encouraging responsibility, development, leadership and equality. | Quality & innovation Better ways of doing things, every day. |

Documents on ethics | GRI 205-2

Code of Professional and Ethical Conduct @TFKable:



main document framing our values, principles and behaviour norms for employees at all levels of the company's day-to-day operations,



ensures a no tolerance policy on corruption and unethical behaviour of any sort and compliance with the rules of non-discriminatory selection and treatment of contractors, as well as forbids any forms of retaliation against employees who reported suspected or actual infringement/abuse.



mandatory induction training for all employees,

Code of Ethics @JDR:



applies to everyone working for and with JDR including full time and part time employees, temporary staff and those who conduct business on our behalf,



regulates working relationships, health and safety and human rights rules on respecting the environment and communities, engaging in and supporting political activities as well as management of information and company's property.

We treat our customers, suppliers and other third parties with integrity and professionalism at all times. Both TFKable and JDR are also committed to working only with third parties whose standards are consistent with our own. This includes customers,

contractors, suppliers, partners and consultants. We also treat the data of our stakeholders with utmost respect and have fully implemented the General Data Protection Regulation.

Standards for work relations

Our employment policy is driven by respect for every employee, protection of human rights and creation of a work environment in which everyone feels valued with equal opportunities for all. We behave towards each other with integrity, honesty, courtesy, consideration, respect and dignity. We are committed to helping our employees achieve their best.

Our fundamental rules on work relations include:

- equal opportunity and diversity of employees;
- personal dignity and the right to privacy;
- no tolerance for harassment, bullying, abuse, discrimination, coercion, threat, insult, exploitation, with sensitivity towards cultural differences;
- statutory minimum wage;
- conformance with the general regulations on the work time, in line with the laws;
- ban on child labour;
- appropriate working conditions according to occupational health and safety regulations.



Reporting misconducts

TFKable has internal mechanisms for reporting both misconducts – unethical and/or illegal activities – as well as concerns. TFKable employees can, among others:

- leave messages in a contact box available at each plant, administered by the Human Resources and Administration Department;
- send messages to kadry@tfkable.pl;
- report misconducts/concerns to trade unions;
- refer to regulations included in the Internal Anti-harassment Policy, whose purpose is to counter violence and discrimination in the Group's daily conduct. An employee who considers themselves the subject of harassment, may report this fact orally, in writing or by e-mail as a complaint to the Director of Human Resources or directly to the Management Board. Complaints may be filed by every employee who believes that somebody has been harassed;
- possibility of filing formal complaints and requests. Reported doubts are treated as confidential matters. Only those involved in a given case have access to information about the process of verifying reports of unethical or unlawful conduct. The Head of Human Resources and Administration is responsible for the proper functioning of the reporting mechanisms.

No cases of corruption were registered in 2019.

At JDR, any serious concern should be voiced with trust. All issues raised are treated with utmost importance and confidence. To report a concern non-JDR employees should contact JDR's Executive Assistant to the CEO in JDR's headquarters in Littleport. JDR employees have access to a confidential reporting service – by telephone and online.

Advice on ethical matters | GRI 102-17

TFKable has internal mechanisms in place that enable employees to obtain information on ethical and legal behaviour and corporate integrity issues. In case of doubt, employees and other personnel may submit remarks and requests for information and interventions to independent trade unions operating within the company.

The manner in which a company employee can obtain assistance from trade unions is determined in the Complaints Procedure. All requests for information are treated with confidentiality.

Anti-bribery and anti-corruption policies | GRI 205-2

Both TFKable and JDR operate under strict “no tolerance for bribery and corruption in all its forms” policy, according to internal norms and standards, as well as common laws in both Poland and UK.

The JDR Anti-bribery and Corruption Policy sets out our anti-bribery and corruption rules and expectations towards employees and third parties representing or dealing with JDR, as well as provides all necessary information on, among others, understanding and recognizing bribery and corruption, available trainings etc.



Human rights

Social and human rights screening of suppliers | GRI 414-1

Both TFKable and JDR operate under the rule that wherever we work in the world, we will ensure that we do not exploit anyone. We uphold the rights of all those who work for or with us, and of the communities in which we operate. This means refusing to do business with any individual, company or organisation that fails to uphold the standards and principles of basic human rights, as set out in the United Nations Declaration of Human Rights, International Labour Organisation's standards and national legal requirements.

The Conflict Minerals Policy

The Conflict Minerals Policy is one of key policies for TFK.Group. We do not buy tin from regions affected with armed conflicts. Some of the raw materials used by the industry have their global production concentrated in such areas e.g. in the Democratic Republic of Congo and neighbouring countries, where extraction is linked to illegal activities and human rights violations. For this reason, we require all our tin suppliers to declare their sources up to refinery level. Based on this principle, we only work with companies that can confirm legality of their sources. This way we are able to strive towards more transparent business ethics and social responsibility throughout the entire supply chain.

Modern Slavery Statement

Both TFKable and JDR are committed to ensuring that the human rights of people that work with us and those working within our supply chains are protected. We do not tolerate any forms of slavery or human trafficking in our business and supply chain. Both TFKable and JDR have adopted an Anti-Modern Slavery and Human Trafficking Policy, updating our terms and conditions of purchase and annually carrying out a due diligence process on our suppliers. The Policy is coherent with our Integrated Management System based on ISO standards.

Significant investment agreements and contracts regarding human rights

| GRI 412-1, GRI 414-1

At TFKable, one of the suppliers' evaluation criteria is the supplier's self-assessment survey that includes an "Ethics" part, which we send once a year to all our suppliers from the List of Accepted Suppliers. In addition, the topic of ethics is discussed during internal audits at suppliers. This questionnaire is also filled out by the potential supplier and sent back to TFKable.

In 2019, JDR created a Supplier Declaration to align its supply chain with its Code of Business Ethics. The declaration itself covers areas such as Modern Slavery and Child Labour through to the use of Conflict Minerals within its products. Ongoing due diligence is supported by a regular questionnaire and follow-up as necessary.

In 2020, JDR plans to further align with its customer base and deepen its commitment by the introduction of a full Human Rights Due Diligence process which will flow down into the tiers of its supply chain. It will be built around the requirements of Articles 18 & 19 in the "Guiding Principles on Business and Human Rights" issued by the United Nations. This integrated process will access its entire supply chain against country, commodity and industry risks. By utilising internationally recognised Human Rights indexes, JDR will identify any areas of concern within its supply chain and engage through development and audit activity with the support of its customers to improve overall performance in this area.



Sustainability



Key highlights:

- Sustainability management: our approach, impacts we are exposed to and CSR policy
- Our stakeholders: who they are and how we do manage them, our supply chain
- TFK.Group in the industry: our membership in industry organisations, conferences and fairs and TFK Academy
- Local communities: our engagement in local communities

Key data & facts



We've adapted
CSR Policy
in 2019
at TELE-FONIKA Kable S.A.



ISO and **REACH**
are some of the criteria
for our suppliers



TFK.Group is an active
member of
**30 industry
associations**



Akademia TFKable:
87 trainings for approx.
2100 participants
in 2019



**Silver
ECO-Vadis**
rating



Since **1927**,
a voluntary
**Firefighter
Brigade**
operates in Bydgoszcz



Since 2012 JDR raised
124,000 GBP
for local charities



We have been implementing sustainability initiatives for years now, making it a basis for our activities in many areas across our businesses. In areas such as human capital management, purchases, production, products and sales, we have implemented responsible business principles and, as this has resulted in an extended range of dedicated solutions to ensure our business, and that of our partners, is sustainable. For some time now we have been implementing sustainability tools and internal regulations to track our progress. This is the third sustainability report we have published, each one was created in accordance with the Global Reporting Initiative Guidelines. In 2019 we established our Corporate Social Responsibility Policy and we were subject to an Eco-Vadis audit.

Magdalena Kardela
Director of Marketing,
TELE-FONIKA Kable S.A.

3.1. Sustainability management | GRI 103-1, GRI 103-3

Focusing on sustainability is a fundamental aspect of value creation for TFK.Group. Such an approach makes us resilient to short term challenges or risks. It enables stable growth, competitiveness and building lasting relationships with our stakeholders. Sustainability and a responsible set of business rules allow us to focus on the impact – the impact we have on our partners, clients, the industry, employees and local communities, and the impact they have on us. At the same time, we are currently operating in a complex, dynamic and unstable environment with plenty of factors and risks that may influence our operations due to the changes they bring to the market.

Sustainability management in TFK.Group

Today, sustainability management is part of our job. Monitoring key impacts, reacting appropriately through mitigating risks and maintaining a responsive dialogue with our stakeholders is a must to be able to create a competitive advantage.

Our goal is to deliver sustainable growth and use sustainable development to achieve a permanent market advantage. TFK.Group’s strategy is a starting point, an umbrella and a framework for all our

processes and actions. Human resources, quality and environmental management are critical from a sustainability viewpoint. These factors influence our value chain (production, purchases, sales, logistics, research and development, etc.) which impact in our market presence, and product quality and reputation.

As our business grows, we are continuously implementing dedicated policies and procedures.

Image 9. Key factors, that influence our operations¹ | GRI 102-15

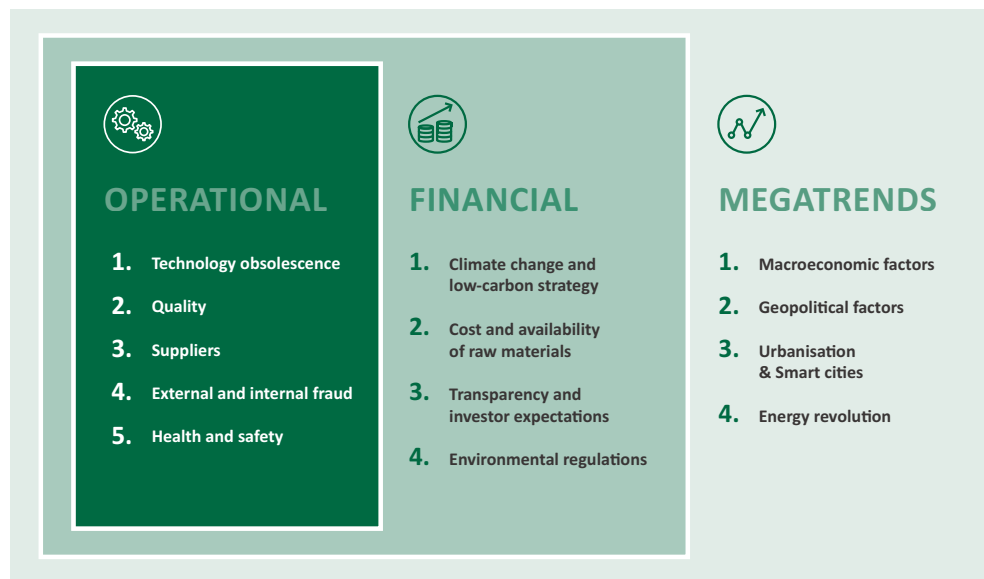
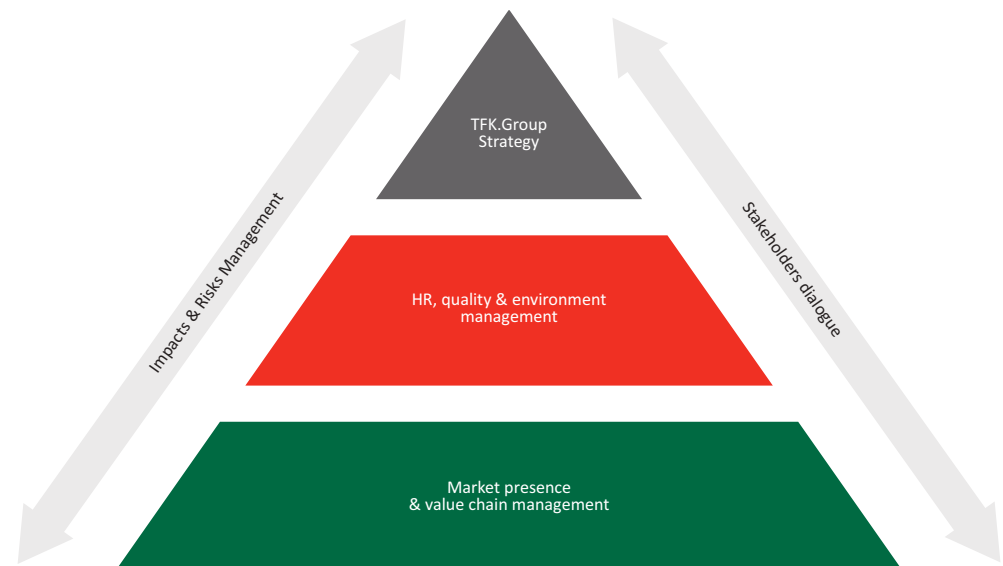


Image 10. Sustainability management in TFK.Group



¹ Detailed explanation of each factor – see page 30, more information about risk management – see Chapter 2, page 13

Table 5. Selected sustainability-related policies at TFKable and JDR

| TFKable | JDR |
|--|---|
| Conflict Minerals Policy | Code of ethics |
| Occupational Health and Safety Policy | Anti-Bribery and Corruption Policy |
| Quality Policy | Quality, Health & Safety and Environmental Policy |
| Environmental Policy | Corporate Social Responsibility Policy |
| Anti-Modern Slavery and Human Trafficking Policy | Anti-Modern Slavery and Human Trafficking Policy |
| Corporate Social Responsibility Policy | |
| Code of Professional and Ethical Conduct | |

Our goal is to maintain stable growth and to secure a market advantage through sustainable development. We are aware of the responsibility we have towards our employees, customers and suppliers as an important factor of the business success of the TFK.Group.

In 2019 we implemented the **Corporate Social Responsibility Policy** at TFK.Group. It covers key areas we have an impact on that are constantly improved upon:

- we invest in safety and comfort at work
- we have adopted the Code of Professional and Ethical Conduct
- we support staff development through the implementation of training programmes for our employees
- we conduct business in an environmentally responsible manner, through such measures as sustainable management of raw materials and energy carriers, introduction of new production

processes, environmentally friendly products and innovative solutions, efficient waste management through the implementation of the principles of circular economy

- we implement the principles of Corporate Social Responsibility in our supply chain. To this end, we define operating standards for our contractors and expect them to conduct business with respect for human rights, labour laws and environmental rules.

We communicate our CSR achievements by publishing an annual Corporate Social Responsibility Report developed in accordance with the standards of the Global Reporting Initiative.



ECO VADIS

In 2019, we were subject to the third consecutive Eco-Vadis audit and received a silver score. Eco-Vadis is a rating company focusing on sustainable procurement and aiding multinational organizations in reducing risks and driving innovation through sustainability. We scored above average with the highest assessment in environmental management. The results are a valuable indicator concerning the development of sustainability management.



3.2. Our stakeholders

Stakeholders are entities, groups or institutions that are interested in, impacted by or have an impact on our business. Our proper relationship management secures the Group's competitiveness and ensures future growth. We listen to and are in constant dialogue with the stakeholders which in turn allows us to create value for our customers and the industry.

Stakeholder groups | GRI 102-40

We are an active member of the industry, serving our clients and building strong relationships with local communities. These elements are crucial for our constant growth. Creating value for the company and society is a golden rule for staying

competitive in today's world. To maintain these operations at a high level, we must be aware of needs, expectations and the possible impact of our stakeholders on our business².

We can divide our stakeholders into following groups:

CORE – Our employees and unions they create.

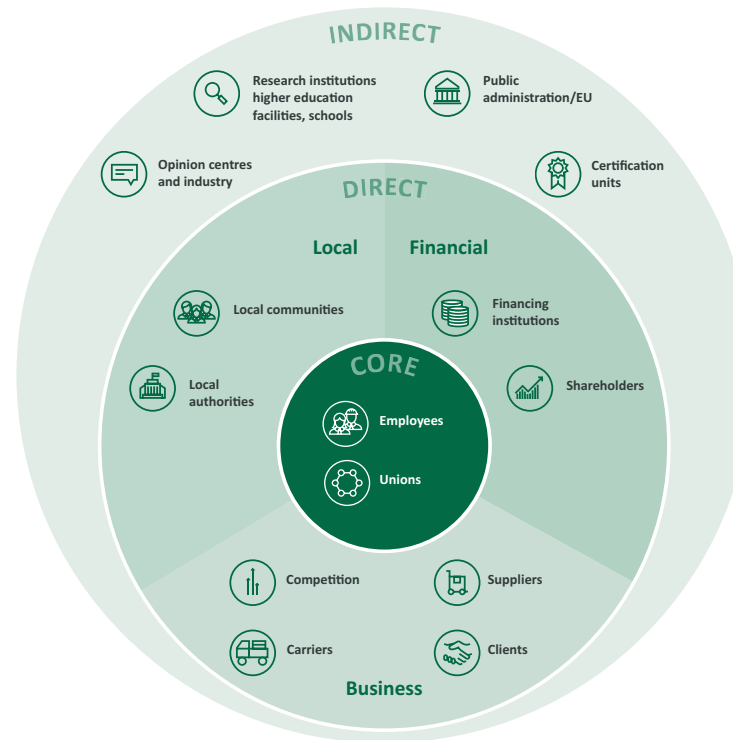
DIRECT – Groups of stakeholders we have direct contact with via business and financial relations or due to the location of our facilities.

INDIRECT – Entities or institutions that we are not in constant contact with but who may have an impact on our business.

Properly managing stakeholder relations and awareness of mutual impacts and significance are key for building lasting relationships. By identifying and prioritising them we enable proper preparation and response when such is required. This approach also allows us to build strategies for further sustainable growth staying in line with the Group's principles.



Image 11. Map of Stakeholder | GRI 102-42



² Full list of topics and concerns raised by each group of stakeholders – see page 31

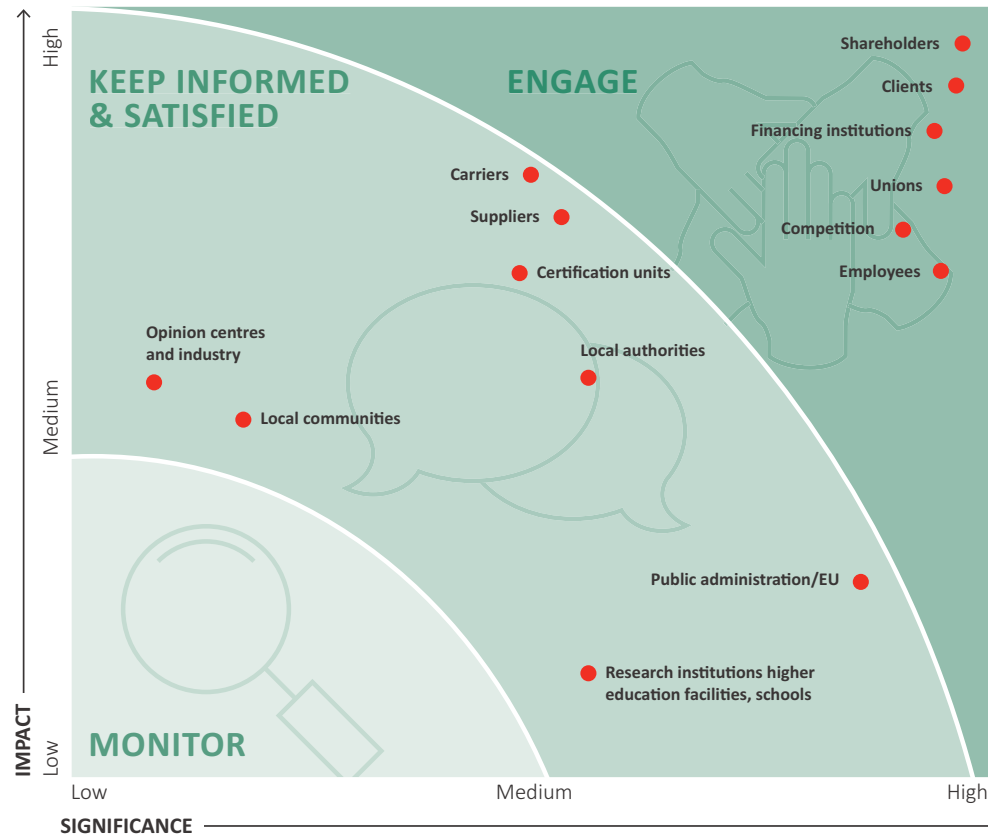
As we take into account the impact and significance of our stakeholders, we manage particular groups differently:

ENGAGE – Groups of stakeholders of the highest importance for our business. We strive for close relationships and engaging the stakeholders in our activities.

KEEP INFORMED & SATISFIED – These stakeholders have either high significance or high potential impact on our operations. We need to keep them fully informed and contented.

MONITOR – Stakeholders in this area need to be monitored for attitude and expectations.

Image 12. Impact and significance of our stakeholders | GRI 102-42



Stakeholder dialogue | GRI 102-42, GRI 102-43



A constant dialogue with our stakeholders is a crucial factor in maintaining our competitive advantage. In 2017, we held a social dialogue to discuss our stakeholders' needs and expectations. We still follow its rules such as inclusivity, materiality (focus on what matters) and responsiveness.

We actively initiate and maintain a dialogue with our social and market environment. The form and frequency of this dialogue depends on the needs and priorities of a given group. We regularly meet our partners to identify their needs and those of local communities, and develop a programme suitable and satisfying for the partners and TFK.Group. With effective and gratifying communication in mind, we build strong, trust-based stakeholder relations.

We make every effort to ensure that our communication is:



















-  reliable
-  honest
-  adequate
-  ethical
-  legal
-  non-discriminatory

Table 6. Communication tools and methods | GRI 102-43

| | | | |
|---|---|---|--|
|  Suppliers  Carriers | <ul style="list-style-type: none"> • Direct communication – meetings, phone calls • Marketing communication • Safety Day |  Employees  Unions | <ul style="list-style-type: none"> • Direct communication – meetings, phone calls • Online communication / Intranet • Employee assessment • Consultations • Providing information |
|  Competition | <ul style="list-style-type: none"> • Meetings • Fairs and conferences • Online communication • Monitoring |  Shareholders | <ul style="list-style-type: none"> • Reporting • Direct communication – meetings, phone calls • Marketing communication |
|  Local authorities | <ul style="list-style-type: none"> • Meetings • Reporting |  Financing institutions | <ul style="list-style-type: none"> • Meetings • Reporting |
|  Clients | <ul style="list-style-type: none"> • Product information • Sales representative visits • Product training • Satisfaction survey and interviews • Marketing communication |  Public administration / EU | <ul style="list-style-type: none"> • Reporting • Consultations • Working groups |
|  Certification units | <ul style="list-style-type: none"> • Meetings • Audits • Reporting |  Local communities | <ul style="list-style-type: none"> • Meetings • Charity and sport activities • Factory visits |



Supply chain | GRI 102-9, GRI 102-10

TFK.Group implements a strategic approach to supply chain management based on key objectives that secure safety, quality and timely delivery. The strategic management of the supply chain is based on the following principles:



safety and quality,



supplier risk assessment,



identification of critical suppliers, commodities and materials,



supplier management and performance evaluation,



maintaining security and longevity of supply



Our suppliers

Due to differences in business models and production focus TFKable and JDR need different resources.

Metals constitute more than 70% of the value of all raw material purchases at TFKable as their unique properties often determine the safety and reliability of cables and wires. The company strives to procure the best possible raw materials such as copper, aluminum rods, and rubber.

JDR, on the other hand, focuses on key commodities and materials such as completed power cores, sheathed fibre optics, electrical cables and a large range of Power Cable and Umbilical bespoke

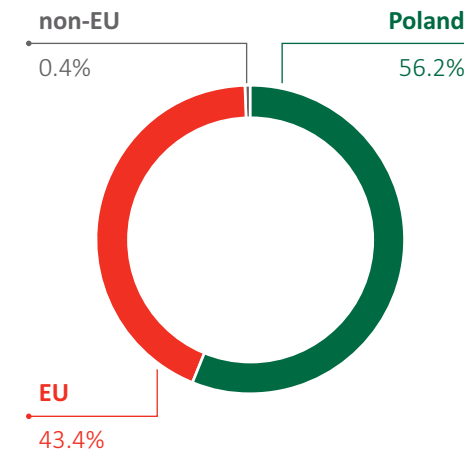
terminations, fittings, connectors, and accessories. JDR also manages a supply of raw materials including aramid, galvanised steel wire, thermoplastic based materials, copper materials for cable production and various rope and roving materials.

Both, TFKable and JDR source their supplies mainly locally and from the EU market.

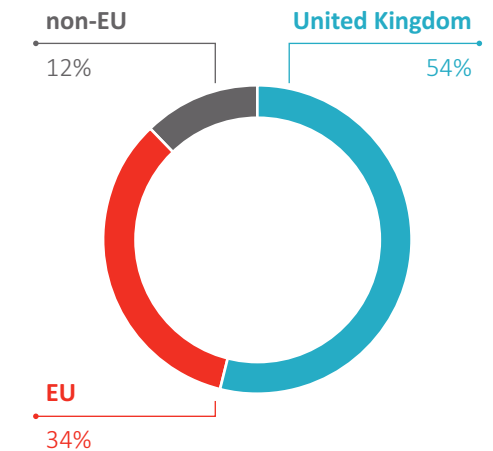
50% of raw materials used for manufacturing our cables comes from proven domestic suppliers. This way, we have a positive impact on the Polish economy.

Image 13. Geographical breakdown of raw material purchases

TFKable



JDR



3.3. TFK.Group in the industry | GRI 102-12, GRI 102-13

We operate in a constantly developing industry with highly innovative potential. This requires being active and up to date with current trends, ideas and solutions. To accomplish this task, we are a member of 30 associations and industry organizations and participate in leading events (conferences and fairs), and we educate the industry and future generations.

Crucial industry organisations we participate in¹:

- EUROPACABLE
- International Cablemakers Federation
- WindEurope
- American Wind Energy Association
- PIGE, i.e. Polish Economic Chamber of Electrotechnics
- Umbilical Manufacturers Federation
- British Cable Makers Association
- EEGR (the East of England Energy Group)
- NOF Energy
- PSEW: Polskie Stowarzyszenie Energii Wiatrowej (The Polish Wind Energy Association)

Education

Europacable CPR Campaign



TFKable, together with members associated in Europacable, is leading an educational and information campaign "**Fire safety is our responsibility. Yours Too!**" since May 2019. The reason behind this initiative are the Construction Products Regulation (CPR) regulations¹, while the aim is to inform about the new regulations regarding cables intended for permanent installation in buildings, and promotion of fire safety technology solutions. The campaign also provides quick access to useful information that is intended to help installers, manufacturers and wholesalers meet the new requirements. The key source is www.cpr.europacable.eu/en. Apart from educational

information a free training program "*My CPR trainer*", checklists on CPR compliance, and questions and answers grouped in the FAQ section are available.

As a part of the campaign, three years after the introduction of CPR, Europacable sponsored a pan-European survey to understand the progress, achievements, market perception and challenges for the near future in fire safety and compliance. The results will help set strategies for the next few years. The survey was conducted online between December 2019 and January 2020, achieving 2983 full responses. The results are as follows.

Of European electrical professionals:



90% agree that fire safety is important, that CPR can contribute and that non-conforming product introduces risk;



Three quarters are confident that they can apply the CPR correctly in their work;



Two thirds are confident about the details of the various CPR classes, DoPs, etc.



But ... about **half** feel they often have to compromise safety against cost.

¹ Description of each organization and our role in it – see page 32



TFK.Group educates the industry with **Akademia TFKable** – a series of lectures and seminars that help us achieve the following goals:

- expand our employees' knowledge,
- better identify needs of our clients,
- improve our customer service,
- announce new products and product changes,
- prepare a knowledge base for new employees,
- increase our appeal as an employer,
- create a new model – a learning organization.

Each training is concluded with a test of what the participants have learned and a survey where they can leave an evaluation. Participants receive certificates after completing each series of trainings.

We held **87 trainings for approx. 2100 participants** (approx. 600 internal and 1500 external) in 2019. 22 of these were external trainings for distributors, design companies and designers while the remaining 65 were internal trainings, attended by our employees from selected divisions.



Another way TFKable is educating the market is **Strefa Projektanta** – a knowledge exchange platform covering TFKable products, current industry trends and current regulations and requirements. On the webpage: strefaprojektanta.tfkable.com there is a knowledge data base, news about our seminars and a form to quickly contact experts.

Selected conferences, workshops, fairs and seminars we participated in | GRI 102-12 :

Europe

- VERKOSTO TRADE SHOW in Tampere, Finlandia
- XXVI KABEL Conference 2019 in Janów Podlaski, Poland
- 24 ELCOMUKRAINE in Kiev, Ukraine
- SUBSEA EXPO in Aberdeen, Scotland
- ELFACK 2019, Gothenburg, Sweden
- OHLEX 2019, Chester Racecourse, United Kingdom
- PSEW 2019 in Serock, Poland
- ENERGY TRANSFORMATION FORUM, Warsaw, Poland
- GLOBAL OFFSHORE WIND in London, United Kingdom
- RAILTEX in Birmingham, United Kingdom
- HUSUM WIND 2019 in Husum, Germany
- BALTEXPO 2019 in Gdańsk, Poland
- ENERGETAB in Bielsko-Biała, Poland
- KATOWICE 2019 – Międzynarodowe Targi Górnictwa, Przemysłu Energetycznego i Hutniczego in Katowice, Poland
- 8th International conference & exhibition OFFSHORE WIND – LOGISTICS & SUPPLIES in Gdynia, Poland
- II International Fairs ELECTRO INSTALL – 2019 in Kijów, Ukraina
- WINDEUROPE OFFSHORE 2019 in Copenhagen, Denmark
- OFFSHORE EUROPE in Aberdeen, United Kingdom
- OFFSHORE WIND NORTH EAST 2019 in Newcastle-upon-Tyne, United Kingdom

North America

- SUBSEA TIEBACK in San Antonio, the US
- IPF OFFSHORE WIND 2019 in New York, the US
- OTC in Houston, the US
- US OFFSHORE WIND in Boston, the US
- POWER-GEN INTERNATIONAL in New Orlean, the US
- The AWEA OFFSHORE WINDPOWER 2019 Conference in Boston, the US

Asia & Middle East

- UGOL ROSSII & MINING 2019 in Nowokuźnieck, Russia
- Investment Promotion Conference in Binh Thuan province, Vietnam
- ADIPEC in Abu Dhabi, United Arab Emirates
- Renewable Energy Conference in Taipei, Taiwan



3.4. Local communities | GRI 413-1

We are aware that our operations impact the direct vicinity of our production plants. We respect the local communities around us and will listen to their concerns in order to do our best to support them in multiple ways. We make appropriate contributions to those communities, extend our efforts to help charities, sponsor events and motivate our employees outside the work environment.

Quality and Safety

Both TFKable and JDR are deeply rooted in their local communities. The overwhelming majority

of our employees comes from our neighborhood. That is one of the reasons why, as a part of our quality management system¹, we have started an educational quality health and safety programme targeted at families. TFKable held a contest for children of the employees – „MAMO, TATO DBAJ O JAKOŚĆ” (“MUM, DAD TAKE CARE ABOUT QUALITY”) in its two facilities (Bydgoszcz, Kraków-Bieżanów). The main purpose on this initiative was raising awareness about quality and safety. We believe that engaging entire families may have a bigger impact on our employees and their behavior at work than training and education alone.



Charity

At TFKable another year in a row we raise funds for organisations that have a long standing experience in supporting those in need, again Caritas and Szlachetna Paczka. In 2019 we raised 2 602 PLN for Szlachetna Paczka and bought some necessary equipment and goods for selected poor families. We also organised the next edition of the Christmas Market. Just like last year employees prepared unique Christmas decorations. The funds collected during that event supported Caritas to help victims of the war in Aleppo, the largest city in Syria.

- **Szlachetna Paczka** – a Polish organisation with the goal to provide material and psychological aid to individuals and families in difficult life situations through targeted volunteer work and the help of individual and corporate donors;
- **Caritas** – an international Catholic organisation serving people across the globe. In Poland its main activities focus on volunteer work and material aid for people in need. It supports local and foreign causes.



JDR has three facilities in the UK, Hartlepool and Newcastle in the north-east and Littleport in Cambridgeshire. As part of our commitment to supporting our communities JDR organises events year on year, to raise money in support of our respective local charities and causes. Our

aim is to support small to medium sized charities. Selecting an organisation involves a number of important factors. Some of which include: alignment with our vision and values and mutual benefit of the collaboration.

During the past 7 years JDR has raised over 124,000 GBP for our local charity fundraising efforts. 2019 events consisted of JDR's first ever Charity Endurance Karting event for 30 teams, followed by JDR's 7th Annual Charity Summer Ball. JDR's 7th Annual Charity Summer Ball 2019 was the biggest in the whole history, the theme of the ball was the "Grand Prix Dinner". We were honoured to

have more than 250 guests including Rob Smedley (Formula 1 Senior Technical Advisor).

During both events in 2019 we raised an astonishing amount of 20,000 GBP for Mesothelioma UK and Readley. More information about JDR Charity Events can be found at <http://www.jdrcharityevents.co.uk/homepage>.



Organisations supported by JDR:



Mesothelioma UK is a national specialist resource centre, specifically for the asbestos-related cancer, mesothelioma. The charity is dedicated to providing specialist mesothelioma information, support and education, and to improving care and treatment for all UK mesothelioma patients and their carers.

Readley – local support group that aims to provide a professional holistic approach, which encompasses all areas of help for patients and their families, such as emotional, physical, social and financial care.



In 2018, we raised 11,000.00 GBP for **Daisy Chain** – an organisation that helps children and adults affected by autism located close to one of JDR's plants. It provides a haven for individuals struggling with the condition and provides advice and support to their families.

Additionally JDR Hartlepool, Littleport and Newcastle facilities supported 'save the children's christmas jumper day' organised by **Cash for Kids**. Based across 22 areas in the UK, Cash for Kids support children aged 0-18 who are disabled, disadvantaged or suffering from abuse or neglect.

Sport

At TFK.Group we want to support our employees in maintaining the best possible work-life balance. We are happy that our employees share a passion for physical activity outside the work environment and that they want to be healthy and fit. We support their engagement in participating in sporting events.

As an example one of our colleagues working in Bydgoszcz facility became a member of polish

national team in weightlifting. Bartosz Kachelski – representative of Kabel Team Bydgoszcz, Tytan Team and an employee of the medium and high voltage department at the Bydgoszcz plant, TFKable has been called to the national team in the barbell bench press. He has been practicing the powerlifting discipline from an early age, and currently represents Poland at national and international competitions, he also participates in the Polish, European and World Championships.



Kabel Team Runner's Club

TFKable is proudly represented by Kabel Team Runner's Club – a group of active employees who participate in various sports events across Poland.

In 2019, members of Kabel Team Runner's Club participated in 4. PKO Bydgoski Festiwal Biegowy, RUNMAGEDDON 2019 and Kraków BUSINESS RUN 2019.

Goals of Kabel Team include:

- Reputable representation of the brand in sports competitions
- Increasing the level of physical fitness and care for the health of employees
- Promoting running as the most accessible form of sport
- Encouraging running and helping with the right training
- Organising trips to running events

Bottle boats race "STER NA BYDGOSZCZ 2019".

Team TFKable took part in the bottle boat race during Festival "Ster na Bydgoszcz 2019". A self-made TFKable bottle boat has traveled intact throughout the race. We took the fifth place!



First TFKable indoor soccer tournament

In 2019 took place the First TFKable indoor soccer tournament. During the tournament in Myślenice 70 players played 15 matches, each team showed a high percentage of effectiveness on the court – 68 goals were scored. Myślenice Plant won the general classification in the final table of the tournament, after perfect competition with Kraków-Bieżanów Plant.



Volunteer work – Firefighters

On April 18, 1930, the Volunteer Fire Brigade was established in Bydgoszcz. During the organizational meeting, which was attended by 22 volunteers, 3 combat sections were created and the commandant was selected. After 3 months of intensive exercises and training in the factory and the seat of the Municipal Professional Fire Service, the participants of the

course successfully passed the exam and started active activity in the plant and the city.

Over the years, they conducted systematic exercises and participated in firefighting operations, also outside the factory. They were involved in the life of the local community, securing numerous events and conducting

trainings for children and youth from Bydgoszcz and beyond. Currently, the Brigade consists of 19 firefighters, men and women, some with over 30 years of experience, authorised to participate directly in rescuing and firefighting activities, part of the brigade is especially trained in technical rescue. Next year – in 2020 the Volunteer Fire Department is celebrating its 90th anniversary.



Appendix 1

Table 7. Impacts and risks | GRI 102-15

| | | |
|-------------------------|--|---|
| Megatrends | 1. Macroeconomic factors | Changes in GDP and interest rates, access to loans, cost of raw materials and the general level of power consumption that determine levels of investment. |
| | 2. Geopolitical factors | The economic and political situation in some regions of the world can cause instability disrupting smooth business operations (e.g. Brexit). |
| | 3. Urbanization & Smart cities | An increasing demand for SMART urban infrastructure and aging energy infrastructure and at the same time demands for flexibility and new solutions. |
| | 4. Energy revolution | A need for diversification of energy sources, smart grids, and decrease in energy production costs followed by increased regulation requires a new approach towards product innovation. |
| Financial Risk | 1. Climate change and low-carbon strategy | Financial risks due to increased regulations and pressure on product and process improvements. |
| | 2. Cost and availability of raw materials | Depletion of non-renewable raw material sources and increasing purchase costs. |
| | 3. Transparency and investor expectations | Demand for reporting and open communication. |
| | 4. Environmental regulations | Environmental regulations – legal and compliance risks resulting from fines and fees. |
| Operational Risk | 1. Technology obsolescence | Increased need for cutting-edge technologies and solutions. |
| | 2. Quality | Product defects risk. |
| | 3. Suppliers | Risk related to labour rights violations and/or environmental and quality standards compliance which requires additional actions e.g. supplier and projects audits. |
| | 4. External and internal fraud | Human factor risk managed by Code of Conduct procedures. |
| | 5. Health and safety | Standards and procedures put in place to monitor and secure safety. |



Table 8. Key topics and concerns raised by groups of stakeholders | GRI 102-44













| | | | |
|---|--|---|--|
|  <p>Public administration / EU</p> |  <p>Financing institutions</p> |  <p>Certification units</p> |  <p>Local communities</p> |
| <ul style="list-style-type: none"> • Reporting • Legislative compliance • Supporting renewables and energy decarbonisation | <ul style="list-style-type: none"> • Complying to requirements • Reporting • Strategic investment – opportunity/risk • EBRD – environmental clauses | <ul style="list-style-type: none"> • Complying with ISO and OHSAS system requirements • Complying with requirements for certified products | <ul style="list-style-type: none"> • Legislative compliance • Nuisance free • Aesthetic plant surroundings |
|  <p>Shareholders</p> |  <p>Carriers</p> |  <p>Clients</p> |  <p>Suppliers</p> |
| <ul style="list-style-type: none"> • Stable profit, growth • Stable operations • Market prosperity • Advancing into new markets • ROI / investment raising | <ul style="list-style-type: none"> • Long-term cooperation • Timely payments • Regular shipments • Good communication • Fixed contracts with quality guarantees | <ul style="list-style-type: none"> • Quality of products and packaging • Pricing • Availability • On-time delivery • Shorter delivery times • Meeting requirements • Full product information • Service quality and speed • Sales representative visits with clients • Product training • Smaller minimum production | <ul style="list-style-type: none"> • Longterm cooperation • Defined rules of cooperation • Planning deliveries • Competitive price and quick payments • Longest possible delivery deadlines • Flexible delivery deadlines • Timely due payments |
|  <p>Employees</p> |  <p>Competition</p> | | |
| <ul style="list-style-type: none"> • Good work environment • Attractive salary • Motivation, recognition • Increasing qualifications • Stable employment • Clearly defined tasks and duties | <ul style="list-style-type: none"> • Benchmarking • Price competition • "Monitoring" solutions, technology, etc. • Competition for skilled workers, customers, materials, investment | | |
|  <p>Unions</p> |  <p>Local authorities</p> | | |
| <ul style="list-style-type: none"> • Holding consultations, arrangement • Providing information | <ul style="list-style-type: none"> • Complying to requirements • Influx of local investment and jobs • Represent local community | | |





Table 9. Associations and industry organizations we participate in | GRI 102-13

| | |
|--|--|
| EUROPACABLE | The largest industry association that gathers the largest cable manufacturer. The CEO of TELE-FONIKA Kable SA Monika Cupiał-Zgryzek serves at the Vice President of Europacable. We are engaged in works of the following commissions of the association: Europacable General, Digital (telecom & data), Energy, Industry, HSE (Health, Safety & Environment) i Communication; |
| International Cablemakers Federation | Represents most of the global manufacturing capacity of the Wire & Cable Industry; |
| WindEurope | WindEurope is the voice of the wind industry, actively promoting wind power in Europe and worldwide; |
| American Wind Energy Association | Is the national trade association for the U.S. wind industry. With thousands of wind industry members and wind policy advocates, AWEA promotes wind energy as a clean source of electricity for American consumers; |
| PIGE, i.e. Polish Economic Chamber of Electrotechnics | We are an active member of the quality and e-mobility teams. A representative of TELE-FONIKA Kable SA serves as member of the Board; |
| Umbilical Manufacturers Federation | Organization's objective is to promote the benefits of umbilical products for the offshore oil and gas industry; |
| British Cable Makers Association | The UK trade association for manufacturers of insulated metallic and fibre optic cables, wires and their accessories; |
| EEEGR (the East of England Energy Group) | EEEGR's mission is to be the source of new opportunities and knowledge to enable member companies to strategically grow their businesses; |
| NOF Energy | A not for profit organisation helping to make valuable connections between businesses in the global energy sector; |
| PSEW: Polskie Stowarzyszenie Energii Wiatrowej (The Polish Wind Energy Association) | An organisation supporting and promoting the development of wind energy, whose aim is to create favourable conditions for investing in wind energy in Poland and to systematically increase the use of wind energy as a clean source of electricity generation. |

Our clients



Key highlights:

- A diverse range of products and services
- Key markets and client segments served
- Key projects with focus on offshore solutions
- Product quality, safety and innovations centered approach

Key data & facts



405
quality certificates
granted by
42 certifying centres



We offer
25,000
types of wires and cables



300
number of Continuous
Improvement Forms
@ JDR



100+
of KAIZEN improvements
@ TFKable



FLAMEBLOCKER
new line of halogen-free
cables in Dca fire reaction
class



9 000 km
of offshore and 2500 km
of onshore cables provided
since 2008



100%
Construction Products
Regulation (CPR)
requirements are met



91%
of clients satisfied or very
satisfied with TFKable
products and services
(in-house research
procedure based on
ISO standard)



Innovation, quality and safety, and listening to our clients form the foundation of our success. We track current market trends, implement standards and new solutions while constantly increasing the complexity of our products and expanding our services. We partner closely with suppliers, clients and experts to achieve world-class results.

Wojciech Wiltowski
Board Member, Vice President,
Chief Sales Officer



The only modern
**Fire Test
Laboratory**
in Poland in place at
TFKable

4.1. Products and services

TFKable is a leading global manufacturer of wires and cables, with major production facilities in Europe and sales offices located across the globe. Our goal is to go beyond our customers' expectations. Based on our knowledge of customer needs and expectations, current industry trends and regulations, as well as cutting edge

technology development and innovations, we offer 25,000 types of wires and cables marketed in 80 countries. Additionally, JDR's global onshore and offshore installation and maintenance service supports customers throughout project planning, mobilisation, installation, commissioning, and maintenance; providing complete life-cycle

support. With a consistent growth strategy based on client portfolio diversification, we have cemented our position as a world leader in the cable industry with significant development potential for the future.

Our main product types:

TFKable manufactures:



low voltage cables



electroinstalation wires



fibre optic cables



medium voltage cables



signalling (controlling) cables



rubber cables and wires



high and extra high voltage cables

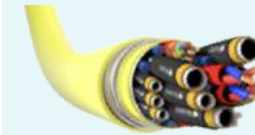


copper telecommunication cables

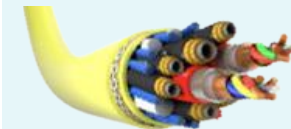
JDR's cable production covers:



subsea power cables used in offshore wind farms



subsea production umbilicals used in the Oil&Gas industry



Intervention Workover Control Systems (IWOCS)

JDR also offers installation and maintenance services for subsea umbilicals.

For more information please visit:



4.2. Our clients

Markets served | GRI 102-6, GRI 103-2

TFK.Group has been designing, manufacturing and delivering cables, wires and cable systems for a wide range of applications in diverse industries for nearly 100 years. Our manufacturing facilities are strategically located to deliver high-quality products to global markets. Our clients operate within

modern and technologically advanced sectors. Our business is built on long-lasting relationships founded on trust and conduct business with the highest degree of integrity. We maintain a dynamic and flexible approach to create the most effective solutions in response to market demands. TFKable

operates at the forefront of various technology fields, working alongside clients to solve complex challenges. JDR products and services are used in the most important industry sectors.

TFKable Sales sectors >

JDR Sales sectors >

Image 14. Markets served



We offer a diverse product portfolio divided into three segments, based on sales and type of offer. Adoption of the new segment reporting structure has been agreed to reflect acquisition of JDR's both – offshore wind and offshore oil & gas business. We believe that new segmentation properly dresses different profitability, different risks and different growth prospects within TFK.Group business model.

Image 15. Key segments*



*Management estimations



Segment reporting structure



Note 1: Subsea Power Cables
 Note 2: Steel Tube Umbilicals
 Note 3: Subsea Power Umbilicals

Note 4: Intervention Work-over Control Systems
 Note 5: Speciality cables include rubber insulated cables

Client relations

Client relations are a crucial factor that led to our current position on the global market. Over the years, close cooperation with our clients allowed us to gather vast amounts of knowledge. This, in turn, continuously supports the development of our products and services, while allowing us to create value for the market and maintain our competitive advantage.

The application of our integrated marketing strategy allows us to maintain and improve relations with

our existing clients and create new ones. Our main focus is to keep our clients and prospects up to date and satisfied with our product and service offer. We use our online presence and participation in trade shows and industry events to ensure that TFK.Group is visible on all its target markets and that our clients stay well informed.

External communication tools:



Integrated communication campaigns, covering a range of ATL, BTL and Social Media channels.



Coherent product and service presentation highlighting the potential of our solutions and innovations.



Presentation of TFK.Group companies' engagement in selected projects, along with the comprehensibility and synergy of our offer.



Expert and industry communication focused on close relations and direct interaction within the industry – with specialists, clients and partners.



Participation in trade shows and industry events, publishing expert content and maintaining positive media relations are only some activities within this scope.

Listening to our clients

We constantly evaluate our clients' satisfaction based on well-established procedures. This keeps us informed about their expectations and construction requirements.

JDR's operations are based mainly on long-term projects, where client satisfaction is assessed via daily and periodical contact, and status reviews.

Each year at TFKable, a group of domestic and foreign clients is selected by sales and export departments to participate in an online survey. The 2019 survey covered areas such as:

- product offer evaluation,
- assessment of order execution,
- complaints filed,
- customer satisfaction regarding cooperation,
- product information communication channels.



Declared client satisfaction

91%

of responders said that they are satisfied or very satisfied with their cooperation with TFKable.

The detailed survey results, areas for improvement, in particular, allowed TFKable to continue working towards enhancing the client service process and develop client relations.



4.3. Key projects

Projects are one of the three pillars of our market segmentation. They are often challenging, due to the character of the various technological industries our clients operate in and, at the same time, they push us to innovate in the area of design, manufacturing and sales of special-purpose cables. Since 2008 we completed:

Approximately 34 onshore projects, providing

— **2,500 km** —
of cables

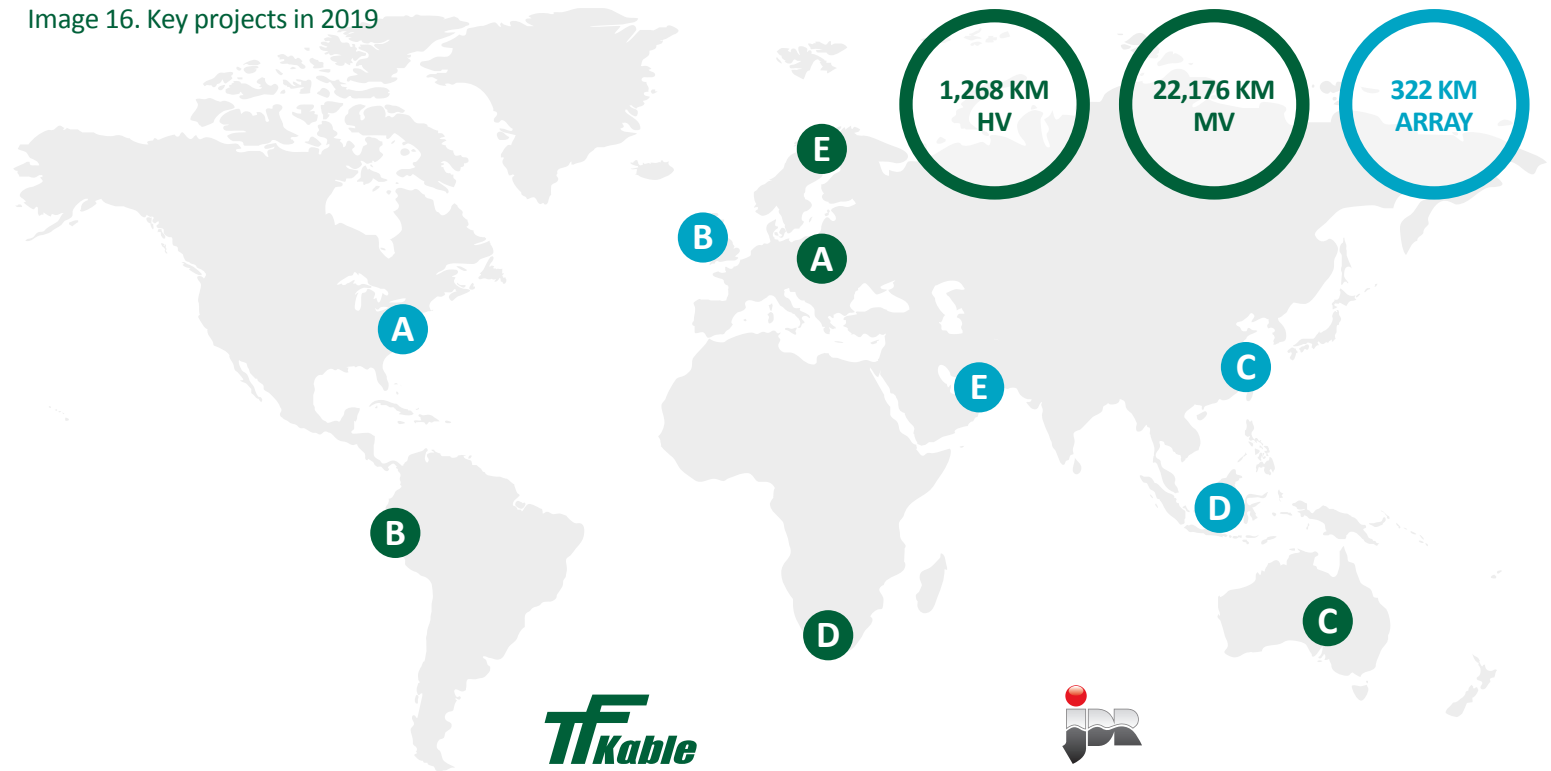
Approximately 39 offshore projects, providing

— **9,000 km** —
of cables

The largest onshore wind farm in Poland

We participate in the implementation of the largest onshore wind farm in Poland with a capacity of 132 MW in the Pomeranian Voivodeship. In 2019, as part of the project, we delivered 215km of 110kV cable. Its commissioning is to take place by the end of 2020. The wind farm is to produce 420 GWh of electricity per year.

Image 16. Key projects in 2019



TFKable



- | | | | |
|----------|---|----------|--|
| A | Innogy / Stoen Project Wiktoyn – 110 kV | A | Wind Farm Vineyard / United States 11 km, array cables 66 kV |
| B | Tecsur / Peru Hv cable line in Lima | B | Wind Farm Hornsea / UK Array cables 33kV |
| C | DKSH / Australia Mining cables | C | Wind Farm Formosa / Taiwan 32km array cables |
| D | Powermite / South Africa Mining cables | D | PT Timas / Indonesia 36km, STU |
| E | Wind Farm Sorfjord / Norway Over 60 km of Mv cables | E | McDermott / Middle East Bul Hanine – 9km, SPU |

Offshore projects

JDR has been a crucial part of a long-standing trade relationship and its offshore projects constitute an important part of TFK.Group's business. JDR's highly technical subsea systems, used in global offshore and onshore oil, gas and renewable industries, allow its customers to power and

control their offshore operations, and enhance the range of cable solutions offered by TFKable.

We are dedicated to developing next-generation technologies. Our product development focuses on innovations that improve long-term product

performance and support the future growth of the industry. Our research into high voltage inter-array cabling will turn offshore wind into a more competitive source, while also improving our installation support.

We offer a complete package for offshore wind operators; from the design of inter-array cable systems, to manufacturing and field service support.

Selected wind projects awarded and to be delivered 2019 to 2021

KIRINSKOYE EXTENSION

Composite Power & Control Umbilical with Central Steel Tube



For the Gazprom Kirinskoye extension project, JDR supplied 5 off static subsea umbilicals, 7 off hydraulic flying leads (including 1 off spare), and 13 off electrical flying leads (including 1 off spare) complete with design engineering, project management, hardware, testing and third party certification. The scope of supply also includes a 190 m spare umbilical and a 100 m umbilical for full ISO 13628-5 qualification tests. The Kirinskoye Field lies 28km offshore to the east of Sakhalin Island, in the Sea of Okhotsk, off of the east coast of the Russian federation. The scope of supply was manufactured at JDR's state of the art facility in Hartlepool, UK.

Na Kika A7 Well project

The Installation Workover Control System Services project



JDR was awarded a Purchase Order from the Na Kika team to provide Installation Workover Control System Services for a deep water completion in the Gulf of Mexico. The IWOCS needed to have the ability to deploy independent of the drilling riser, but to also be tolerant of the high subsea currents commonly found in the Gulf of Mexico. JDR's Single wire deployment system uses engineered anti-rotation umbilical clamps, LMRP integrated kingpost to secure UTA, and a two speed hydraulic winch. The single wire to kingpost deployment method is current tolerant and requires no external heave compensation apparatus which tend to be cumbersome and failure prone. The system frees up deck space, reduces deployment time, and is proven in adverse weather and sea conditions.

Supply and service IWOCS in the Gulf of Mexico

The deepwater project



JDR has secured a contract with a major operator in the Gulf of Mexico through a competitive tender to supply IWOCS services for a deepwater project in the Gulf of Mexico (GOM). The contract, which commenced in February 2020, included the supply, installation, and maintenance of the optical electrical downlines and integrated fiber optic conduits for eight wells, as well as IWOCS Umbilicals, umbilical termination units, safety systems and hydraulic power units (HPU). The deepwater project requires additional technological specifications to endure extensive deep-water pressures, which JDR will provide. The IWOCS, winches, OEDL's, HPU's, flying leads, and other equipment will be supplied by JDR's US Houston facilities.

Moray East Offshore windfarm

The first of two windfarms planned to be developed in the Moray Firth Zone, Scotland.



This large-scale undertaking will require highly coordinated programme delivery and best in class installation. We will provide 220 kV onshore high voltage cable produced and tested on site in Bydgoszcz and delivered to the Scottish coast through an innovative drum rotation system which will see a total of 270 drums. It will provide an abundant supply of low-carbon electricity providing power for the average annual requirements of in excess of 950,000 UK homes.



of
950 000
UK homes

Hohe See Offshore Wind Farm

Germany's biggest offshore wind project



JDR has been awarded the inter array cable contract by Boskalis for the EnBW Hohe See offshore wind farm. It will comprise 71 wind turbines with a total capacity of 497 MW covering an area of about 40 square km in the German exclusive economic zone of the North Sea. The project will utilise over **54.7 km** of 33 kV copper core inter-array cables and a range of termination accessories. The cables will be manufactured at JDR's state-of-the-art manufacturing facility in Hartlepool. When fully operational, the wind farm will generate around 2 billion kW hours of electricity per year with its output of 497 MW, distributed across 71 wind turbines. This energy will supply around **560,000 households** and save around **1.5 million tonnes of CO₂ per year**.



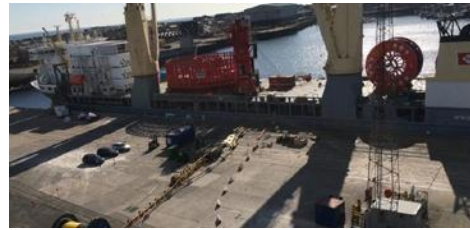
around
560 000
households



around
1.5 mln t
of CO₂ per year

ANYALA & MADU PROJECT

Two offshore platforms located in the central Niger Delta



The Anyala and Madu fields are located in oil mining leases (OML) 83 and 85 in shallow waters of the Niger Delta, approximately 40 km offshore the Bayelsa State, Nigeria. The fields are estimated to contain combined reserves of **193 million barrels of oil (MMbbl)** and **0.637 trillion cubic feet (Tcf) of gas**. JDR Cable Systems Ltd. was contracted by First E&P to provide a total of 23.7 km of umbilicals. The supply encompassed the power and control umbilicals which connect the FPSO to the Madu and Anyala CSPs, together with a Subsea Isolation Valve (SSIV) control umbilical. The SSIV and power cables were manufactured at JDR's Littleport and Hartlepool facilities respectively, prior to being terminated and loaded out from Harlepool.



193 mln
barrels of oil (MMbbl)



0.637 tn
cubic feet (Tcf) of gas

Hywind Tampen project

The first worldwide project to power oil and gas platforms using floating offshore wind



JDR was selected by Equinor Energy AS to manufacture and supply 66kV dynamic inter-array cables for the Hywind Tampen project. The project will be the first worldwide to power oil and gas platforms using floating offshore wind – a far more technically challenging and less mature technology than traditional fixed-foundation offshore wind. The 2.5 km long 66 kV dynamic array cables will inter-connect the eleven turbines in a loop and the two static 12.9 km and 16 km export cables with dynamic ends will be used to connect the loop to the Snorre A and Gullfaks A platforms. The greater water depth (of 300 m) means the cable accessories will be especially designed to withstand higher water pressures. The power cores for the cables will be manufactured at Bydgoszcz factory in Poland. All the cables and accessories will be assembled at JDR's facilities in Hartlepool UK. The wind power solution will **offset 200,000 tonnes of CO₂ emissions and 1000 tonnes of NOx emissions** per year.



offset
200 000 t
of CO₂ per year

Neart na Gaoithe project

450MW of renewable energy



JDR has signed a contract with DEME Offshore for the Neart na Gaoithe (NnG) offshore wind farm. JDR will design and manufacture 105 km of 66 kV inter-array cables and a 3.5 km interconnector cable, including a range of cable accessories for delivery in 2021. The wind farm covers an area of approximately 105 km². The project has the potential to generate 450 MW of renewable energy, enough power to **supply 375,000 Scottish homes** – more than the whole of Edinburgh and will offset over **400,000 tonnes of CO₂ emissions** each year. The inter-array cables will connect the projects' 54 turbines and the 3.5 km interconnector will join two offshore substations – which will allow the transfer of electricity between the two substations. The cables and accessories will be assembled and manufactured at its state-of-the-art manufacturing facility in Hartlepool UK, in close proximity to the project, to ensure a smooth delivery process.



over
400 000 t
of CO₂ emissions each year

Hornsea Project Two

World's largest offshore wind farm



The South West Cluster consists of 55 wind turbines and 1 offshore substation (OSS) and will have an installed capacity of up to 440MW. The project is Optimus Wind Limited's **first in the UK to use 66kV for its array cables**, having used 33kV for previous projects. The power cables are planned for manufacture in 2020 and 2021. In total, JDR will manufacture and supply **110km** of 150mm², 400 mm² and 630 mm² 66kV cables. The cables will incorporate JDR's proprietary hang-off and termination systems plus a new fully qualified rigid cable repair joint – specifically designed to improve flexibility and reliability and to minimise installation costs. JDR will also provide the offshore terminations and testing work for the South West Cluster. This work will involve fitting the terminations accessories and testing of the installed array cable strings. When fully operational in 2022, the wind farm will supply clean electricity to over **1.3 million homes**.



over
1.3 mln
homes

SeaMade project

Belgium's largest offshore wind farm



JDR has been awarded the aluminium core inter-array cable supply contract for the SeaMade offshore wind farm by DEME Offshore. The 487MW project is the single largest wind farm being funded and built in Belgium. It will utilise over **78 km** of aluminium core inter-array cables and a range of cable accessories, including repair joints and connectors. When fully operational, the windfarm will supply renewable energy to **485,000 households** in Belgium and offset approx. **+600,000t of CO₂ emissions a year**.



renewable energy to
485 000
households in Belgium



offset approx.
+600 000 t
of CO₂ emissions a year.

Changhua

JDR's second offshore wind contract for Taiwan



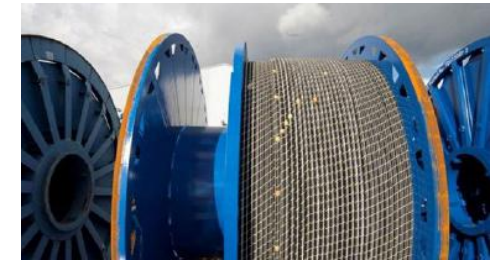
The project is located off the coast of Fangyuan, in the Changhua County in Central Taiwan. Phase One, the demonstration project, consists of the installation and commissioning of twenty one 5.2MW offshore wind turbines giving a total capacity of approximately 110MW. JDR was contracted to design and manufacture **63km** of 33kV Cu 630mm² inter-array and export cables to transmit power from the wind turbines to the shore. Upon completion in 2023, the four wind projects are expected to comprise the biggest wind-power complex in Taiwan. With a planned total generation capacity of 2.4GW – enough to provide renewable energy to approximately **2.8 million households** in the country.



2.8 mln
households in the country

Kriegers Flak project

Denmark's largest offshore wind farm



It will consist of 72 turbines of 8.4 MW with an installed capacity of 605MW. The inter-array cables connecting the turbines will carry the clean generated electricity to an offshore substation, for transmission to shore. The offshore wind generation is a 33kV cable designed system. JDR will manufacture over **170km** of 33kV aluminium core interarray cables and a range of termination accessories at their state-of-the-art facility in Hartlepool, UK. The project is targeted for completion in 2021. When fully operational, the wind farm has the capacity to supply over **600,000 Danish households** with renewable energy – equivalent to **23 per cent of all households in Denmark**.



over
600 000
Danish households

4.4. Product safety and innovations

Quality, safety, and innovations are crucial for product development and production. We aim to ensure that all our products meet and exceed the requirements outlined in national and international regulations. Our goal is to help our clients execute their projects employing reliable modern solutions.

We follow the latest technology trends and breakthroughs, which can broaden the performance characteristics of the cables and wires we manufacture. This is where our Research and Development operations play a major role.

- Our cables and wires undergo numerous tests and trials.
- Our production processes are continuously improved thanks to investments into specialised measurement and control instruments, laboratory and research equipment.
- Our tests are conducted in partnership with national and international academic, certifying institutions and universities.

Our Engineering teams are at the forefront of technological developments: from concept, through engineering proposal to detailed design and development throughout manufacture, installation and commissioning technical support.

In 2019 we invested in onshore cable development capabilities:

- A modern line for applying metallic coatings made of longitudinally welded aluminum or copper strips was installed. The solution will be used mainly in the construction of high and high voltage power cables.
- A project was initiated to expand the R&D Center with an infrastructure enabling the testing of power cables of the highest voltage, both AC and DC. The new High Voltage Extra Laboratory will allow to conduct, to a wider extent than before, research works aimed at developing prototypes and technological guidelines for the production of HVAC and HVDC cables.

Quality management | GRI 103-2, GRI 103-3

We constantly improve and update our processes, implement new codes of conduct, and ensure our experts are equipped with the appropriate competencies, permits and certification. Our entire product range is characterised by remarkably high durability. The products are designed to withstand extremely long operation times and harsh conditions.

We define quality as:

- A high degree of excellence and accuracy.
- Compliance with the requirements of standards and procedures.
- Providing adequate resources compliant with customer expectations.

- Process improvement and continuous development.
- Efficiency and satisfaction with performed activities.

TFK.Group applies quality management as the core of its operations to maintain product quality and customer satisfaction. TFKable and JDR use an integrated Quality Management System certified by a third party. Both companies have implemented:

- ISO 9001 Quality Management Standard
- OHSAS 18001 Safety Management Standard
- ISO 14001 Environmental Management Standard

Image 17. Crucial aspects for quality implementation



Business Improvement

Investing in the right improvements to improve performance and trust.



Leadership

We align values and culture to account for these expectations.



Context

Ensuring we understand our customers' needs and expectations.



Operational Governance

We build management systems to help the organisation consistently make the right decisions for customers, stakeholders and the organisation.



Assurance

We understand performance and identify the risks related to trust and reputation.



We hold over 405 quality certificates granted by 42 certifying centres worldwide.

In the course of the year, our Technology Department:

- creates more than **2 000** product codes,
- performs over **30** development works related to new product groups,
- runs over **1 000** process trials.

THINK QUALITY

2019 was the second year of our THINK QUALITY programme. It is based on 6 key areas arising from our clients' expectations and importance for our operations concerning delivering high-quality products.



Each of the elements corresponds to an area that we want to improve and develop:



Voice of the Customer

how we implement customer requirements into our business and the supply chain



Risk Management

identifying, tracking and mitigating risk within the business



Business Management Systems

tools that support us in doing our work well



Continuous Improvement

striving to improve our products and processes to be better tomorrow



Cost Of No Quality (CONQ)

errors that reduce our profitability and impact customer trust



Project Governance

robust controls across the project life-cycle from enquiry to installation to deliver successful projects



Continuous improvement

TFK.Group actively involves all employees, empowering them with the authority and responsibility to play their part in maintaining our commitment to constant improvement. Raising our employees' qualifications and their awareness is crucial to their understanding of the value of their work and the influence they have on the quality of our products.

Continuous improvement is a constant effort to enhance quality and safety. It is a part of our daily job. As a part of the Quality Connects Us programme at TFKable, in 2019, we launched an educational quality health and safety programme targeted at families. TFKable held a contest for children of the employees – „MAMO, TATO DBAJ O JAKOŚĆ” (“MUM, DAD TAKE CARE ABOUT QUALITY”) in its two facilities (Bydgoszcz, Kraków-Bieżanów)¹.

Continuous improvement methodologies in place



SMED
(Single Minute Exchange of Die)



5s



KAIZEN



TPM
(Total Productive Maintenance)



¹ More information you can find in Chapter 3, page 26

Quality Connects Us Programme results in TFKable plants



Bydgoszcz Plant

- Continuous improvement methodologies: 6S, KAIZEN, TPM, SMED,
- 90 KAIZEN ideas, including 44 LEAN ideas, 27 H&S ideas and 19 Quality ideas – recorded and implemented
- 60% increase of KAIZEN ideas amount in 2019
- 20% increase of H&S (health and safety) ideas in 2019
- 30% increase of LEAN KAIZEN ideas in 2019
- Improved 6S audit results compared to 2018



South Plant (Myślenice, Kraków-Wielicka, Kraków – Bieżanów)

- Continuous improvement methodologies: 5S, KAIZEN, TPM, SMED,
- Additional tools: Problem Solving, Action Planing, Brainstorming, Multitasking, GEMBA walk, TWI,
- 5 departments – 22 strategic machines in SMED
- 185 persons directly involved in SMED
- Regular SMED meetings
- 7 machines covered by TPM
- 12 KAIZEN ideas at Myślenice Plant in 2019, including 11 LEAN ideas and 1 H&S idea.

Management of Change @ JDR

JDR drives its continuous improvement through a Change Management procedure. It aims to control the lifecycle of all changes affecting the manufacturing processes, machinery, and equipment used in the production processes or the facilities where these processes take place. We want to ensure that all changes are recorded, evaluated, authorized, prioritized, planned, tested, implemented, documented, and reviewed in a controlled and sustainable manner without negatively effecting Health & Safety or the environment.

Apart from standard process and production activities such as new product or HSE (eg. standards, legislation etc.) requirements, Communities of Practice meetings, on the job observations we also engage our employees to record improvement ideas.

Once identified, these changes and improvements can be captured in two ways:

- via the Engineering Process Change Form,
- via a Continuous Improvement Form,
- via Think Quality cards.



Total Number of Continuous Improvement Forms raised in 2019 was

300

Safety

Product safety is our highest priority. We want to ensure that our clients, end-users and the environment are protected. The Quality management described earlier, is one of the ways to ensure that. The TH!NK SAFETY programme, a part of quality management is our behavioural based safety improvement programme used within the organisation to influence and empower employees to take ownership of safety within their own work environment. The programme encourages employees to TH!NK about all 21 Key Risk Conditions at all times and submit reports using the TH!NK SAFETY cards. We source the raw materials used in cable and wire production from carefully selected and diversified suppliers.

Our cables and wires are subject to numerous tests and trials by external certifying or notifying units as well as by independent third-party laboratories, including BASEC (British Approvals Service for Cables) and LPCB (The Loss Prevention Certification Board). Moreover, we invest in control-measurement and laboratory equipment. It allows us to check single samples and cable and wire bundles.

Image 18. N2XS(FL)2Y 1x2500 400kV description:



Our laboratory and testing potential

At our **Burn Test Laboratory at the Kraków-Wielicka Plant** we can determine the impact of structures and materials on flame spreading during a fire. We have equipment that tests the density of emitted fumes and corrosive gases against their coherence with standards. This laboratory performs several hundred pre-tests of flammability per year.

At the **High and Extra-High Voltage Laboratory at our production Plant in Bydgoszcz**, we use Faraday chambers, where we test the degree to which our cables' resistance to external electromagnetic fields. We also have a surge generator with a research field for qualification tests, a 500 kV test system, and a system of 5000 A heating generators. Using the surge generator, we locate damages in cables and wires

Construction Products Regulation

Two years since the CPR Regulation (Construction Products Regulation – Regulation 305/2011 of the European Parliament and the Council) entered into force, it can be assumed that the market has reacted and implemented new standards. These requirements regarding, among others, the use of defined fire reaction classes are more and more frequently implemented in project documentation, and, as a result, contractors select adequate cable constructions that meet increased fire safety standards.

Our approach was as follows:

- implementation of the full range in various cable classes,
- implementation of uniform distribution of TFKable cables and wires in accordance with classes of reactions to fire and coexistence factors,
- assurance of control and measurement apparatus in the Fire Test Laboratory,
- over several hundred flammability tests the Fire Test Laboratory,
- positive results of the required audits of the production process,
- implementation of new labels in accordance with the requirements in the CPR Directive,
- implementation of CE and reaction to fire Euroclass marking on products,
- compliance with the regulations of the Declaration of Performance (DoP),
- innovative and environment-friendly technologies, including the Cable Waste Recycling Plant in Bukowno.

In response to CPR, TFK.Group prepared a wide selection of cables and wires in the power products segment. This portfolio adheres to the guidelines indicated in the standard and supports its scope with ample information on its utility in design of cable routes. Moreover, in response to market demand associated with lack of 750V cables in the Dca fire reaction class as well as aluminum equivalents of a halogen-free version of 1 kV cables, we have developed and tested constructions that meet these requirements in a reference laboratory.

In November 2019, we took part in the first ever industry meeting related to European fire safety in Brussels, organised by the European Fire Safety Alliance. The aim of the conference was to raise awareness of the importance of choosing

appropriate cable constructions in buildings. Additionally in 2019, TFKable also participated in a CPR Campaign “Fire safety is our responsibility” held by Europacable².

TFKable met 100% of the CPR requirements



Compliance with the regulations of the Declaration of Performance (DoP)



Implementation of CE and reaction to fire Euroclass marking on products



Limitation of the use of PVC materials to higher class products



Introduction of a uniform classification of cables and wires produced by TFKable according to fire reaction classes and co-existing factors



Implementation of new labels in accordance with the requirements in the CPR Directive



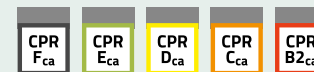
Positive results of the required audits of the production process



Over several hundred flammability tests at the Fire Test Laboratory



Implementation of the full range in various cable classes



Implementation of CPR requirements was a long road. We've succeeded and that is why we can assure our client that our cable and wires offer already fulfil the new EU safety standards.

Piotr Mirek,
Member of the Management Board
TELE-FONIKA Kable S.A.

Safety & Quality Day



"Kriegers Flak – Safety & Quality Day" a meeting of partners and suppliers involved in the construction of the Kriegers Flak wind farm was held at the JDR Cable Systems production Plant in Hartlepool, in October 2019. It was organised with full support from top management of TFK.Group. This is a recurring meeting of representatives of TFKable, JDR, Vattenfall and AFL, which aims at the exchange of knowledge and sharing good practices related to the introduction of transparent QHSE communication, concerning the further adjustment of expectations in terms of safety and quality of components and work.

² More information you can find in Chapter 3 on page 24

Innovative solutions



FLAMEBLOCKER 750 HDX(p)

is a product that meets the above fire safety requirements in compliance with the EN 50575 standard with a positive fire reaction test result within the Dca-s2,d1,a1 class, in compliance with the CPR Regulation. The material used to manufacture the LSOH (Low Smoke Zero Halogen) coating guarantees limited smoke emission during fires and a low corrosive gas emission rate, above 4.3 pH.



FLAMEBLOCKER N2XH

is a zero halogen power cable, from the FLAMEBLOCKER product line. It is a non-fire spreading, with low emission of toxic, aggressive and corrosive gases and limits the emission thick smoke in the event of a fire in cable installation locations. In case of N2XH cables, cross-linked polyethylene (XLPE) was used as conductor insulation and a halogen-free thermoplastic (LSOH) as outer sheath material. As a result, N2XH is designed for installation in buildings specifying the highest fire-protection standards, especially where the safety of people and property is the critical requirement.



FLEXTREME TC

is a new line of power and control cables. These products are characterized by high flexibility and durability. Enhanced performance properties have been achieved through the use of specially developed rubber formulations which have been used for both the XHHW-2 (EPR) insulation as well as on the sheath (CPE). The obtained flexibility guarantees the contractor exceptionally easy cable assembly.



Rental model for intervention workover control systems (IWOCS)

in Q1 of 2019 JDR was awarded a Purchase Order from BP Global Wells Organization to provide a rental Installation Workover Control System. The IWOCS has the ability to deploy independent of the drilling riser, but to also be tolerant of the high subsea currents commonly found in the Gulf of Mexico. This system is utilized to install and control the subsea Xmas tree during the duration of the A7 Well completion.



TFEasyline MVC medium voltage mobile line

is a designation of a medium voltage mobile cable line / medium voltage cable service line, which is a complex technical solution providing the restoration of a power supply in event of its interruption. The solution minimizes the time of power outage during scheduled repairs or during breakdown in the electromagnetic grid.



66KV (72.5KV) CABLE DEVELOPMENT

The offshore wind market has grown rapidly, and with the push towards reducing required subsidy levels, the need for economies of scale has driven the development of larger and larger wind turbines in bigger offshore wind farms. It also resulted in a need for more cost effective intra-array cables, which are used to transmit the greater amounts of power. The solution was to increase the voltage level from current standard of 33 kV to 66 kV. Such cables represented a new requirement for the subsea cable industry, for which there were no suitable existing qualified products optimised for intra-array energy transmission.

JDR responded to this challenge and has engineered and manufactured 66 kV cables to carry the larger power generated by the new 5 MW and larger turbines. Furthermore, this was done without the need to provide a heavy metal (lead) water barrier over the insulation, thereby providing not only an environmentally acceptable cable but one that is easier to install and less expensive than the current solutions.

Our employees



Key highlights:

- Our management approach towards employee relations
- Organisational culture of dialogue and diversity
- Closing the gap on gender pay
- Health and safety at the heart of our work
- Investing in youth STEM skills

Key data & facts | GRI 102-8



More than **99%** of our staff is employed under labour contracts.



We provide stable work conditions:
90% of our employees work on permanent contracts.
98% of them are employed full time.



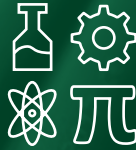
We value experience: almost **30%** of our employees are over **50** years old.



TH!NK SAFETY
 &
TH!NK QUALITY
 our QHSE



Code of Professional and Ethical Conduct
 @TFKable and
Code of Ethics
 @JDR in place



Global frontrunners of
STEM
 trainings



There can never be any company without its employees – and it is entirely impossible to be successful without employees' commitment, loyalty, trust and a deep sense of partnership at work. Our achievements – stable global expansion and growing headcount – speak for themselves. Through sharing our philosophy and approach towards building world class team we hope to not just build further transparency and trust from our stakeholders, but also inspire others, for the benefit of the whole industry and ultimately, end users of our products and services.

Leszek Resner,
 Chief of production, TELE-Fonika Kable S.A.

5.1. General overview | GRI 103-2, GRI 103-3

Our management approach

Foundation for day-to-day human resources (HR) and employee relations within TFK.Group are managed based on labour laws in respective countries of operation, as well as internal policies.

Executive bodies of both TFKable and JDR are responsible of respectful, ethical and effective implementation of human resources policies. This responsibility is carried out executively by human resources and occupational health and safety departments integrated into the general management schemes. Human resources management in both TFKable and JDR is subject to periodical performance assessment, in order to ensure utmost quality and continuous improvement.



Code of Professional and Ethical Conduct @TFKable

Code of Ethics, Anti-bribery and Corruption Policy and Health and Safety Policy @JDR



key resources that sets out ethics, values and principles for employees relations at all levels;



build on respect for human rights, justice, and a safe work environment;



part of an induction training for each employee;



actively circulated internally online and offline;

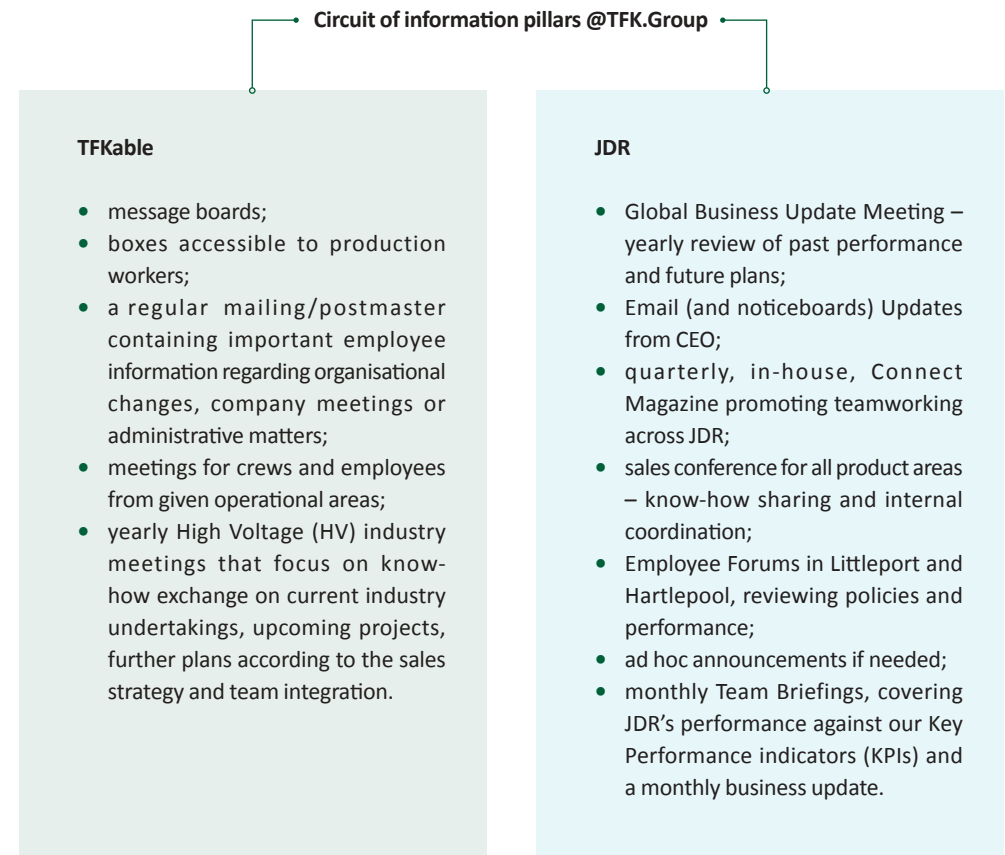
HR Department or supervisors as contact points in case of any inquiry.

Other regulatory documents include Work Regulations and the Internal Anti-harassment Policy. TFKable and JDR work together on the integration of relevant policies within TFK.Group, in order to enhance efficiency and seamlessness in mutual collaboration.

Communication with employees

We understand good communication within the company as the hallmark of our effectiveness, but also satisfaction at work. We employ diverse means of communications with employees, tailored to specific needs.

Image 19. Internal communication in TFK.Group



Employment structure | GRI 102-8

More than 99,5% of employees are employed under labour contracts. The remaining staff is self-employed, these are mainly experts and consultants. Numerical data in Table 11. on employment structure (see the end of the chapter) was compiled based on statistics gathered by HR department at TFKable and JDR respectively using internal HR IT systems and are not subject to any interpretations (absolute numbers provided).

JDR provides employment according to Labour Law in UK. In 2019, there were 62 people altogether working as external temporary agency workers – due to natural fluctuations in the production (62 persons working in operational services, representing 11% of the total workforce) and contractors (15 persons working on different positions related to consulting services and project management, representing 3% of the total workforce). Both groups are not included in the statistics in Table 11.

Employment at TFKable and JDR is not subject to substantial seasonal changes.

Cherishing diversity

We counteract any act of discrimination and promote diversity and inclusion at every stage of recruiting process and employment.

We adjust working conditions to the needs of employees with disabilities, who are welcomed to be a part of our team.

Also, bearing in mind the value and the experience our long-standing employees provide, we guarantee their employment at a time when health issues prevent them from carrying out their duties. If an

employee receives a medical opinion restricting their ability to work due to health reasons, or legal confirmation of a disabled person's status, we provide them with a transfer to another position where such conditions do not prevent them from working. This allows us to continue to benefit from their expertise and potential.



Trade unions and collective bargaining agreements

| GRI 102-41

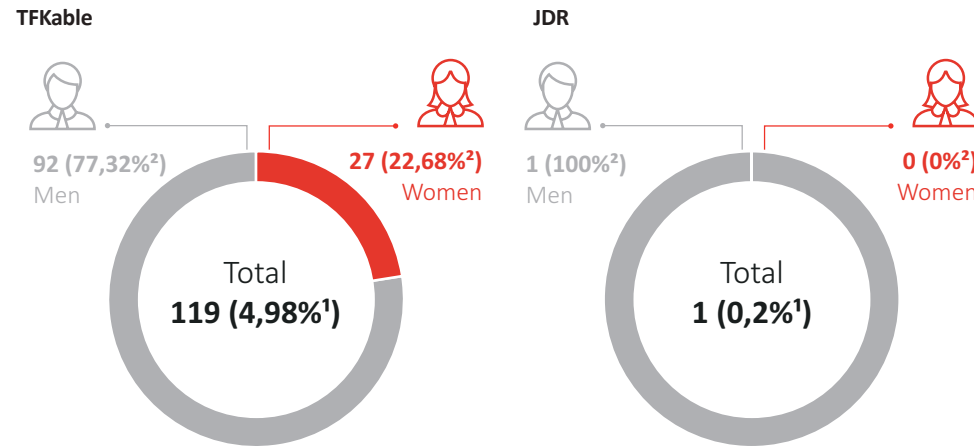
At TFK.Group, we know that taking care of employee relations in a friendly and safe work atmosphere, positively influences commitment and has a direct impact on creating high quality products. TFKable has four independent trade union organisations, with membership of around 30% of our staff. JDR does not have any trade unions. Neither TFKable nor JDR have a collective agreement with any trade union. Although TFKable does not have a collective labour agreement, any changes to internal regulations such as the **Work Regulations** or **Remuneration Regulations**, are consulted with trade unions representing employees. These consultations are based on the Labour Code and the Trade Union Act.



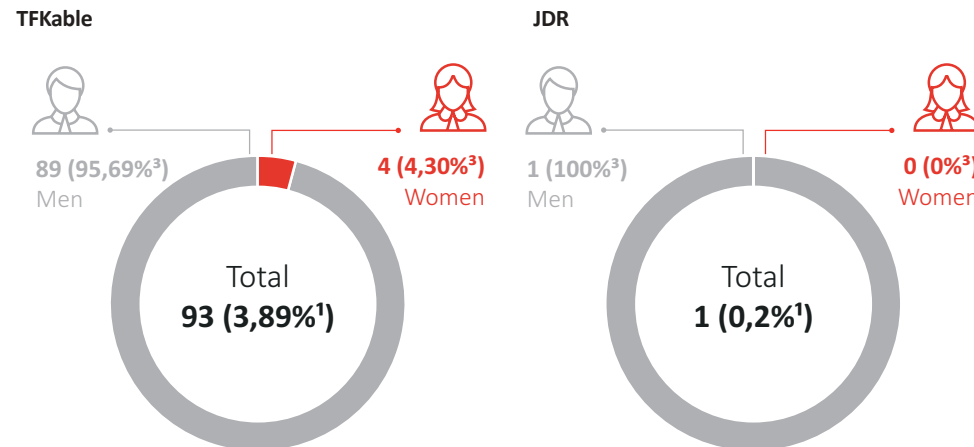
Parental leave

Image 20. Parental leave | GRI 401-3

Number of employees, who took parental leave in 2019



Number of employees, who returned from parental leave in 2019



¹ of all employees

² of all employees who took parental leave

³ of all employees who returned from parental leave

What do we do for our employees? Services and benefits | GRI 401-2

At TFKable, bearing in mind the work comfort and work-life balance of our employees, we offer them a number of benefits under the Labour Code, as well as additional ones. As a result we are considered an attractive employer. These benefits include, among others: shopping vouchers, hardship benefits for employees affected by accidents or illnesses, additional life insurance, medical care, awards as well as favourable working conditions for employees with longstanding tenure.

We also run the “Kabel” holiday resort in Zakopane in Poland. Employees and their families, as well as retired employees can use its services as part of the benefit scheme.

A significant portion of our employee benefits are financed by the Corporate Social Benefits Fund. The funds are allocated by the Social Committee based on applications submitted by employees.

JDR has a health benefit in the form of Health Shield – a tailored health plan for JDR employees. This plan has 4 levels which include cover for a spouse and children, with the employee paying a set amount and JDR paying into the plan. The plan includes dental, and medical care, hospital consultations, health and wellbeing screening, fitness and exercise and counselling. Level 1 of the Health Shield plan is paid for by the company and includes voluntary health checks.

Gender and remuneration | GRI 405-2

In TFKable, an equal pay comparison – a direct comparison of two or more people carrying out same, similar or equivalent jobs is carried out as part of HR statistics.

The ratio of women’s pay to that of men employed at the different levels and positions in 2018 was as follows:

Table 10. Equal pay comparison in TFKable

| Employment structure | Women-to-men pay ratio | |
|----------------------|------------------------|------|
| | 2018 | 2019 |
| Top executives | 104% | 101% |
| Management | 93% | 100% |
| Administration | 94% | 96% |
| Blue collar workers | 77% | 80% |
| Equipment operators | 100% | 100% |

The differences stem from the fact, that the company’s activity is to a large extent industrial production in difficult conditions, requiring physical resilience. Hence the advantage of men on production. Nevertheless, we are constantly working towards providing equal pay in TFKable.

In JDR, in March 2020 the third Gender Pay Gap Report was published. Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to annually publish their gender pay gap data by 4th April each year.

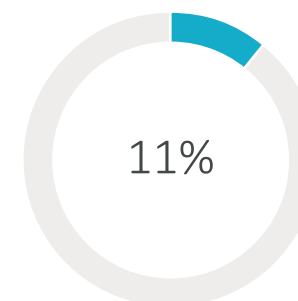
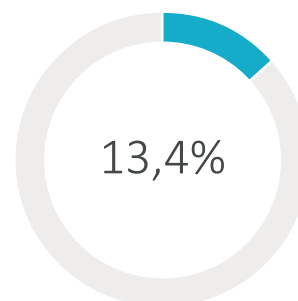
A gender pay gap is a measure of the difference in the average pay of men and women working for an organisation, regardless of the nature of their work, hence it is different from an equal pay comparison. The information in this section sets out the overall gender pay gap and bonus gap of JDR UK workforce, as of April 5th 2019.

The data that we have used to provide the JDR gender pay gap figures has been obtained from existing HR and payroll records. This does not involve publishing individual colleagues’ information or data.

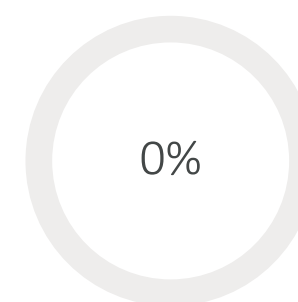
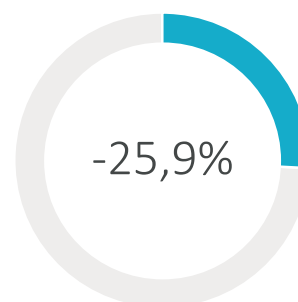
Image 21. Gender Pay Gap in JDR

Mean – the difference in the average hourly rate of pay between men and women.

Median – the difference in the middle ranked pay between men and women.



Our bonus statistics



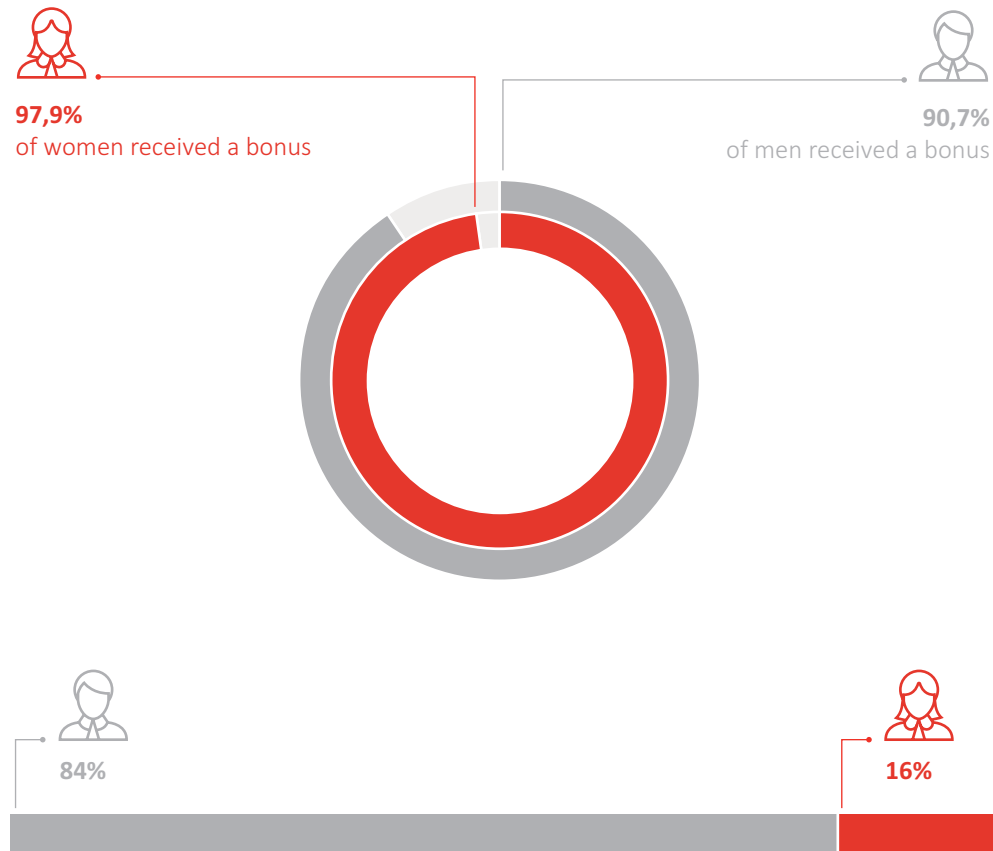
Mean bonus gender gap

This shows the difference in the average total amount of bonus payments made to men and women in the 12 months to April 5th 2019.

Median bonus gender gap

This shows the difference in the middle ranked bonus payments made to men and women in the 12 months to April 5th 2019.

In the 12 months to April 5th 2019

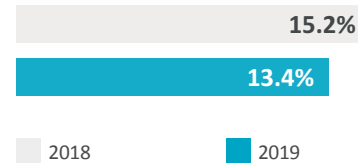


JDR's workforce

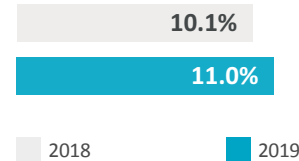
JDR's workforce is **84% men** and **16% women**. When we analyse the roles undertaken by men and women in JDR there are fewer women than men in relatively higher paid positions, such as managerial roles, which may attract higher pay, bonuses and allowances. This is the main reason for our gender pay gap.

Furthermore, we operate in an industry that relies heavily on roles requiring STEM skills (science, engineering, technology and maths). STEM careers have historically attracted more men than women.

Reflections on 2019



Our **mean** gender pay gap has improved on last year's results reducing from **15.2%** in 2018 to **13.4%** in 2019.



Our **median** gender pay gap has remained stable with **10.1%** in 2018 to **11.0%** in 2019.

Overall, this compares favourably to 2019's gender pay gap for median gross hourly earnings, published by the Office for National Statistics (ONS), of **17.3%** (from JDR Gender Pay Gap Report 2020).

There is still more we need to do at JDR to improve our gender pay gap and diversity at senior levels.

Some of our highlights in 2019:

- we have employed an additional 9 female colleagues in the Manufacturing, Design and Engineering areas. This represents a 75% increase in our female colleagues;
- our STEM ambassadors continue to be proactively involved in STEM events across the UK. In 2019 we attended 12 of them, from the North to the South of the UK, which is 4 events more than 2018 – our STEM engagement grows!

The complete JDR Gender Pay Gap Report can be found here:

[JDR Gender Pay Gap](#)



5.2. Health and safety

Due to the nature of our industry, we make life and health of our employees our highest priority. Various measures and procedures increasing safety and wellbeing are implemented and enforced at every stage of the production process in our facilities. We are committed to ensuring all of our employees, visitors and contractors, wherever they may be in our global organisation, return from work unharmed.

Both TFKable and JDR have internal Health & Safety Policies, that are audited and reviewed on a regular basis and contain all the commitments that allow us to always make the wellbeing of our people and our partners our utmost priority.

TH!NKSAFETY and TH!NK QUALITY are programmes started in JDR and being implemented across TFK.Group, respectively, since 2017 and 2019, as a part of implementing good practices from JDR, that ensures highest health, safety and environmental risk management standards are

the core of TFK.Group operations, including lean management principles like constant improvement, agile approach and waste prevention. TFKable's flagship Bydgoszcz Plant has been already covered with both programmes.

TH!NK SAFETY and TH!NK QUALITY AIM TO:

- promoting a culture of quality and safety thinking among employees,
- reduce operating costs resulting from the effects of quality loss as well as threats to the health and life of employees;
- ensure greater repeatability, maintaining quality and safety at a high level;
- lead to employee involvement, increased motivation, indirectly attachment to the workplace through direct involvement in projects, building strategic competitive advantages of TFK.Group on the markets;
- building the image of TFK.Group among clients and employees as a reliable and responsible supplier / employer;

Occupational health and safety management system | GRI 403-1



At TFKable the occupational health and safety (OHS) management system (OHSAS 18001) has been implemented in our plant in Bydgoszcz. We plan to introduce Health and Safety Management based on ISO 45001 in remaining facilities in the coming years even though there is no legal requirement. There are also special health and safety rules for external contractors working within our facilities. They were put in place in order to ensure safety of all deliveries, works, and visits carried out within our facilities by third party personnel.

At JDR, Vision and Values include Quality, Health, Safety and Environment (QHSE) not only because it is vital to our success, but it is central to providing a safe, healthy and environmentally sustainable workplace for our employees and anyone working with us, allowing us to be a trusted partner in day-to-day work. We achieve this goal through the commitment to our Operational Excellence and Right First Time Quality principles.

We integrate QHSE into everything we do and strive to set the benchmark for QHSE for others to follow. To meet this vision, JDR actively involves all employees, empowering them with the authority and responsibility to play their part in maintaining our commitment to continual improvement.

The Executive Team at JDR Cable Systems has the ultimate responsibility for QHSE management and champion its effective implementation, through their active visible leadership in the organisation. QHSE Policy is available and communicated to all employees and contractors, and also available upon request for anyone interested.

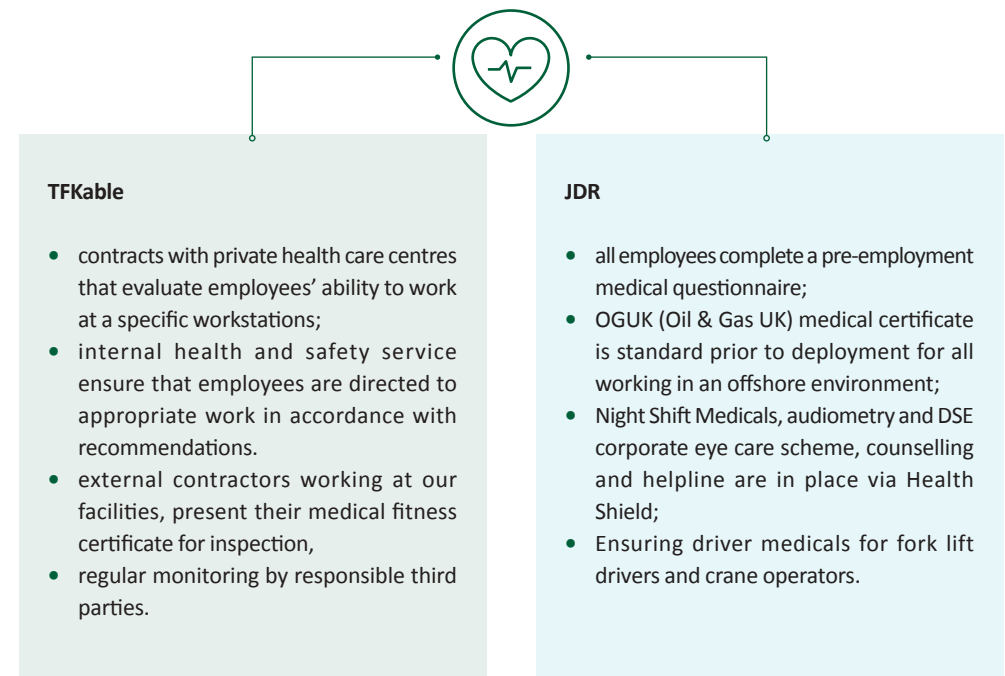
JDR also has a **Whistleblower Policy** which protects those who raise issues and fully supports a STOP for Safety approach. The Whistle Blower policy is completely anonymous.



Image 22. OHS risk management in TFK.Group



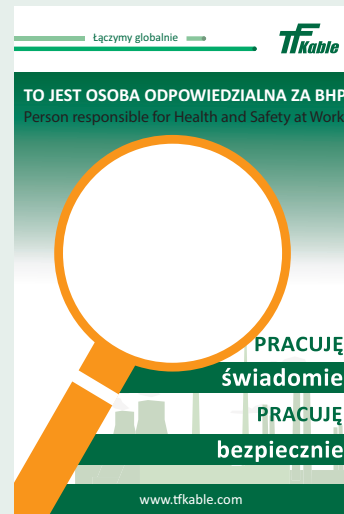
Image 23. Occupational health services in TFK.Group



Social campaigns for safety@work at TFKable

“I work consciously, I work safely” – a HSE management program that included training and introduced over 20 employee safety related ideas to improve work safety.

Mirrors with health and safety slogans at entrance gates to plants raise awareness of safety and alertness of work environment dangers among employees.



“Mom, Dad, work safely” – a competition initiated by one of the employees to engage all staff in raising awareness and promoting safe work in the facility in line with the motto “I work safely, I work consciously”.

Daily HSE communications at JDR



Daily HSE communications at JDR Daily HUB meetings with HSE, quality, manufacturing and maintenance covered.



Monthly Employee Forums with HSE first on the agenda.



Monthly board reports that include recognition and celebration of THINKERS of the Month – employees with exceptional achievements on HSE field.



Executive Team and Senior Managers conduct Safety, Quality Walk and Talks, positively engaging employees during the safety tour.



Employees covered by an occupational health and safety management system | GRI 403-8, GRI 403-10

At the Bydgoszcz Plant of TFKable, all employees are covered by the management and work safety system. In other facilities supervision over employees is based on procedures and instructions that in principle overlap the OHSAS system.

At JDR, all employees (including temporary agency workers), are covered by the management and

work safety system which undergoes internal and external audits (external ones followed by relevant certification). Audits are performed under the requirements of OHSAS 18001: 2007 and ISO 14001: 2015. In 2019 in TFK.Group one occupational ill-health case took place.



Employees health promotion | GRI 403-6

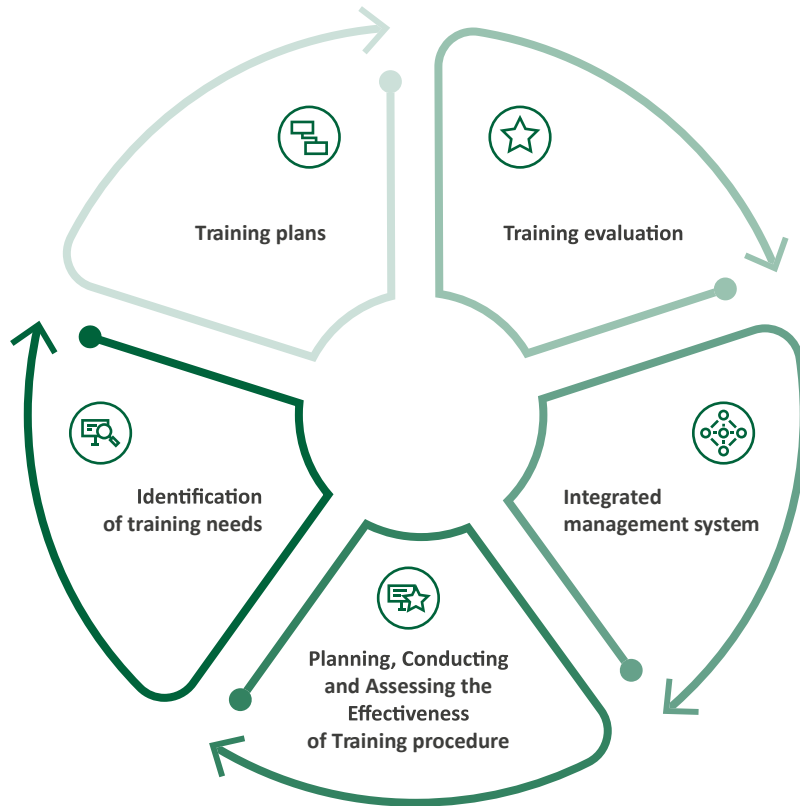


At TFKable, we support our employees in maintaining their health via medical assistance as well as prepaid sports programmes – FitProfit and FitSport – that our employees can enjoy.

At JDR, worker health promotion takes place primarily via Healthshield – a tailored health plan for JDR employees.

5.3. Skills building

Image 24. TFK's training system



All employees and third party employees that work on our premises undergo mandatory trainings on occupational health and safety according to the common law. | GRI 403-5

At JDR, all employees apart from mandatory training on environmental, QHSE and technical competency requirements, take part in performance development process involving progress tracking, career aspirations

and development needs for the year ahead. Employees are encouraged to adopt a proactive approach to their learning and recognize opportunities both in and outside the classroom. There are many opportunities available to develop new skills through on-the-job training, in-house and bespoke courses, learning networks and peer groups.

Sharing expertise with younger generations

TFKable – comprehensive knowledge sharing programme



School trips and tours around our manufacturing plants – students can learn about our industry



Research partnerships with Universities of Science and Technology



Local and municipal career days, internships and traineeships for labour offices' beneficiaries



Access to materials for the purpose of preparing academic papers



Internships and traineeships for students – learning for future executive or administrative positions

Know-how sharing for expertise and skills development in Akademia TFKable (TFKable Academy)



JDR – at the cutting edge of youth vocational training

JDR strongly supports preparing young people to enter the workforce through providing knowledge of our operations to the community. JDR is engaged in Science, Technology, Engineering and Mathematics (STEM) training, which enables students from local schools to learn more about the offshore energy sector. Many staff members at JDR have become STEM Ambassadors or mentors and attend careers fairs, factory tours, in-house events, school events, regional events, practice interviews and workshops etc. Throughout the UK facilities ie; Littleport, Newcastle and Hartlepool we currently have 28 STEM ambassadors and 4 STEM mentors.



Innovative experiences for clean energy future

In 2019, JDR advanced its course towards creating authentic practical experiences that encourage students' learning by doing with activities, that will continue well into 2020 and beyond.

We are inviting hundreds of students here to take part in activities, like interactive fact-finding missions and math challenges to solve design engineering problems, taking them, among others, through the entire project lifecycle from design, through to construction, commissioning, operation and decommissioning, with the assistance of our STEM Ambassadors.



In the early stages of an outreach programme, the target seems distant. You invest in making a memorable experience of an afternoon, a day, a week, with little prospect of ever seeing those students again. That makes it all the more worthwhile when you hear a story of that early engagement paying off. I recently met a student who attended our 2016 STEM event. They were inspired to study for a level 2 engineering qualification at College and then applied for an apprenticeship in offshore wind. I was stunned that a student was still living the impact of that day – there's no greater recognition than that.

Another one of our great success stories is an engineering apprentice who joined us aged 18, we are now sponsoring them through university to achieve their BEng in Mechanical Engineering and IMECHE chartered status. He's graduated through several roles; Engineering Technician, Design Technician, Senior Design Engineer, Lead Engineer as well as gaining his level 3 through to HND in Mechanical Engineering.

Vicki Ashton,
Head of Human Resources, JDR Cable Systems



STEM Open Day at Hartlepool and Littleport facilities in March 2019

In March 2019 JDR's Hartlepool and Littleport teams organized STEM Open Days for around 600 students from local schools and colleges. They opened their manufacturing facilities to Year 10/11 students (aged 14 – 16 years), which provided pathways via cadetship programmes and work experience placements with an end goal of becoming a JDR apprentice.

STEM is a programme based on the idea of educating students in four specific disciplines – Science, Technology, Engineering and Mathematics, that are in high demand in the

labour market. In the UK JDR currently has 28 STEM Ambassadors, their aim is to inspire, educate and motivate young people to explore engineering as their future career.

The first STEM event in Hartlepool was in 2016 and it was such a phenomenal success that we were very excited to repeat the following year both in Hartlepool and Littleport. We got on board not only students, but also Business Partners, Local Authorities, Suppliers and Company Departments.

Mutual win-wins:



Promotion of STEM career opportunities within JDR & TFK

Engagement with engineers of the future

Creation of a lower level talent pipeline

Positioning JDR as a local business

Encouraging next generation to work at TFK.Group

Promotion of the industry

Building perception of TFK. Group as a great place to work

Interaction between staff and students

Introduction to different industry professions

Insight into different job roles

Appendix 2

Table 11. Employment

| | TFKable | | JDR | |
|---------------------------|-------------|------------------------|------------|------------------------|
| | Nr | % | Nr | % |
| Total | 2388 | | 485 | |
| Women | 329 | 14% ³ | 74 | 16% ³ |
| Men | 2059 | 86% ³ | 409 | 84% ³ |
| Permanent contract | 2115 | 89%³ | 472 | 97%³ |
| Women | 283 | 13% ¹ | 72 | 15% ¹ |
| Men | 1832 | 87% ¹ | 400 | 85% ¹ |
| Temporary contract | 273 | 11%³ | 13 | 3%³ |
| Women | 46 | 17% ² | 4 | 31% ² |
| Men | 227 | 83% ² | 9 | 69% ² |
| Full time | 2371 | 99%³ | 470 | 97%³ |
| Women | 323 | 14% ⁴ | 64 | 14% ⁴ |
| Men | 2048 | 86% ⁴ | 406 | 86% ⁴ |
| Part time | 17 | 1%³ | 15 | 3%³ |
| Women | 6 | 35% ⁵ | 12 | 80% ⁵ |
| Men | 11 | 65% ⁵ | 3 | 20% ⁵ |

¹ of permanent contract employees

² of temporary contract employees

³ of total employment

⁴ of total full-time employment

⁵ of total part-time employment

Percentage values were rounded up or down to full value.

Table 12. New employee hires and employee turnover | GRI 401-1

| | TFKable | | | | JDR | | | |
|-----------------------------|------------|------------------------|------------|------------------------|------------|------------------------|-----------|------------------------|
| | Hires | | Leaves | | Hires | | Leaves | |
| | Nr | % | Nr | % | Nr | % | Nr | % |
| Total | 275 | 12%¹ | 302 | 13%¹ | 155 | 32%¹ | 63 | 13%¹ |
| Age | | | | | | | | |
| Under 30 | 108 | 39% ² | 73 | 24% ³ | 50 | 32% ² | 10 | 16% ³ |
| 30-50 | 128 | 47% ² | 155 | 51% ³ | 74 | 43% ² | 39 | 62% ³ |
| Over 50 | 39 | 14% ² | 74 | 25% ³ | 31 | 20% ² | 14 | 22% ³ |
| Gender | | | | | | | | |
| Women | 34 | 12% ² | 37 | 12% ³ | 33 | 21% ² | 12 | 19% ³ |
| Men | 241 | 88% ² | 265 | 88% ³ | 122 | 79% ² | 51 | 81% ³ |
| Turnover⁴ | 13% | | | | 13% | | | |

¹ of total employment

² of total hires

³ of total leaves

⁴ number of leaves as of Dec 31st 2019/number of total employment as of Dec 31st 2019 x 100

Percentage values were rounded up or down to full value.

Table 13. Diversity of governance bodies and employees | GRI 405-1

| | TFKable | | | JDR | | |
|-----------------|-------------------|------------------|-----------|-----------|--------------------|-----------|
| | Supervisory board | Management board | Employees | The Board | The Executive Team | Employees |
| Women | 20% | 20% | 13,78% | 0% | 10% | 16% |
| Men | 80% | 80% | 86,22% | 100% | 90% | 84% |
| <30 years old | 0% | 0% | 12,10% | 0% | 0% | 16% |
| 30-50 years old | 0% | 80% | 56,57% | 67% | 70% | 62% |
| 50+ years old | 100% | 20% | 31,32% | 33% | 30% | 22% |



Environmental protection



Key highlights:

- Environmental policy and management system
- Key impact areas based on our business model
- Environmental indicator data

Key data & facts

ISO 14001
norm implemented
@ TFKable and JDR

9000+ km
of sealed cables delivered
to offshore wind farms

4,854.272
tCO₂e
Total Scope 1 GHG
emissions @TFKable

1,396.307
tCO₂e
Total Scope 1 GHG
emissions @JDR

1.03 MWh/
tonne
TFKable energy intensity
indicator

6,623%
percentage of water
reused at TFKable

Recycling
key disposal method at
TFK.Group

More than
50%
of new suppliers audited



Our Vision and Values include Quality and HSE, not only because they are vital to the success of our business, but because their successful management is central to providing a safe, healthy and environmentally sustainable workplace for our employees, contractors, visitors and clients. Our commitment to Operational Excellence and Right First Time Quality is key to ensure we develop strong relationships with our customers, contractors and community as a trusted partner.

James Young,
Chief Technology Officer, JDR

6.1. Environmental management

As a part of the industry sector and as a supplier of products used across various ecosystems, including high biodiversity backgrounds, we are aware of our responsibility towards the environment. We analyse and anticipate our impact taking a preventive approach, as we aim to coexist with the environment and local ecosystems, where we operate. | GRI 103-1

The products and services we provide are an important part of our impact. With applications in the offshore, mining and wind farm industries, they impact the surrounding ecosystems. We track and develop new technologies and innovative environmentally friendly solutions at the same time assuring compliance with the highest standards and requirements. Moreover, we take steps to promote a broader environmental approach and focus on sustainability in our business relationships.



Quality and environmental management system in place:

ISO 9001

ISO 14001

OHSAS 18001

(@ JDR and in Bydgoszcz Facility)

Regulations we adhere to:

RoHS

REACH

Environmental policy | GRI 103-3

An Environmental Management System and Environmental Policy form the foundation of our impact management both at TFKable and at JDR. We strive to accomplish strategic business objectives in a responsible, environmentally friendly manner. Both environmental policy documents are a commitment to minimize our negative impact. They serve as guidelines that enable us to consistently deliver high levels of operational and pro-environmental performance.

TFKable & JDR implement the environmental policy through:



Best management practices and innovation



Risk management



Efficient use of resources and raw materials



Negative impact, waste and pollution minimalisation



Supplier selection and employees management and education

We adopt best practices, comply with all the requirements and constantly improve our standards. We evaluate our processes meticulously. We analyse and investigate the actual and potential impacts

on the environment and continuously improve our performance within this scope. Transferring this into our operations means i.a. avoiding the use of raw materials that contain substances harmful to humans and the environment in the production process, reducing pollutant emissions and waste production, as well as effective management of natural resources and energy.

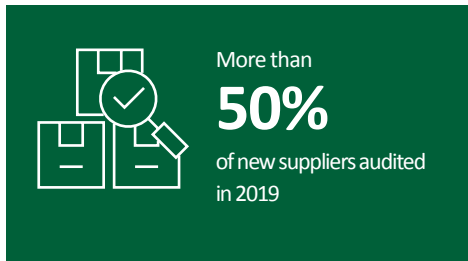
Apart from production efficiency, we are constantly focusing on developing and implementing innovative environmentally friendly products

and solutions. This includes, but is not limited to, engaging in pro-environmental activities and broad industry cooperation. To achieve our environmental objectives, it is equally important, that our employees develop environmental awareness and that they are equipped with the relevant environmental trainings. We ensure that the policy is available and communicated to all employees, and those working on our behalf, to guarantee that environmental responsibilities are clearly understood.





Environmental audits of suppliers | GRI 102-9, GRI 103-2,

GRI 103-3, GRI 308-1



We understand our environmental responsibility, broadly, this is why we also take into account our supply chain. As a result, we have established a set of criteria for our suppliers. All our suppliers are subject to regular audits to make sure that the quality of their services and materials is maintained at the same high level we required initially.

The basic supplier evaluation parameters at TFKable include:

-  Complying with the ISO 14001 environmental management system
-  REACH Environmental declarations
-  RoHS (EU Restriction of Hazardous Substances directive)

Partnership for the environment


Making a choice requires cooperation and partnerships, not only within the industry but financing institutions and other stakeholders, as well. We cooperate with our customers, contractors, suppliers, competitors, industry bodies and regulators in compliance with strategic business objectives, relevant legislation, regulatory, and other key requirements. We take steps to promote a broader environmental approach and focus on sustainability in our business relationships. This is why we are members of and collaborate with the following organisations:

- Europacable
- European Bank for Reconstruction and Development
- Foundation for Sustainable Energy
- NOF
- Offshore Wind Industry Council (OWIC)

Our impact activities and results

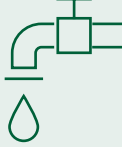
Looking at our business model from a materiality point of view, we have four key areas with the

biggest impact on the environment. We describe each in the following chapters.



Energy consumption and emissions

Climate change is one of the main threats associated with energy consumption and GHG (greenhouse gases) emissions. We strive to minimise our carbon footprint and energy usage by searching for possibilities to consume less energy and by focusing on obtaining energy from renewable sources.



Water management

We aim to continuously improve our water management. We are aware that fresh water is a scarce resource, this is why, in the manufacturing process, we apply closed water circuits to maximize the percentage of water collected by the organisation for further reuse.



Waste management

As waste can cause air and water pollution, we continue to focus on its reduction across our entire business cycle and operations, especially in the production process. We manage resources in a rational and economical manner, and thus limiting the emission of hazardous pollutants into the atmosphere.



Our products and services

We aim to achieve sustainable growth and permanent market advantage. Our strategy is focused on developing and providing high quality products with due consideration given to the environmental impact of our activities. The solutions we apply combine benefits with the least environmental impact possible.

6.2. Energy consumption and emissions¹



Total energy consumption @TFKable in 2019 –
175,871.8 MWh
 and
6,006 MWh
 @JDR



The largest part of non-renewable energy resources @TFKable is natural gas –
38,946.9 MWh



Total Scope 1 GHG emissions @TFKable
4,854.272 tCO₂e
 and
1,396.307 tCO₂e
 @JDR



Total Scope 2 indirect GHG emissions @JDR
644,953 kgCO₂e

For many years now, we've been implementing new solutions, improvements and innovations to decrease our energy consumption. As we are aware of the climate change crisis we plan further steps in this matter. In the following years, we will continue strengthening our commitment to

increase the efficiency and reliability of products to reduce the dissipation of energy and power. The level of energy consumption depends naturally on the scale of production – that is why we do monitor and analyse also the energy intensity indicator.

Table 14. TFKable energy intensity | GRI 302-3

| Energy intensity | 2019 | Unit |
|--|------------------|-----------|
| Dividend – total energy consumption* (GJ, MWh) | 175,871.8 | MWh |
| Divisor, Gross tonne of raw processed material (including waste) | 171,454 | Tonnes |
| Energy consumption indicator | 1.03 | MWh/tonne |

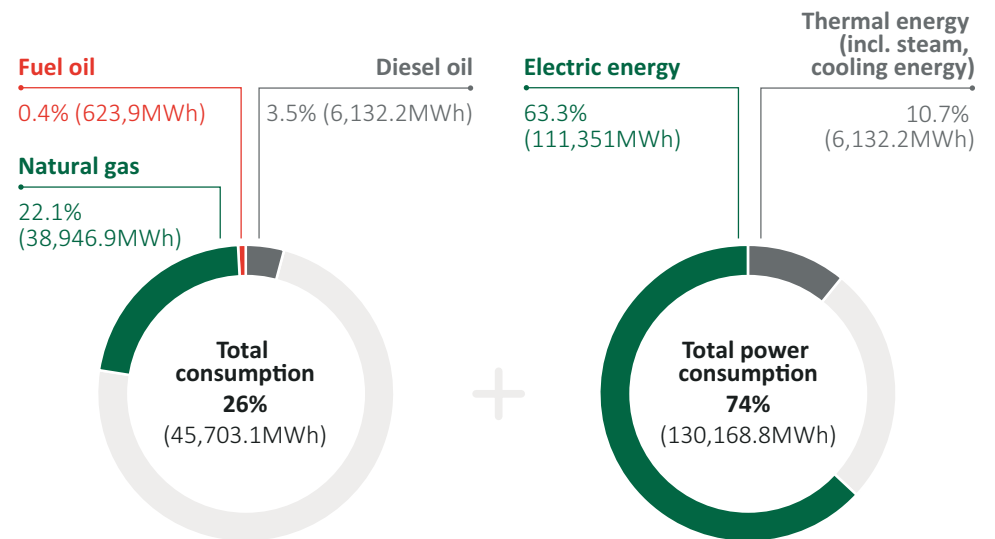
*The total energy consumption includes electrical energy, natural gas, purchased grid heat, fuel oil and diesel oil.

Table 15. TFKable energy consumption (MWh) | GRI 302-1

| | |
|------|------------------|
| 2017 | 183,959.8 |
| 2018 | 178,482.9 |
| 2019 | 175,871.8 |

Energy consumption from non-renewable resources 2019

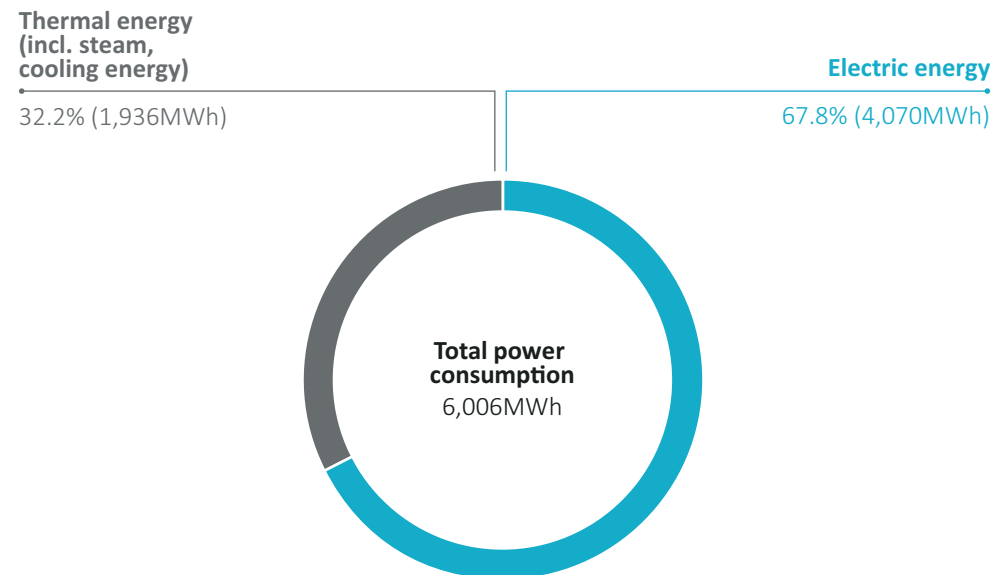
Total consumption of own or purchased energy, divided into: electrical, thermal, in joules or their multiple 2019



¹More data and year to year comparisons you can find in Appendix on page 73

Table 16. JDR energy consumption | GRI 302-1

Total consumption of own or purchased energy, divided into: electrical, thermal, in joules or their multiple 2019



The differences in energy consumption between TFKable and JDR result from the scope of operations and production profiles in particular locations. TFKable plants are equipped with various types of energy saving solutions, which enable production of cable components, semi-finished products and finished products. Operations at JDR plants cover

mainly the final stage of cable production, namely assembly of component parts, using the semi-finished products manufactured and result in the much lower consumption requirements.

Reduction of energy consumption | GRI 305-5

We systematically work on and implement ideas and solutions that help us to manage TFKable plants in a more sustainable and responsible way. ERCO.Net media management system we have in place analyses and manages the use of power utilities (electrical and thermal energy or natural gas). We modernised our facilities and production plants and improved their thermal insulation. We are also planning to increase energy efficiency through cogeneration and the use of photovoltaic (PV) panels.



Production

Substituting the natural gas fuel for fuel oil at the Bydgoszcz production Plant decreased the volume of GHG emissions.

Using recuperated heat to heat up water to create steam.

Modernisation of the compressor stations at our production plants enabled recovering up to 80% of waste energy which is currently used for heating hot service water, offices and part of the production halls.



Transport

Gradual replacement of internal transport, withdrawing old vehicles and introducing electric ones.



Administration

Exchanging energy-consuming lighting with energy-saving LED lighting which results in energy savings.

Installation of new tight doors, replacement of production hall entry gates as well as assembly and replacement of door shutting mechanisms in various buildings improved heat retention on doors.

Connecting the gas network to the factory boiler room, switching from oil to gas as the basic burner supply.



6.3. Water management²

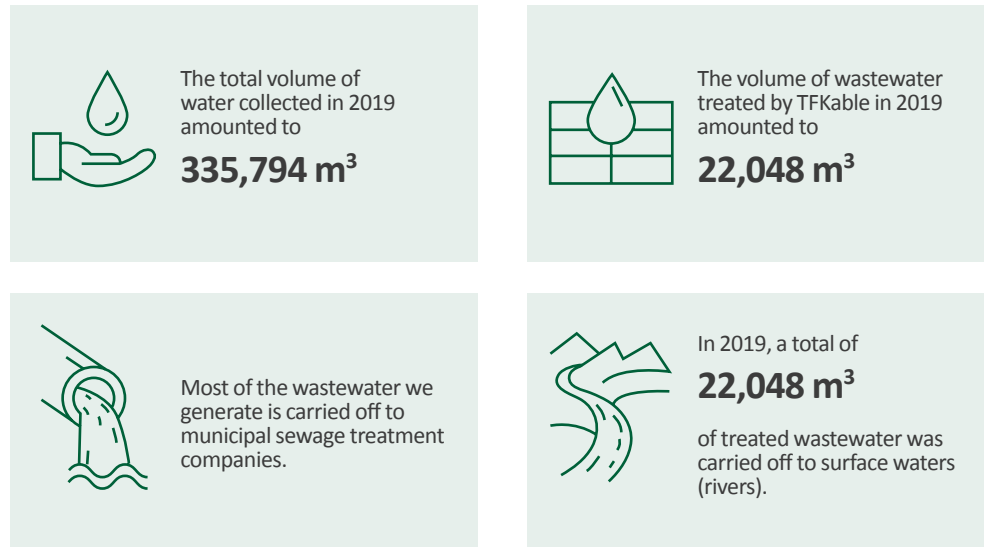
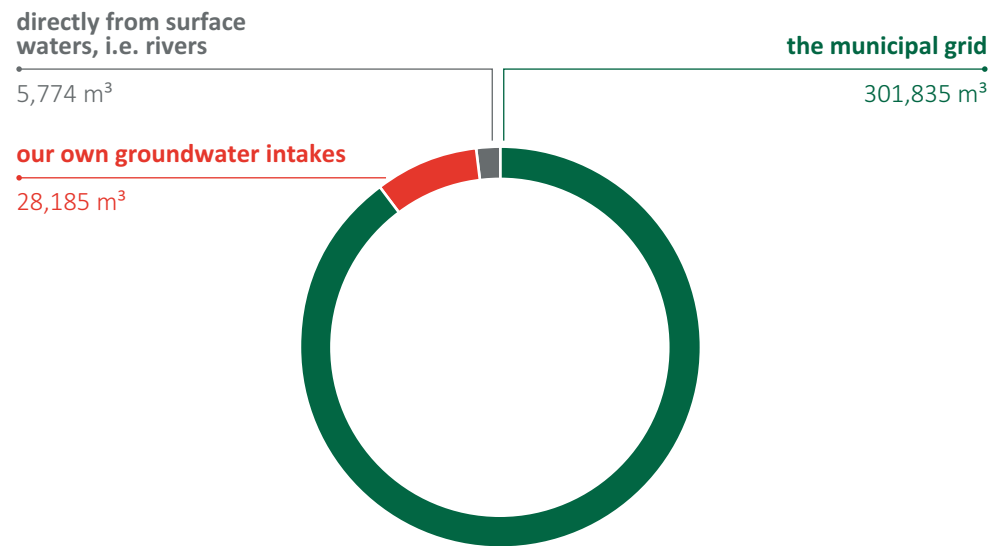


Image 25. TFKable Total water intake per source | GRI 303-1



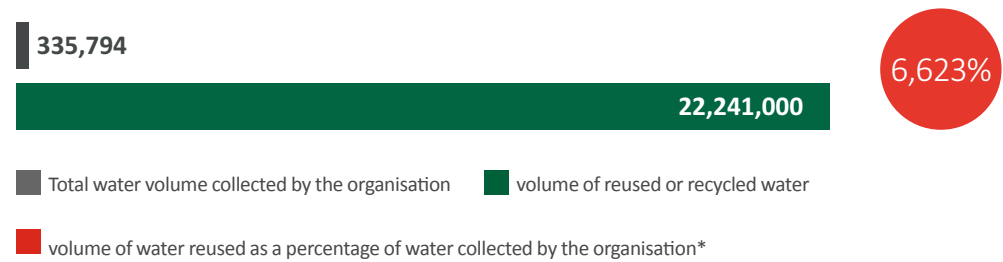
² More data and year to year comparisons you can find in Appendix on pages 75-76

Wastewater treatment

Effectively managing water resources is an important part of our business operations. That is why we employ technologies of water recovery

and recycling, which allow us to use water in the production process up to several dozen times.

Table 17. The percentage and total water volume subject to recycling and reuse in TFKable | GRI 303-3



*The percentage of water reused is the ratio of water volume pumped in closed cooling systems to the volume of water collected by the organisation.

The total volume of wastewater treated by TFKable in 2019 was **22,048 m³**. All of the treated wastewater was carried off to surface waters

(rivers). At JDR, all water discharges are treated within discharge consent parameters set by respective water authorities. | GRI 303-4

Our Bydgoszcz Plant is equipped with a mechanical-biological-chemical waste treatment facility. Apart from sanitary wastewater, it treats process water generated during production. This process occurs in the pre-treatment installation fitted with a compressed air mixing system, followed by the plant treatment installation. Our process water pre-treatment technology limits pollution to a degree which allows for further reduction in the biological treatment process. The capacity of the waste treatment installation is 120 m³/day, i.e. 43,800 m³ per year.

6.4. Waste management³



In 2019, the total volume of waste @TFKable amounted to

21,362.9 Mg

of non-hazardous waste and

452.8 Mg

of hazardous waste.



@JDR

all non-hazardous waste

apart from general waste has been recycled in 2019.



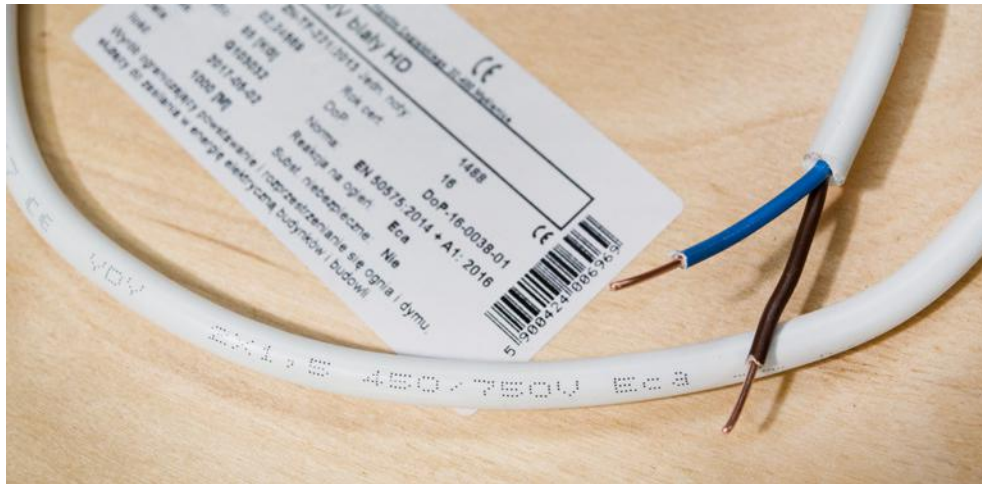
In the same year, we processed most of our waste @TFKable by recycling it. This method was applied to

19,959.5 Mg

of waste.

Reduction of waste production and environmentally safe waste processing are two pillars of our waste management system. Our production plants employ the following waste processing methods:

- recycling,
- recovery, including energy recovery (not applied to hazardous waste)
- incineration or use as fuel,
- short term on-site storage.



³ More data and year to year comparisons you can find in Appendix on pages 76-77

Table 18. Total weight of waste per disposal method in TFKable | GRI 306-2

| | non-hazardous waste [Mg] 2019 | hazardous waste [Mg] 2019 |
|--------------------------------------|-------------------------------|---------------------------|
| Recycling | 19,686.8 | 272.7 |
| Recovery (including energy recovery) | 707.6 | 0 |
| Incineration (or use as fuel) | 207.2 | 128.3 |
| On-site storage | 761.2 | 51.7 |
| TOTAL | 21,362.9 | 452.8 |

Table 19. Total weight of waste in JDR in 2019 | GRI 306-2

| hazardous waste [kg] | | non-hazardous waste [kg] | |
|---|---------------|--------------------------|----------------|
| Empty Ex oil Waste | 110 | Copper | 41,789 |
| Oil soaked rags | 700 | Metals | 388,540 |
| Ink waste. Empty bottles, rags, part full bottles | 200 | Scrap Cable | 14,560 |
| Glycol&Oil | 50,000 | General Waste | 234,258 |
| | | Wood Waste | 160,866 |
| | | Cardboard/Paper | 9,128 |
| | | HDPE | 4,239 |
| | | Aluminium | 24,440 |
| | | Non Hazardous Industrial | 8 |
| TOTAL | 51,010 | TOTAL | 877,828 |

Circular economy at Bukowno Recycling Plant in Poland

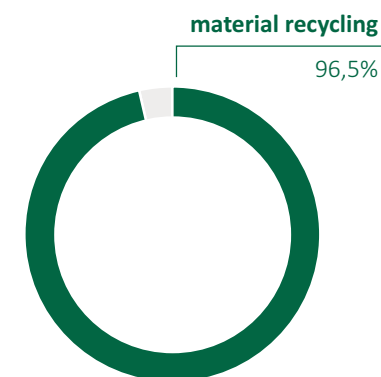
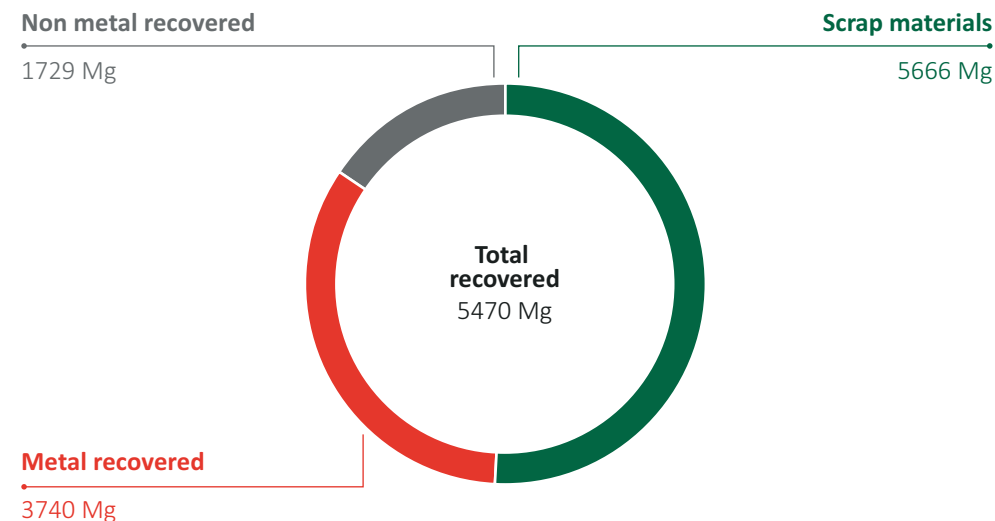
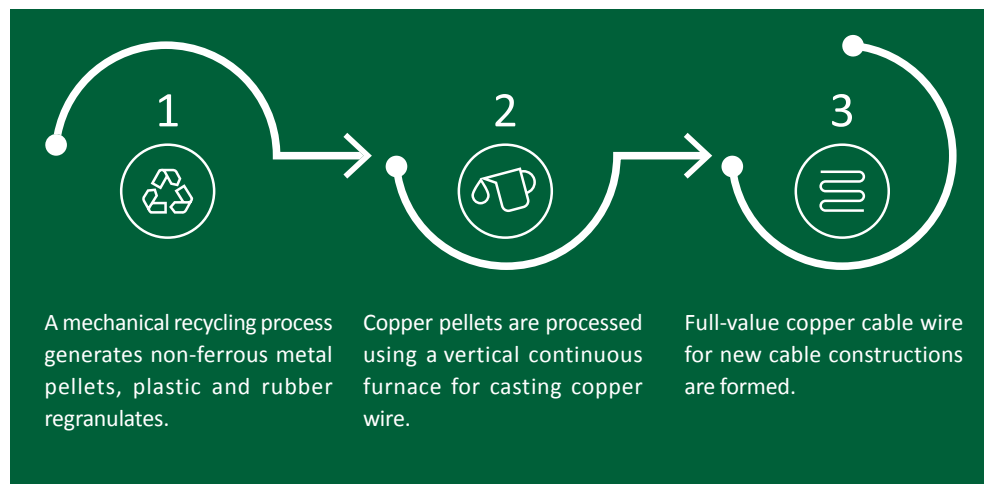
| GRI 301-2, GRI 301-3

Our Cable Waste Recycling Plant in Bukowno, Poland facilitates the reuse waste created during the manufacturing cycle as secondary raw material following the circular economy principle. Installations at Bukowno allow for processing cable

production waste that created at our plants and used cables from the refurbishment or construction works of TFK.Group facilities. The waste is collected selectively and undergoes a mechanical recycling process. Groundwork for the recycling process

begins as early as the design stage and continues through the entire production cycle. This allows us to reduce waste by recycling more than 90% of the waste we produce.

Since activating the plant in 2007, we have recycled **61,647 tonnes**. Thanks to our technology we can obtain high quality, up to **99.5% purity, raw materials** intended for further use.



6.5. Our products and services

The quality and safety of our products confirm that they are designed, manufactured, and installed with careful consideration for the environment and utilization of natural resources. It is important for us both from an efficiency and sustainability point of view. As mentioned earlier, we place great emphasis on recycling and waste management, striving to be more efficient with raw materials and making the most of each stage of the production process.

Table 20. Raw materials / materials used by weight and volume in TFKable | GRI 301-1

| Total consumption (t, m ³) 2019 | |
|---|-----------|
| Natural gas (m ³) | 2,306,796 |
| Fuel oil (m ³) | 24.5 |
| Diesel oil (m ³) | 492.68 |
| Other (t) | 208,253 |

Another side of our environmentally friendly product development and production is the focus on meeting and exceeding the requirements outlined in national and international regulations as well as on innovations and breakthrough solutions. In recent years, we have been implementing environmentally friendly technologies.

Examples of our environmentally friendly solutions

66kV cables without lead sheathing. Until recently almost all HV (i.e. above 36kV) subsea power cables used lead sheathed cable design to provide hermetic sealing to keep the insulation system around the conductor dry. Lead (Pb) has been used for metallic sheathing in submarine cables for over a hundred years, as lead has excellent water penetration and corrosion properties for the harsh subsea environment, however its reprotoxic properties make it less suitable for routine handling in the factory environment. In the offshore wind sector 66kV has become the standard cable rating for array cables, and JDR and TFKable have been instrumental in bringing to the market 66kV cable designs that do not include lead sheathing. Such 66kV cables have already been supplied by JDR and TF Kable and deployed on projects such as East Anglia One and Windfloat, and are now becoming standard in the next generation of wind farms currently under construction where JDR are supplying subsea array cables, for instance on Moray and Hornsea Two’.

IWOCS rental service



JDR has launched a global intervention, workover and control systems (IWOCS) rental service. It offers offshore oil and gas operators the ability to increase production from subsea wells without capex investment by providing a temporary connection. The systems can also be used for intervention, completions and plug and abandonment applications. We can provide a variety of

configurations for offshore rigs or vessels from our global service centers, tailored for specific project requirements including single wire deployment and self-supporting IWOCS. This flexible approach enables operators to choose how and when to bring production online – significantly decreasing time, upfront cost and supply chain risk, compared to capital equipment.

Other solutions include:

- **Introducing plastic tape into multi-core cable constructions** – limiting particle emissions during multi-core cable production.
- **Introducing single-phase mixes** – a decrease in energy costs, a decrease in rubber mix waste by 50%, a decrease in fuel use, and fuel emissions.
- **Withdrawal of paper insulation cables and lead coating** – elimination of lead emissions and reducing the amount of hazardous lead waste.
- **Withdrawal of ETU from polychloroprene mixes** – Introduction of mixes without this harmful compound.

TFK.Group activities in the offshore sector

TFK.Group puts great emphasis on the development of the offshore and renewable energy sector. Since 2008 we have been involved in more than 34 projects in the oil and gas and renewable energy sectors and delivered over 9,000 km of sealed cables to offshore wind farms¹. We want to focus on the international market of alternative and sustainable energy supporting the European Climate Policy's goal of reducing greenhouse gas emissions by 40% by 2030 (compared to the level from 1990) and ensuring at least 27% of renewable energy in the EU.

We have been present on the wind farm cable market since its beginning. In 2019 we reached

a volume of over 1,000 km of MN cables. We supplied cables to most projects of the winning bid in the first auction of renewable resources electric power sales, including the largest Polish project - FW Potęgowo, over 550 km of MN cables). We expect the number of orders to increase in the future. In the coming years, there will be 3.5 GW of new land wind turbines. According to PWEA's² calculations, within a 25-year life cycle, these investments will provide the local and state budgets with 4 bln PLN. During the 3-year wind power plants construction period, approximately 20 000 temporary jobs will be created, during the turbines' lifecycle – approximately 1750 permanent jobs will appear. As a result of lower emissions,

the new power plants will facilitate an increase in the competitiveness of the Polish economy. An additional 3.5 GW of power will help prevent the emission of 10 mln tons of carbon dioxide each year. In the following decade, we will see the growth of the wind-generated energy in the Baltic Sea. This will serve as a vehicle of economical growth for the Polish coastal regions and the entire country.



We believe that the offshore industry development in Poland will contribute to an increase in orders and the increase of production at our plants. Let us not forget that the Polish industry has been cooperating in the construction, equipping and servicing of wind power plants, both offshore and onshore, virtually all over the world, for years. We have the necessary competences, technologies and skills within this area.

Piotr Mirek,
Member of the Management Board,
TELE-FONIKA Kable S.A.



¹ See our project examples on page 39 in Chapter 4

² Polskie Stowarzyszenie Energetyki Wiatrowej (PSEW) - The Polish Wind Energy Association (PWEA)

Appendix 3

Table 21. TFKable energy consumption | GRI 302-1

| Total consumption of energy from non-renewable (own or purchased) resources in Joules or their multiple, per type of resource | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | (MWh) 2017 | (MWh) 2018 | (MWh) 2019 | (GJ) 2017 | (GJ) 2018 | (GJ) 2019 |
| Coal | 0 | 0 | 0 | 0 | 0 | 0 |
| Natural gas | 43,491.0 | 38,553.3 | 38,946.9 | 156,567.6 | 138,792.0 | 140,209 |
| Fuel oil | 1,495.3 | 1,074.8 | 623.9 | 5,383.0 | 3,869.3 | 2,246 |
| Diesel oil | 7,200.0 | 6,672.1 | 6,132.2 | 25,920.0 | 24,019.5 | 22,076 |
| Total consumption | 52,186.3 | 46,300.2 | 45,703.1 | 187,870.6 | 166,680.8 | 164,531 |
| Total consumption of own or purchased energy, divided into: electrical, thermal, in joules or their multiple | | | | | | |
| | (MWh) 2017 | (MWh) 2018 | (MWh) 2019 | (GJ) 2017 | Nr (GJ) 2018 | (GJ) 2019 |
| Electric energy | 112,081.0 | 111,323.0 | 111,351 | 403,491.6 | 400,762.8 | 400,863.6 |
| Thermal energy (incl. steam, cooling energy) | 19,692.5 | 20,859.7 | 18,817.8 | 70,893.0 | 75,095.0 | 67,744 |
| Total power consumption | 131,773.5 | 132,182.7 | 130,168.8 | 474,384.6 | 475,857.8 | 468,607.6 |
| Total energy consumption | | | | | | |
| | (MWh) 2017 | (MWh) 2018 | (MWh) 2019 | (GJ) 2017 | Nr (GJ) 2018 | (GJ) 2019 |
| | 183,959.8 | 178,482.9 | 175,871.8 | 662,255.2 | 642,538.6 | 633,138.6 |

Table 22. JDR energy consumption | GRI 302-1

| Total consumption of own or purchased energy, divided into: electrical, thermal, in joules or their multiple | | |
|--|----------------|--------------|
| | (MWh) 2018 | (MWh) 2019 |
| Electric energy | 2,047.2 | 4,070 |
| Thermal energy (incl. steam, cooling energy) | 260.9 | 1,936 |
| Total power consumption | 2,308.1 | 6,006 |

Table 23. TFKable energy intensity | GRI 302-3

| Energy intensity | 2017 | 2018 | 2019 | Unit |
|--|-----------|-----------|------------------|-----------|
| Dividend – total energy consumption* (GJ, MWh) | 187,870.6 | 178,482.9 | 175,871.8 | MWh |
| Divisor, Gross tonne of raw processed material (including waste) | 179,407.0 | 180,052.0 | 171,454 | Tonnes |
| Energy consumption indicator | 1.0 | 0.99 | 1.03 | MWh/tonne |

*The total energy consumption includes electrical energy, natural gas, purchased grid heat, fuel oil and diesel oil.

Table 24. TFKable Direct greenhouse gas emissions | GRI 305-1

| Direct emissions | Greenhouse gas emission [tCO ₂ e] 2017 | Greenhouse gas emission [tCO ₂ e] 2018 | Greenhouse gas emission [tCO ₂ e] 2019 | Greenhouse gases included in calculations description |
|--|---|---|---|---|
| Emission related to electrical energy generation | 0 | 0 | 0 | n/a |
| Emissions resulting from heat generation | 5,454.1 | 4,792.6 | 4,849.837 | CO ₂ |
| Emission from cooling processes and steam generation | 0 | 0 | 0 | n/a |
| Emission from physical and chemical processing | 0 | 0 | 0 | n/a |
| Hydrofluorocarbon (HFC) emissions | 75.4 | 168.3 | 4.435 | HFC 32, HFC 125, HFC 134a |
| Emissions resulting from transportation of materials, products, and waste | 0 | 0 | 0 | n/a |
| Total direct emissions | 5,529.6 | 4,960.8 | 4,854.272 | |
| Biogenic CO ₂ emission in metric tons of CO ₂ equivalent | 0 | 0 | 0 | n/a |
| Other | 0 | 0 | 0 | n/a |
| TOTAL | 1.0 | 0.99 | 1.03 | MWh/tonne |

Table 25. JDR Direct (Scope 1) GHG emissions | GRI 305-1

| Direct emissions | Greenhouse gas emission 2019 |
|--|-------------------------------------|
| Emission related to electrical energy generation | 1,040,299 kg CO ₂ e |
| Gas CO ₂ emissions | 356,008 kg CO ₂ e |
| Total CO₂ emissions | 1,396,307 kg CO₂e |
| Electricity CH ₄ emissions | 2,646 kg |
| Gas CH ₄ emissions | 1,259 kg |
| Total CH₄ emissions | 3,905 kg |
| Electricity N ₂ O emissions | 5,576 kg |
| Gas N ₂ O emissions | 2,653 kg |
| Total N₂O emissions | 8,229 kg |



Table 26. JDR Energy indirect (Scope 2) GHG emissions | GRI 305-2

| Indirect emissions | Greenhouse gas emission 2018* | Greenhouse gas emission 2019** |
|----------------------------|-------------------------------|--------------------------------|
| CO ₂ emissions | 644,953 kgCO ₂ e | 644,953 kgCO ₂ e |
| CH ₄ emissions | 1,308 kg | 1,308 kg |
| N ₂ O emissions | 3,710 kg | 3,710 kg |

Calculation based on UK Conversion Factors, which are:

CO₂

- 2017 Conversion factor 0.34885, expire date 31.07.2018
- 2018 Conversion factor 0.28088, expire date 31.07.2019
- 2019 Conversion factor 0.2556, expire date 31.07.2020.

N₂O

- 2017 Conversion factor 0.00209, expire date 31.07.2018
- 2018 Conversion factor 0.00153, expire date 31.07.2019
- 2019 Conversion factor 0.00137, expire date 31.07.2020.

CH₄

- 2017 Conversion factor 0.00062 expire date – 31.07.18
- 2018 Conversion factor 0.00066 expire date – 31.07.19
 - 2019 Conversion factor 0.00065, expire date 31.07.2020.

Table 27. TFKable Emissions of NOx, SOx, and other significant compounds | GRI 305-7

| Emission of NOx, SOx, and other significant compounds | Weight of significant air emissions (tonnes) | | |
|---|--|-------|---------------|
| | 2017 | 2018 | 2019 |
| NOx | 5.04 | 104% | 101% |
| SOx | 0.41 | 93% | 100% |
| Persistent organic pollutant (POP) | 0 | 0 | 0 |
| Volatile organic compounds (VOC) | 35.17 | 77% | 80% |
| Hazardous Air Pollutant (HAP) | 0 | 0 | 0 |
| Particulate matter (PM) | 1.41 | 1.33 | 1.115 |
| Other standard categories of atmospheric emissions | 17.83 | 16.62 | 16.457 |

Table 28. TFKable Total water intake per source | GRI 303-1

| Total volume of water collected by the company by source (in m ³) | Total volume | | |
|---|----------------|----------------|----------------|
| | 2017 | 2018 | 2019 |
| Water from rivers | 2,038 | 3,660 | 5,774 |
| Water from lakes | 0 | 0 | 0 |
| Sea water | 0 | 0 | 0 |
| Water from wetlands | 0 | 0 | 0 |
| Groundwater | 30,126 | 25,008 | 28,185 |
| Rainwater collected directly and stored by the organisation | 0 | 0 | 0 |
| Municipal water supply | 290,168 | 269,832 | 301,835 |
| Stormwater from other organisations | 0 | 0 | 0 |
| TOTAL | 322,332 | 298,500 | 335,794 |

Table 29. The percentage and total water volume subject to recycling and reuse in TFKable | GRI 303-3

| | Volume [m ³] | | |
|--|--------------------------|------------|-------------------|
| | 2017 | 2018 | 2019 |
| Total water volume collected by the organisation | 322,332 | 298,500 | 335,794 |
| volume of reused or recycled water | 24,132,000 | 22,241,000 | 22,241,000 |
| volume of water reused as a percentage of water collected by the organisation* | 7,487% | 7,451% | 6,623% |

*The percentage of water reused is the ratio of water volume pumped in closed cooling systems to the volume of water collected by the organisation.

Table 30. Total waste water volume by quality and destination in TFKable | GRI 306-1

| | Volume [m ³] | | |
|---|--------------------------|--------|---------------|
| | 2017 | 2018 | 2019 |
| Water discharge destination | | | |
| To groundwater | 0 | 0 | 0 |
| To surface water (including lakes and rivers) | 24,366 | 22,637 | 22,048 |
| To municipal utilities | 51 | 0 | 0 |
| Total wastewater | 0 | 0 | 0 |
| Wastewater treatment method | | | |
| By the organisation | 24,417 | 22,637 | 22,048 |
| By the waste treatment plant | 0 | 0 | 0 |
| Total treated | 24,417 | 22,637 | 22,048 |

Waste management

Table 31. Total weight of waste per type and disposal method in TFKable | GRI 306-2

| Total weight of non-hazardous and hazardous waste by disposal method | non-hazardous waste [Mg] | | | hazardous waste [Mg] | | |
|--|--------------------------|------------|-------------------|----------------------|-----------|----------------|
| | (MWh) 2017 | (MWh) 2018 | (MWh) 2019 | (GJ) 2017 | (GJ) 2018 | (GJ) 2019 |
| Reuse | 0 | 0 | 0 | 0 | 0 | 0 |
| Recycling | 18,393.5 | 18,497.5 | 19,686.824 | 194.3 | 310.9 | 272.749 |
| Composting | 0 | 0 | 0 | 0 | 0 | 0 |
| Recovery (including energy recovery) | 795.9 | 761.2 | 707.602 | 0 | 0 | 0 |
| Incineration (or use as fuel) | 153.8 | 156.0 | 207.213 | 165.1 | 161.8 | 128.326 |
| Deep well injection | 0 | 0 | 0 | 0 | 0 | 0 |
| Storage on waste dumps | 0 | 0 | 0 | 0 | 0 | 0 |
| On-site storage | 988.7 | 955.7 | 761.263 | 69.4 | 13.0 | 51.748 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 20,331.9 | 20,370.4 | 21,362.902 | 428.9 | 485.7 | 452.823 |

Table 32. Total weight of waste in JDR in 2018 | GRI 306-2

| hazardous waste [kg] | | non-hazardous waste [kg] | |
|----------------------|--------------|--------------------------|----------------|
| Empty Ex oil Waste | 384 | Copper | 198,764 |
| Glycol & Oil | 4,800 | Metals | 351,366 |
| Oil soaked rags | 480 | Scrap Cable | 102,382 |
| Paint Waste* | 240 | General Waste | 188,740 |
| Ink waste** | 240 | Wood Waste | 47,606 |
| Aerosols | 240 | Cardboard/Paper | 2,746 |
| | | HDPE | 47,620 |
| | | Plastic Tubes | 3 |
| | | Non Hazardous Industrial | 23 |
| | | Green Waste | 1 |
| | | Ropes | 3,5 |
| TOTAL | 6,387 | TOTAL | 939,282 |

All non-hazardous waste apart from general waste has been recycled.

* Part full tins, contaminated material (Tins/brushes)

** Empty bottles, rags, part full bottles

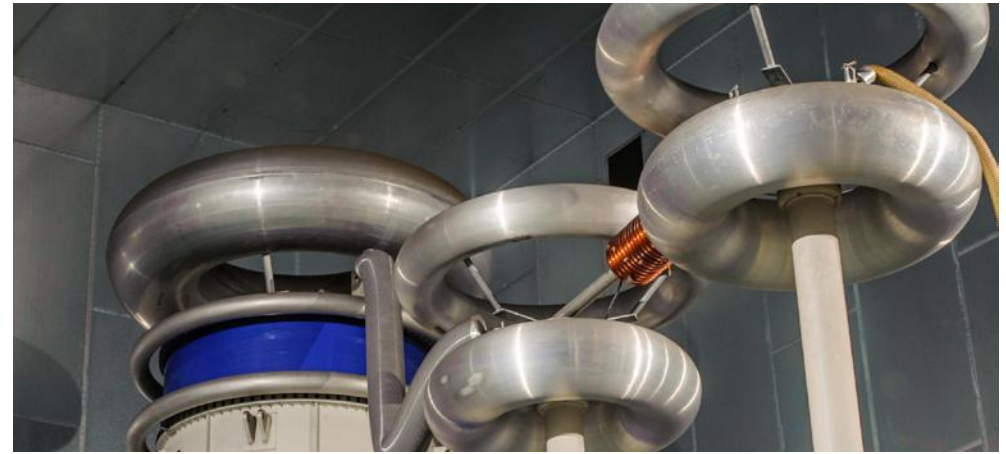


Table 33. Total weight of waste in JDR in 2019 | GRI 306-2

| hazardous waste [kg] | | non-hazardous waste [kg] | |
|---|---------------|--------------------------|----------------|
| Empty Ex oil Waste | 110 | Copper | 41,789 |
| Oil soaked rags | 700 | Metals | 388,540 |
| Ink waste. Empty bottles, rags, part full bottles | 200 | Scrap Cable | 14,560 |
| Glycol & Oil | 50,000 | General Waste | 234,258 |
| | | Wood Waste | 160,866 |
| | | Cardboard/Paper | 9,128 |
| | | HDPE | 4,239 |
| | | Aluminium | 24,440 |
| | | Non Hazardous Industrial | 8 |
| TOTAL | 51,010 | TOTAL | 877,828 |

All non-hazardous waste apart from general waste has been recycled.

Table 34. Recycling at Bukowno plant

| Year | Scrap materials (Tonne/year) | Metal recovered (Tonne/year) | Non metal recovered (Tonne/year) | Total recovered (Tonne/year) | Material Recycled |
|--------------|------------------------------|------------------------------|----------------------------------|------------------------------|-------------------|
| 2012 | 4734 | 2760 | 1775 | 4535 | 95,8% |
| 2013 | 4564 | 2695 | 1710 | 4405 | 96,5% |
| 2014 | 6847 | 3953 | 2630 | 6583 | 96,1% |
| 2015 | 4773 | 3036 | 1614 | 4650 | 97,4% |
| 2016 | 6052 | 3907 | 1980 | 5887 | 97,3% |
| 2017 | 5464 | 3578 | 1776 | 5354 | 98,0% |
| 2018 | 5280 | 3352 | 1783 | 5135 | 97,3% |
| 2019 | 5666 | 3740 | 1729 | 5470 | 96,5% |
| TOTAL | 63512 | 38428 | 23219 | 61647 | 97,1% |

Table 35. Materials recycled in 2019 | GRI 301-3

| Materials recycled | Mg |
|----------------------------|--|
| Non-ferrous metals | 4,552.778 Mg – which was processed into 2,822.263 Mg of copper rod transferred to future manufacturing |
| Ferrous metals | 48.3 Mg |
| Plastic and rubber pellets | 1,729.109 Mg |

Wooden packaging recycled in 2019

4,014.71 Mg

of wooden packaging (drums, pallets) handed over to wood recycling companies

Our products and services

Table 36. Raw materials / materials used by weight and volume in TFKable | GRI 301-1

| Raw materials/materials used by weight weight/volume (t, m³) | Total consumption | | |
|--|-------------------|-------------|------------------|
| | 2017 | 2018 | 2019 |
| Natural gas (m3) | 4,349,100.0 | 3,855,336.0 | 2,306,796 |
| Fuel oil (m3) | 123.7 | 104.3 | 24.5 |
| Diesel oil (m3) | 637.8 | 456.49 | 492.68 |
| Other (t) | 194,953.9 | 190,027.4 | 208,253 |



Glossary



CSR. Corporate Social Responsibility – this is a concept according to which companies at the stage of strategy building consider social interests, environmental protection and relations with various stakeholder groups.

Declaration of performance – the document required for selling a construction product covered by a harmonised standard or the European Technical Assessment issued for it. The purpose of placing the declaration on a product is to provide the user with information about the function of the product and its conformity. This way, the manufacturer assumes responsibility for the product's conformity with the declared performance.

EH V. Extra High Voltage – any voltage above 150 kV – in accordance with the IEC standard.

HSE – the goal of implementing HSE (Health, Safety and Environment) systems is to reduce the impact of the company's activities on the environment, to save natural resources and to strive to ensure that the company's business activities are conducted in a way that protects the health and ensures the safety of employees and the community.

MV. Medium Voltage – any voltage from 6 kV up to 30 kV – in accordance with the IEC standard

HV. High Voltage – any voltage above 30 kV up to 150 kV – in accordance with the IEC standard

ISO. International Organization for Standardization – ISO is an independent, non-governmental international organization with a membership of 161 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards

that support innovation and provide solutions to global challenges. At our facilities we have implemented: ISO 9001 that sets out the criteria for a quality management system, as well as ISO 14001 that sets out the criteria for an environmental management system. Both can be certified to.

KAIZEN, KAIZEN BHP – a business philosophy centred around the processes, which continuously improves operations and involves all employees. Kaizen sees improvement in productivity as a gradual and methodical process based on employee ideas. They must improve the process, reduce losses (e.g. in the form of time, materials), improve the quality of products or improve the health and safety at the workplace – eliminate the threat.

Offshore industry – this is an economic activity carried out in the territorial sea of a given country or in its economic zone. Most often it refers to the extraction of oil and gas, in some cases also the extraction of fossil raw materials and the production of wind renewable energy.

OHSAS 18001 – Occupational Health and Safety Assessment Series, (officially BS OHSAS 18001) is an internationally applied British Standard for occupational health and safety management systems. The most common international equivalent of the Polish standard PN 18001 (Health and Safety Management System). It exists to help all kinds of organizations put in place demonstrably sound occupational health and safety performance. It is a widely recognized and popular occupational health and safety management system.

Onshore industry – this is an economic activity carried out in the land of a given countries.

REACH Environmental declarations – EU regulation regarding Registration, Evaluation, Authorisation

and Restriction of Chemicals. It is the EU regulation adopted to protect the human health and environment from risks posed by chemicals. In line with the REACH regulation TFKable requires its suppliers to provide information on the properties of supplied chemicals and the risks associated with human health and the environment. This information enables effective risk management and minimization of the negative impact of these substances.

RoHS (EU Restriction of Hazardous Substances directive) – Its purpose is to reduce the volume of hazardous substances from electrical and electronic waste permeating into the environment. We require that our suppliers present information regarding the concentration of these substances in their raw materials and minerals.

Smart grids – an electricity network based on digital technology that is used to supply electricity to consumers via two-way digital communication. This system allows for monitoring, analysis, control and communication within the supply chain to help improve efficiency, reduce energy consumption and cost, and maximize the transparency and reliability of the energy supply chain.

SMART urban infrastructure – use of sensing technologies that are placed in infrastructure and the equipment it interacts with. Special sensors are connected to a communication backbone which allows real-time data acquisition and analysis.

SMED (Single Minute Exchange of Die) – a set of techniques and tools that enable shortening the changeover times of machines, equipment and production processes. It provides a rapid and efficient way of converting a manufacturing process from running the current product to running the next product. This rapid changeover

is key to reducing production lot sizes and thereby improving flow, reducing production loss and output variability. The main purpose of the method is to carry out each conversion in a unit number of minutes (up to 10 minutes) through such a division and simplification of the whole process, so that changeovers are made using the least amount of tools

5s – a set of techniques and methods to establish and maintain high-quality workplaces. It is directly related to the proper organization of the work environment, improvement of the company's organizational culture and it allows to increase the stability of processes. The 5S system consists of 5 consecutive steps: "Sort", "Set In order", "Shine", "Standardize" and "Sustain". The list describes how to organize a work space for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order. At TFKable 5S has become 6S, the sixth element being safety.

Stakeholders – A person, group or organizations that have interest or concern in a company. Stakeholders can affect or be affected by the organization's activities, objectives and policies.

Supply chain – a network between a company and its suppliers to produce and distribute a specific product to the final buyer. This network includes different activities, people, entities, information, and resources.

TPM (Total Productive Maintenance) – a method used for ensuring maximum machine and equipment effectiveness. Effectiveness is understood as maximum usage of available machine time available for manufacturing good quality products. The main goal, above all, is to ensure availability of critical equipment and

reaching the level of: zero accidents at work, zero rejects and zero failure.

Value chain – a business model that describes the full range of activities needed to create a product or service. For companies that produce goods, a value chain comprises the steps that involve bringing a product from conception to distribution, and everything in between—such as procuring raw materials, manufacturing functions, and marketing activities.

White certificates – documents certifying that a certain reduction of energy consumption has been attained.

XLPE – cables with PVC / cross-linked polyethylene insulation. In the TFK.Group, it is used for medium and high voltage cables.



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About the report



Report creation process

This is our third Corporate Social Responsibility report, second one to include GRI data for JDR. This report contains data for 2019 and the reporting cycle of TFK.Group is annual. The data presented in the report was prepared as at December 31, 2019. | [GRI 102-49](#), [GRI 102-50](#), [GRI 102-51](#), [GRI 102-52](#)

Reporting scope and content is based on materiality assessment performed in 2017, industry benchmark and GRI Guidelines. We verified the accuracy of all the issues and updated the report content in accordance with current business strategy and operations. | [GRI 102-46](#)

The general information presented in the report refers to the TFK.Group. If not – each time we indicate if that part describes either TFKable or JDR.

This report has been prepared in accordance with the Global Reporting Initiative GRI G4 'core' level and has not been subjected to external assurance | [GRI 102-54](#), [GRI 102-56](#).

Questions, remarks and suggestions related to this year's report should be sent to Magdalena Kardela, the Marketing Director at TFKable, at magdalena.kardela@tfkable.com | [GRI 102-53](#).

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TELE-FONIKA Kable S.A.
Hipolita Cegielskiego 1 Street
32-400 Myślenice, Poland
T: (+12) 652 50 00
F: (+12) 652 51 56
info@tfkable.com