



Sustainability Report 2020





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Letter from the President



Dear Madam, Dear Sir,

The publication of the first Sustainability Report is certainly a very important moment for Solaris, part of the CAF Group, which has been led by the idea of social responsibility from its very beginnings. For many years sustainable development has been a vital element of Solaris's heritage – in the field of innovative, environmentally and passenger-friendly buses that make a real contribution to changing public transport for the better. Sustainable development also stands for the involvement of the organisation for the sake of its employees and stakeholders, local communities, as well as future generations.

Systematic widening of company's emission-free vehicle portfolio and active support for the cities in their transformation towards green transport form the basis of Solaris activities. In recent years we have been witnessing extremely intense activities for the development of low- and zero-emission vehicles as the only justified path for the transport of the future. Company's efforts and hard work put in the development of electric

and environmentally friendly vehicles have resulted in Solaris becoming a leading company in the sector.

We shouldn't forget that directing our development strategy towards green public transport is coherent with the common European vision. Transport is a priority both in the European recovery plan and the European Green Deal and sizeable funds are allocated to its sustainable development, both in cities and beyond. The EU directive on sustainable mobility sets minimum targets for public tenders for new environmentally friendly city buses: 45 percent until 2025 and 65 percent until 2030.

The following Report gives a comprehensive overview of Solaris Bus & Coach impact on the economy, environment and communities in previous year. This document is also an ambitious commitment of the company that it will stay on the path of sustainable development.

I invite you to read the Sustainability Report 2020 to get to know more about what is Solaris's understanding of sustainable development and

what progress the company has made in recent years, as well as what are its plans in this regard in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'J. Imaz', written over a white background.

Josu Imaz

President of the Supervisory Board
of Solaris Bus & Coach sp. z o.o.



Letter from Javier Calleja, CEO

GRI 102-14



Ladies and Gentlemen,

It is with great pleasure and honour that I present you with the first Solaris Sustainability Report prepared in accordance with the GRI Standards. The Report includes mainly 2020 data.

This document is a manifestation of our awareness that Solaris activity does not end on the company premises and that all our decisions, implemented projects and end products have a huge effect on our environment. We approach this challenge with full responsibility. Therefore, we have made efforts to present a comprehensive description of our impact on the economy, the environment and society in 2020. Through this Report, we want to show in a transparent way where we are today as a company, an employer and a partner. We also believe that it will not only allow us to set our activity in a broader context but it also will result in a number of new ESG-related initiatives and activities in the future.

We interpret the mission of implementing the idea of sustainable development at our company as the systematic expansion of the range of

zero-emission vehicles and active support for the cities interested in green change to urban transport. For us, this also means implementing continuously production process improvements and improving eco-awareness among the company employees and Solaris vehicle users. Our strategy of sustainable development and our values are in line with the vision of the CAF group we are part of. It is the guidepost we rely on when manufacturing our buses and managing our company processes. We build our value chain and develop relationships with our environment bearing this in mind.

Innovations understood by us as striving to develop vehicles that are as neutral to the environment as possible have been permanently imprinted in the DNA of Solaris. Therefore we have invested considerable funds in research and development since the beginning of our activity. The change of the image of urban transport is our greatest aspiration. We believe that modern public transport is the foundation of sustainable cities – one of the UN Sustainable Development Goals.

We are happy to see that our vision is shared by more and more cities and our customers –

transport operators. We solidified our position as the e-mobility leader in public transport last year. And the fact that Solaris electric buses contribute in real terms to the improvement of life quality in cities gives us the greatest satisfaction. Zero-emission in public transport is our priority number one.

But not the only one. We know that we still have a lot to do as an organisation. We want to pay more attention to minimising our environmental impact through, inter alia, the reduction of carbon footprint not only of the organisation itself but also of the products with our logo. As regards the social area, we plan to focus on teaching the youngest generations and promoting among them the idea of public transport as an element of sustainable, responsible cities.

We want to be the best employer, the leader of the market and innovations. We believe that our success is possible only when our employees place their trust in us. We want to promote socially responsible remuneration, equality and development policy. We will especially foster the development of individual talents and our employees’ competencies in the next years.

Thanks to our people we can be proud of our state-of-the-art and trendsetting products. Effective teamwork in turn is the foundation for our solid and long-lasting relationships with customers.

We believe that our present and future actions related to sustainable development will let us solidify our market position as well as strengthen Solaris as a company that is modern, responsible and open to a dialogue.

I would like to invite all of you to read our Report.

Kindest regards,

Javier Calleja
CEO

What we are proud of



0 emissions

from our products – is our long-term objective we have pursued consistently by increasing the emission-free buses share in our production and sales, thereby having a real impact on **improving the quality of life for citizens.**



For 25 years

we have been **changing the image of public transport** and looking after the comfort of everyday urban trips of millions of passengers across Europe



We have supplied over

20,000 buses

to date, and their **modern and friendly design** has become an inherent part of the landscape of hundreds of European cities and metropolises.

We believe in

electric vehicles

as a **path to the transport of the future** and therefore we have been continuously developing technologies to reduce environmental impact for 20 years.



We build our company together –

2,700 people

– in Poland and abroad.



Innovative

capacity has been our company's trademark and the key to its market success right from the start. Modern public transport is, in our opinion, **the foundation of sustainable cities where the quality of residents' life is the first priority.**

Who we are

Solaris Bus & Coach sp. z o.o.

GRI 102-1

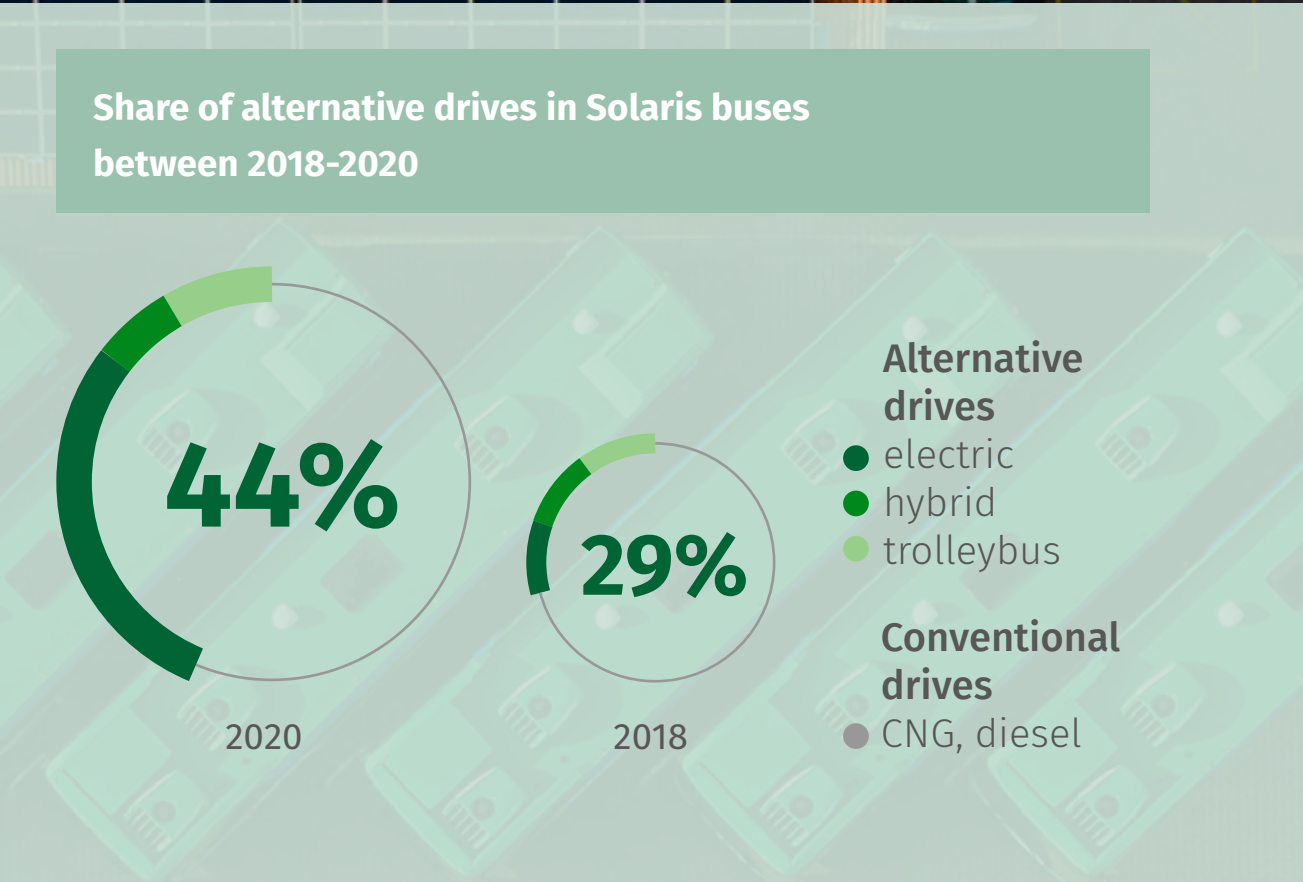
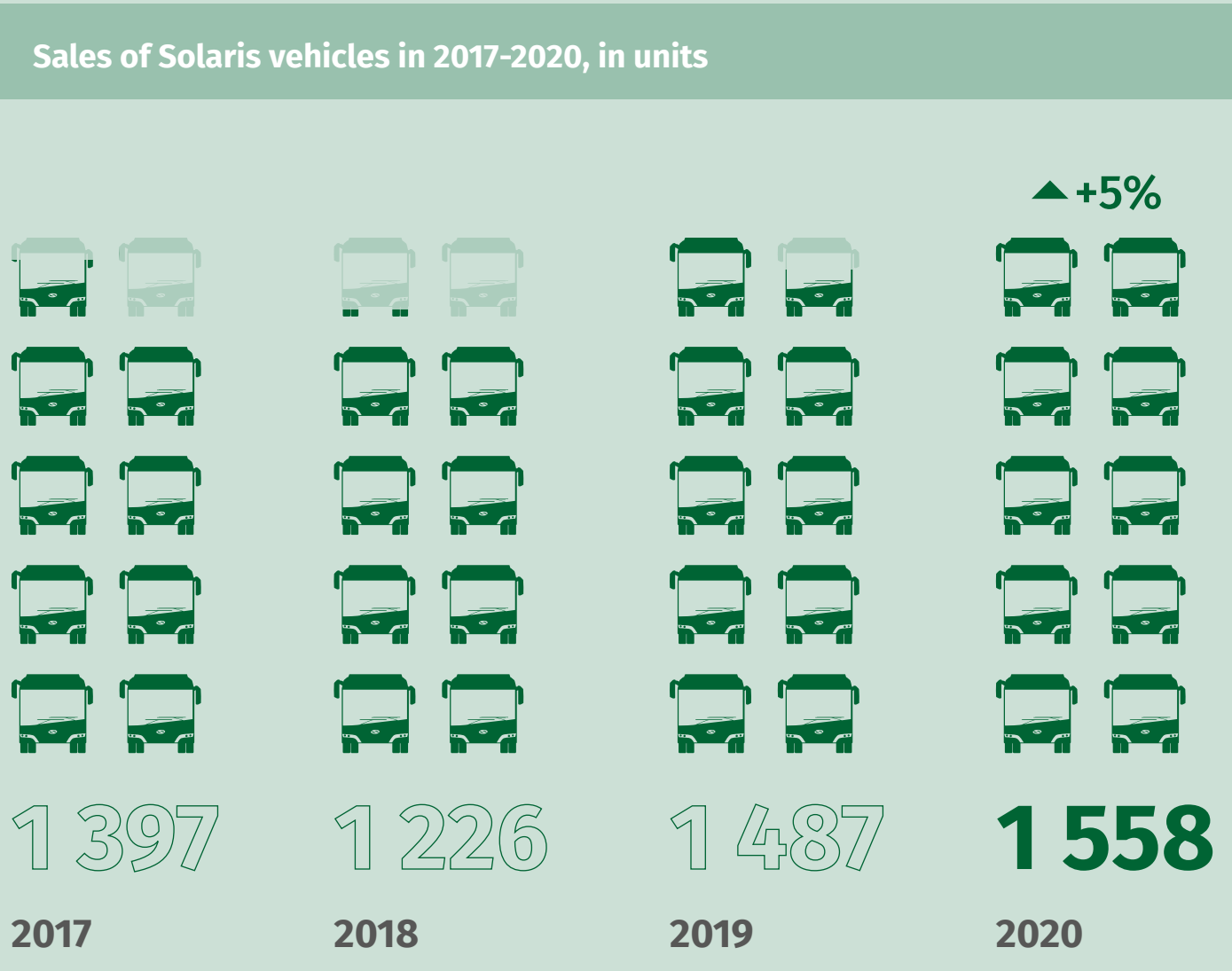
We are one of the European leaders in the design and production of buses and trolleybuses. Benefiting from 25 years of experience and having manufactured over 20,000 vehicles, we are always ready to set new standards for urban transport. We dynamically develop our products, particularly in the electromobility sector.

The daily effort of more than 2,700 employees of our company is driven by a continual need to discover and change our environment for the better. In 2018, Solaris joined the Spanish CAF Group, thereby ensuring the leading positions for both companies in the segment of innovative solutions for public transport in Europe.

We sell more and more eco-friendly vehicles

The number of vehicles sold by us has grown year after year. In 2020, **we established a new record of 1,558 vehicles sold, which is the highest volume ever achieved in our 25-year history** (growth by almost 5% versus 2019).

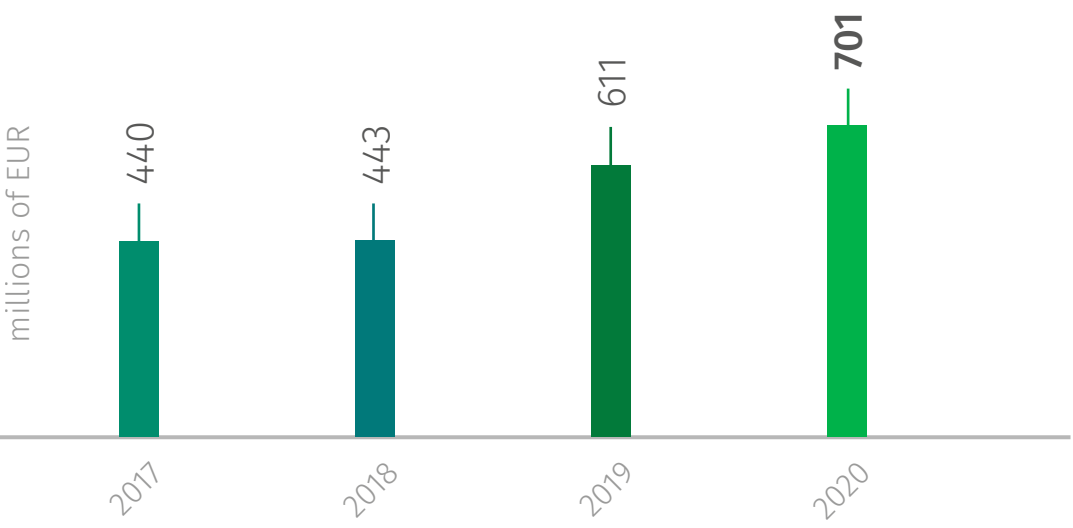
We also actively participate in global transition to emission-free public transport – in 2020, vehicles with alternative drives (electric buses, hybrid buses and trolleybuses) made up as much as 44% of our production. **Dynamic growth in the share of electric buses in the production and sales mix is consistent with our long-term growth strategy.**



Our revenues have been growing year by year

GRI 201-1, GRI 102-45

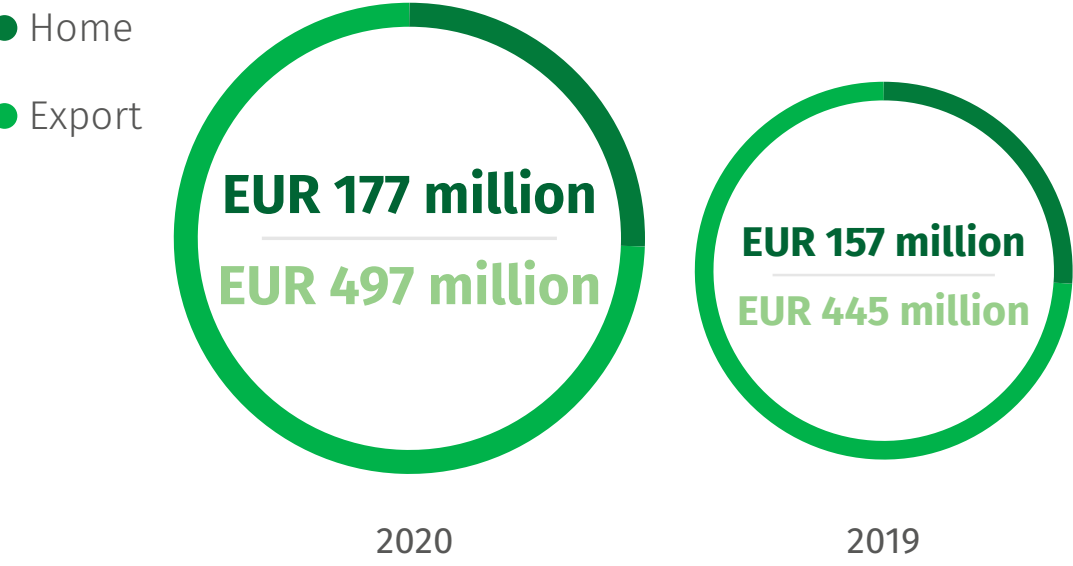
Operating Revenue, in millions of EUR



Long-term debt and shareholders’ equity

millions of EUR	31 Dec. 2020	31 Dec. 2019
Long-term debt + shareholders’ equity	245	239
Total assets	543	527

Sales revenue



Direct economic value generated and distributed.
The data relates to the activities of Solaris Bus & Coach sp. z o.o.



Economic value generated

	2020		2019	
	mEUR	%	mEUR	%
Operating revenue	701	99.9%	611	99.9%
Financial revenue	1	0.1%	1	0.1%
Total revenue	702	100.0%	611	100.0%

Purchases of materials	470	67.0%	410	67.0%
Other expenses	109	15.5%	109	17.8%
Prepayments	579	82.5%	519	84.8%

Gross economic value	123	17.5%	93	15.2%
Depreciation and amortization	15	2.2%	17	2.8%
Net economic value	107	15.3%	75	12.3%

Economic value distributed

To employees (wages, salaries, benefits)	61	56.5%	57	76.1%
To providers of capital (costs of financing)	12	10.7%	11	14.0%
To the state (taxes and duties)*	11	10.0%	5	6.4%
To the company (profit allocated to reserve/supplementary capital)	24	22.7%	3	3.5%
Net economic value	107	100.0%	75	100.0%

* Economic value distributed to the public sector is exclusive of VAT.
Presented financial data comply with Financial Statements for the year ended 31 December 2020.

Our buses carry passengers in 32 countries

GRI 102-4, GRI 102-6, GRI 102-7

We affect the quality of urban transport by carrying passengers in hundreds of towns and cities across Europe every day.

More than **20 000** buses delivered to **750** cities



Head Office:
Bolechowo

GRI 102-3, GRI 102-4

All our vehicles, from the idea through design to execution, are created in the sites located near Poznań, which makes us one of the largest employers in the region.

In 2020, the total headcount was 2,668, including 217 employees at the subsidiaries based in 13 countries. The two new subsidiaries – in Belgium and the Netherlands – were established in 2021. Our company also has representative offices. We are present, in total, in 22 countries in Europe and in Israel.



Subsidiaries

217

Murowana Goślina

Central Workshop,
Customer Service Centre

102

Jasin

Solaris Logistics
Center

64

Środa Wlkp./Kijewo

Production of Steel Body
Frames

345

Poznań

Production Support

93

BOLECHOWO

Head Office,
Bus Production

1847



We are the leader in the European electric bus market

GRI 102-2, GRI 102-7

We have been the market leader for low-floor city buses in Poland for 18 years in a row (with our share of 53% in 2020, i.e. 11 percentage points (pp) more than a year before), **but it is the export that accounts for the major share of our production** (76.6%).


The biggest customers of our vehicles are Germany, Italy, Czech Republic, Sweden, Norway, France, Israel and Switzerland.

Solaris has systematically solidified its position as an e-mobility leader by executing large contracts for delivery of emission-free buses awarded by more and more towns and cities.


The largest contracts for battery-powered buses executed in 2020 included the delivery of 130 articulated Solaris Urbino electric buses for Miejskie Zakłady Autobusowe (MZA), the public transport operator in Warsaw, 90 Solaris Urbino electric buses for ATM in Milan, and 106 battery-

powered buses for Berlin-based public transport company BVG. One of the 130 electric buses delivered to the MZA operator in Warsaw was the jubilee Urbino bus, i.e. the 20,000th vehicle manufactured by us since 1996, i.e. the start of company activity.

The largest deliveries of electric buses in 2020

 **130 e-buses**
Warsaw

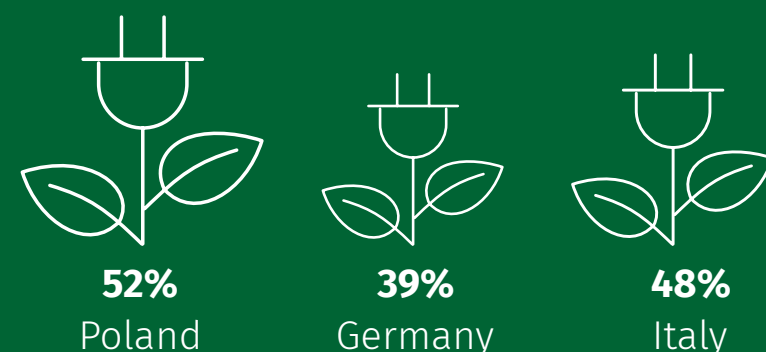
 **90 e-buses**
Milan

 **106 e-buses**
Berlin



Elektryki (5)

Shares of electric buses in the sale of Solaris vehicles



The largest markets in this area of activity are Poland, Germany and Italy where these environmentally friendly vehicles constituted 52%, 39% and 48% respectively of all the buses delivered throughout the year.

For the first time in the company history, more than fifty per cent of Solaris buses delivered to Polish customers were fitted with electric drives, and their number throughout Europe was 76 times higher than in 2013 (the first year of their supply) and nearly 3 times higher than in 2019.

almost **20%** share of the European electric bus market

a **3-fold** increase in the number of Solaris electric buses delivered over the year

Management Board and ownership structure

GRI 102-5

The Company's governing bodies are the Management Board, the Supervisory Board and the Meeting of Shareholders. Management Board Members are appointed and dismissed under a Supervisory Board's resolution for separate terms of office, each lasting 5 years. The Supervisory Board is composed of three up to five Members, including a Chairperson and a Deputy Chairperson. Supervisory Board Members are appointed under a resolution of the Meeting of Shareholders for the joint term of office lasting three years.

In September 2018, Solaris Bus & Coach sp. z o.o. joined the Spanish CAF Group, which acquired the majority of shares.

Currently the significant shareholders are Construcciones y Auxiliar de Ferrocarriles S.A. (72,34%) and Openaco Trading Co. Ltd (24,99%).

CAF (Construcciones y Auxiliar de Ferrocarriles, S.A.) is a Spanish company which designs, manufactures, supplies and maintains railway rolling stock and rail vehicles. The CAF Group comprises 72 subsidiaries which offer cutting-edge complex solutions for city transport within the areas of their activities, with particular focus on e-mobility. Public transport vehicles manufactured by the CAF Group are now present in 37 countries on 5 continents. The company's production plants are located in Spain, France, United Kingdom, Brazil, Mexico and USA (as at 31 December 2020).

Organisational structure

GRI 102-5

SUPERVISORY BOARD



Josu Imaz
President of the Supervisory Board



Javier Iriarte
Vicepresident of the Supervisory Board



Janusz Reiter
Member of the Supervisory Board

MANAGEMENT BOARD



Javier Calleja
Chief Executive Officer



Paweł Hajduk
Deputy Chief Executive Officer
Finance, Procurement



PhD Eng. Dariusz Michalak
Deputy Chief Executive Officer
R&D, Production, Logistics and Quality Assurance



Petros Spinaris
Deputy Chief Executive Officer
Sales, Marketing and Customer Service



Patryk Kawa
Member of the Board
Human Resources and OH&S

Our history

22 March
1996

The first bus rolls off the production line in the factory in Bolechowo – we regard that as the symbolic beginning of Solaris (Neoplan Polska at the time)

1999

The launch of the first Urbino family vehicle – the low-floor Solaris Urbino 12

2000

We land the first export contract – Solaris buses roll onto the streets of Ostrava in the Czech Republic

2001

We set our first footsteps on the electromobility path with the first Solaris trolleybus

2003

We implement the organisational quality standard requirements and obtain the ISO 9001 certificate.

2005

We launch the “Safe Driver” project – we have trained over 1600 drivers to date

Our management system is extended to include the requirements of the environmental standard and begins to function as an **Integrated Management System**

We obtain the **ISO 14001** certificate

2006

We add the Solaris Urbino 18 hybrid bus to our portfolio – the first bus with a hybrid drive in Europe goes into series production

2011

We manufacture the first Solaris electric bus – the Urbino 8,9 electric

2007

We launch the vocational training programme – 200 students have participated in the programme to date and 76 graduates have taken up employment with our company

2012

The Solaris Urbino 8,9 electric is recognised as the “Innovation of the Year 2012” by the German trade magazine “busplaner”

We open the in-house nursery: “At the Green Dachshund” – we have had 152 nursery graduates to date

We establish the “Green Dachshund Foundation – for the rescue of the defenceless” – until now, it has designated almost EUR 200,000 to help the most needy to date

2014

We present the new generation of buses and trolleybuses – a new Solaris bus has its premiere

We deliver the first bus equipped with a hydrogen fuel cell to Hamburg

The first student starts the dual study course under the programme carried out by the Poznań University of Technology and Solaris

2016

The Solaris Urbino 12 electric wins the “Bus of the Year 2017” title for the best city bus – as the first electric bus in the history of the contest

We expand our production buildings and increase our production capacity by adapting factory operation to series production of emission-free buses

2017

We sign the “Declaration on deployment of clean buses in Europe”

The 100th electric bus leaves our factory

2018

On 4 September, Solaris joins the CAF Group which acquires majority ownership interests in the company; **Javier Calleja** is appointed a new CEO of our company

2019

We present the first hydrogen-powered bus – the Urbino 12 hydrogen, which wins the Sustainable Award 2019 the same year

2020

We add another electric model – the Solaris Urbino 15 LE electric – to our portfolio; it is the first Solaris intercity e-bus

The bus with the number 20,000 leaves the factory in Bolechowo – it is the Urbino 18 electric bus running on the streets of Warsaw

We create a new ESG team within the company's structure, responsible for managing ESG issues

Our values

GRI 102-16

From the very beginning, Solaris has contributed to **changing the image of public transport, and this remains our greatest inspiration.**

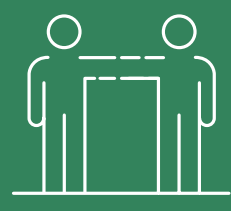
Our motivation is getting better every day. We want to and are proud of our products and implemented innovative solutions. We build solid and long-lasting relationships with our customers thanks to effective teamwork.

We rely on the five values in our activities. It is a comprehensive system which is our corporate guiding principle for next years and the basis for our decisions. These features define our company profile and what we identify together as essential.



Agility

We are quick and flexible to respond to changes, and bold in our actions.



Customer orientation

We look at our products from the customer's perspective, we mutually respect each other's needs in business relations.



Long-term orientation

We observe the market to identify its needs and take decisions having the future in mind.



Cooperation

Our actions are based on trust, commitment and mutual respect.



Innovation

We set ourselves ambitious goals, continuously develop our products and improve our work.



Innovation – our second name



Our products

GRI 102-2

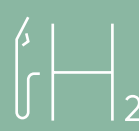
Solaris vehicles form the family of low-floor and low-entry Urbino city buses, Trollino trolleybuses and intercity InterUrbino buses; their models boasting a distinctive design are available with different types of drives and equipment versions matched to customer expectations. We contribute to the improvement of life quality in towns and cities by investing in the development of emission-free models.

We have supplied over 20 thousand vehicles to customers to date, including 1,558 vehicles in 2020. The modern and friendly design of our buses has become an inherent part of the landscape of hundreds of European cities and metropolises.

Types of drives in Solaris buses



electric



hydrogen



trolleybus



hybrid



gas-powered



combustion

A wide portfolio of buses and trolleybuses



Distinctive design

Attractive design is a distinctive feature of the Solaris brand. We want to give a clear message with the dynamic vehicle body line of the Urbino family that we are innovation- and future-oriented. Cutting-edge design and highly aesthetic finish are to draw passengers’ attention and encourage them to use urban transport.

Awards

iFDesign
for the new Urbino



UITP design
for the new Urbino



TOP Design
for the new Urbino



for the new Solaris Urbino 12 LE lite hybrid



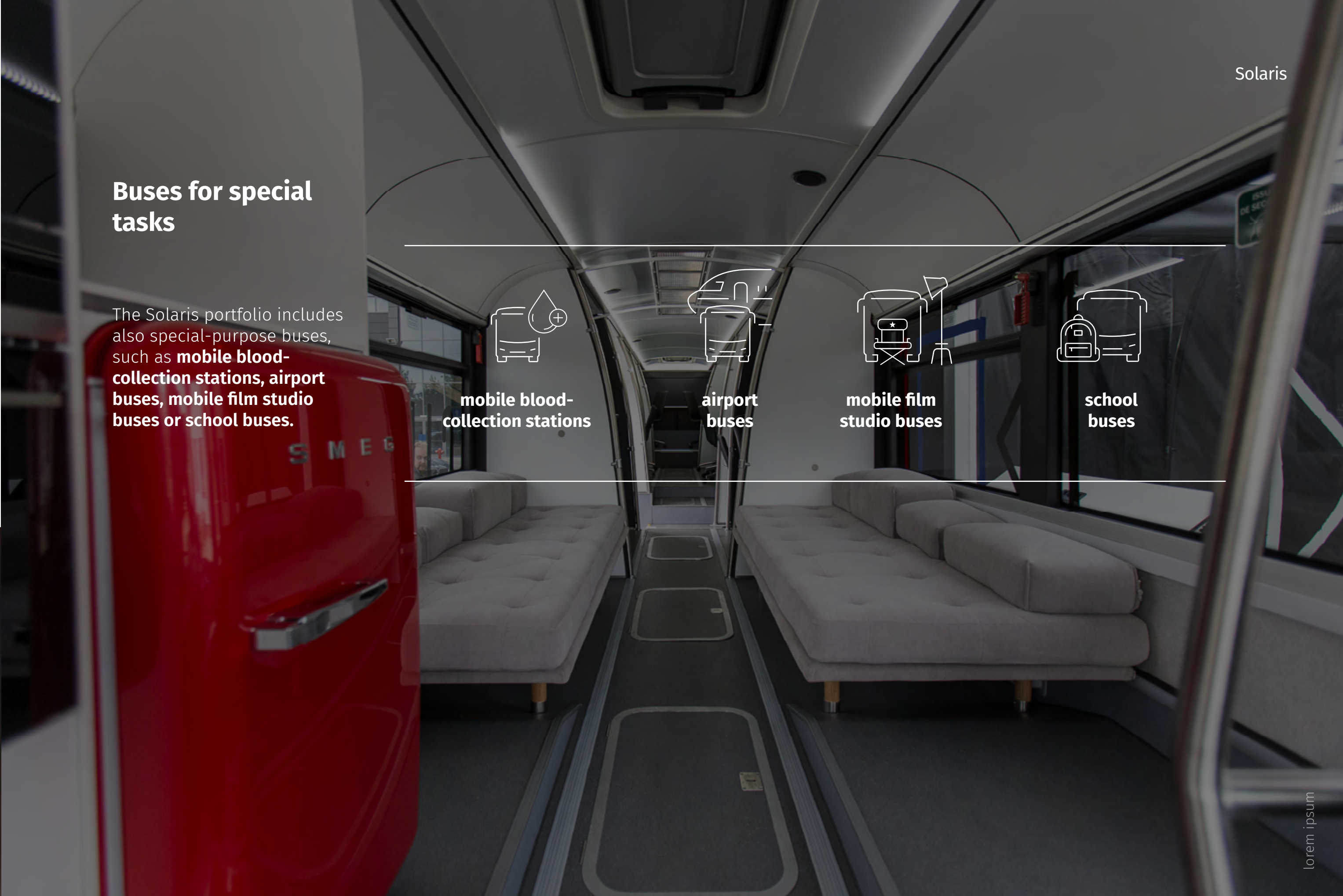
for the new Solaris Trollino 24





Buses for special tasks

The Solaris portfolio includes also special-purpose buses, such as **mobile blood-collection stations, airport buses, mobile film studio buses or school buses.**




mobile blood-collection stations


airport buses


mobile film studio buses



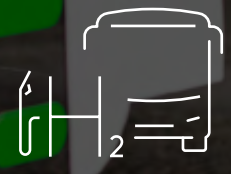




school buses



The future belongs to electromobility

We are convinced that zero-emission buses, which do not generate noise and onerous vibrations, contribute to improving the urban environment in real terms. Therefore making a fully electric bus (2011) was one of our key milestones. At present, a comprehensive emission-free vehicle portfolio includes:

Over 20 years of experience in electromobility has made **Solaris the Europe's biggest manufacturer of electric buses at present, with the order book exceeding 1,000 vehicles.**

Electric buses	since 2011		1 200 contracted vehicles	 Awards <ul style="list-style-type: none">• Bus of the Year• Busplaner• Ebus	<ul style="list-style-type: none">• International busplaner• Sustainability Award 2021
Hydrogen buses	since 2019		70 contracted vehicles	 Awards <ul style="list-style-type: none">• Busplaner• Ebus	
Trolleybuses	since 2001		1 700 supplied vehicles	 Awards <ul style="list-style-type: none">• Top Design Award	

We support transport transformation

We want to be an active partner of public transport operators by providing towns and cities with complex support in transition to emission-free transport: we conduct hundreds of feasibility studies, we manufacture state-of-the-art buses and we are ready to supply them together with a charging infrastructure. Furthermore, we have developed an original system for remote fleet management and preventive maintenance eSConnect.

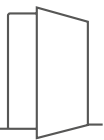


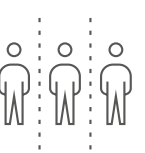
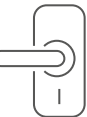
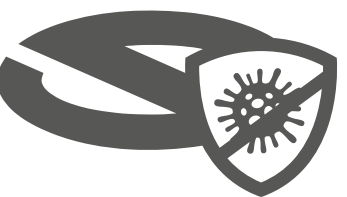
After Sales

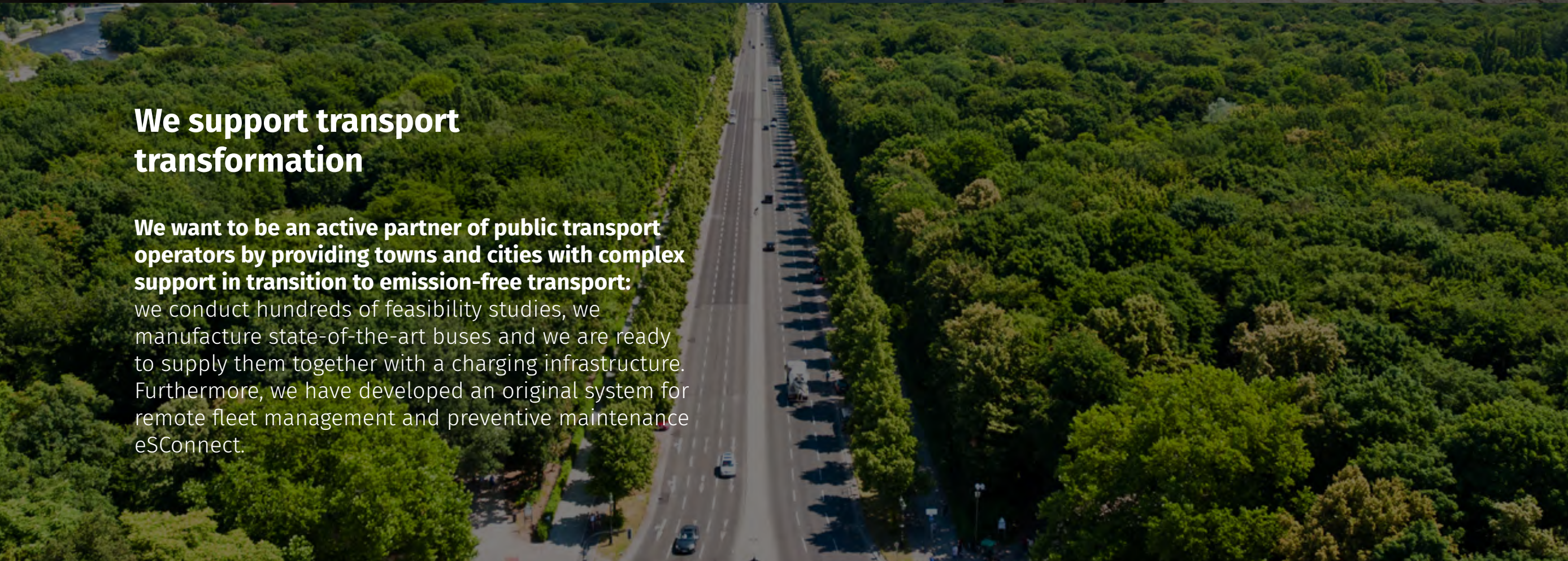
We offer abundant after-sales services through a professional and expanded service network customised to customer needs, additionally supported by **an extensive range of Optiline original spare parts.**

We have created an after-sales support structure dedicated especially to customers whose fleets include vehicles with electric drives.

Safe transport in all circumstances

The coronavirus COVID-19 pandemic in 2020 brought new requests expressed by many public transport operators as regards improved passenger and driver safety. We made efforts to respond to that demand as soon as possible **by launching “antiCovid” solutions to minimise the risk of infection among passengers during the pandemic.** We have tested all of them in the real-life urban conditions.

	Hands-free opening and closing of doors for passengers		Intercom – a contactless driver-passenger communication system
	Disinfectants		Passenger counting systems
	Closed drivers' cabins		





Development and innovations

GRI 201-4

Innovations and related aspirations to develop drives that are as clean for the environment as possible have been permanently imprinted in our company's DNA.

We believe that modern public transport is the foundation of sustainable cities. Therefore we have invested considerable funds in research and development since the beginning of our activity.

Simultaneously, we actively obtain additional funding for the implementation of innovative projects.

In 2020, our company was a beneficiary of funds from both the Polish budget and the European Union. **Co-funding for our organisation amounted to EUR 876,779.85, of which EUR 557,687.34 was designated for the support of scientific research, technological development and innovations.** We obtained support for growth under the EU funding programmes: Horizon 2020 and M-era.Net, Smart Growth Operational Programme (Sub-measure 1.1.1. Fast Track), and also from co-funding by the National Centre for Research and Development – the sectoral programmes RANB and INNOMOTO (SGOP 1.2).

We used the funds for the following projects in 2020:

- **Hybrid Beams** – focuses on developing a new concept of a light-weight bus body frame.
- **Virtual FCS** – the project goal is to develop fully open-ended software that can be adopted as a global standard for FuelCell system designs.
- **Development and verification of a 15-metre zero-emission bus.**
- **TRUSTONOMY** – the project is intended to build confidence in autonomous buses and encourage vehicle users to use driver assistance systems.
- **ADAS** – the project goal is to work out an advanced system supporting precision manoeuvres to assist the drivers of solo and articulated city buses.
- **ASSURED** – working on a fast and smart charging solution for buses and other heavy-duty vehicles.
- **The development and verification of a new generation of trolleybuses** powered by grid electricity and on-board battery together with a dedicated battery energy storage system, adapted for continuous operation.
- **The development of a new generation city bus with a serial hybrid drive** designed in accordance with Bus Rapid Transit (BRT) system requirements.



Research and development incentives

In 2020, we benefited from the R&D tax allowance intended to support taxpayers’ innovative economic activity and thus increase the scale of enterprises’ investments in research and development in Poland. Taxpayers may deduct 100% R&D expenses from the taxable base. In 2020, the company deducted the eligible expenses of EUR 4,920,819.73 from the taxable base achieving a tax benefit of EUR 934,955.75.



Collaboration with universities

Continuous implementation of cutting-edge solutions and continued improvement of knowledge and competencies is of key importance for the growth of a company which makes state-of-the-art and eco-friendly vehicles. Collaboration with scientific centres and educational institutions is important for this process. In 2020, our company conducted joint development projects with the centres in Poland and Europe:

- 1 **AGENCIA ESTATAL CONSEJO SUPERIOR DE INVESTIGACIONES CIENTIFICAS** (Spanish National Research Council, Spain)
- 2 **AIT AUSTRIAN INSTITUTE OF TECHNOLOGY GMBH** (Research and Development Organisation, Austria)
- 3 **BELGISCH LABORATORIUM VAN DE ELEKTRICITEITSINDUSTRIE** (Belgian Laboratory of Electricity Industry, Belgium)
- 4 **COMMISSARIAT A L ENERGIE ATOMIQUE ET AUX ENERGIES ALTERNATIVES** (The Alternative Energies and Atomic Energy Commission, France)
- 5 **COMMUNAUTE D' UNIVERSITES ET ETABLISSEMENTS UNIVERSITE BOURGOGNE- FRANCHE – COMTE (UBFC)** (the association of universities and higher education institutions in the region of Burgundy and Franche-Comté in the form of a “union of universities and institutions”, France)
- 6 **FRAUENHOFER-GESELLSCHAFT ZUR FÖRDERUNG DER ANGEWANDTEN FORSCHUNG E.V.** (The Fraunhofer Society for the Advancement of Applied Research, Germany)
- 7 **IKERLAN SCL** (Research Centre, Spain)

- 8 **INSTITUT FRANÇAIS DES SCIENCES ET TECHNOLOGIE DES TRANSPORTS DE L'AMÉNAGEMENT ET DES RESEAUX, IFSTTAR** (the French Institute of Science and Technology for Transport, Development and Networks, France)
- 9 **INSTITUTE OF COMMUNICATION AND COMPUTER SYSTEMS** (Greece)
- 10 **INSTYTUT TRANSPORTU SAMOCHODOWEGO** (Motor Transport Institute, Poland)
- 11 **KOMPETENZZENTRUM – Das Virtuelle Fahrzeug, Forschungsgesellschaft mbH** (a scientific institution focused on research and development for the automotive industry, Germany)
- 12 **NEDERLANDSE ORGANISATIE VOOR TOEGEPAST NATUURWETENSCHAPPELIJK ONDERZOEK TNO** (the Netherlands Organisation for Applied Scientific Research, Netherlands)
- 13 **PANEPISTIMIO PATRON** (the University of Patras, Greece)
- 14 **POLITECHNIKA POZNAŃSKA** (Poznań University of Technology, Poland)
- 15 **POLITECNICO DI TORINO** (the Polytechnic University of Turin, Italy)
- 16 **SINTEF AS** (Research Institute, Norway)
- 17 **TEKNOLOGIAN TUTKIMUSKESKUS VTT** (Technical Research Centre of Finland)
- 18 **UNIVERSITY OF LEEDS** (UK)
- 19 **VRIJE UNIVERSITEIT BRUSSEL** (Belgian Dutch-speaking University in Brussels, Belgium)
- 20 **VÝZKUMNÝ A ZKUŠEBNÍ ÚSTAV PLZEŇ** (The Pilsen Research and Testing Institute, Czech Republic)



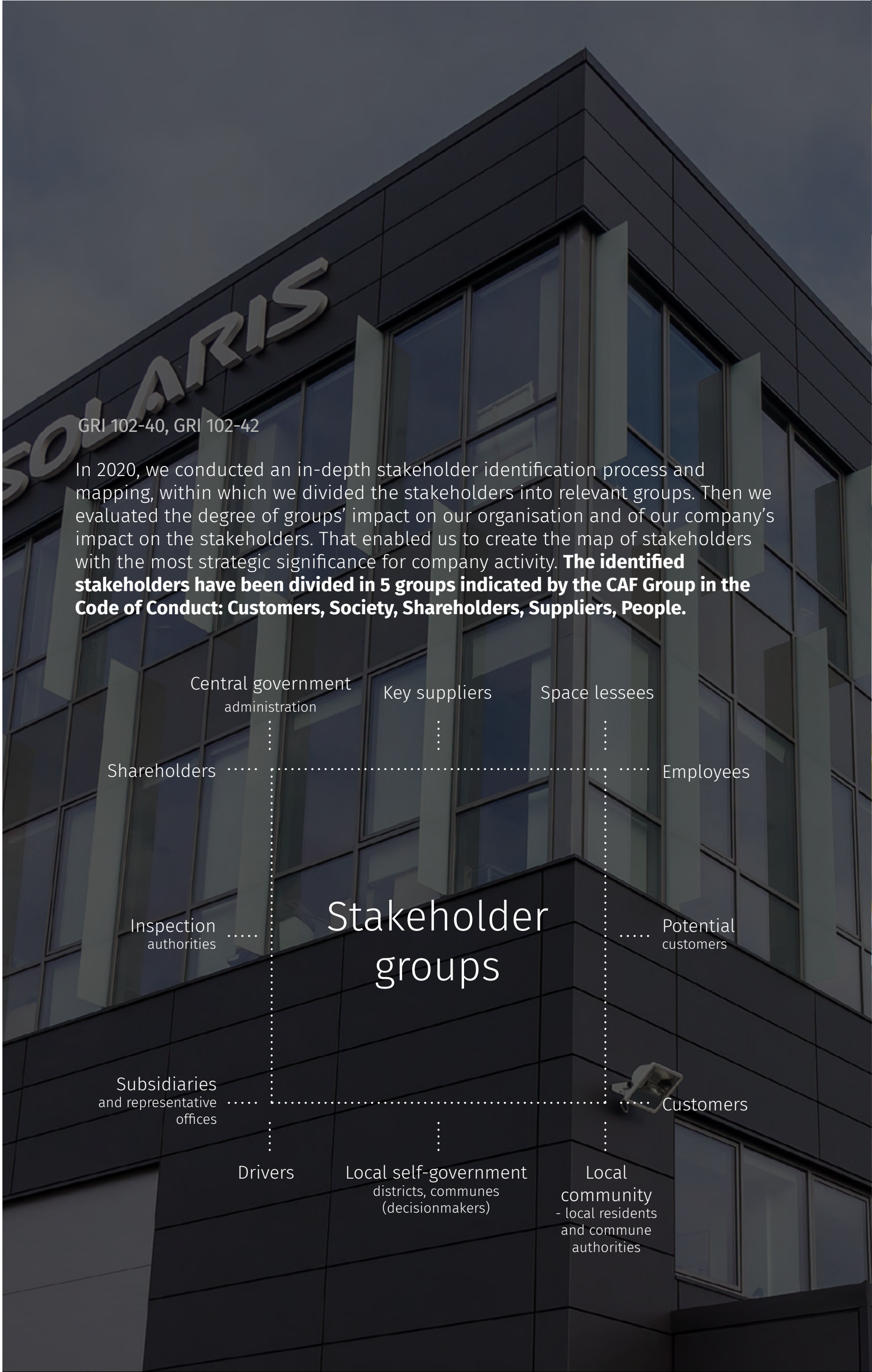
Solid relationships

We believe that building solid relationships with stakeholders is essential to fully practice sustainability. Thence we constantly strive for taking stakeholders' expectations into account in important social and economic decisions.

“We are aware that Solaris activity does not end outside the company premises and all our decisions, implemented projects and end products have a huge effect on our environment. We approach this challenge with full responsibility.”



Javier Calleja
CEO




What is important to stakeholders is important to us

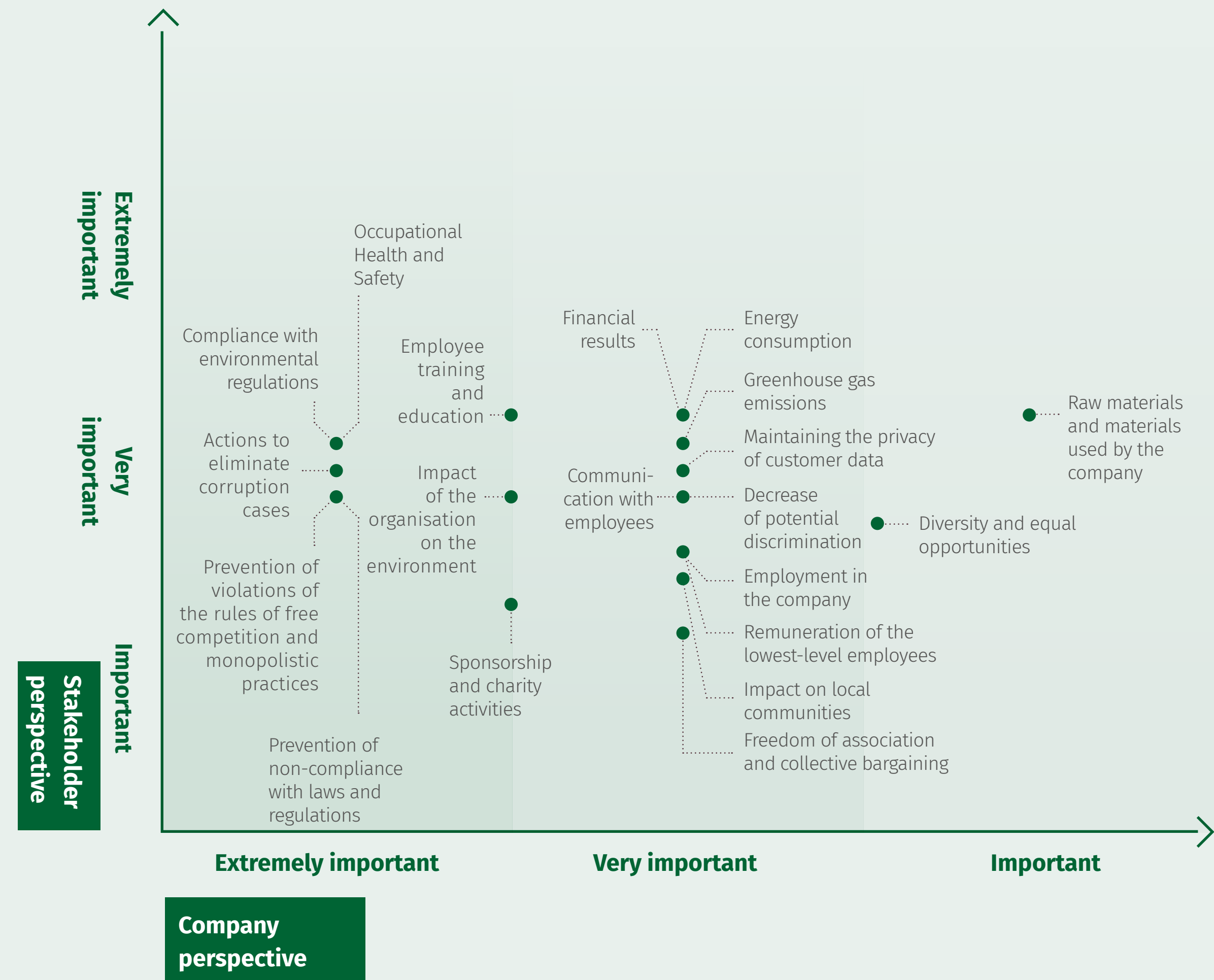
GRI 102-43, GRI 102-44, GRI 102-47

We gain our knowledge on our stakeholders’ needs and expectations through many communication channels and methods of dialogue. We put a lot of effort into communicating our goals and actions to our stakeholders in a complete and reliable manner.

The process of preparing this Report has involved not only our company’s representatives but also our stakeholders. **In 2020, we conducted importance analysis – the survey of expectations of the representatives of the main groups of company’s internal and external stakeholders with reference to report contents.** The survey was conducted using an online questionnaire. This Sustainability Report is based on the issues identified as most important – for both the stakeholders and the company – through the conducted survey.

One of the survey effects were anonymous recommendations of e.g., customers, local self-government representatives, inspection body representatives, suppliers, journalists and employees. We have managed to address many of their questions and doubts herein – we have marked these places with .

What is important to stakeholders?



Main forms and tools of communication with stakeholders



Company’s website dedicated to customers and consumers



Solaris Customer magazine
issued since 2008



Social Media Facebook, LinkedIn,
Instagram, YouTube



Press conferences



Conferences for customers:
“Solarisposium” and “Solaris
Talks”



Regular customer satisfaction
surveys, Net Promoter Score
(NPS) analysis



Company website, Magbus online
platform for customers seeking
spare parts, CAF Group website



Events organised in connection
with vehicle launches, industry-
specific events promoting
e-mobility – for mass media and
for customers



Dual education programmes



Internal communication tools



Whistleblower Channel of the
CAF Group



Meetings with trade unions
active at our company



Membership in associations and
industry-specific organisations



Organisations we are part of

GRI 102-13

We are a member of 14 industry-specific organisations:

- The Polish-German Chamber of Commerce and Industry (AHK)
- UITP (International Association of Public Transport)
- VDV (Association of German Transport Companies)
- Hydrogen Europe (NEW-IG)
- Information Technology for Public Transport (ITxPT)
- The Chamber of Commerce for Urban Transport (IGKM)
- The Polish Scientific Society of Combustion Engines (PTNSS)
- The Wielkopolska Chamber of Commerce and Industry (WIPH)
- The Wielkopolska Employers’ Association LEWIATAN (WZP Lewiatan)
- The Polish Committee for Standardisation, Technical Committee 17 for Vehicles and Road Transport
- The Transport Innovation Forum
- The Polish-Spanish Chamber of Commerce
- The Polish Chamber of Automotive Industry
- The Polish Union of Public Transport Employers – we have joined the organisation at the beginning of 2021

We support Sustainable Development Goals

The Sustainable Development Goals are the blueprint adopted at the United Nations Summit in 2015 for the years 2015-2030 to support humanity in achieving sustainable development. The blueprint has been divided into 17 Goals – social, economic and environmental, and it is a specific signpost for both governments, non-governmental organisations, the business sector and individuals, irrespective of the world region.

While at Solaris we contribute to many of the Sustainable Development Goals and to building a better future, **we would highlight taking a proactive role in achieving the following 4 Goals, associated directly with our business activity:**



Goal 7: Affordable and clean energy

“Ensure access to affordable, reliable, sustainable and modern energy for all”

Our actions:

- We invest in energy saving solutions for manufacturing processes.
- We supply towns and cities with battery-powered buses (electric buses) and buses powered from overhead line network in the city (trolleybuses) and hydrogen buses.
- We provide towns and cities with charging infrastructure for vehicles.
- We promote public transport by developing state-of-the-art low- and zero-emission vehicles.
- We develop second-life battery projects to support towns and cities in optimal energy system management.



Goal 9: Industry, innovation and infrastructure

“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovations”

Our actions:

- We develop innovative solutions for sustainable public transport – we manufacture low- and zero-emission vehicles which contribute to the reduction of the use of energy resources and minimise environmental impact during vehicle life.
- We invest in the state-of-the-art manufacturing infrastructure and management systems, and we use innovative vehicle design technologies.
- We invest in R&D projects for transport, e.g. in the area of electromobility, autonomous buses and Advanced Driver Assistance Systems (ADAS).
- We invest in technical competencies of future generations, we train future engineers through dual education programmes.



Goal 11: Sustainable cities and communities

“Make cities and human settlements inclusive, safe, resilient and sustainable”

Our actions:

- We supply towns and cities with state-of-the-art buses, including hybrid and completely emission-free buses, as well as charging infrastructure for electric vehicles.
- We improve driver comfort and make passenger travelling experiences more positive by developing state-of-the-art, eco-friendly, safe and reliable public transport buses, thus promoting public transport as one of the pillars of sustainable cities.
- We improve safety of all road users by equipping our buses with Advanced Driver Assistance Systems (ADAS).
- We train drivers on safe and optimal driving, thus improving life quality in towns and cities.
- We provide the eSConnect fleet management system which enables the optimal use of buses by transport operators.
- We are the signatory of the Sustainable Development Charter under the activities of UITP.
- We contribute to creating urban transport systems facilitating mobility in towns and cities by designing and manufacturing public transport vehicles and delivering them to our customers, thus counteracting transportation barriers.



Goal 13: Climate action

“Take urgent action to combat climate change and its impacts”

Our actions:

- We supply towns and cities with low- and zero-emission buses, we promote the most eco-friendly solutions among our customers by increasing the share of alternative drives in our sales year after year.
- We invest in energy saving solutions for manufacturing processes with an intention to reduce energy consumption and emissions resulting from our activity.
- We continuously work on improving energy efficiency of our vehicles.
- The vehicles we design and manufacture contribute to the reduction of pollutant emissions in towns and cities and thereby reduce adverse environmental impact of transportation.

What sustainable management means to us

GRI 103-1, GRI 103-2, GRI 103-3

“We interpret the mission of implementing the sustainable development idea at Solaris as the systematic expansion of the range of zero-emission vehicles and active support for the cities interested in green change to urban transport, but also as the implementation of continuous improvements in the production process and the improvement of eco-awareness among the company employees and Solaris vehicle users. We want to be an integral part of a bigger whole, not a separate being. Care for the natural and social environment provides the foundations on which we build economic progress. We believe that we can achieve success only when our great employees, customers and subcontractors place their trust in us. And only if we have their full support.”



Javier Calleja
CEO

GRI 102-15

Solaris is a responsible company and an honest employer, and a leader in innovations at the same time with ambitions to change the image of public transport to clean, resident-friendly and sustainable. We perceive our opportunity for further development in consistent investments in eco-friendly solutions for our vehicles. Our environmentally friendly buses are not only popular among city transport operators but they also contribute in real terms to the reduction of emissions and the improvement of air quality in towns and cities.

We make efforts to respond to growing transport needs of huge metropolises and smaller cities by offering state-of-the-art and comfortable solutions which improve the attractiveness of the means of urban transport. **We are aware of the climate crisis and we want to contribute to mitigating its adverse effects by continuous development of emission-free and low-emission products.** Today we try to use our eco-friendly offer to create purchase needs among customers knowing that they will have an impact on the economy and environment tomorrow. We are an active partner and adviser during the demanding process of transport transition to less invasive to the environment. We have expanded our vehicle portfolio to include a package for electromobility support in cities.





GRI 102-11

We want our dynamic development to comply with the principles of corporate social responsibility, therefore we consistently invest in technological innovations bearing in mind that the living standard in towns and cities, where now live more than 50% of the world's population, depends to a large extent on whether the idea of sustainable transport is put into practice. It relies on the rational use of available energy sources as well as on setting the standards for the use of energy obtained from alternative sources. **Solaris offers an opportunity to use such energy by, inter alia, manufacturing and promoting efficient electric, hydrogen, hybrid and biogas-powered buses and trolleybuses.**

Bearing in mind challenges to sustainable development today, associated with climate changes and excessive environmental pollution, we take a number of actions aiming to minimise the negative effect on individual environment components. Our approach to sustainable development management is consistent with the CAF Group vision and the respective basic goals set by the Group to all companies through the Sustainability Policy approved by the Board of Directors of CAF, S.A. For more information regarding CAF's global vision and Sustainability please see Chapter 1.1. of the 2020 Sustainability Report of the CAF Group.

Being aware of our responsibility for the safety, reliability and sturdiness of our buses, we continuously improve our manufacturing and organisational processes and we seek better and better solutions in terms of applied technologies. **We develop products bearing not only quality but also environmental aspects in mind.**

We support the achievement of these goals by maintaining an **environmental management system and using devices and technologies designed to reduce the scale of our negative impact.** An **Integrated Management System** that is in place at our company has been implemented out of our concern for the safety of the users of our products, for the top quality of the whole family of our vehicles and in response to our customers' expectations. The production of all buses and trolleybuses runs in accordance with defined processes and is overseen not only in-house but also by external certification bodies. The Integrated Management System has been certified in accordance with the following standards:



The certified Environmental Management System implemented in accordance with the ISO 14001 standard has been in place at our company since 2005. It requires us to set ambitious goals associated first of all with striving for the highest level of environmental protection, prevention of pollution and continuous improvement of awareness of the effectiveness of environmental measures among both our employees and business partners. These measures help us achieve environmental as well as economic effects.

We use necessary tools, such as process reviews, internal audits, environmental walkthrough inspections, management reviews and follow-ups, to ensure compliance with the requirements of the quality and environmental standards, ISO 9001 and ISO 14001 respectively. These actions also include the review of legal requirements and the identification and verification of the expectations of significant parties concerned.

Furthermore, we started the process of implementing an occupational health and safety management system in accordance with ISO 45001 at our company in 2020.

Our advantages:

- Extensive range of vehicles with electric drives
- Offer customised to diverse customer needs
- Innovative products focusing on environmental protection



Risk management

GRI 102-15

To ensure business continuity, we have identified risks associated with our activity and we first worked out the methods of hedging against them. We make continuous efforts aimed at the diversification of any financial and non-financial risks. We use a number of organisational and technical solutions that enable us to address identified risks as well as related opportunities.

The Management Board is responsible for entire management and charting the directions of financial and non-financial risk management strategies at our company. The Solaris structure includes the functions of the Director of Risk Management and the Management Board Proxy for Data Protection and Management Systems. **In addition, we have formed a new department responsible for ESG (Environmental, Social, Governance) management in the company structure.** Non-financial risk management – including risk identification and working out the best risk minimisation procedures – will be one of the areas of responsibility of the department.



The process of managing business risks, including non-financial risks, is governed by our company through relevant policies, procedures and methodologies. A respective superior system is the Integrated Management System and related documents. As a CAF Group company, we are in the process of adopting also the General Risk Assessment and Management Policy of the CAF Group (Chapter 2.2, Sustainability Report of the CAF Group).

The risk management model is homogeneous for the entire Group and for any type of risk, and it consists of the following actions:

- 1 Determining the risk management context for each activity, including the level of risk that the Group considers acceptable.
- 2 Identifying the different types of risks the Group faces, in line with the main types outlined in the Policy.

3 Analysing the risks identified and their implications for the entire CAF Group:

- Corporate Risks – Those that affect the Group as a whole.
- Business Risks – Those that specifically affect each of the activities / projects, which vary according to their particular features.

4 Assessment of the risk based on the level of risk that the Group considers acceptable (risk appetite).

5 The measures planned to tackle the risks identified.

6 Regular monitoring and control of current and potential risks through the use of information and internal control systems.

We have identified the non-financial risks in the key areas of our activity; these risks can have a considerable effect on the environmental area, including climate change, as well as employee, social, human rights areas and the area of corruption prevention.



We care for the environment for the next generations

GRI 201-2

We are aware that bus production is not environmentally neutral, therefore our main objective is to minimise our negative environmental impact through a number of actions we take. Climate related issues are among the main aspects we focus on when defining our development objectives, risks and opportunities.


For a few years now, we have been taking actions aimed to eliminate negative environmental impact during product life by manufacturing buses with alternative drives. As innovators and e-mobility market leaders, we have a positive effect not only on our organisation but on all organisations in the sector as well.

We consciously work to improve the climate situation:

- We manufacture and deliver to cities more and more buses that do not generate CO₂ emissions.
- We try to respond to the growing transport needs of large metropolises and smaller cities, offering modern and comfortable solutions that increase the attractiveness of public transport.
- We promote the most ecological solutions among customers and suppliers.
- We have appointed the ESG team whose goal is to integrate all actions taken currently by the organisation regarding environmental and social issues, to ensure corporate governance for a complex assessment of the environmental impact of our products and activity and to set a framework for the identification of sustainable development risks in detail.
- We have determined our organisation’s carbon footprint, and have taken actions mitigating greenhouse gas emissions (e.g., change of the provider of electric power).
- We are working together with suppliers and our partners to improve eco-awareness and build circular green economy.
- We invest in energy-saving solutions in production processes to minimise energy consumption and emissions resulting from our activities.
- We are constantly working on increasing the energy efficiency of our vehicles.



Other non-financial risks as defined by us



Employee area

- The risk of occupational accidents and diseases.
- The risk of disputes with employees, groups of employees or trade unions.
- The risk of a generation gap and required professional competencies of future employees from the point of view of the company.

Example of risk management activity:

- Updating remuneration systems – ensuring an incentive pay system which prevents the potential outflow of key competencies and attracts new staff with required competencies.
- Taking employer branding actions, including actions addressed to students and graduates. Standardizing the process of developmental actions that enable employee competence improvement according to the same rules.
- Actively seeking employees with appropriate competencies on the external market and through the in-house recruitment process.
- Establishing collaboration with vocational schools and universities through dual education programmes.

- Having regular meetings with trade unions, active and open dialogue with social partners on company activity, planned changes, financial performance, employee related matters and OH&S.
- Properly selecting the means of communication with employees about the issues related to important organisational or business changes.
- Defining company HR needs, analysing employee retirement rights and permanently monitoring staff turnover, planning and quickly carrying out recruitment processes, organising training sessions (including on-the-job training), preparing long-term employment plans.



Corruption prevention area

- The risk of corruption in public procurement.
- The risk of providing financial, non-financial or organisational assistance by the company and the Foundation established by the company to entities acting outside the law or contrary to company interests or public good.

Example of risk management activity:

- Providing mandatory and systematic training (e-learning, meetings, workshops).

- Ensuring mandatory knowledge of the in-company code of preventing harmful practices, including those associated with corruption and unfair competition by identified company employees.





Social area

- The risk of breach of information obligations (e.g., by disclosing confidential information or information that might affect stakeholders’ decisions to mass media).
- The risk of improper information management (including the lack of information) in a crisis situation, disclosing contradictory information into the public domain or sharing information by unauthorised employees.
- The risk of causing damage or loss to customers or any third party.
- The risk of delays in contract performance.
- The risk of personal data breach (e.g., as a result of a human error, unfamiliarity with or non-compliance with laws or internal regulations by employees, associates, IT system failure or a cyber-attack).
- The risk of breach of competition and consumer protection regulations.

Example of risk management activity:

- Using the procedures of communication in crisis situations.
- Maintaining operational channels of communication with the key stakeholders of the Company.

- Implementing the strategy of internal and external communication.



Product area

- Since we design and manufacture customised buses, our key business risk is meeting all customer expectations while simultaneously assessing contract feasibility.
- The socio-economic situation may influence the purchasing decisions of city carriers.

Example of risk management activity:

- Before a decision on placing an offer is made, every contract is analysed by a multifunctional team and the Director of Risk Management that assess technical, financial, infrastructural and lead-time related capabilities as well as the provision of after-sale services and supply of spare parts in the future.



Ethical principles that govern our behaviour

GRI 103-1, GRI 103-2, GRI 103-3

We build the organisational culture based on values and ethical approach to business.

All our relations with associates and business partners rely on the corporate value system and the Code of Good Practices which has been worked out over the years and helps us take business decisions. The Code is the set of ethical principles based on integrity, responsibility and mutual respect that govern our behaviour at work every day and we expect the same from our business partners.

As a CAF Group company, we have adopted the CAF’s Code of Conduct (Chapter 2.3 Business ethics, fraud, and corruption prevention and respect for competition law, Sustainability Report of the CAF Group), applicable to all organisations being part of the Group as well as their suppliers (our suppliers must also apply an additional document – CAF’s Corporate Supplier Code of Conduct). The Code is mandatory not only for our employees but also for all suppliers, commercial consultants and business partners we work with. It governs the standards of conduct consisting in strict observance of laws, in particular in the area of human rights,

civic freedoms and fundamental rights, the principles of equal treatment and non-discrimination, the prevention of child labour, environmental protection or fight against corruption.

As a CAF Group company, we have a general whistleblower channel in place. It enables employees and other people associated with the company, including suppliers or subcontractors, to report any potential significant nonconformities at any time (Chapter 2.3, Business ethics, fraud, and corruption prevention and respect for competition law, Sustainability Report of the CAF Group).

Solaris employees have access to the CAF Group’s corporate internal communication application which provides access, inter alia, to the most relevant regulations and working documents on business ethics, criminal compliance, competition law compliance and market abuse.



Integrity and accountability

GRI 205-1

We comply with the CAF Group’s Crime Prevention Manual, which is one of the essential regulations of the Criminal Compliance and Business Ethics System (Chapter 2.3, Business ethics, fraud, and corruption prevention and respect for competition law, Sustainability Report of the CAF Group). Every company employee must read this document and part of employees go through additional respective training.

The Manual sets the standards of conduct that require us to improve continuously in order to always meet the highest standards of integrity, lawfulness and professionalism. It also contains a commitment to strictly respect human rights and to adopt measures enabling their scrupulous enforcement. In addition, the document is based on the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the Principles of the UN Global Compact and the highest ethical standards.

GRI 205-3

No confirmed instances of corruptive nature have been observed at our company. Nevertheless, we constantly take decisive actions to prevent the risk of corruption. We treat business partners as our equal partners but we make sure that they comply with the highest standards, and above all we require them to respect human rights. The Business Partner Verification Process, which is mandatory and carried out before closing any transaction, helps us in that respect. Our Financial Department uses a specially developed Business Partner Assessment Sheet. The Sheet defines our understanding of cooperation based on partnership and helps us fulfil and document the verification all our suppliers and customers are subject to, and which is carried out with due care.





Rules of free competition

GRI 103-1, GRI 103-2, GRI 103-3

The CAF Group’s Code of Conduct requires our company to comply with any local, national and international regulations related to competition law. The instrument effectively preventing the risk of non-compliance with competition law is the **CAF Group’s Competition Law Compliance Manual**. In 2020, as part of actions to implement the Manual, we started implementing e-learning training on competition law. The training will deal with prohibited acts in the light of competition protection laws, good commercial practices and forming consortia with other partners. This training is intended for employees who contact contractors and handle contract signing.

The process of handling potential violations of regulations laid down in the rules applicable throughout the company is used to detect and prevent any serious threats to our company. All information about serious law violations, especially in the areas of violating the rules of free competition, offences related to corruption and data protection

are investigated in-depth, and the violations are examined and punished in accordance with the penalties permitted by Labour Law.

GRI 206-1

The President of the Office of Competition and Consumer Protection initiated the proceedings under the decision of 16 December 2020 to investigate possible excessive payment delays by our company under the Law of 8 March 2013 on counteracting excessive delays in commercial transactions. We were also summoned by the letter of 18 December 2020 to provide documents and information indicated in the summons. At present, we are gathering necessary data, information and documents which will be submitted to the President of the Office of Competition and Consumer Protection for analysis later during the proceedings.

Confidentiality and privacy

GRI 103-1, GRI 103-2, GRI 103-3

We treat our customers’ data with the utmost care and diligence. As required by law, we use numerous safeguards as well as technical and organisational measures intended to ensure the security of our customers’ personal data.

GRI 418-1

As a CAF Group company, we strictly observe the principles specified in the **“Corporate policy and instruction on personal data protection”**. We have implemented relevant policies on personal data protection, handling requests from individuals concerned and data breach management. All customer, supplier and guest data are protected to the same extent as our internal data.

Furthermore, we took additional improvement actions in 2020, e.g. data protection training for all the employees who have access to IT systems. Our related parties were also covered by the training programme.

We did not record any justified customer complaints on privacy breach last year. We did not identify any customer data leaks, thefts or losses in the period concerned.

Legal and regulatory compliance in the social and economic area

GRI 103-1, GRI 103-2, GRI 103-3

We make every effort to ensure that our activity meets the highest accountability standards. We abide by all laws and regulations regarding product manufacturing, supply and use.

GRI 419-1

At the moment, we are in the process of appealing against the decision of the President of the Energy Regulatory Office issued in 2020 under which the fine of EUR 13,500 was imposed on our company for failure to meet the deadline to provide the President of the Energy Regulatory Office with the reports on the types and quantities of generated, imported and exported liquid fuels and their intended

use for December 2018, January, March, June, October, December 2019 and March 2020. Our company has appealed against the decision imposing the fine. We are trying to clarify that, in our opinion, there were significant grounds for refraining from imposing the fine on us because the harmfulness of the act was minor and, in addition, our breach of regulations was unintentional, and we also fulfilled all our obligations of our own accord before the administrative procedure was initiated as soon as we became aware of their existence.

At present, we monitor changes to energy law on an ongoing basis.

Responsibility along the value chain

- 32 Our value chain
- 33 Sustainable Supply Chain
- 35 Our customers
- 39 Sustainable production

Our value chain

GRI 102-9

Since the very beginning of our activity, we have combined growth opportunities closely with the implementation of environmentally-friendly solutions. We treat our environment with the utmost care and we make efforts to minimise the impact of our buses as well as the activity of our whole company.

This approach is reflected in both the continuous expansion of our portfolio of emission-free vehicles and the improvement of manufacturing processes and the sustainable supply chain. We source components and resources for our buses only from proven and certified suppliers who apply the principles of fair trade to their activities. We also assume full responsibility for the last stage of product life – recycling of waste materials and used components.



R&D

Innovations and related aspirations to develop drives that are as clean for the environment as possible have been permanently imprinted in the DNA of our company. We are ready for market challenges through continuous investments in the development of our products. We also set trends frequently.

185
R&D headcount in 2020

35t of CO₂
emissions – can be saved by one Urbino 12 electric running in Cracow during one year



Sales

Customer orientation is one of the values on which we build our business strategy. Professionalism and responsibility matter to us in the sales process. High quality vehicles, which we are willing to customise to meet our customers’ needs, are the key to our success.

1,558
Number of vehicles sold in 2020

22
Number of countries with subsidiaries or representative offices of the company

750
Number of cities with Solaris vehicles



Supply chain

We use components and materials sourced only from proven suppliers to build our buses. **We rely on long-term relationships with suppliers based on partnership and on a transparent and consistent purchasing policy.**

2,037
Number of suppliers in 2020
EUR 330 million
Value of purchases



Production

State-of-the-art manufacturing processes and their continuous optimisation as well as investments in the infrastructure help to improve working conditions at our company and to reduce our environmental impact.

44%
Share of alternative drives in the vehicles sold in 2020
51%
Reduction of production plants’ carbon footprint in 2017-2019



Logistics & Transport

We continuously optimise our logistic processes. In our opinion, a sustainable supply chain is inherent to company success in the future. The vast majority of our suppliers are Polish, which enables us to mitigate the environmental impact of processes.

71%
Percentage of suppliers based in Poland



After Sales

Solaris offers abundant after-sales services through a professional and expanded service network customised to customer needs, additionally supported by an extensive range of Optiline original spare parts.

22
Number of markets with a logistics network that supplies them with spare parts

26
Number of countries where the Solaris service network is operating



Recycling

Recycling of the materials used for production reduces environmental impact considerably.

65%
of waste generated as a result of our activity has been recycled

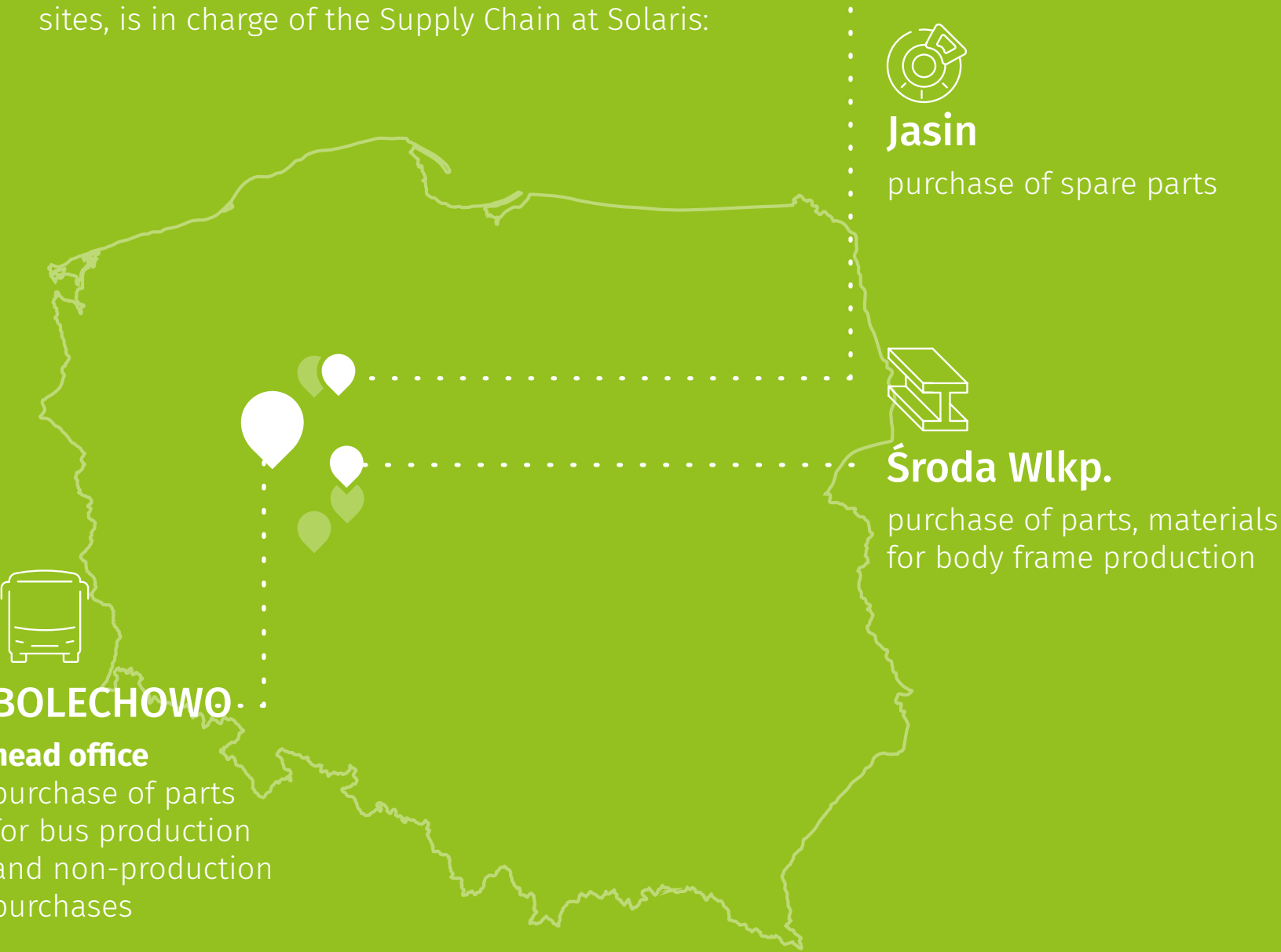




Sustainable Supply Chain

GRI 102-9

The Purchasing Department, located in three company sites, is in charge of the Supply Chain at Solaris:



In 2020, we cooperated with 2,037 suppliers from different countries, including a considerable majority of suppliers from Europe. Suppliers outside Europe, including companies from Canada, China and Turkey, accounted for 1% only.

Our suppliers based in Poland accounted for 71% in 2020. Higher participation of partners from Poland means the optimisation of costs and delivery times, and thus enables us to mitigate environmental impact. In addition, the distribution of suppliers which is mainly local enables us to dynamically respond to potential risks that might arise in the Supply Chain. The fact that we thus contribute to the creation of new jobs is extremely important. Purchases made by Solaris from Polish suppliers last year related first of all to the following sector of economy: vehicles, trailers and semitrailers, professional and business services, warehouse and transport services, municipal and recycling services.

The total value of purchase orders in 2020 was

EUR 330,921,265.00

and **58.5%** of that amount was designated for purchase orders placed with Polish suppliers.



	Number of purchase orders	EUR	To PL suppliers
Bolechowo	1,450	EUR 270,233,067.00	EUR 147,659,968.00
Środa	249	EUR 37,512,851.00	EUR 33,498,554.00
Jasin	838	EUR 23,175,347.00	EUR 12,553,860.00
Total	2,537	EUR 330,921,265.00	EUR 193,712,382.00

We started cooperation with 150 new suppliers in 2020.



Solaris



Challenges brought by 2020

GRI 102-10

More and more electric buses

Similarly to 2019, the greatest challenge for us related to the supply chain in 2020 was further **dynamic transition of the production mix to alternative drives**. In 2020, as many as 44% of our buses were equipped with electric, hybrid and hydrogen drives.

Flexible management during the COVID-19 pandemic

Despite an extremely tough situation of the automotive sector during the coronavirus pandemic, we worked without stops and manufactured vehicles, but that required a change of our approach to supply chain management.

Occurring downtime caused by the partial or complete lack of components needed for vehicle production posed a challenge. Many of our suppliers were forced to stop the production of parts or even close their manufacturing plants.

We took a number of preventive actions, while managing the crisis. Everyday monitoring of part delivery plans and everyday identification of “threats” in the supply chain enabled the logisticians and the buyers to respond immediately to any potentially dangerous situations. In addition, we increased the safety stock of standard parts. We also used forecasting tools to avoid delays in delivery.

Flexible management allowed us to achieve the result in timely part deliveries that was 5% better versus the prior year.



Our purchasing policy

We rely on long-term relationships with suppliers based on partnership and we make sure that our purchasing policy is transparent and consistent. As a CAF Group company, we follow the CAF’s Corporate Supplier Code of Conduct in our purchasing processes and during supplier selection and qualification. **Since the introduction of the Code in 2019, over 90% of our suppliers have signed the Corporate Supplier Code of Conduct or have the Codes of Conduct similar to ours in place.**

This document defines the general ethical principles that apply to all the employees of the CAF Group companies and their suppliers. It promotes responsible practices and presents the expectations of the entire Group, including Solaris, to suppliers. The set of ethical principles for suppliers has been grouped into four categories: Working Conditions, Health and Safety, the Environment, Business Ethics. Under this Code, all CAF suppliers must comply with the applicable laws and regulations, especially those related to fighting against corruption and bribery, and they must behave in accordance with the principles of fair competition not only in relation with CAF but also with any other public or private body.

There is a number of other regulations beside the Code of Conduct. The conclusion of new commercial contracts with our company involves full respect by the supplier of the principles of the Code of Conduct and the Supplier Code of Conduct.

We cooperate with certified suppliers only

Zero-emission public transport is the idea that has motivated us throughout our activity. We are aware that demand for lithium-ion batteries, an indispensable component of electric vehicles, has been growing along with the development of electromobility. As the manufacturer of battery-powered buses we approach the sourcing of rare raw materials needed for their production in a responsible manner.

We and our suppliers apply the sustainable development approach to the whole process of selection, production and use of traditional NMC-type lithium-ion batteries that are installed in city transport vehicles and we pay great attention to eco-friendly and ethical business practices.

Our standard supplier evaluation procedure takes respect to human rights and suppliers’ environmental impact into account. We pay special attention to cobalt mining sources with regard to batteries. We base our assessment on the official Code of Conduct, the Sustainable Procurement Framework and on working within the Responsible Cobalt Initiative of the China Chamber of Commerce of Metals (CCCMC) and the Organisation for Economic Co-operation and Development (OECD). All our suppliers of NMC battery cells source the materials needed for battery production from the zones without conflicts and civil right violations.

Last stage of the product life cycle

As the manufacturer of electric vehicles, we are fully aware of battery degradation after use in a bus. **We actively prepare for the implementation of second-life battery projects which assume battery reuse after a loss of capacity and relevant parameters.**

We think about vehicle recycling opportunities at every stage of the vehicle life cycle, from the design, production and operation phases to disposal. Vehicle recycling contributes to reducing dangers to the natural environment, and the effective use of resources through waste material management or their use as the source of energy mitigates an adverse environmental effect and potential hazards resulting from solid waste landfilling. We make efforts to increase the share of materials intended for recycling every year.

In 2020, 65% of waste materials resulting from our company activity were recycled, and the remaining 35% were converted to an alternative fuel. None of generated waste was landfilled.

Our customers

City transport operators and private carriers responsible for the provision of transport services are the main group of our customers. Climate changes, growing urban population and technological changes transform the society and affect our customers – transport operators in smaller cities as well as multimillion metropolises. **Our task is to customise our offer to suit market trends and meet customer needs today and to respond to the changes of tomorrow. We believe that environmentally friendly public transport is the foundation for sustainable and modern towns and cities with lower CO₂ emissions, and our customers who manage city transport play the key role in this aspect.**

We support them by offering both eco-friendly and reliable vehicles which not only reduce transport environmental impact but also improve our customers’ operational efficiency and productivity. And savings related to energy consumption offered by our vehicles affect our customers’ profitability. **We are also an active partner to every customer in the process of urban transport transition to eco-friendly.**

“A customer is the first goal of a socially responsible enterprise. The sustainable development goals of our organisation must be reflected in everyday work which builds mutual trust and translates into the final satisfaction of our customer.”



Petros Spinaris
Deputy CEO, Sales, Marketing and Customer Service





The highest value – a satisfied customer

GRI 102-44

Continuous customer satisfaction monitoring by means of professional tools, i.e. annual customer satisfaction surveys, and a continuously monitored Net Promoter Score (NPS) indicator are part of our strategy.

Customer Satisfaction Survey

Besides identifying the customer satisfaction level taking various areas of company activity into account, the main objective of the survey is to motivate our employees and identifying mistakes currently made at work, and then eliminating them through the implementation of remedy plans based on the information obtained from the questionnaires. The surveys cover the whole customer’s path in contact with us, from the preparation for purchase through bus handover to its use during and after warranty period and the purchase of spare parts. The customer satisfaction level indicator – CSI for the company is 84%.

NPS

The Net Promoter Score (NPS) is an indicator measuring general satisfaction of our customers, their loyalty and inclination to recommend our products to others.

We are happy that customers appreciate our products

CSI

Our overall CSI (Customer Satisfaction Index) is 84%. This means that in more than 8 for 10 responses given*, the respondents agreed or definitely agreed with positive statements about cooperation with Solaris.

The overall CSI in the German market increased by 11 percentage points in 2020 versus the previous survey.

NPS

In 2020, NPS is 56%.

*on the basis of the latest survey conducted on the Polish market in 2019.

We share our knowledge – technical training

To make sure that our customers are best prepared for the proper operation of Solaris buses, we have created a special Technical Training Department which – besides providing practical training on the customer’s premises – also runs the Technical Support Centre. Offered services include:

- Drivers’ training on eco-driving.
- Training of the Customer’s technical staff on the construction, maintenance and repairs of operated vehicles; during the production process or on the customer’s premises.
- Drivers’ training on managing working environment and basic maintenance as well as on economical driving.
- Specialist training on built-in components, delivered by subcontractors’ representatives.

Only in 2020, we trained over 100 drivers representing transport operators on the operation of our vehicles and safe driving.

Since 2013, we have been cooperating with rescue and road services and delivering training on the construction of state-of-the-art city buses. The programme delivered by the experts from the Technical Training Department instructs e.g., on how to proceed in case of road incidents involving a bus.

Almost 1,000 firemen, 20 experts and 25 inspectors from the Road Transport Inspectorate have taken part in the training to date.

Power of communication

Face-to-face meetings and direct contacts with customers enable us to build relationships that last for years. The sale of a vehicle is only the first step in our industry. Further contract management and looking after the proper operation of the vehicle, and as failure-free as possible, is not only our task but also a challenge.

Solarisposium

To face up to it, we have launched the “Solarisposium” project – regular technical conferences attended by technical and logistic department representatives from our customers and subcontractors, and held e.g. in Norway, Bulgaria, Italy, Czech Republic, Germany and the Baltic States. This corporate conference, we have developed for 18 years now, has resulted in the generation of many solutions applied by the users of our vehicles on a daily basis, such as USB chargers in handrails or the fleet management system.

Solaris Customer Magazine

We produce **Solaris Customer Magazine** – the magazine for the customers of our brand, to regularly inform them about our current offer and all key areas of company activity. It has been published twice a year for 12 years (current circulation of approximately 3000 copies) and it informs about cutting-edge technologies, performance of the largest contracts, vehicle development stages, the visions and long-term strategies of the brand. The Magazine is published in hard copies and in digital format.





State-of-the-art systems in the After Sales area

eSConnect
SOLARIS

Our Development Department has developed the original eSConnect System to monitor fleets by customers and to improve maintenance effectiveness. This accurate diagnostics instrument provides for the **effective management of the fleet of electric buses and their most optimal use, which translates into energy consumption savings.**

Solaris maintenance technicians also have remote access to diagnostic data. Using the eSConnect system, the maintenance function is often able to remotely diagnose a defective component and prepare maintenance staff for carrying out a repair, as required. **Furthermore, the system enables**

maintenance technicians to remotely rectify defects without the need to visit the customer, which considerably reduces travelling expenses and related environmental impact.

Augmented Reality for even better service

In 2020, we started working on the implementation of an innovative system using augmented reality (AR) for vehicle maintenance and the handover process. We plan to implement the project in 2021.

Solaris buses will be equipped with a device to draw a spatial map using AR markers representing digital technical documentation or bus repair or maintenance procedures.

The spatial image of a vehicle will make it possible to carry out vehicle handover and inspection processes as well as service

tests or repairs remotely. It will also provide indispensable support for technicians travelling during service actions. Besides the obvious economic aspect of the solution – saving time and resources related to employee and customer travels – **minimising the number of business travels related to vehicle delivery and servicing, and thus considerably reducing the environmental impact of these activities, is of considerable importance as well.**

The device can also be used during technical and safety related training for both our employees and our customers.



Sustainable production



All Solaris products are manufactured in accordance with the Integrated Management System in place at the company. Being aware of our responsibility for bus quality, reliability, safety and sturdiness, we continuously improve our manufacturing and organisational processes and seek better and better solutions in terms of applied technologies. **We develop our buses bearing not only quality but also environmental aspects in mind.**

Responsible and sustainable production is a significant component of our **overall management strategy**, in which we follow **ISO 14001 standards**. The Environmental

Management System helps us achieve both environmental and economic effects. It requires us to set ambitious goals associated first of all with striving to continuously improve the effectiveness of our environmental actions.

We apply the 6S method of organising and improving manufacturing processes to ensure the highest quality of all Urbino and Trollino models and the safety and ergonomics of our employees. Its purpose is to ensure the most optimal conditions in the workplace with a strong emphasis put on safety and ergonomics.



1.

Sort

Distinguish between necessary and unnecessary items at the workstation, and take unnecessary items out of the workplace.

2.

Set in order

Set a method and place for everything and keep everything in its place.

3.

Shine

Maintain a clean and functional workplace on a daily basis.

4.

Standardize

Create clear and simple visual cues and rules applicable in the workplace.

5.

Sustain

Work out habits and routine needed to observe the rules.

6.

Safety

Work out the habit of working safely and using personal protection equipment.

COVID-19 related challenges

The coronavirus pandemic in 2020 brought additional challenges mainly for the manufacturing area. Our company did not stop its business activity during that period. We wanted to meet our obligations to our customers, and protect our employees and their jobs at the same time. **Despite many difficulties – caused by downtime in the supply chain, restrictions introduced by different European countries – we consistently delivered vehicles to our customers, providing also technical support, if possible.**

That would not happen without the exemplary and responsible attitude of company employees – especially those working on site – who performed their daily duties for the greater part of 2020, while taking increased precautions.

We invest in the manufacturing infrastructure

We continuously invest in the manufacturing infrastructure and we implement projects aimed at both company growth and manufacturing processes' improvement. **The projects implemented in recent years have streamlined the work of many business units, contributed to the improvement of manufactured vehicles' quality and, in addition, reduced the negative environmental impact of vehicle production.**



The most important projects include the **expansion of the production building on the main company premises in Bolechowo in 2015**. The additional space exceeding 7,500 sqm, intended specially for the production of Urbino family new generation vehicles, was created under one of them. That contributed considerably to the increase of our production capacity and prepared us for a dynamic production mix transition to more and more vehicles with electric drives. Furthermore, we continually adjust our company infrastructure for the optimal production of electric vehicles.

In 2020, we completed a number of projects associated mainly with the expansion of our manufacturing potential, in particular for buses with alternative drives, including:



BOLECHOWO

Bus Production

- Retrofitting of the 200 kW charging station for electric buses in accordance with the ISO 15118 standard and adjusting it for charging via an inverted pantograph.
- Creating a charging station for trolleybuses fitted with traction batteries.
- Construction of a Chemical Warehouse.
- Construction of a shed for waste materials.



Środa Wlkp.

Production of Steel Body Frames

- Construction of an administrative and social building.
- Delivery and installation of a welding robot.



We increase energy efficiency

GRI 103-1, GRI 103-2, GRI 103-3

The areas we pay special attention to include the improvement of energy efficiency and the rational use of existing energy resources in view of increasing demand for energy.

GRI 302-1, GRI 302-4

We recorded the energy use per worker-hour ratio of 6.9 kWh/w-h in 2020, which is better by 0.2 versus the prior year.

6.9 kWh/w-h

Change in the ratio -0.2 kWh/w-h versus the prior year

GRI 302-4

We took a number of actions in recent years contributing to the more efficient use of energy. **In 2018, we changed the provider of electric power and thus the energy source, which contributed to the reduction of the carbon footprint.** Energy saving projects, which we implemented in 2019 and 2020, also contributed to the improvement of the energy use ratio:

Investments in energy-saving technology



BOLECHOWO
Bus Production

- We completed the next capex phase of upgrading lighting to energy-efficient in production and warehouse spaces.
- We completed refurbishment of one of the production and warehouse buildings, which included thermal upgrade of the building, replacement of lighting with energy-efficient solutions, installation of new heating and ventilation systems and replacement of gates, doors and windows.
- We made additional gates with curtains in the current Delivery Hall building.

This capital project enabled us to achieve energy savings estimated at 667 [GJ/yr].

Unfortunately, we have not been able to estimate saving on heating costs.



Poznań
Production Support

- We replaced lighting with energy-efficient solutions in the main production building.

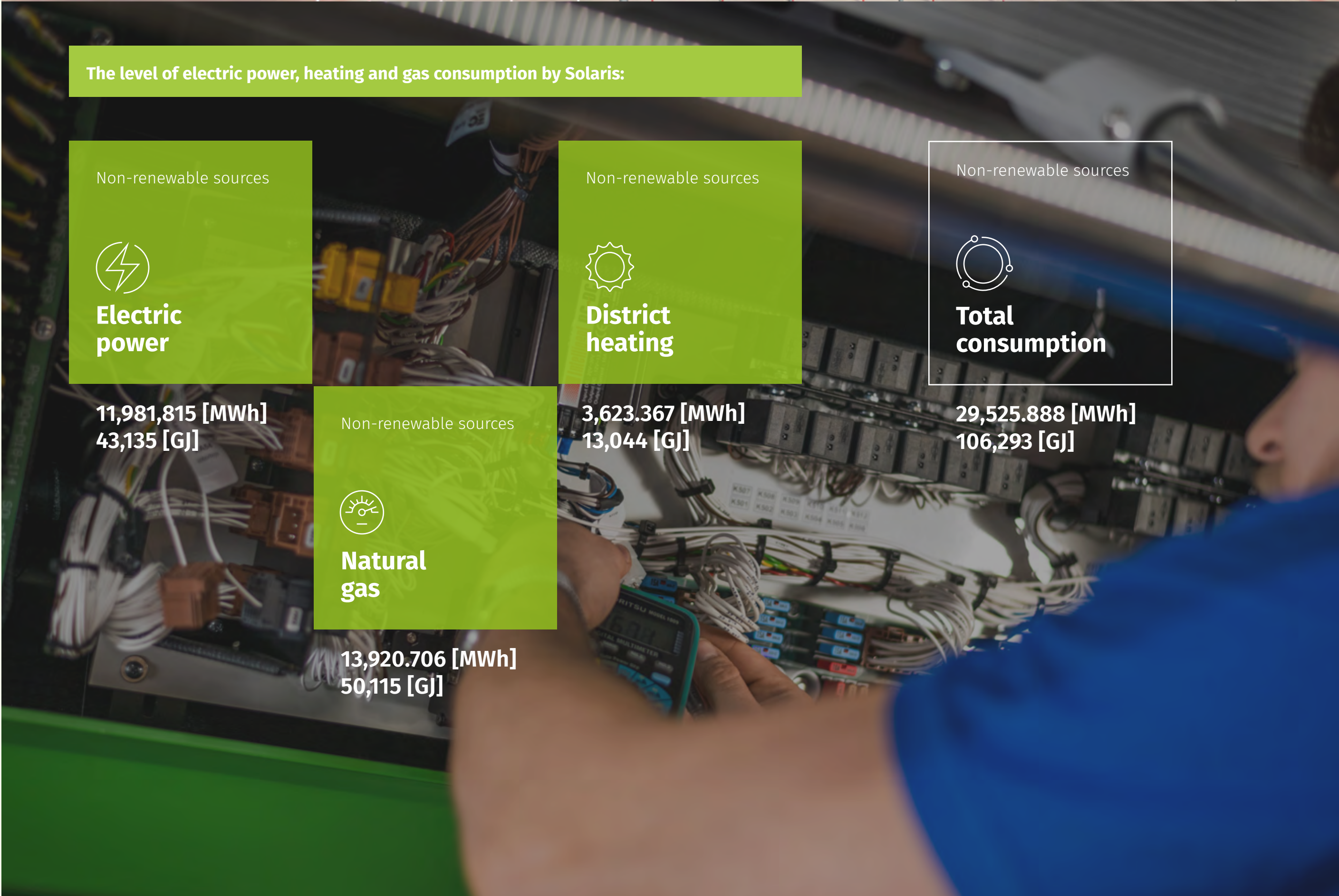
This capital project enabled us to achieve energy savings estimated at 146 [GJ/yr].



Środa Wielkopolska
Production of Steel Body
Frames, the plant at Kórnicka
Street

- We replaced lighting with energy-efficient solutions in the main production building, social spaces and in street lamps.

This capital project enabled us to achieve energy savings estimated at 1,332 [GJ/yr].





We reduce our organisation’s carbon footprint

GRI 103-1, GRI 103-2, GRI 103-3

We are fully aware of dangers associated with the climate crisis. Therefore we take active steps to reduce our carbon footprint.

GRI 305-1, GRI 305-2, GRI 305-3

One of the main examples of our actions towards reducing our environmental footprint (organisation’s carbon footprint) is the change of the provider of electric power and thus energy sources. **That allowed us to reduce emissions from electric power by 83% in the years 2017-2019 – thus reducing our organisation’s carbon footprint by 51%.**

We carried out the analysis of greenhouse gas (GHG) emissions in 2020 which related to the years 2017-2019. It was the first analysis of carbon footprint conducted by our company and it mainly covered production plants. Due to data availability, some factors were measured for the years 2017-2019 and others only for 2019. We collaborated with Bureau Veritas Certification on carbon footprint calculation.

The analysis did not cover 2020. However, we plan to do the calculations soon, completing them in addition with the carbon footprint of our products.

Currently scope 3 in our analysis includes only indirect emissions from electricity, business trips and internal transportation. We are aiming to extend this scope in following years by e.g. emissions from product. **Additionally, based on the external research, we predict that the total carbon footprint including emissions from our products will significantly decrease year to year as we sell more and more electric buses.**

Table 3. GHG (location-based) emissions split by scopes, where the emission related to electric power consumption is calculated by applying the average emission ratio for Poland.

	2017 emissions [Tonnes CO ₂ e]	2017 emissions [%]	2018 emissions [Tonnes CO ₂ e]	2018 emissions [%]	2019 emissions [Tonnes CO ₂ e]	2019 emissions [%]
Scope 1 – direct emissions	4,231	24.00%	3,790	24.82%	4,080	24.89%
Scope 2 – indirect emissions from electric power	10,820	61.37%	10,582	69.30%	10,861	66.25%
Scope 3 – other indirect emissions	2,579	14.63%	898	5.88%	1,454	8.87%
Total	17,630	100.00%	15,270	100.00%	16,394	100.00%

Table 4. GHG (market-based) emissions split into ranges, i.e. the emission ratios used for electricity were specific for energy sellers.

	2017 emissions [Tonnes CO ₂ e]	2017 emissions [%]	2018 emissions [Tonnes CO ₂ e]	2018 emissions [%]	2019 emissions [Tonnes CO ₂ e]	2019 emissions [%]
Scope 1 – direct emissions	4,231	23.99%	3,790	39.62%	4,080	46.49%
Scope 2 – indirect emissions from electric power	10,828	61.39%	4,879	50.99%	3,243	36.95%
Scope 3 – other indirect emissions	2,579	14.62%	898	9.39%	1,454	16.56%
Total	17,639	100.00%	9,567	100.00%	8,776	100.00%

Emission calculations were made in accordance with the following standards: the Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Greenhouse gases identified and included in calculations are: CO₂, CH₄ and N₂O expressed as CO₂ equivalent. No biogenic CO₂ emissions were identified. The first project of calculating greenhouse gas emissions was conducted in 2020 using 2017 – 2019 data. Due to data availability, 2017 emissions were selected as the base year. The sources of emission factors were the publications of KOBIZE (National Centre for Emissions Management) for petrol, diesel oil, natural gas, electricity and heat, the emission factor for the hydrogen production stage was taken from: <https://www.lowcvp.org.uk/Hubs/leb/TestingandAccreditation/WTTFactors.htm>. We used the DEFRA (Department of Environment, Food & Rural Affairs at the UK Government) database for the remaining sources of emissions. GWP values were

adopted on the basis of the Fourth Assessment Report (AR4). The calculation was performed for one company, so there was no need to choose the consolidation criterion for emissions. Emissions from the individual locations of the company were taken into account in 100%. The size of emissions from the generation of used electricity were calculated according to two methods. For the location-based method, the average emission factor for Poland was used. For the market-based method, the factors for energy providers were used.





Materials used

GRI 103-1, GRI 103-2, GRI 103-3

We make efforts to consistently comply with the global environmental trends and related most strict legal requirements.

As a responsible company, aware of its impact on the environment, we fully comply with the requirements of REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). In cooperation with our suppliers, we collect information on the presence of substances of very high concern – SVHC in the components used in the production of our vehicles. This way, we want to protect human health and the environment against possible dangers that may be caused by chemicals throughout the entire life cycle of a product.

In 2020, we started the process of comprehensive assessment of our products’ environmental impact by carefully gathering information about the material composition of all components used in the production of the Urbino family vehicles. We want to calculate the carbon footprint of our products throughout their life cycle as part of a long-term project. Fruitful cooperation with suppliers as well as continuous and transparent communication is of key importance to the process.

GRI 301-1

The following materials were used for the production of our vehicles and for the packaging for spare parts in 2020:

Plywood	500.2 tonnes
Brass tube	70.6 tonnes
Stainless-steel tube	71.4 tonnes
Sika	514.6 tonnes
Floor covering	213.9 tonnes
Aluminium	520 tonnes
Copper used for wiring harness production (subsupplier) -	301.3 tonnes
Steel used for body frame production in Środa Wielkopolska	7,600 tonnes

We used the following materials for the packaging for spare parts in 2020:

Renewable raw materials



Cardboard

103.5 tonnes

Renewable raw materials



Plastics

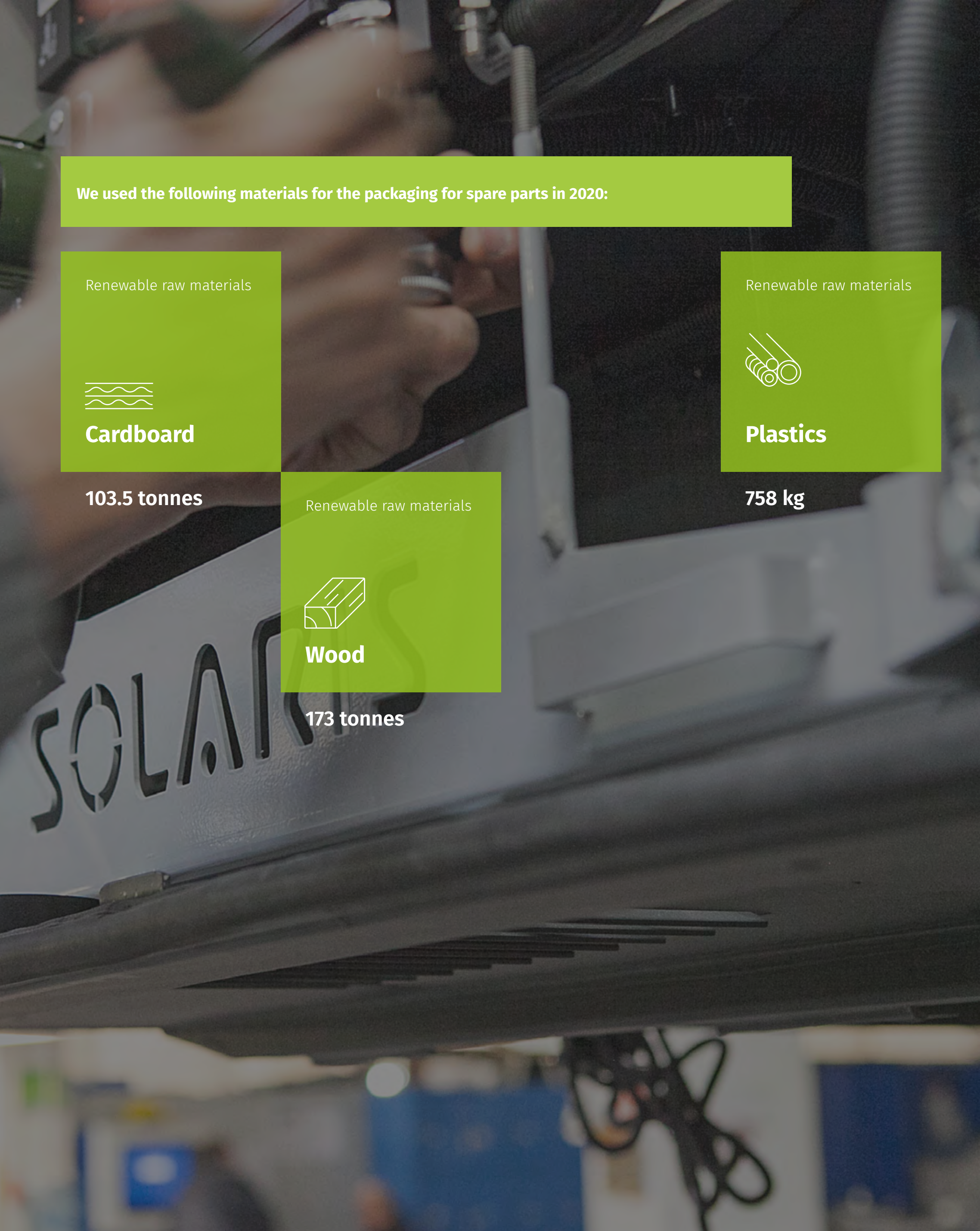
758 kg

Renewable raw materials



Wood

173 tonnes





Our impact on the local environment

GRI 103-1, GRI 103-2, GRI 103-3

We assume full responsibility for our role played in the local environment both in the positive dimension, improving the living status and life quality of residents, and in the dimension that might pose a potential burden. Every effect of our investments on the environment is analysed, starting from the earliest stage, and the possible consequences of our activity are regularly mitigated by the improvement of our processes.

GRI 307-1

As in the prior years, no fines were imposed on us in 2020 for non-compliance with environmental protection laws and regulations.



GRI 413-2



BOLECHOWO
Bus Production



Positive Impact

- We have the status of one of the biggest employers in the region.
- We invest in the development of younger generations through vocational training programmes and dual study courses.
- We support the needful – the Special School in Kowanówek is the permanent beneficiary of our company and the Green Dachshund Foundation.



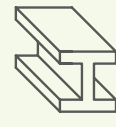
Negative Impact

- Hazardous materials are used for our production, in particular for painting, varnishing and adhesive bonding processes.
- Painting and varnishing process can produce emissions.
- Nuisance associated with the noise from moving vehicles, people and supplier traffic can occur during company operation.



Solaris Actions

- The certified Environmental Management System in accordance with ISO 140001 is in place at our company.
- Paint cabins meet top safety and filtration standards. They have been equipped with the VOC (volatile organic compound) burning system. In addition, ventilation chimneys have been fitted with filters that trap other particles. Furthermore, we continuously monitor the air discharged through the ventilation chimneys to maintain the high level of quality.
- Silencers that considerably reduce the noise from production processes heard outside have been installed on the industrial ventilation chimneys.
- A speed limit applies on the entire factory premises to reduce the noise emitted by vehicle traffic:
 - » 5 km/h inside production buildings.
 - » 20 km/h for internal traffic outside the production space. Two speed cameras have been installed on the premises to check speed and, in addition, the company premises are monitored.
- Sound absorbing screens are to be installed on the walls of the new warehouse building to additionally dampen the noise generated by our activity – project in the implementation phase.



Środa Wielkopolska / Kijewo
Production of Steel Body Frames



Positive Impact

- We have the status of one of the biggest employers in the region.
- We invest in the development of young generations through vocational training programmes.
- We collaborate with the local self-government on vocational activation of e.g., expatriates who returned from Kazakhstan, the unemployed.



Negative Impact

- Welding processes can result in emissions.
- Nuisance associated with people and supplier traffic can occur during company operation.



Solaris Actions

- We use state-of-the-art filtration/ventilation systems in the production buildings to ensure clean air inside – for the employees working inside the buildings; they also purify exhaust air. The air goes through the system of state-of-the-art filters where pollutants are trapped and transferred to disposal as waste, without going outside the system.
- All systems using chemicals are analysed for ensuring employee safety; the solutions are chosen for individual protection.
- We use top standards for welding processes. We monitor in detail the type and quantity of chemicals used during a given activity to maintain the high level of safety and quality.
- Silencers that considerably reduce the noise from production processes heard outside have been installed on the industrial ventilation chimneys.
- Both in Środa Wielkopolska and Kijewo, the production process is organised so that there is no vehicle traffic at night or it has minimal impact on a residential district.
- The factory gates are closed to prevent noise from being heard outside.
- A speed limit applies on the entire factory premises to reduce vehicle traffic noise.

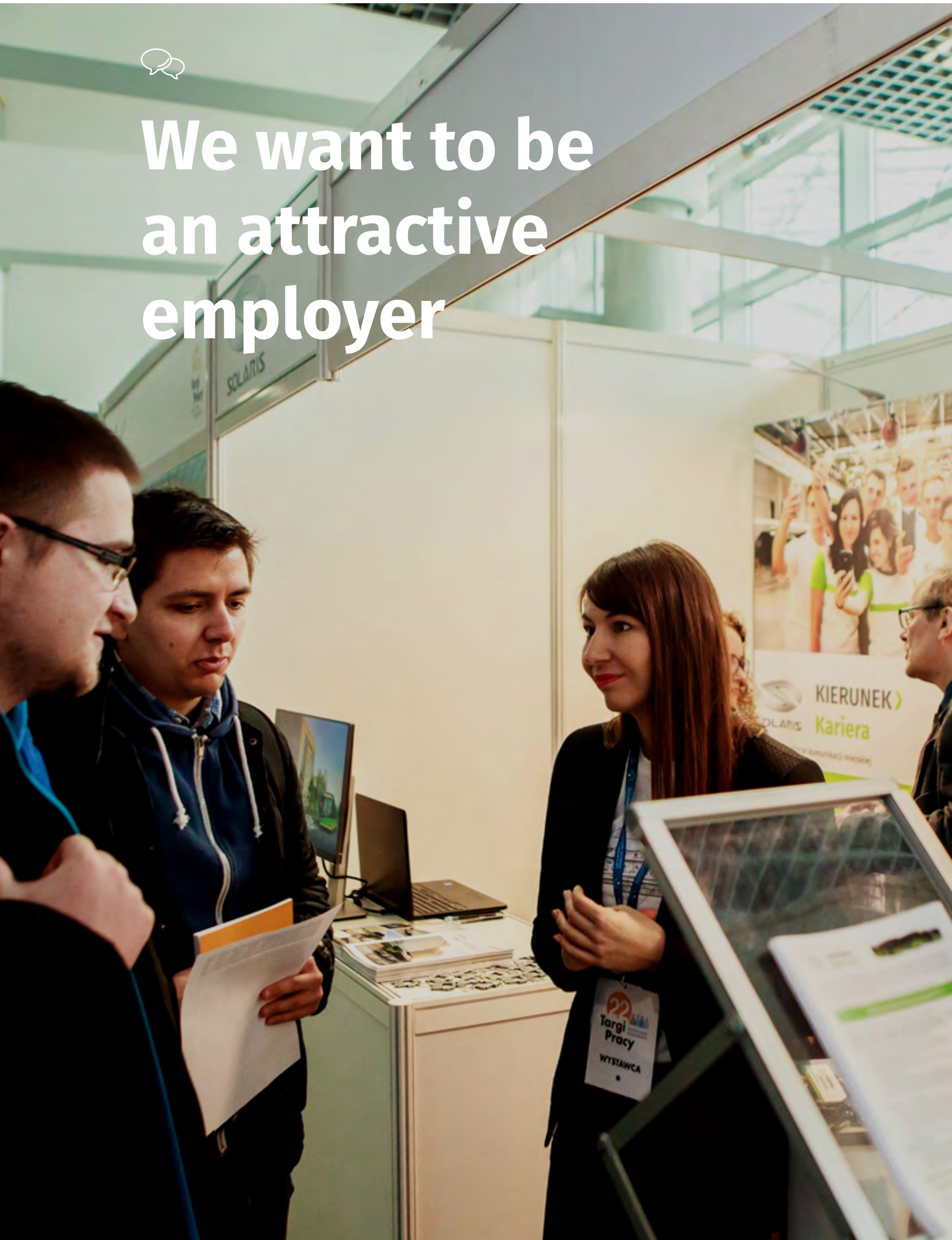
People – the greatest value

46 We want to be an attractive employer

52 Employment structure


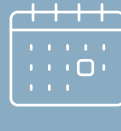




63 It is our safety!

66 We care about others



We want to be an attractive employer

People are the most important part of our organisation – we focus on creating a friendly work environment that provides the best possible conditions for the employees from every company’s area of activity and high satisfaction from creating state-of-the-art products that have an impact on the quality of life of millions of Europeans.

	Solaris Bus & Coach sp. z o.o. headcount: 2,451		62 people have been working with us for 25 years – since 1996
	This means 45 people more versus the prior year		We rely on individual development – 176 people received promotions in 2020
	Headcount increase : on average 12% per annum since 1996.		We record a low employee turnover rate of 4% – the majority of people have been working with us for a long time

Company headcount at the end of 2020 was 2,451 (the number of people employed by Solaris Bus & Coach sp. z o.o. in Poland, does not include people working for subsidiaries).

We not only managed to maintain the number of jobs but also increased the headcount by 45 employees in comparison with 2019, which – in the time of the global COVID-19 pandemic-related crisis – is not only a satisfactory result but also a promising forecast.





Stability in the uncertain times of the pandemic

From March 2020, our company has allocated over PLN 10 million for additional, not provided for by law, preventive actions related to the pandemic, such as the purchase of thermal imaging cameras for measuring body temperature, additional personal protective equipment, as well as by changing the organisation of production and the method of contact with customers and suppliers. During the first two months of the pandemic, employees working directly in the production area received an additional bonus – to compensate for the inconvenience caused by extraordinary preventive measures.

We allocated

PLN 10 million

to preventive measures related to the pandemic

What is more, in 2020 all company employees received seniority-based pay rises. At the enterprise level, all pay increases, including seniority-based ones, amounted to 7.7%. The percentage was slightly higher in the case of production workers.

Despite the coronavirus pandemic and the related staffing challenges, in 2020 we continued our efforts to improve the workforce area. We have been working on changing the structure of the HR Department so as to support managers in their daily work, and thus affect the comfort and quality of work of the entire Solaris team. We managed to implement the change at the beginning of 2021.



The modern-day workplace – work-life balance

GRI 103-1, GRI 103-2, GRI 103-3

Striving for perfection of our products goes hand in hand with striving for high quality of work life and wellbeing of our employees. We want to create a modern workplace and we try to support our employees in finding a balance between their individual professional goals, personal lifestyles and private goals.

Private medical care is available through the benefit platform for all employees hired under employment contracts. Depending on the selected scope, our employees have free access to at least 16 specialists and to medical examinations and services. The basic package is fully paid by the company. Our employees, their spouses or life partners and employees’ children can join the programme.

GRI 401-2

We look after our employees by offering them a number of additional services and benefits:

The list of benefits for all company employees hired under employment contracts

	access to a benefit platform under which you can use e.g., free medical insurancePonieważ zaczynamy w tej ramce wszędzie z małej litery, ja bym usunęła kropki z końca		the Employee Pension Scheme for employees who have minimum one year of service
			Christmas bonuses
	preferential terms of buying Multisport or Ok System cards		the annual leave bonus
	co-financing of meals in the company’s canteen		the “I have an Idea” programme of employee initiatives which enables the employees to contribute to the improvement of company functioning by suggesting various improvements and participate in savings after improvement implementation
	the “At the Green Dachshund” nursery located in Bolechowo, which was opened having Solaris employees and their children in mind		company sports competitions improving integration
	“My Solaris” programme offering access to numerous discounts and competitive terms from company partners		the opportunity to work remotely
	an onboarding kit of gadgets for every new employee		

Challenges associated with the coronavirus pandemic

In 2020, to protect the life and health of our employees and all people staying on the SBC company premises during the COVID-19 pandemic, our company implemented additional safety measures.



We regularly advised people on what to do to protect oneself against contracting COVID-19.



We adapted conference/ meeting rooms as temporary changing rooms and additional office rooms.



We increased distances at workstations.



We limited the number of employees during breaks.



We provided hand disinfectants in all company locations, in places frequented by employees.



We reorganised the work of canteens.



We introduced the obligation of using masks and gloves by all employees in all company locations.



We worked out and implemented the procedures of testing employees for coronavirus (COVID-19).



We provide face masks and protective gloves to all employees and people entering the premises of the company.



We released employees aged 60-plus from their duty to work while maintaining their employment and full salaries in the first months of the pandemic.



We measure the body temperature of all people entering the premises of our company.



Since 13 March 2020, we have recommended remote work to all administration staff members.



We regularly disinfect employee changing rooms, corridors, door handles and other spaces that might contribute to infection.





Communication = collaboration

We have continued and developed actions related to communication with employees since the beginning of our activity. A separate team specialising in in-house communication aims first of all at informing, motivating and educating our employees through various channels of communication:

New Intranet

The Intranet is one of the key and indispensable communication tools within the company. We plan to implement a new Intranet in 2021. It will be a cutting-edge information platform accessible to every employee, irrespective of his/her position, location and type of performed work. The platform will be the place where you can remotely submit numerous applications/ requests, get access to forms and check your payroll slips as well as your work time sheet together with your annual leave. It will also be the source of knowledge in the form of e-learning and the place from where the employees can download the most important materials. The new tool is planned for almost 3 thousand users working in various locations, also in subsidiary companies. Moreover, you can also access and use it from mobile devices outside the company.



Intranet



“Przystanek Solaris”, in-house quarterly



in-house newsletter



Internal Communication mailings



SolarisTV – the network of displays in all Solaris locations



MS Office 365, a cloud-based suite of office apps



in-house posters



Management Board meetings with employees



Organisational Health Survey (OHS)



CAF Group application

Good start

Onboarding programmes conducted by our company are addressed to new Solaris employees. A carefully thought-through process comprising several steps facilitates adaptation to the company and supports the feeling of internal integration and common objective.

We support relations with retired employees

We feel responsible for all our employees, also those who have finished their career already. So we also care for our retired employees and keep in touch with them. **The Solaris Senior Club invites all the retired employees. It has 40 active members.** The Club meetings are organised on the premises of our company, most often on the occasion of the Management Board meetings with employees that are organised every quarter. Unfortunately, the Club meetings were put on hold in 2020 because of the coronavirus pandemic.

We grow together

GRI 103-1, GRI 103-2, GRI 103-3

“A good employer provides every employee with an opportunity to improve his/her competencies and enhance his/her strengths. Solaris does not only employ experts but also creates them by discovering talents within the organisation.”



Patryk Kawa
Member of the Board,
HR and OH&S

We look for the best

We are proud of our products and innovative technical solutions the credit for which definitely goes to the high competencies of our employees. Therefore, we undertake various employer branding activities to maintain and attract only the best.

One of such activities was the campaign conducted in 2019 and promoted by the slogan: **“TOGETHER WE CREATE GREAT THINGS!”**. We presented chosen departments and employees selected through in-house casting, who became the main heroes of advertising spots – for example on company’s social media channels – and had an opportunity to boast about their achievements, tell about their everyday tasks and their first days at the company. The images of our employees also appeared on advertising billboards.

We make sure that recruitment principles are transparent. **Candidates within the company always have priority in being employed.** In 2020, our recruitment actions focused mainly on the fulfilment of the employment plan in the area of production jobs and administrative specialist jobs.

Promotions

144 people received vertical promotions and 32 people received lateral promotions in 2020, including:



Developmental actions

GRI 404-2

Development programmes used by our employees support the achievement of our company’s strategy, but first of all they support our employees – their development and continuity of employment.



Training



External training courses

on e.g., project management, business reporting, HR, finances or bus design



Language courses



Co-funding of university courses

- in cases justified by the employer’s needs, we sponsor the employee’s studies for them to gain necessary competencies



Training for personnel handling special processes

e.g. welding training



Induction training

- we provide full-day induction training for new employees. The training is divided into separate modules delivered by the representatives of selected departments.



Mandatory OH&S training

We designated over **0.9 million EUR** for employee training during last three years (2018-2020) only. Due to the pandemic situation, the majority of training sessions are now delivered online. The total number of training hours in 2020 amounted to **10,250.**



The average number of training hours completed by our employees in 2020, by gender:

GRI 404-1

Gender		Training hours	Number of employees	Average number of hours per person
	Woman	1,840.5	340	5
	Man	8,409.5	2,111	4

The average number of training hours completed by our employees in 2020, by employee category

GRI 404-1

Employee category:	Training hours	Number of employees	Average number of hours per person
Administration	4,742	648	7
Top Management	641	36	19
Managers	1,569	83	19
Production Managers	272	39	7
Production, direct	2,260.5	1,407	2
Production, other	765.5	238	3

*data exclusive of OH&S training hours.

Employee performance reviews

Performance reviews started for the managerial level employees at the beginning of 2020. The evaluation form had been built on the basis of business targets and competencies and was to summarize 2019 performance and set business targets for 2020. The evaluation process itself was preceded by training for evaluating managers on the methods of conducting evaluations and the use of the system in which evaluations were recorded. In 2021, the performance review process will cover all company employees.

Skill Matrices

The skill matrices are a motivation and development tool which helps managers plan employee development in a transparent and clear manner and facilitates employee replaceability within the team.

We organised additional training sessions on performance reviews and skill matrices in 2020.



Fair and attractive remuneration

GRI 202-1

Employment stability and reliability is the foundation of our company. Solaris ambition is to achieve the position of one of the most attractive employers in the region. Therefore, we have been building a fair remuneration structure and we always make sure that it complies with the current situation in the job market.

We calculate remuneration in a gender neutral manner and based only on professional competencies and performance. We continuously monitor our salaries versus market data based on payroll reports, and all remuneration programmes are defined on their basis. **There are no people at our company who would receive the lowest allowable remuneration** (one minimum wage rate applies throughout Poland and its gross value was EUR 585 in 2020). On average, for all employees, the base salary is 143% of the national minimum wage.

We fully comply with the requirements of the Polish Labour Code as regards minimum notice periods given to employees. We guarantee the minimum period of notice from 2 weeks to 3 months, depending on the length of service of a given employee.

There are no considerable differences in our company’s headcount associated with the seasons of the year.



Employment structure

GRI 103-1, GRI 103-2, GRI 103-3

Every Solaris employee can count on stable employment conditions, development opportunities and the social benefits package. We have Work Regulations that govern relationships between the company and the employees, and apply to all employees.

GRI 402-1

The form of employment definitely prevailing at our company is a contract of employment for an indefinite period of time. Only 8 people cooperate with us on the B2B basis. They work for Administration and Technical Office. Civil law contracts are concluded only with individuals providing services to us – e.g., marketing, graphical or IT services – and also with dual study course students and interns. We concluded the civil law contracts with 102 individuals in 2020.

We do not employ temporary workers within the meaning of the Act on Employing Temporary Workers. And every person employed on a part-time basis has the right to the same benefits/services as by standard are provided to full-time employees.

As regards minimum notice periods given to employees, our company must comply with the requirements of the Polish Labour Code. The minimum notice periods are:

- 2 weeks if an employee has been employed for less than 6 months
- 1 month if an employee has been employed for at least 6 months
- 3 months if an employee has been employed for at least 3 years



Employment structure related data are managed by the SAP system.



In 2020, we performed contracts signed with 13 companies in 2020 for the provision of services on the premises of Bolechowo, Środa Wielkopolska, Poznań and Jasin plants. These companies employ approximately 250 people on average, in terms of man-hours, for Solaris every month.



Solaris Bus & Coach sp. z o.o. headcount by region and gender

GRI 102-8

Region	Age	 Woman	 Man	Total
Bolechow	below 31	90	438	528
	31-40	113	563	676
	41-50	69	356	425
	over 50	19	199	218
Kijewo	below 31	0	16	16
	31-40	1	30	31
	41-50	0	43	43
	over 50	0	28	28
Murowana Goślina	below 31	4	19	23
	31-40	2	43	45
	41-50	1	24	25
	over 50	2	7	9
Poznań	below 31	1	17	18
	31-40	0	38	38
	41-50	2	17	19
	over 50	0	18	18
Jasin	below 31	1	11	12
	31-40	12	19	31
	41-50	3	8	11
	over 50	1	1	2

Region	Age	 Woman	 Man	Total
Środa Wlkp.	below 31	3	29	32
	31-40	12	64	76
	41-50	2	59	61
	over 50	2	56	58
Other locations*	31-40	0	2	2
	41-50	0	6	6
Total		340	2,111	2,451

*8 people are employed in Dąbrowa Górnicza and Gdynia, where the Regional Sales Offices of Spare Parts are located, and in Warsaw, where the Regional Warehouse of Spare Parts is located.





Solaris





Solaris Bus & Coach sp. z o.o. employees employed on the basis of a contract of employment for an indefinite period of time

GRI 401-1



Location	 Woman	 Man	Total
Bolechowo	261	1401	1662
Kijewo	1	104	105
Murowana Goślina	9	84	93
Poznań	2	84	86
Jasin	16	35	51
Środa Wlkp.	15	192	207
Other locations*	0	8	8
Total	304	1,908	2,212

*8 people are employed in Dąbrowa Górnicza and Gdynia, where the Regional Sales Offices of Spare Parts are located, and in Warsaw, where the Regional Warehouse of Spare Parts is located.



Solaris Bus & Coach sp. z o.o. employees employed on the basis of other contracts (replacement, for a definite period of time, probationary period)

Location	 Woman	 Man	Total
Bolechowo	30	155	185
Kijewo	0	13	13
Murowana Goślina	0	9	9
Poznań	1	6	7
Jasin	1	4	5
Środa Wlkp.	4	16	20
Total	36	203	239

Solaris Bus & Coach sp. z o.o. employees hired in 2020

Location	Age group	 Woman	 Man	Total
Bolechowo	below 30	9	71	80
	31 to 40	12	21	33
	41 to 50	2	20	22
	over 50		4	4
Total		23	116	139
Kijewo	below 30		5	5
	31 to 40		2	2
	41 to 50		1	1
	over 50		1	1
Total			9	9
Murowana Goślina	below 30	1	3	4
	31 to 40		3	3
	41 to 50		2	2
Total		1	8	9
Poznań	below 30		3	3
	31 to 40		2	2
	41 to 50	1		1
Total		1	5	6



Location	Age group	 Woman	 Man	Total
Jasin	below 30		4	4
Total			4	4
Środa Wlkp.	below 30	1	8	9
	31 to 40	1	4	5
	41 to 50		1	1
	over 50		2	2
Total		2	15	17
Total		27	157	184





New hire rate

7.5%





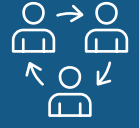
Solaris Bus & Coach sp. z o.o. employees with whom we terminated contracts in 2020

GRI 401-1

Location	Age group	 Woman	 Man	Total
Bolechow	below 30	5	40	45
	31 to 40	10	21	31
	41 to 50	7	8	15
	over 50	2	5	7
Total		24	74	98
Kijewo	below 30		5	5
	31 to 40		2	2
	41 to 50		3	3
Total			10	10
Murowana Goślina	below 30		1	1
	31 to 40		1	1
	41 to 50		3	3
Total			5	5
Poznań	below 30		1	1
	31 to 40		3	3
	41 to 50		1	1
Total			5	5
Jasin	below 30		1	1
Total			1	1



Location	Age group	 Woman	 Man	Total
Środa Wlkp.	below 30	2	6	8
	31 to 40		4	4
	41 to 50	1	2	3
	over 50		5	5
Total		3	17	20
Total		27	112	139

Employee turnover rate

4%



Equal Opportunities

GRI 103-1, GRI 103-2, GRI 103-3

While managing employee relationships, we strive to ensure equal opportunities for all our employees. We do not accept any forms of discrimination – either at the recruitment stage or in everyday work.

We pay special attention not only to providing opportunities for professional and personal development but also to fostering diversity and ensuring equal opportunities, and clear evaluation and promotion criteria are also important to us. We create the corporate culture in which we all feel respected and able to freely express our opinions, regardless of gender, age, nationality or ethnic origin, education and professional experience as well as personal differences, such as beliefs, physical capabilities or sexual orientation. Consequently, every person can freely develop his or her potential and bring up different points of view, ways of thinking and approaches.

We employ more and more women



Since women still make up a minority in the engineering sector, we make efforts to increase the number of women at our company. At present, the ratio is 13.9%, but we are working on its further increase. It is worth emphasizing that this also applies to positions previously reserved for men.

By supporting diversity, we try to promote career paths among women that may seem unobvious to them, because they are associated with men's professions. In reality, however, they are an opportunity for developmental and stable employment. In 2019, we conducted an employer-branding campaign promoting the profession of welder among women. As a result of these efforts, we employed female welders for the first time in the company history. Their number in the company has been increasing gradually. This also applies to other professions still considered typically male, e.g. electrical engineer.

The increase in the share of women among employees is also influenced by an increased interest in engineering professions of representatives of the younger generation and their choice of education at technical universities. This trend is also noticeable in our company, e.g. in teams in the field of production engineering or in the Technical Office, where the number of women grows with every year.

Solaris Bus & Coach sp. z o.o. headcount by age and gender*



GRI 401-1

			
Age	Woman	Man	Total
below 31	99	530	629
31-40	140	759	899
41-50	77	513	590
over 50	24	309	333
Total	340	2111	2,451

*Included information refers only to the employees hired under employment contracts.

Employment for an indefinite period of time, by age and gender (Solaris Bus & Coach sp. z o.o.)*



GRI 401-1

			
Age	Woman	Man	Total
below 31	81	424	505
31-40	128	712	840
41-50	72	478	550
over 50	23	294	317
Total	304	1908	2212

*Included information refers only to the employees hired under employment contracts.



We notice a gradual increase in the share of women in managerial positions in our company. At present, 20.6% of them are occupied by women and this percentage is rising.

Solaris Bus & Coach sp. z o.o. headcount broken down by employee category, age and gender				
GRI 401-1				
Employee Subgroup	Age	 Woman	 Man	Total
Top Management	below 31	0	0	0
	31-40	1	8	9
	41-50	3	17	20
	over 50	0	7	7
Managers	below 31	0	1	1
	31-40	13	26	39
	41-50	8	26	34
	over 50	2	7	9
Production Managers	below 31	0	2	2
	31-40	0	16	16
	41-50	0	14	14
	over 50	0	7	7
Total		27	131	158

Equal pay

GRI 405-2, GRI 202-1

The average base salary for all employees of our company is 143% in relation to the national minimum wage. This level is 135% for women and 151% for men. While the overall percentage of the gender pay gap across the company varies by 16% in favor of men, it should be remembered that it covers all positions and all departments, without any valuation.

Employee category	Women to men salary ratio
Administration	83%
Top Management	77%
Managers	91%
Production, direct	89%
Production, other	82%

However, if we compare the positions with corresponding ones, the gender pay gap in our company is practically non-existent or small - both to the benefit of women and men. For this analysis, we selected randomly similar and comparable positions in the area of production, administration and also at the management level.

Comparison of remuneration for similar positions in the areas of:

Production
– wage ratio of women to men
100%

Administration
– wage ratio of women to men
101%

Management level – wage ratio of women to men
107%

We can affirm that we are a fair employer with no compensation differences between the salaries of women and men holding similar positions.

The overall differences in salaries result to a large extent from the specific profile of our industry in which many more men specialize. Therefore, specialist positions are mainly filled by men. In administration, women mainly have administrative and supporting roles (e.g., accountants, assistants, secretaries, human resources) which receive lower salaries on the market than engineering departments. The situation with production jobs is similar.

Among the management staff in our company, 20.6% are women, yet half of them hold the beginning positions. Therefore, the salaries in this area are lower at the moment but still developmental. We assume that they will increase considerably in the following years.

The disproportions in remuneration are conditional upon the asymmetry of the distribution by gender in different socio-demographic groups, and we pay attention to this aspect by offering women a satisfactory career in engineering or production positions and making them aware of the possibility of choosing a career in the automotive industry. These activities are paying off, as we are seeing a gradual increase in the number of women working for us. The generational change and greater interest of women in technical industries are also of great importance here.

As this trend will certainly continue in the future, we expect a gradual narrowing of the overall gender pay gap.



We support maintaining a balance between one's private and professional life

GRI 401-3

We take care of keeping work-life balance. We also support parents in this respect by trying to ensure equal rights and treatment of women and men. We are aware of how important the presence of both parents is, especially at the early stage of child development. Therefore, we also encourage men to actively participate in parenting and we facilitate women's return to work.

We enable the employees who return to work after child birth to reconcile professional duties with family duties so that they can spend more time with their families, while drawing satisfaction from their professional work at the same time.

In accordance with legal requirements, a father who rears a child up to 2 years of age is entitled to a paternity leave and can use that leave during 2 years. Fathers are not obliged to provide the employer with child birth data. 127 men from our company used their leaves in 2020. As regards women, the number was 22. All those people returned to work after using the leaves and over 90% of them continued employment for at least 12 months after return.

Total number of Solaris Bus & Coach sp. z o.o. employees who used maternity/paternity leave, by gender*				
Type of leave	Woman	Man	Total	
Maternity leave	22		22	
Paternity leave		127	127	
Total	22	127	149	

* The table includes individuals who returned to work in 2020

Total number of Solaris Bus & Coach sp. z o.o. employees who returned to work after using their maternity/paternity leave, by gender				
Type of leave	Woman	Man	Total	
Maternity leave	32		32	
Paternity leave		149	149	
Total	32	149	181	

* The table includes individuals who, in 2020, had been back to work for at least twelve months (meaning, for instance, they could have returned in 2019).

Total number of Solaris Bus & Coach sp. z o.o. employees who returned to work after maternity/paternity leave and continued employment for twelve months after return, by gender				
Type of leave	Employment status	Woman	Man	Total
Maternity leave	termination of employment	3		3
	still employed	29		29
Paternity leave	dismissed		10	10
	still employed		139	139
Total		32	149	181*

Rates of return to work and continuing employment by employees who used their maternity/paternity leave, by gender			
Rate	Woman	Man	
of return to work	100%	100%	
of continuing employment	91%	93%	







Respect and equality

GRI 103-1, GRI 103-2, GRI 103-3

Respect for another person and equal treatment are the basis of our organisational culture. We are open to employing individuals exposed to the risk of social exclusion.

GRI 405-1

We support cultural and ethnic diversity. We employ 75 people of different nationalities than Polish. To encourage international cooperation at all levels of our company and improve mutual understanding, tolerance and communication skills, we offer our employees language courses during which they can learn both the language and the culture of a given country.

Number of Solaris Bus & Coach sp. z o.o. employees due to their nationality, by age and gender								
Employee category	Age group	Polish nationality			Non-Polish nationality			Total
				Total			Total	
		Woman	Man		Woman	Man		
Administration	below 31	81	126	207		2	2	209
	31-40	108	202	310		2	2	312
	41-50	35	66	101				101
	over 50	9	17	26				26
Top Management	31-40	1	8	9				9
	41-50	3	16	19		1	1	20
	over 50		6	6		1	1	7
Managers	below 31		1	1				1
	31-40	13	26	39				39
	41-50	8	26	34				34
	over 50	2	7	9				9
Production Managers	below 31		2	2				2
	31-40		16	16				16
	41-50		14	14				14
	over 50		7	7				7
Production, direct	below 31	12	334	346	4	13	17	363
	31-40	14	385	399	2	21	23	422
	41-50	30	319	349		14	14	363
	over 50	13	240	253		6	6	259
Production, other	below 31	2	50	52		2	2	54
	31-40	2	94	96		5	5	101
	41-50	1	55	56		2	2	58
	over 50		25	25				25
Total		334	2,042	2,376	6	69	75	2,451

We continuously increase the number of jobs that can be performed by individuals with limitations; 11 persons with disabilities work at our company at the moment.

Number of Solaris Bus & Coach sp. z o.o. employees with disabilities broken down by gender



GRI 405-1

Gender		
Women	Men	Total
3	8	11



Current demographic changes make us all face the challenges associated with population ageing. We provide our employees with safe and attractive work environment where, irrespective of employees’ age, we actively support and invest in the improvement of their competencies.

Over 25% of our employees are less than 31 years old. At the same time, over 1/3 of managers are 50 plus. Their experience and knowledge, which are invaluable for the efficient functioning of the company, support active development of the skills of younger generations. Thence 42.4% of managerial positions at our company are held by people below 40.

Solaris Bus & Coach sp. z o.o. headcount broken down by employee category, age and gender				
GRI 405-1				
Employee Subgroup	Age	 Woman	 Man	Total
Administration	below 31	81	128	209
	31-40	108	204	312
	41-50	35	66	101
	over 50	9	17	26
Top Management	below 31	0	0	0
	31-40	1	8	9
	41-50	3	17	20
	over 50	0	7	7
Managers	below 31	0	1	1
	31-40	13	26	39
	41-50	8	26	34
	over 50	2	7	9
Production Managers	below 31	0	2	2
	31-40	0	16	16
	41-50	0	14	14
	over 50	0	7	7
Production, direct	below 31	16	347	363
	31-40	16	406	422
	41-50	30	333	363
	over 50	13	246	259
Production, other	below 31	2	52	54
	31-40	2	99	101
	41-50	1	57	58
	over 50	0	25	25
Total		340	2,111	2,451



Zero tolerance for discrimination

GRI 103-1, GRI 103-2, GRI 103-3

We regard discrimination, mobbing as well as any violations of personal rights of other employees as highly reprehensible, and any manifestations of such behaviours shall not be tolerated at our company. **We pay attention that the work environment is a safe space, in which every employee can feel at ease.** Therefore, pursuant to Solaris Work Regulations § 34a and § 34b, we undertake to enable our employees to anonymously report, in verbal or written forms, any actions or behaviours associated with discrimination or mobbing to a Management Board Member. Any employee who believes that he or she has experienced any form of discrimination, mobbing, harassment or repression is entitled to report such a fact. Any person who observes the use of discrimination, mobbing or other reprehensible practices towards another co-worker is also entitled to report it.

GRI 406-1

We did not record any instances of discrimination in the reported period.

Trade unions

GRI 103-1, GRI 103-2, GRI 103-3 GRI

Compliance with employee rights, regulatory requirements and generally accepted principles of community life is essential for our operation.

GRI 407-1

We in no way limit the employees’ freedom of association or conclusion of collective agreements. The Intercompany Trade Unions, with whom we cooperate in matters related to individual and collective labour law matters, have been active at Solaris since 2015. We continue an active dialogue with the trade unions, and the Management Board holds regular meetings with trade union representatives. Every employee can join the company trade union organisation and we did not identify any violations in this respect in 2020.

GRI 102-41

There is no collective agreement understood as the Collective Bargaining Agreement in place at our company. We have Work Regulations that govern relationships between our company and our employees. This document applies to all employees, but it should not be treated as the equivalent of the Collective Bargaining Agreement.



We invest in future generations

As a responsible employer, we know that company’s employees are its foundation. We treat vocational education of future employees and education of engineering staff as one of our priorities. **Solaris was one of the first companies in Poland that got involved in the vocational education in 2007, in collaboration with secondary schools in the Wielkopolska Region.** Encouraged by the positive effects of that programme, we have expanded the educational programme by the dual study course carried out in collaboration with the Poznań University of Technology. These projects not only guarantee the best preparation of young people to start their careers but also support the local schools and constitute an investment in the local job market.

Practical vocational training

At present, 44 students in Bolechowo and 20 students in Środa Wielkopolska carry out the practical vocational training programme at our company. Since the start of collaboration with the Vocational School in Murowana Goślina (2007), almost 100 students have completed the programme, including 76 students who have been permanently employed by our company.

Apprenticeships were temporarily put on hold because of the pandemic in 2020.

Studies with Solaris and the Poznań University of Technology

Together with the Poznań University of Technology, Solaris runs **the project of Dual Study Courses at the Faculty of Control, Robotics and Electrical Engineering and the Faculty of Mechanical Engineering.** The dual study courses, of the practical profile, were started in 2014 and 49 students have graduated from them to date. Thanks to the programme, the students can have internships and work for the automotive sector while studying.

Another 6 second-year electrical engineering students from the Poznań University of Technology started cooperation with our company in October 2020. **In 2020, 13 students from the Faculty of Control, Robotics and Electrical Engineering and 5 students from the Faculty of Mechanical Engineering and Management did the practical profile study courses at Solaris.**

Internships

63 people completed apprenticeships and internships in the Bolechowo head office and 2 people in the Środa Wielkopolska branch throughout 2020.

Three vocational training programmes:

Zespół Szkół Łączności [Complex of Communications Schools] in Poznań and Solaris (since 2020)	Szkoła Branżowa I Stopnia w Zespole Szkół Rolniczych [Vocational School in the Complex of Agricultural Schools] in Środa Wielkopolska and Solaris	Branżowa Szkoła I Stopnia [Vocational School] in Murowana Goślina and Solaris
 Vocational Training Programme for Electronic Engineers	 Vocational Training Programme for Fitters	 Vocational Training Programme for Mechatronics Engineers
10 students started the programme in 2020.	10 students started the programme in 2020. <small>During the second and third year of training, the students will have practical training in the Solaris production plants.</small>	14 students started the programme in 2020.



It is our safety!

Occupational Health and Safety Management System

GRI 103-1, GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-8

Taking care of employees’ health and safety is our priority. As in the prior years, we took many new actions aimed at improving working conditions and refining the implemented solutions further. **We achieved an ambitious goal in 2020 we had set for ourselves: we reduced the number of accidents by as much as 33% versus the prior year.**

In addition, in 2019, we started the process of implementing ISO 45001, which specifies requirements for an occupational health and safety management system and gives guidance for its use. By implementing and maintaining the system, we set ourselves the task of continuously improving occupational safety as well as eliminating threats and minimising risks in the OH&S area. The system will cover all Solaris employees. Therefore, we took a number of intense actions in 2020, related to new system certification. ISO 45001 standard implementation has been planned for the beginning of 2022.

GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5

Our company structure includes the OH&S and Fire Safety Department. The OH&S tasks are performed by specialists for OH&S, for chemical substances and by Fire Safety inspectors. Pursuant to applicable laws, an OH&S Committee formed by the employees from different departments and areas has been established at our company.

We provide regular training to our employees on occupational health and safety. The training covers both the programmes for new hires and periodic training. The OH&S team, as part of its tasks, performs continuous monitoring and analysis of accidents on the basis of the register of occupational accidents. Every accident is analysed in detail by an appointed post-accident team which investigates and identifies accident circumstances and causes and recommends remedial actions for the future. Furthermore, the register of accidents occurring on the way to and from work and the register of near misses are also kept.



Fewer accidents

GRI 403-9, 403-10



We have reduced the number of accidents by 33% versus 2019 as a result of intense actions taken in 2020.

Identified hazards existing at workstations have been gathered in the Occupational Risk Assessment document subject to regular updates, especially after an occupational accident in a given area and any significant changes to technology. Every employee is introduced to the Occupational Risk Assessment on the day of starting his or her job.



Pursuant to applicable laws, the registers of occupational accidents, and of accidents occurring on the way to and from work are kept by the OH&S team. Every occurrence is analysed in detail by an appointed post-accident team which investigates and identifies accident circumstances and causes and recommends remedial actions for the future.

The table below shows the number of accidents that occurred last year, broken down by gender and severity.

Number of accidents that occurred in 2020, broken down by location		
	2019	2020
Środa Wlkp.	26	20
Kijewo	3	4
Bolechowo	69	41
Murowana Goślina	4	4
Poznań	3	2
Jasin	1	0
Total	106	71

Number of accidents that occurred in 2020, broken down by gender and severity				
				
		Men	Women	Total
Work-related fatalities	Number	0	0	0
	Rate ¹⁾	0	0	0
Serious work-related injuries (excluding fatalities)	Number	1	0	1
	Rate ²⁾	26.76	0	26.76
Registered work-related injuries	Number	69	2	71
	Rate ³⁾	18.46	3.61	16.54

Furthermore, our company measures three main rates with reference to incidence: frequency, severity and absolute frequency. The indicators were as follows in 2020:

Accident rates in 2020			
			
	Men	Women	Total
Frequency ⁴⁾	17.39	3.61	15.61
Severity ⁵⁾	0.588	0.031	0.516
Absolute frequency ⁶⁾	18.461	3.608	16.543
Incidence of occupational diseases ⁷⁾	0	0	0

1) Mortality rate from work-related injuries = number of deaths * 1,000,000 / hours worked

2) Serious work-related injury rate (excluding fatal accidents) = number of severe accidents * 1,000,000,000 / hours worked

3) Work-related injury rate = number of accidents * 1,000,000,000 / hours worked

4) Frequency = number of accidents with sick leave * 1,000,000 hours worked

5) Severity = number of days lost * 1,000 of hours worked

6) Absolute frequency = total number of accidents * 1,000,000 hours worked

7) Incidence of occupational diseases = number of occupational diseases * 10,000 employees

We have reduced the number of accidents by 33% versus 2019 as a result of intense actions taken in 2020.



Improvement actions

Despite the difficult pandemic period, we managed to carry out a number of activities and projects improving the processes in the OH&S area in 2020, for example:



BOLECHOWO
Bus Production



Regular workstation audits in accordance with the 6S project

Enabled us to systematically control whether the instructions, procedures are adhered to and personal protection equipment is used, and to define any need for workstation layout improvement and hazard minimisation.



Near Miss Reporting App

Activates the whole Solaris community and enables us to implement preventive actions. Reported near misses are registered and analysed in order to prevent accidents.



Regular OH&S Team consultations with the personnel managing production and logistics processes

They enable us to respond jointly, as one team, to OH&S issues in an efficient and flexible manner. In accordance with our belief that it is our safety!



Building awareness and safety culture among our employees through regular workshops



The process of implementing 45001 standard assumptions and the degree of implementation is reviewed during Steering Committee meetings.



We launched a sprinkler system to improve fire safety in the production building.



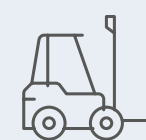
We implemented a new pedestrian traffic and package collection organisation to improve safety in the Main Warehouse.



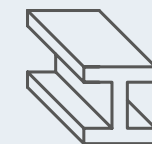
We completed the next round of providing hearing protection for the production workers.



We equipped the workstations at the assemblers' tables in the Auxiliary Production Department in the new B7 building with anti-fatigue mats.



We started the project of mechanical (instead of manual) transport of bulky and heavy loads.



Środa Wielkopolska / Kijewo
Production of Steel Body Frames:



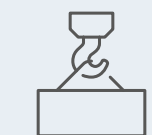
We prepared for the installation of a more state-of-the-art, but above all safer, device for mapping our vehicle body frames.



We installed many new welding devices.



We purchased new shelves for the Main Warehouse.



We limited handling of bus body frames by overhead travelling cranes by applying lifts and forklift trucks of a new type for body frame transport in Production.



We completed a new office building.



We care about others



To care about the environment in which we and our families function, we take a number of actions and initiatives addressed to the local community. We are wholeheartedly committed to the projects that promote safety, healthy lifestyle and help the most vulnerable. Our activities make us feel that things change for the better.

Sponsorship activities

We have been engaged in sponsorship activities for many years, focusing first of all on the industry-related events. They include e.g., conferences, panel discussions and public transport promotion actions. These activities involve not only the promotion of the brand and the display of the logo, but above all they provide opportunities to present the facts explaining the functionalities of a given technology, its advantages and related challenges as well as benefits for local communities.

In recent years, particular emphasis in this area was laid on sponsoring the events intended to promote low- and zero-emission solutions.

We made the donations totalling EUR 31,000 in 2020.

1. In 2020, we joined the media action of the Gazeta Wyborcza daily: "Zawsze pod Drodze" (Always on the Way), as a partner. The goal of that project was to promote public transport and restore passenger confidence in public transport during the COVID-19 pandemic.

2. In 2020, we supported the City Hospital in Poznań, at Szwajcarska Street, transformed into a COVID-19 dedicated hospital. This enabled the hospital to finance the purchase of a critical parameter analyser – specialist equipment facilitating everyday battle with the coronavirus pandemic.

Furthermore, at the turn of 2020-2021, we adopted a long-term sponsorship strategy regarding the Social Responsibility area. The main area we want to develop and support financially will be education of pre-school and school children. We want to educate the youngest on road traffic safety and build their awareness of the environment, and we want to encourage them to use public transport and persuade them about its advantages.



Employee volunteering

The report prepared by ngo.pl, the NGOs portal, indicates that as many as 99% employee volunteers declare the increase of their competencies through their engagement in the prosocial projects, and 98% of them declare their improved team integration.

Employee fundraising

We conducted a collection for the local community through an employee fundraising action in 2019. The beneficiaries of our employee volunteering were the wards of the Social Therapy Centre in Gołańcz. The total value of sports equipment donated by our employees to Gołańcz was EUR 3,461.

Employee Volunteering – “My Own Place”

We are one of 10 Poznań companies that engaged in the innovative project in Poland titled: “My Own Place” aimed at refurbishing the rooms for seniors living in nursing homes.





Solaris for safety

Even the best equipped vehicles and the most innovative technical solutions require competent drivers. The job of bus drivers who drive hundreds of passengers every day is especially responsible.

We have launched the “Safe Driver” training programme to foster the safety of road traffic participants. During training, trainers instruct drivers how to respond properly in dangerous situations. Drivers working for city transport operators take part in the programme.

We carry out the project under the formula that combines sponsorship and a commercial approach.



Over 1,600
drivers have been
trained since
2005.



Charity activity

To separate sponsorship and charity activities, we established the “Green Dachshund Foundation - for the rescue of the defenceless” in 2012, simultaneously assuming a new role of a donor.



We have examined numerous requests for help since then. Support has been provided to more than 70 individuals or social organisations, and the Foundation has designated EUR 214,600 for assistance. The Foundation is based on the work of volunteers, mainly the employees. No person engaged in the activities of the organisation receives any financial compensation or other gratification for his/her work and initiative.

The beneficiaries of the Foundation so far include our company employees and their family members and the students of the Special Schools Complex where we donate computers, classroom equipment, learning aids and other devices supporting the functioning of the institution on a daily basis, and we also organise Christmas actions every year. The Foundation also provides ad hoc assistance, for example humanitarian aid for Ukrainians who lost their homes as a result of war (10 tonnes of gifts worth almost EUR 22,500) or the victims of the tornado in the Tuchola Forest.

Thinking about persons with

disabilities

Together with the “Jedna Chwila” Association, we have organised unusual workshops for the designers and engineers working for our company, during which workshop participants learned about the problems of the disabled passengers of urban transport. According to our company’ idea, public transport should be equally accessible to all its users.

Share Your Knowledge Programme

Together with the students and employees of the Adam Mickiewicz University in Poznań, the Foundation launched the “Share Your Knowledge” project in January 2019. University students conducted the series of workshops as part of the programme, addressed to the students of the Special Schools Complex [Zespół Szkół Specjalnych] in Kowanówek. The idea of the programme is to attain in practice Goal 4 of the 2030 Agenda for Sustainable Development adopted by the United Nations in 2015, i.e. to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Zero-emission future

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Cities of the future

We believe that modern cities can play the key role for the sustainable development of the world. For our company, the city of the future is a place of advanced social progress, green, ecological and environmental regeneration.

Today, more than two thirds of the European population lives in urban areas. Mobility is one of the basic needs of people. Easily accessible, flexible and comfortable public transport in a modern city is the core around which sustainable mobility solutions develop.

The reduction of CO₂ emissions in towns and cities as well as the amelioration of the air quality, the reduction of traffic congestion are the significant aspects of creating “healthy” urban areas. Traffic jams not only generate unnecessary pollution but also decrease the attractiveness and quality of life in a given place. Therefore, the development and universal access to eco-friendly means of transport in a city other than a car is so crucial.



The transport sector in the European Union countries represents almost 25% of emissions into the atmosphere.

We know that eco-friendly and clean transport should be quiet, clean and safe. It should give the citizens an opportunity to re-conquer the city, taking into account the needs of all residents, including persons with disabilities, the elderly and families with small children.

E-mobility = the future

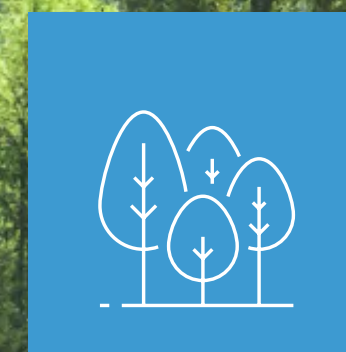


E-mobility is the ideal solution for urban traffic – electric vehicles produce no emissions, ensure driving comfort, and have an impact of the quality of life in the city due to the low level of generated noise. Replacement of vehicles with electric models is especially important for modern urban traffic, in particular public transport. The city of the future is clean and quiet. And so must drive technologies be.

What is extremely important, the green trend is also visible in our customers' purchase decisions – we recorded a significantly high growth in the segment of buses with zero- and low-emission drives in 2020, up to 44% versus all vehicles. It is the growth of 15 pp during 2 years!

Mass production of vehicles with zero-emission drives equipped with electric motors only and introducing them on city streets reduces environmental pollution and CO₂ emissions considerably.

Furthermore, electric buses do not require as many maintenance operations during their service life as the vehicles with conventional drives do, such as oil change or other advanced maintenance processes.



A single electric 12-metre Solaris bus operating the routes in Cracow can save 35 tonnes of CO₂ emissions per annum at the location of use. This more or less equals to the amount neutralised by 1 hectare of pine forest for the whole year.

*Calculation methodology based on the data in the document:

<https://ec.europa.eu/environment/enveco/taxation/pdf/Harmful%20Subsidies%20Report.pdf>



Customized buses



Solaris offers transport operators interested in transition to zero-emission mobility buses fully customized to their needs. Our portfolio includes electric buses, trolleybuses and hydrogen buses – all equipped with batteries. We believe that there is no single answer to the challenges of public transport in the future. **All “electric” paths are right – battery-powered buses, trolleybuses as well as hydrogen-driven models – as they address diverse needs of transport operators, passengers and drivers.**

We offer our customers a comprehensive emission-free portfolio – we help to customize an ideal product, depending on a climate, route profile and load and even landform features. We offer different vehicle options in terms of vehicle length, motor, battery as well as charging methods.

The urban environment offers ideal conditions for an appropriate charging infrastructure. Our electric buses are adapted to both fast charging methods, thanks to a pantograph installed on the roof of every vehicle, and night charging in a bus depot using a conventional plug-in system.

The driving conditions in the city, e. g. with frequent acceleration and braking, allow, in particular, to effectively use energy recovery systems.

We offer transport operators also hydrogen buses, where hydrogen is the source of energy. The chemical element is converted into electrical energy by a fuel cell which is a sort of a mini-power plant on board of a vehicle. The hydrogen technology used to generate electricity enables buses to cover even longer distances with absolutely no emissions.



Systems for safety and lower energy consumption

Solaris buses are equipped with solutions reducing energy consumption, such as:



Energy recovery system

the system to recover and store energy generated during braking



SiC technology

in the drive area allows to minimise energy consumption

For drivers

Giving drivers the sense of work comfort and safety is extremely important to us, therefore we develop assistance and support functionalities and ADAS (Advanced Driver Assistance Systems) solutions in our vehicles. This complies with EU laws which have listed a lot of such systems as mandatory equipment in new buses starting from 2022.

Advanced Driver Assistance Systems help drivers by performing certain actions before them or in their stead. This provides the drivers with invaluable seconds for a proper response.

Collision Mitigation System (CMS)

In the situation of a detected risk of head-on collision, the system goes into braking mode, reducing velocity and thus alleviating the consequences of a potential collision. The correct calibration is of great significance, because there are no safety belts in city buses with most passengers ride standing rather than seated. The braking force that is too high can be dangerous for passengers.

MobilEye Shield+

The system enables the driver to see more thanks to the cameras installed on the outside of the vehicle. They detect pedestrians and cyclists who are in the blind spots of a vehicle, which is especially important during turning manoeuvres.

MirrorEye Systems

Cameras used instead of side mirrors which transmit images to the vehicle internal displays and provide the driver with better visibility.

Objective: the lowest possible consumption of energy

GRI 302-5

We are aware of our huge environmental impact as a manufacturer, starting from the manufacturing process through the final product and its recycling. When launching new designs and next bus generations on the market, our designers and manufacturing department experts make every effort to reconcile strict statutory regulations with achieving such vehicle parameters that a vehicle environmental impact is minimal. The optimisation of the energy-related requirements of vehicle models and the continuous improvement of existing models' parameters along with our portfolio development is extremely important to us.

We test and improve

We carry out numerous tests of our buses which enable us to continuously improve the rolling characteristics of the vehicles enabling their excellent performance at the lowest possible energy consumption. We never compromise on safety and quality, always putting the reliability of our vehicles first. Thanks to intense efforts of our engineers, we manage to achieve impressive results concerning our products in terms of energy conservation.

- **1-million-kilometre test**
i.e. the road endurance test we perform on every prototype and after every modification of model design. The simulation is carried out in extremely tough conditions, on various road surfaces. Its purpose is to refine the vehicle design to achieve the parameters expected by

our engineers and customers, and to guarantee top safety with optimum energy consumption. We observe how drivetrains behave and modify them so that buses can use their capabilities to the maximum. We optimise heating and air-conditioning system parameters for the lowest energy consumption while maintaining passenger comfort. We also improve vehicle driving dynamics and minimise generated noise and vibration.

- **Changes to bus body design**
The families of our vehicles launched during generation evolution allowed us to achieve considerable savings in terms of energy demand. The fourth generation of Urbino presented in 2014 enabled us to save approximately 4% of the body frame weight alone, while meeting all standards and strength requirements at the same time. The lower weight translates directly into less energy used by the vehicle. In addition, the optimised assembly process enabled us to save time needed for vehicle assembly, and change to the painting process let us reduce process-related labour demand by over 26%.

As for the electric Urbino version IV, the generation change alone and drivetrains optimisation resulted in a drop of over 31% in energy consumption during SORT 2.

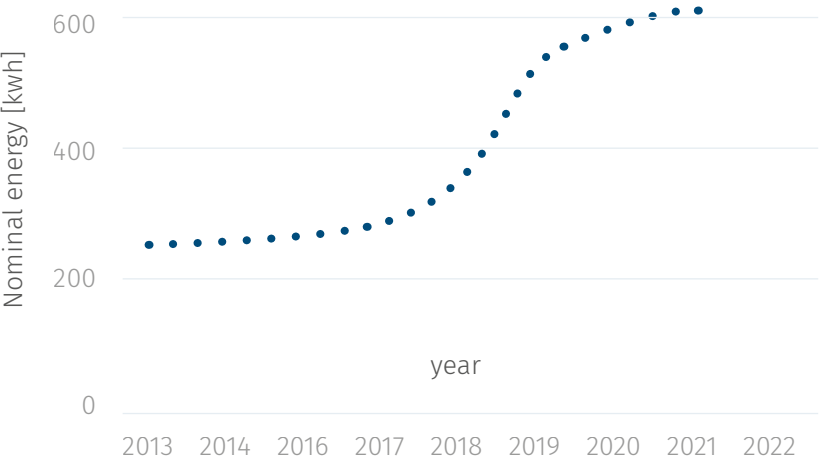


Battery optimisation

The market of electric buses is so dynamic that we launch batteries based on the new lithium-ion cell generation every 2 years on average. This allows us to offer our customers better and better solutions. Electric and hydrogen buses can offer driving ranges today that are similar to vehicles with conventional drives, without producing any local emissions.

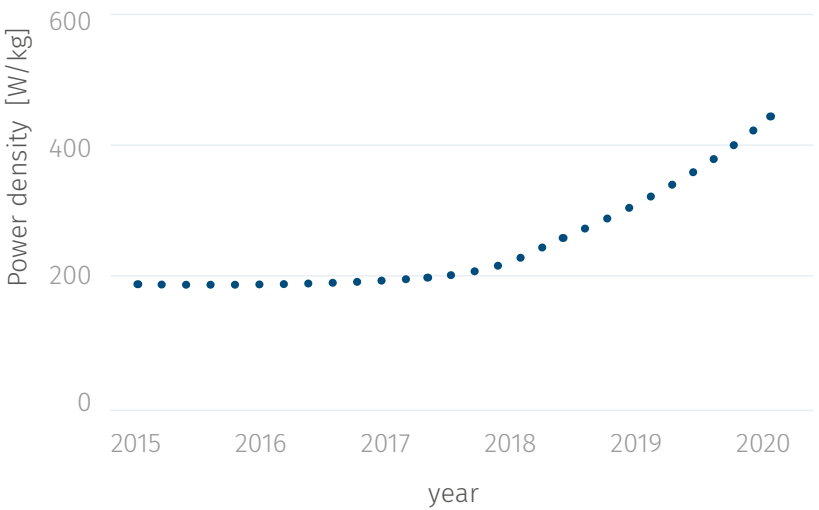
A huge leap in battery development can be observed especially in High Energy batteries, namely the batteries with high energy density which ensures a long driving range of a vehicle. Since 2013, we have been able to nearly triple battery nominal energy rate at the same weight. From 2014 to 2020, we increased the energy density parameter per 1 kg of High Energy type battery by as much as 77%! This means a considerably longer driving range of a vehicle at the same battery weight – which translates into higher energy efficiency of an electric bus.

Increase of nominal energy of the High Energy battery on the example of Solaris Urbino 18 electric [kWh]



As for the High Power batteries, i.e. with high power density, flexibility is more important. Although their nominal energy is lower, they nevertheless ensure immediate bus en-route recharging during the day and longer trips with passengers. We have also recorded considerable progress in this technology – a considerable increase of the charging power parameter:

Increase of High Power battery power density



The Solaris Development Department continuously works on the optimisation of battery housing and frame – and the reduction of battery weight. Savings for a bus equipped with several batteries can even reach several hundred kilograms! As for High Power batteries, we mean weight reduction by approximately 15% per one battery, and for High Energy – approximately 7%. These improvements have an impact on reduced bus demand for energy and increase its passenger capacity.

Furthermore, we carry out feasibility simulations for various customers interested in transport transformation. Information needed for simulations include, inter alia, climate, topography, transport operator’s requirements as well as bus routes. These tests provide further data for electric bus parameter improvement resulting in further improvement of energy efficiency.



We carried out

600

feasibility studies in 2020



A second lease of life for batteries

We are fully aware of battery degradation after use in a bus and we actively prepare for the implementation of second-life battery projects which assume battery reuse after a loss of capacity and relevant parameters.

The first vehicles delivered by us many years ago have now covered over half a million kilometres each. This means necessary replacement of batteries in some of them. Batteries installed in our buses are prepared for second-life projects, e.g. for use in stationary energy sources.

“When the life of the battery used in an electric bus ends, it still remains a valuable energy storage. Its use for different applications will extend its life cycle, and this can help to foster the use of rare and valuable raw materials in a sustainable manner. It is especially important today, when the e-mobility revolution is happening right before our eyes.”



Łukasz Chęćchowski
Development Office Director

The re-use of energy storages minimises the need for mining additional raw materials. Furthermore, a storage system made of used batteries constitutes an important component of the modern grid, combining the generation of energy from conventional and renewable sources.

Battery recycling makes it possible to recover highly valued metals for which resources are limited. We collaborate with organisations specialising in eco-management and recycling of used lithium-ion batteries. We require them to recover 100% of recyclable battery waste materials (including lithium, cobalt, manganese and nickel) without their transfer to a landfill.

Together with TAURON Polska Energia, we initiated a project titled “Second Life ESS” in February 2021. Its goal is to create a prototype system for storing electrical energy based on retired bus batteries.





We continue to grow

The development of new products and start of its series production, as well as the sale of cutting-edge solutions, are the key elements that account for our market advantage in Europe. We plan the launch of a 9-metre long electric bus in the nearest future. It will match the city transport profile perfectly thanks to its small dimensions. And last year, we presented a completely new type of an electric bus measuring 15 metres which is the first intercity electric bus under our brand. The vehicle can travel for even several hundred kilometres on a single charge in real-life conditions. This will enable transport operators to plan emission-free routes not only within the city boundaries but also outside.

In addition, we continuously test and develop the hydrogen technology planning to include the Urbino hydrogen articulated bus in our portfolio soon.

Our achievements are acknowledged

Every award for achievements in electromobility development makes us happy – this confirms our belief that we have chosen the right direction investing in the development of electric drives:

2016 BUS OF THE YEAR

Solaris Urbino 12 electric wins the most important prize in the industry – Bus of the Year, awarded by the international group of journalists.

2017 EBUS AWARD

The award in the VDV (the Association of German Transport Companies) competition for contributing to the development of emission-free public transport.

2019 BUSPLANER

The “busplaner” trade magazine 2019 Sustainability Award for the Urbino 12 hydrogen.

2019, 2020 E-MOBILITY LEADER, GLOBAL E-MOBILITY LEADER

These titles were won during the Global e-Mobility Forum in 2019 and 2020.





We actively promote e-mobility

GRI 102-12

We want to achieve the sustainable development goals, especially in the area of Goal 11, therefore we actively promote e-mobility and state-of-the-art transport solutions, engaging in many external initiatives:



Hydrogen Europe

membership: since 2016

The leading European association representing nearly 200 industrial entities from different sectors, whose goal is to work out solutions enabling the deployment of hydrogen in various branches of economy. Emission-free public transport is one of the areas of hydrogen use.



„Clean Bus Deployment Initiative”

membership: since 2017

The Document signed, inter alia, by the European Commission and the biggest manufacturers in the sector. It expresses an intent on promoting large-scale deployment of completely emission-free buses and alternatively fuelled buses.

The European Declaration is an initiative based on three pillars. They are as follows:

1. the obligation of the cities and manufacturers on the joint mission to accelerate the fume emission reduction process,
2. creating the platform for exchange of information between city authorities, transport operators and financial organisations, and
3. appointing a group of experts who will provide professional experts’ opinions on technology, economy and logistics.

European Clean Hydrogen Alliance



European Clean Hydrogen Alliance

membership: since 2020

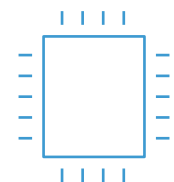
The Alliance established as an initiative led by the European Commission which aims at scaling up, by 2030, the production and use of hydrogen as fuel produced using low-emission technologies and renewable sources of energy.



UITP

membership: since 2001

The International Association of Public Transport (UITP) has been acting for the development of public transport since 1885. The goal of UITP is to improve life quality by promoting sustainable transport worldwide. One of the UITP activities is promoting sustainable development goals (SDG) among the members of the Association.



Sustainable Development Charter

We are the signatory of the Sustainable Development Charter under the activities of UITP. The signatories/members of UITP express their intention in the Charter to support the sustainable development goals, good reporting practices in the CSR area, consistent with the 17 of UN sustainable development goals. One of the main areas of activity of the Charter signatories and the UITP members is the SDG Target 11.2: “by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.



About the Report

GRI 102-43, GRI 102-45, GRI 102-46, GRI 102-50, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56

We have prepared the Solaris Sustainability Report for 2020 in accordance with the principles of the international reporting standard GRI Standards at the Core level. This is the first sustainability report of our company. It covers our operations and results in the period from January 1, 2020 to December 31, 2020. The report concerns the operations of Solaris sp. z o.o., it does not include the results of its foreign representative offices or subsidiaries. If we refer to the company's activities or results outside this period, it is each time marked in the document. The report will be published on an annual basis.

With the support of external consultants from Go Responsible, we have conducted a number of internal workshops with employees of our company, including management. When creating the content, we took into account the results of an anonymous survey on the importance of issues and areas of sustainable development for Solaris' operations, which was conducted by GoResponsible among our employees and external stakeholders. The report was verified internally, and the scope of the GRI indicators reported was confirmed by Go Responsible, the report was not audited.

To define the content of the publication, we also used internal policies and strategies as well as the policies of our investor, the CAF Group.

We would like to take this opportunity to extend our sincere thanks to each of the 535 people who answered our survey questions. These opinions and recommendations for actions are a valuable guide for us and will help us define goals for the future.

If you have any questions about the report, please contact Agata Barnaś, E-mobility Development and External Communications Team Leader, at agata.barnas@solarisbus.com.



GRI INDEX

102-55

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		Not applicable. This is the first report of Solaris sp. z o.o.	-
102-49	Changes in reporting	Full	81
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102-51	Date of most recent report	Not applicable. This is the first report of Solaris sp. z o.o.	-
102-52	Reporting cycle	Full	81
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103-3		Full	
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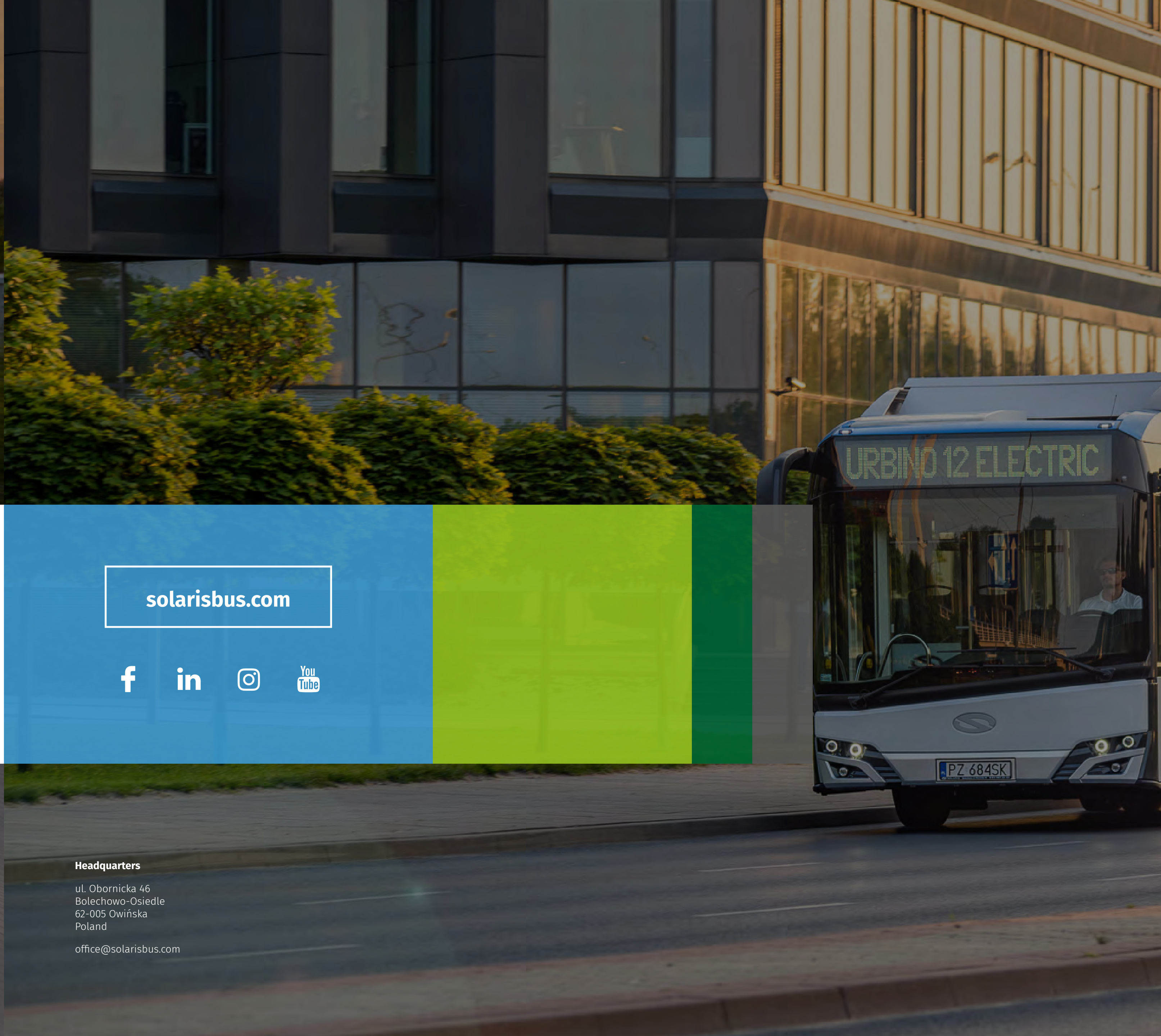
Indicator number	Indicator name		Reporting level / Comments	Page number
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103-1	Management Approach		Full	61
103-2			Full	
103-3			Full	
406-1	Incidents of discrimination and corrective actions taken		Full	61

Indicator number	Indicator name		Reporting level / Comments	Page number
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103-1	Management Approach		Full	61
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Full	61
Labour/management relations				
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402-1	Minimum notice periods regarding operational changes		Full	52
Local communities				
103-1	Management Approach		Full	44
103-2			Full	
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413-2	Operations with significant actual and potential negative im-pacts on local communities		Full	44
Own indicator	Sponsorship and charity activities		Full	66, 69
Customer privacy				
103-1	Management Approach		Full	30
103-2			Full	
103-3			Full	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Full	30

Socioeconomic compliance			
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419-1	Non-compliance with laws and regulations in the social and economic area		Full 30



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