

CORPORATE SOCIAL RESPONSIBILITY REPORT

2019

MUNICIPAL WATER SUPPLY
AND SEWERAGE COMPANY
IN WARSAW JSC
www.mpwik.com.pl



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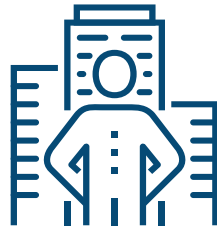


61

**SUMMARY OF
GRI STANDARDS
INDICATORS**



85



our services
are used by almost

2.5 million

residents of
Warsaw and the
neighbouring areas



Dear Sir/Madam,

We present to you the Corporate Social Responsibility Report of the Warsaw municipal water supply and sewerage company, Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A., for the year 2019. We describe in it the most important issues and topics which we tackled last year, as well as those that represented unique challenges for us.

The report is a continuation of our information activities addressing the general public and reflects the values which we, as one of Warsaw's key public utility companies, observe in our daily work and activities for the benefit of city's residents and our employees. These values include, in particular, respect for every person and the surrounding environment, truth and transparency of actions and information, professional approach to our duties, both as employees carrying out work in the service of residents and as managers of a large industrial company.

In 2019, we implemented a number of investments in the development and upgrades of the water supply and sewerage networks of key significance for the metropolitan area, and assumed new challenges driven by care of the environment. We are one of those firms that feel obliged and want to participate both in a further process of ecological education for residents and in implementing technological and investment solutions which address the phenomena of climate change. We are working on such solutions in order to – looking forward to Warsaw's future generations – create security of water resources as sources of water supply to the population. Our efforts concern also challenges related to increasingly frequent extreme weather phenomena manifesting themselves in torrential rains which often pose huge challenges to the municipal sewerage network.

Looking towards the future, we seek – together with the Owner, the Capital City of Warsaw – to undertake projects aimed to minimise the risk of waterlogging and to ensure smart utilisation of stormwater. Our activities fall in line with programmes of circular economy programmes and renewable energy sources. Among important issues and unusual events, the Report also contains information on challenges faced by MPWiK employees and management last year, related to failures of our systems which are of concern to us all.

Activities pursued by MPWiK S.A. include projects related to charities, education, science, innovation, employee development, as well as environmental protection.

Dear Sir/Madam,

We invite you to read the Report. Each year we seek to improve the information provided in it. Thank you for the trust you place in the Warsaw Waterworks

Sincerely,
Management Board of MPWiK w m.st. Warszawie S.A.

ABOUT US

Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. is the largest utility company in Poland responsible for the provision of water supply and sewerage services. We supply water to residents of the Warsaw agglomeration, as well as collect and treat sewage they generate. We are backed by more than 130 years' tradition and are constantly developing, implementing modern technological and organisational solutions, so as to provide the appropriate comfort of living to residents, under conditions of sustainable development, taking care of the natural environment.





Our mission

Every day, we contribute to the development of Warsaw and the adjacent municipalities, continuously providing water supply and sewage collection and treatment services, in the interest of the highest comfort of living and the natural environment – for us and for future generations.

Our vision

We strengthen our position among leading European utilities. We fulfil our duties in a diligent and efficient manner, providing residents with the highest-quality water supply as well as sewage collection and treatment services, while taking care of environmental protection, security and working conditions.

On 1 January 2003, municipal utility company under the name of Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie was transformed by operation of law into a sole-shareholder joint-stock company wholly-owned by the Capital City of Warsaw.

We are a public utility company performing the tasks falling within the remit of the Capital City of Warsaw and certain municipalities of the Mazowieckie Voivodeship with respect to water supply as well as sewage collection and treatment.

We are a leader in the sector of water and sewage services in Poland and one of the largest enterprises in the sector in Europe.



PLN 1.1 billion
net sales of services



capitalisation
of almost
PLN 5 billion



2,349
employees



4,385.6 km
of water
supply network



4,274.2 km
of sewerage
network

In 2019



we treated
130 million
m³ of water



we treated
180 million
m³ of sewage

On average, every day:



we treat almost
360 million
litres of water



we treat
**approx.
500 million**
litres of sewage

The “Filtry” Water Treatment Station and the “Praga” Water Treatment Station, which form **the Central Plant, treat water drawn from under the Vistula River bed (infiltration water).**

The Plant’s structure incorporates also local water treatment stations and water booster stations drawing deep-well water. These are:

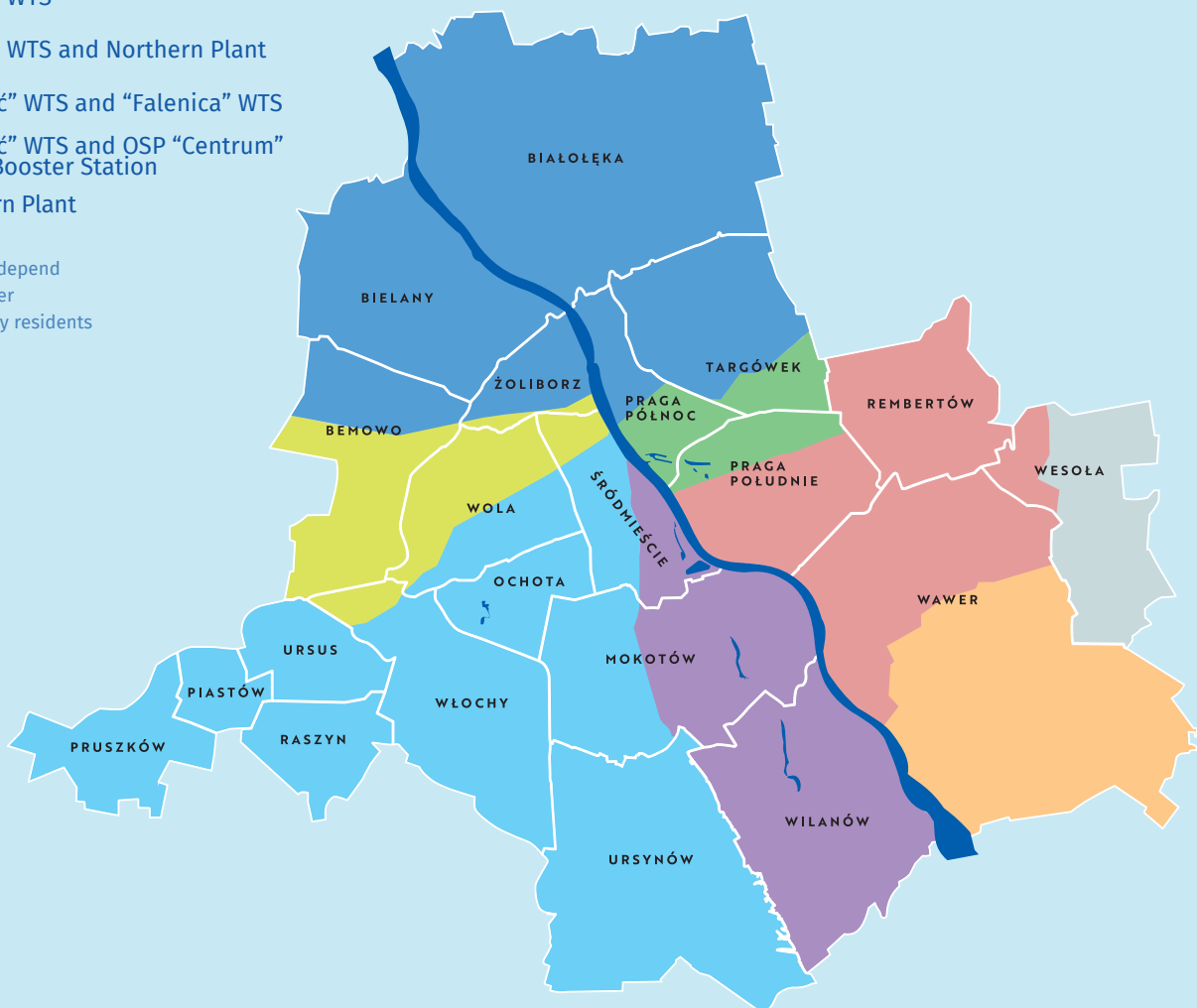
- “Radość” WTS
- “Falenica” WTS
- “Stara Miłosna” WTS
- “Wola Grzybowska” WTS
- OSP “Centrum” Water Booster Station.

Northern Plant treats water drawn directly from Lake Zegrze.

Supply zones*:

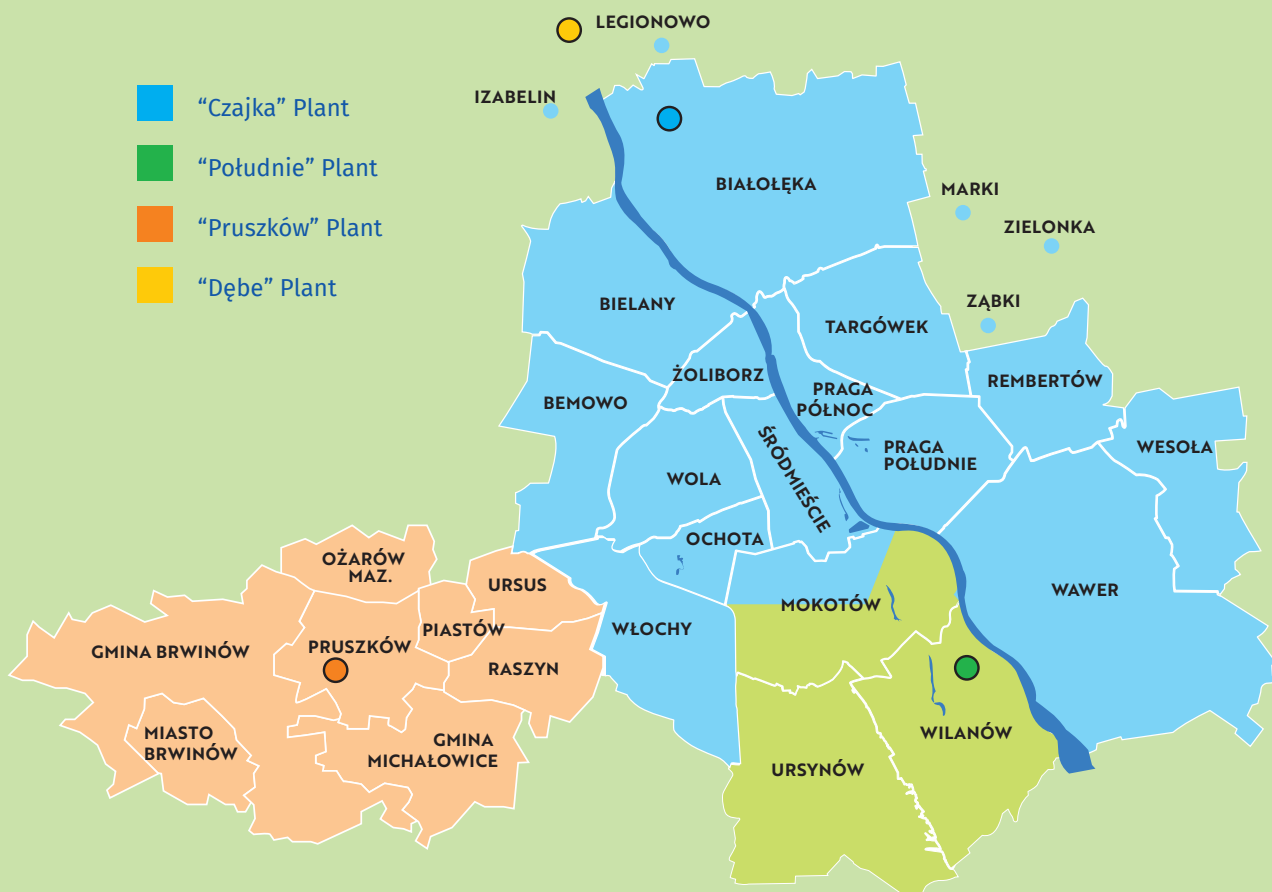
- “Filtry” WTS
- “Filtry” WTS and “Praga” WTS
- “Filtry” WTS and Northern Plant
- “Praga” WTS
- “Praga” WTS and Northern Plant
- “Radość” WTS and “Falenica” WTS
- “Radość” WTS and OSP “Centrum” Water Booster Station
- Northern Plant

*supply zones depend on current water consumption by residents



We operate four sewage treatment plants at the following sites:

- **“Czajka” Plant** (the sewage treatment plant receives sewage from the right-bank part of the capital, from the central and northern parts of left-bank Warsaw, and from the adjacent municipalities: Legionowo, Zielonka, Jabłonna, Marki, Ząbki, Stare Babice and Izabelin)
- **“Południe” Plant** (the sewage treatment plant receives sewage from the southern regions of left-bank Warsaw and from the municipality of Lesznowola).
- **“Pruszków” Plant** (the sewage treatment plant receives sewage from the Warsaw borough of Ursus and from the following towns and municipalities: Pruszków, Piastów, Michałowice, Ożarów Mazowiecki and Brwinów),
- **“Dębe” Plant** (the sewage treatment plant receives sewage from localities situated around Lake Zegrze).





Filter Station
Photo by Studio Awokado

In 2019, the Company was awarded the **“Wprost” Eagle title in the Business Leader category.**

The “Wprost” Eagle is a prestigious award presented by the “Wprost” weekly on recommendation from Bisnode and KOWR. The honour is awarded to free-of-charge to firms that made a special contribution to the development of the regional and national economy, in particular through day-to-day activities for the benefit of residents.

We are a member of:

- “Polish Waterworks” Chamber of Commerce
- Pracodawcy RP employers’ organisation
- Polish Association of Engineers and Technicians
- POLLAB Polish Research Laboratories’ Club
- The European Benchmarking Co-operation network

Company authorities

General Meeting of Shareholders

All rights of the GM are vested in the sole shareholder, i.e. the Capital City of Warsaw, represented by the Mayor of Warsaw.

Composition of the Supervisory Board*

Jarosław Józwiak – Chairman of the Supervisory Board

Leszek Drogosz – Member of the Supervisory Board

Wojciech Duch – Member of the Supervisory Board

Elżbieta Lanc – Member of the Supervisory Board

Ludwik Rakowski – Member of the Supervisory Board

Sławomir Stanisławski – Member of the Supervisory Board

Member Composition of the Management Board*

Renata Tomusiak – President of the Management Board

Dariusz Dąbrowski – Member of the Management Board

Lucyna Golańska – Member of the Management Board

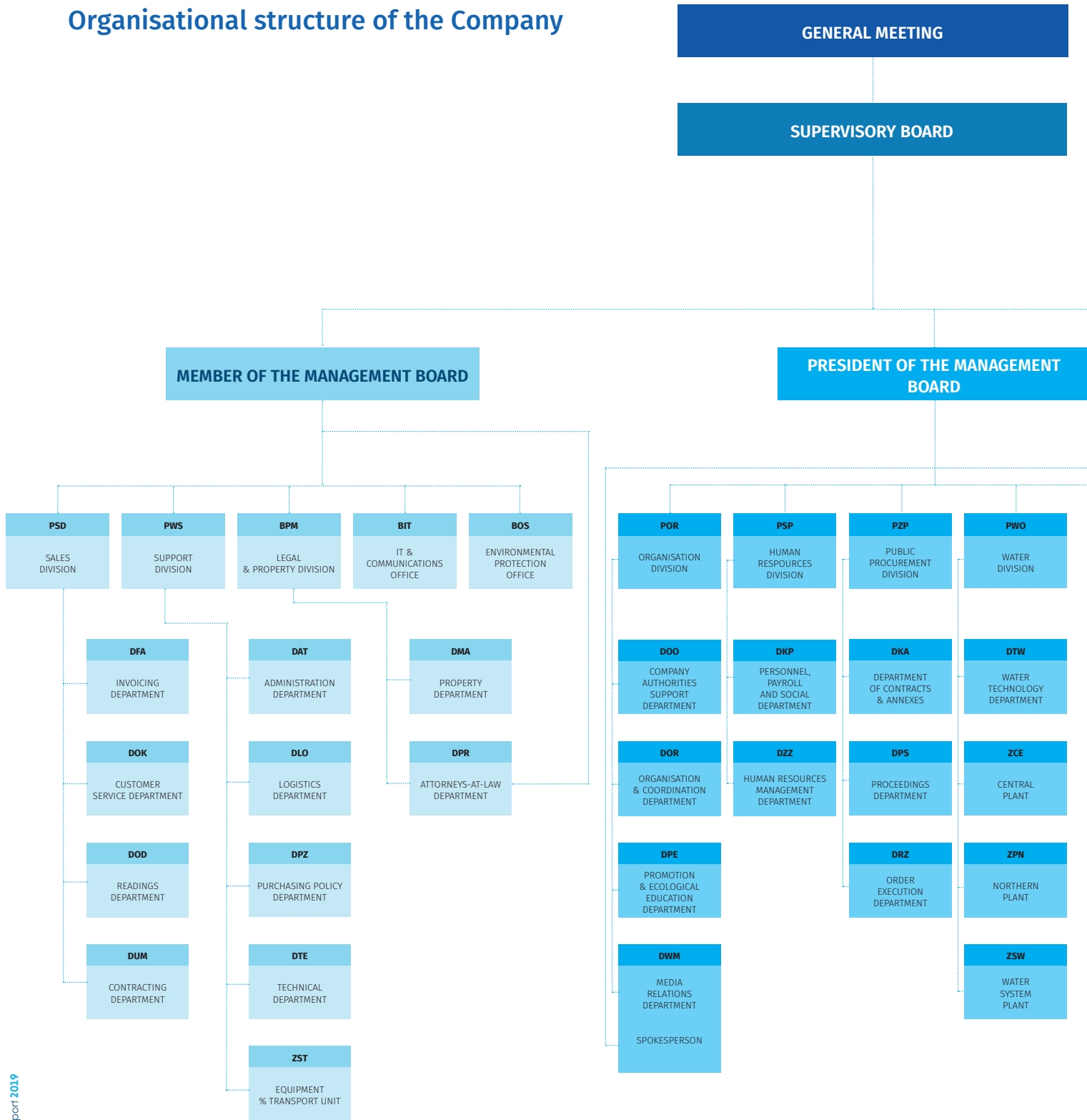
Tomasz Mencina – Member of the Management Board

* As at 31 December 2019



Intermediate ozonation and active carbon filtration station at "Filtry" WTS
Photo by Maciej Śmiarowski

Organisational structure of the Company



MEMBER OF THE MANAGEMENT BOARD

MEMBER OF THE MANAGEMENT BOARD

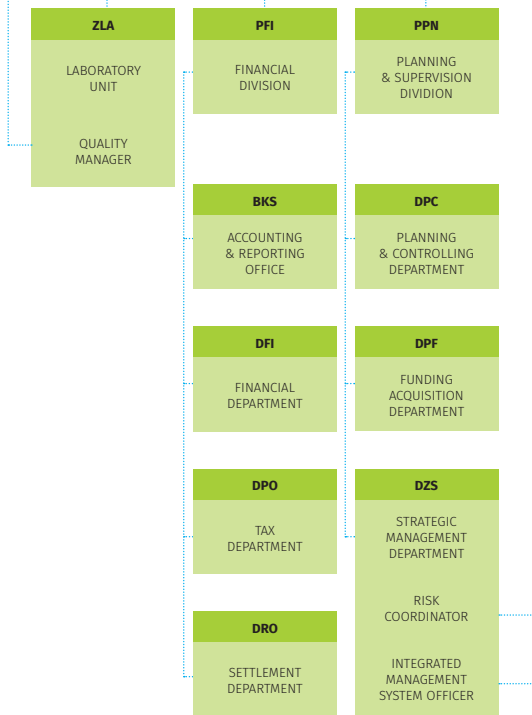
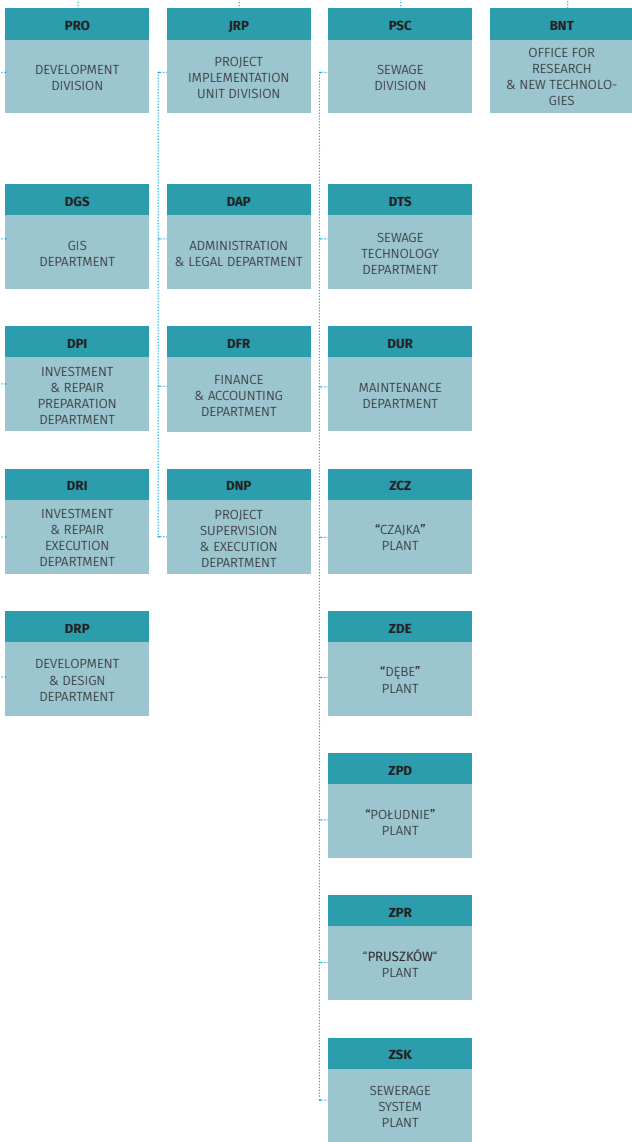
BBO
SECURITY & PROTECTION OFFICE
DATA PROTECTION INSPECTOR
CLASSIFIED INFORMATION PROTECTION OFFICER

DOF
MANNED SECURITY DEPARTMENT

BKA
CONTROL & AUDIT OFFICE

BZG
COMPLIANCE OFFICE

DBH
OHS DEPARTMENT



As at 31 Dec 2019



"Czajka" Plant
Photo by Kacper Kowalski/aeromedia.pl

MODERN COMPANY



We are a modern company with a vision – we apply innovative technologies and are constantly developing. We know that our activities – from daily work, to investment, to education – have an impact on the environment. For more than 130 years, we have been serving the residents of Warsaw day and night, and in our activities we are guided by principles of corporate social responsibility, i.e. we act ethically and fairly in relations with our stakeholders, while taking into account the impact of our activities on the natural environment, continuously developing organisational culture.

In the Company's Strategy for 2018-2027, we have indicated the main development areas:



**care
about residents**



**natural environment
protection**



**optimisation
of operational
performance**



**increasing
security**



**innovative database
management
and development**

In our activities, we focus on continuously increasing the satisfaction of our stakeholders, mainly residents of Warsaw and the adjacent municipalities, as well as employees. We seek to continuously develop the concept of sustainable development, so as to maximise the scale of social, environmental and economic benefits.

NEW FUNCTIONAL UNIT: OFFICE FOR RESEARCH AND NEW TECHNOLOGIES

We have set up a new unit responsible for technological and technical development of the Company. This step is necessary in the era of a developing market of new technologies, involving all sectors necessary to support the Company's operations. The establishment of the Office for Research and New Technologies reflects the adaptation of the Company's technologies, processes and infrastructure to dynamic climate changes, environmental requirements and customers' expectations. Changing internal and external (e.g. international) quality standards, market and customers' demand, in particular environmental solutions, as well as the reduction of the cost of services provided, and continuous quality improvement.

The Office will have a significant impact on the achievement of the Company's strategic objectives for the years ahead, i.e.:

- natural environment protection (detailed monitoring of environmental indicators, development of RES installations, increasing energy efficiency, and circular economy (CE),
- optimisation of operational effectiveness (application of R&D tax relief, increase of the detection ratio of illegal connections, digitisation of processes),
- Innovative management and development of the asset base (optimisation of the development and management of enclosed structures, optimisation of the development and management of the water supply and sewerage networks).

MULTI-STAGE WATER QUALITY CONTROL

One of the characteristic elements of multi-stage water quality control is the bio-monitoring used by the Company. Swollen river mussels used by us are very sensitive to water pollution. Water testers include also selected species of freshwater fish, such as the vimba bream, barbel, and common rudd, are also water testers. Irrespective of the help of water organisms, water quality is controlled by an experienced team of laboratory technicians who use advanced analytical equipment. Water is monitored on an ongoing basis by online devices which continuously show its significant parameters, tested at each treatment stage.

WE UPGRADE THE WATER TREATMENT PROCESS

We have upgraded high-rate sand filters at the Northern Plant. Water is filtered not only through a sand layer, but also through an additional 40-centimetre layer of anthracite, a variety of coal. Owing to the use of this process, water has gained an even better taste and smell.

OPTIMISATION OF SEWERAGE NETWORK OPERATION

On 4 March 2019, we signed a contract for the deployment of a central combined sewerage network management system. The contract value is PLN 60 million. The system will allow sewerage infrastructure management to



Taking water samples from a hydrant for laboratory testing
Photo by Rafineria

be centralised and automated throughout Warsaw. Such an innovative solution is used e.g. in Tokyo, Dresden, Philadelphia or Minneapolis. With data acquired in real time, the system will be able to respond to sudden weather phenomena and control sewage (including rainwater) flow accordingly, and to collect it in trunk sewers and retention reservoirs. This way, we will be able to minimise the risk of local flooding and waterlogging and limit the need to discharge excess rainwater into the Vistula. The basic functionality of the system will be the real-time collection and processing of current weather forecasts and data sourced from the sewerage network and its facilities. The "self-learning" function will allow better performance and more accurate analyses to be obtained over time.

The sewerage network control system is a part of a much larger project under which the Company is planning to also build three huge trunk sewers in the coming years: Wiślany, Lindego Bis and Mokotowski Bis.

PRIORITY – Security

CYBER SECURITY AND INFORMATISATION

◆ Operator of essential services

In 2019, the Ministry of Marine Economy and Inland Navigation issued a decision recognising Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. as an operator of essential services (OES) in the drinking water supply and distribution sector. In 2019, we fulfilled all requirements to be met within 3 and 6 months of receiving the OES establishment decision. Further requirements will be fulfilled during 2020. One of key changes was building of the Company's own team responsible for monitoring and responding to cyber incidents. The Operational Cybersecurity Section was created within the IT and Communications Office, tasked with continuous monitoring of IT systems and responding to occurring cyber incidents reported by security systems operating at the Company. It ensures the management of incidents which can occur also outside the office working hours and cooperation with relevant units responsible for responding to incidents at the National Cybersecurity System level.

We launched a project involving the development and deployment at the Company of the Information Security Management System (ISMS) in compliance with the ISO/IEC 27001 standard. One of the main requirements for Operators of Essential Services under the Act on the national cybersecurity system is the development and management of documentation related to the cybersecurity of essential services. The project is to be completed by June 2021, to prepare the Company for certification for compliance with the ISO 27001 standard.

In 2019, we completed a number of other important informatisation tasks aimed at improving the Company's IT security level. Our activities involved, among other things, the implementation of a system detecting net-

work anomalies, security incidents, based on an analysis of network traffic, a complete network management and control system, and the Identify Management System for the management of access rights to users' information resources. We also expanded a system designed as a central point of access to critical systems, from which the Company can isolate, monitor and control all privileged sessions. It provides the capability to quickly detect undesirable use of privileged accounts. Our solutions also increase the operational reliability of server systems, their operation continuity, and automate the configuration of network segments, and increase ICT security by necessitating two-stage authorisation of a user logging remotely into the infrastructure.

COMPANY SECURITY

◆ Internal Security Service

We have established the Internal Security Service (ISS) at the Company. The idea itself to establish the ISS emerged at the beginning of 2018. Internal experts analysed our existing manned security system and proposed its model providing for the creation of an internal service consisting of the Company's full-time employees while continuing (for some time to come) to hire the services of third-party providers.

It should be kept in mind that in the past the Company had its own security force. However, as a result of reorganisation, it was decided to outsource those services. In the era of great challenges faced by the global economy, which also involves the sense of security, the Company's decision to set up its own security service is dictated by concern about the security of consumers.



Graphic mark on the uniform of MPWIK Internal Security Service
Photo by MPWIK Archive

◆ Business Continuity Management System

Performing tasks aimed at ensuring manned, technical, personal, ICT and legal security as preventive measures which, by assumption, are to best minimise the risk of crisis event occurring, was continued work on the implementation of the Business Continuity Management System (BCMS) at the Company on the basis of the requirements of the PN-EN ISO 22301:2014-11 standard. The main objective of the system is to prevent business interruption risks. Apart from risk reduction, the implementation of the BCMS leads to additional benefits, such as strengthening the functional performance of the organisation and increasing the sense of security level.

◆ LIBERO 2019 – exercises testing crisis management procedures

We participated in the LIBERO 2019 national multi-level staff exercise with a practical episode. The exercise tested organisational arrangements contained in crisis management plans of the entities participating in the

exercise and their functionality in the situation of disruptions in the water supply and sewage collection system. In addition, procedures were tested for cooperation between public administration bodies, services and institutions upon the occurrence of similar disruptions. Information circulation was checked, as was the information policy pursued by the entities concerned and the coordination of information policy by the lead institution in a crisis situation. The exercise was conducted in real workstations at the offices of the exercise providers with the use of operating communication channels and means of communication. The situation created in the exercise scenario concerned the entire country.

The exercise made it possible to check crisis management procedures in place at the Company, including emergency procedures and the introduction of alert levels. At this point, exemplary cooperation with the services running the exercise should be emphasised, including the Government Security Centre.





MPWiK laboratory on the premises of "Filtr" WTS Photo by Krzysztof Kobus/Travelphoto.pl

Accredited MPWiK laboratories

The Company's Laboratory Unit employs 73 staff, including analytical workers with relevant knowledge and experience who are employed in various positions. The Unit has implemented a management system in compliance with the PN-EN ISO/IEC 17025 standard and performs tests using accredited methods, in accordance with the scope of accreditation AB 811 issued by the Polish Accreditation Centre.

In 2019, two PAC audits were held: one in all sections of the Laboratory Unit, and the other in the "Filtr" and "Wieliszów" sections. Both audits were completed with a positive result.

In May 2019, the Laboratory Unit received a new scope of accreditation, which was supplemented in December 2019 with new testing features/methods.

In 2019, four sections of the Laboratory Unit ("Czajka", "Filtr", "Pruszków" and "Wieliszew") again obtained a decision of the State Sanitary Inspectorate authorising them to carry out analyses of water intended for human consumption.

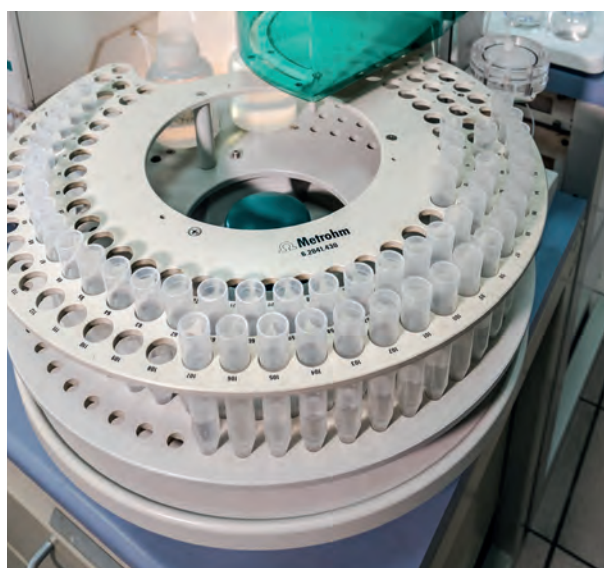
Each year, the Laboratory Unit verifies its competences by participating of cross-laboratory proficiency testing. In total, the Laboratory Unit sections were rated highest at 100% of the scores.

The extensive scope of tests and certification of the laboratories to perform analyses of water intended for human consumption satisfies the Company's requirements relating the Laboratory Unit.



Laboratory of "Filtr" WTS Photo by Krzysztof Kobus/Travelphoto.pl

Each year, more than
400,000 analyses are carried
out at the Laboratory Unit



Partnership with the academia

Are partnering with Warsaw's 5 universities:

- Warsaw University of Technology,
- Military University of Technology,
- Warsaw University of Life Sciences,
- University of Warsaw,
- Cardinal Stefan Wyszyński University in Warsaw.

The partnership involves mainly scientific research and development work aimed at improving the effectiveness of technologies and techniques for water supply and sewerage systems as well as the operated plant, machinery and facilities.

Scholarship programme

We want to inspire students and doctoral students to undertake innovative research projects related to the subject of conditions and directions of development of the water supply and sewerage sector.

In the course of the programme, the scholarship participants will receive a non-refundable cash benefit in exchange for the commitment to prepare graduate thesis or doctoral dissertation on a subject related to the Company's business. The scholarship participants declare their own subject of the thesis or select one subject from among those proposed by the Company.

In 2014-2019, we held five editions of the scholarship programme. During the period, the Management Board

- ◆ **The impact of antibiotics on the process of active sludge sewage treatment (subject proposed by the Company),**
- ◆ **The use of anti-odour substances in municipal sewage treatment plants and sewerage infrastructure facilities (subject proposed by the Company),**
- ◆ **Design of an autonomous airborne monitoring platform – Hexacopter, public infrastructure facilities observation system (candidate's own subject).**

of the Company granted a total of 26 scholarship to 15 persons – 16 doctoral scholarships and 10 student scholarships.

For details of the scholarship programme, please visit our website at www.mpwik.com.pl.

Board of Experts

In 2019, we continued working with the Board of Experts which was established to provide advisory assistance and scientific support to the Company, in order to ensure the highest performance level of our statutory tasks.

During one of the meetings, the Board dealt, among other things, with a calculation methodology for the determination of data on the volume of rainwater and meltwater discharged through non-measured rainwater sewerage outlets, and gave opinions on the possibility of using ozone as a disinfectant in wide-area systems, taking into account related risks.



THE MOST INTERESTING SUBJECTS DEALT WITH SO FAR INCLUDE:

- ◆ **The use of chemical substances to support biological treatment of sewage at municipal sewage treatment plants (subject proposed by the Company),**

Values and organisational culture

Caring for the highest standards of the services provided and the performance of the tasks entrusted to us, the Company has put in place a Compliance System, as mentioned in our CSR Report for 2018, which is a comprehensive solution established to strengthen management standards.

Consistent fulfilment of the rules and obligations arising from the compliance system adopted is aimed to improve standards in the organisation and management in the Company.

THE COMPLIANCE SYSTEM WORKS ON THE BASIS OF SEVEN REGULATIONS:

- ◆ The Compliance System,
- ◆ The Code of Ethics of the Employee of MPWiK w m.st. Warszawie S.A.,
- ◆ Sponsorship and charity rules (element of social responsibility),
- ◆ Rules for presenting gifts (element of corporate social responsibility),
- ◆ Rules for receiving gifts (element of corporate social responsibility),
- ◆ Ant-Corruption Policy,
- ◆ Rules for whistleblower protection and procedures to be followed in the event non-compliance is reported.

Having regard to building a compliance-based organisational structure, the Compliance Office carries on a number of activities aimed to facilitate access for the Company's employees to information on the compliance management system.

Compliance-related matters reported by whistleblowers are considered by the Compliance Office in coordination with the Control and Audit Office, the Security and Protection Office, and with attorneys-at-law and managers of functional units.

Owing to reports received from whistleblowers, various events and development can be checked, and in the case of non-compliance the person concerned suffers consequences provided by law.

The Company puts special emphasis on taking measures aimed at performing tasks in compliance with the principles of ethics and values adopted.

In 2019, one of the Company's employees (currently a former one) holding a managerial position was detained on suspicion of illegal activities connected with his business responsibilities. In the above respect, the Company cooperates with bodies investigating the case and continues training and promoting the Compliance System policy, which one of the Company's priorities.

OUR VALUES



Resident orientation



Employees



Integrity



Cooperation and respect



Development and innovation



Quality and professionalism



Environment

More information on the compliance management system can be found on the Company's website at www.mpwik.com.pl.

OUR SUPPLIERS

◆ Electricity

We have an agreement signed with one principal electricity trader with national coverage and distribution agreements with three electricity distributors, one of whom operates in the Capital City of Warsaw, the second one in the areas surrounding the city, and the third one in railway areas throughout the country.



The annual value of the electricity services and supplies in 2019 was

approx. PLN
38.5 million

(trade – PLN 26.6 million, distribution – PLN 11.1 million, comprehensive agreements – PLN 0.8 million)

◆ Natural gas

One gas supplier with supra-regional coverage



The annual value of the supplies provided is

approx. PLN
4.4 million

◆ Thermal energy

One district heat supplier from the Warsaw area.



The annual value of the supplies provided is:

approx. PLN
3.4 million



Biogas tanks on the premises of "Czajka" Plant Photo by Krzysztof Kobus/Travelphoto.pl

RISK MANAGEMENT SYSTEM

For many years, there has been a Risk Management System in place at the Company. The purpose of the risk management system is to see to achieve designated business objectives and improve the management quality and efficiency at the Company, leading to the minimisation of losses and maximisation of profits, by taking measures minimising the effect of risk occurrence or preventing its occurrence.

The risk management system serves the improvement of our business planning, hence increasing the effectiveness of the execution of tasks and the achievement of objectives by:

- introducing uniform risk identification and assessment rules,
- definition of the risk monitoring and risk management system assessment rules,
- application of relevant functional control mechanisms,
- obtaining information on threats to the achievement of designated objectives and tasks,
- taking measures to ensure that the continuity of processes is maintained.

Identified risks are cyclically updated in the Company's Risk Register.

The risk management process involves all employees of the Company, who are required to:

- respond in a situation of risk materialisation,
- inform immediate superiors about all events that may lead to adverse effects for the Company's business, including potential new risks or significant changes in the impact of identified risks or the probability of their occurrence,
- inform immediate superiors of events that may have a negative impact on the achievement of the Company's objectives or breach its image.

In 2019, significant risks materialised in the following areas:

Investment area:

Failure of the Sewage Sludge Thermal Treatment Station which resulted in:

- the need for sludge to be managed by third-party companies,
- initiation of proceedings with the incineration contractor,
- strengthening information processes to ensure accurate and true information on the repair method,
- carrying out an efficient and effective installation repair process.

Failure of the sewage transfer system from left-bank Warsaw to the "Czajka" Sewage Treatment Plant, in its section under the Vistula, which resulted in:

- the need to perform controlled discharge of waste into the Vistula for 18 days,
- the need to carry out effective and efficient repair while respecting safety principles,
- the need for accurate and true information about the failure in order to avoid manipulation and spreading untrue information about the failure,
- taking the decision to ensure alternative transfer of sewage to the "Czajka" Sewage Treatment Plant by designing and putting into effect a concept to build an additional transfer pipeline.

Sewage treatment area:

Failures of the Sewage Sludge Thermal Utilisation Station and the sewage transfer system from left-bank Warsaw to the "Czajka" Sewage Treatment Plant, in its section under the Vistula, which resulted in:

- conducting, apart from standard monitoring of water quality in the Vistula River, daily extended water quality tests, both in Warsaw and downstream of the city, in the section to Płock; the monitoring of water quality in the Vistula was performed every day at 14 points on the river,
- taking up cooperation with local and central government authorities and the Polish Army.

Both failures are currently under investigation by competent authorities, including the Supreme Audit Office and the Prosecutor's Office.

Image area:

Information circulating among the public, often untrue, made it necessary to take organised information actions with a view to protecting the Company's reputation.

Environmental area:

The failure of the transfer system caused a controlled discharge of untreated sewage into the Vistula River. Tests and expert reports commissioned confirmed that the above-mentioned controlled sewage discharge operations did not lead to an environmental disaster.

In order to minimise the impact of the failure on the condition of water in the Vistula, the Company performed the sewage ozonation process, which

enabled the elimination of bacteria. Besides, the Company systematically tested water quality in the Vistula at 14 points.

OUR STRENGTHS ARE:

- the availability of investment project financing on preferential and non-refundable terms from domestic and foreign sources,
- the Company's development potential (GDP growth, increase in the population of Warsaw and adjacent municipalities),
- the use of advanced IT tools,
- the use of advanced methods of human resources management,
- further development of the Compliance System,
- further development of the CSR area strengthening the Company's image,
- implementation of advanced asset management methodologies,
- the use of a mathematical model of the water supply and sewerage system in taking strategic decisions concerning planned directions of network expansion of upgrading,
- implementation of an occupational health and safety management system in accordance with the requirements of the PN ISO 45001 standard,
- improvement of the energy balance as a result of deployment of advanced technologies and increasing energy efficiency.



Sludge stabilisation chambers on the premises of "Czajka" Plant
Photo by Krzysztof Kobus / Travelphoto.pl



Multimedia Fountain Park in Warsaw
Photo by Radek Zawadzki for Stołeczna Estrada

**PARTNER
OF LOCAL
COMMUNITIES**



OUR SERVICES

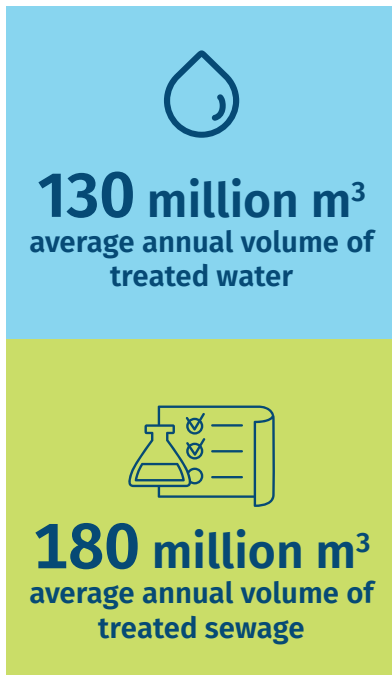
Our core activity is:

- water withdrawal, treatment and supply,
- sewage collection and treatment.

Cooperation with customers:

- institutional (e.g. housing cooperatives and communities, universities, associations, companies, healthcare establishments),
- individual (single-family houses).

We provide access to our services for more than 98% of residents of the Warsaw agglomeration.



We provide services to 2.5 million residents of Warsaw and the neighbouring areas including:

- collective water supply and collective sewage collection in the territories of:
 - the Capital City of Warsaw
 - Piastów town
 - Pruszków town
 - Michałowice municipality
 - Nieporęt municipality
 - Raszyn municipality
 - Serock municipality
 - Wieliszew municipality
 - Brwinów municipality

• water supply and sewage collection and treatment under the Civil Code for local water and sewerage companies from:

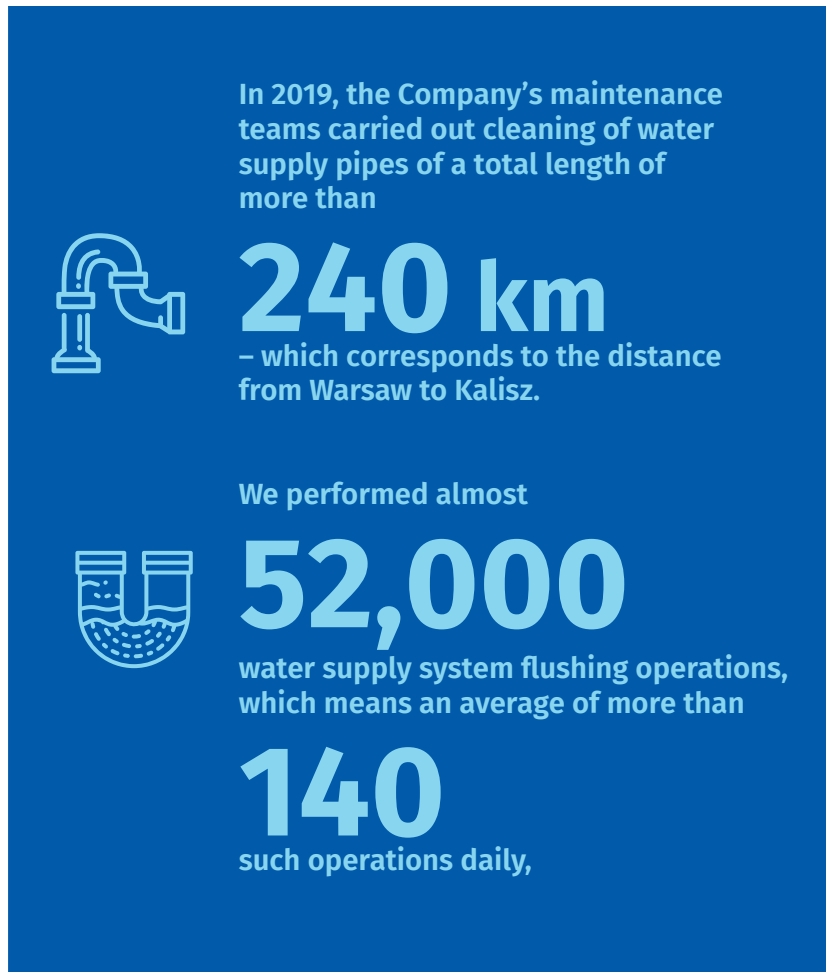
- Brwinów municipality
- Michałowice municipality
- Izabelin municipality
- Stare Babice municipality
- Lesznowola municipality
- Piaseczno municipality*
- Ząbki town
- Marki town
- Legionowo town**
- Ożarów Mazowiecki town and municipality**

* No water withdrawal from Nov 2019

** Sewage treatment only

As part of our activities, we perform:

- technical supervision and control of new water service connections, street pipelines and trunk lines, and taking over new-build facilities to be put into service;
- issuing technical conditions for water withdrawal via hydrant adapters installed on water mains fire hydrants,
- installation, replacement, repair and calibration certification of water meters,
- laboratory inspections of bathing grounds and swimming pools,
- testing water intended for consumption and domestic and industrial sewage,
- water supply with a water tanker,
- sand sales,
- rental of specialist vehicles.





55th anniversary of the "Gruba Kaśka" infiltration well
Photo by Radosław Pszakówski

Puszysta 55-latką ugasi pragnienie każdego warszawiaka

55 LAT **GRUBA KAŚKA**

www.mpwik.com.pl www.warszawskakranowka.pl

55th BIRTHDAY OF “GRUBA KAŚKA”

“Gruba Kaśka”, located in the river’s current, is the largest infiltration well in Europe. This most characteristic structure of the “Praga” Water Treatment Station is over 49 metres tall, has a perimeter of 44 metres, and is connected with the station site via a 311 metres long tunnel running under the Vistula River.

The construction of “Gruba Kaśka” was one of the most famous projects of those years. The concept was authored by engineers Włodzimierz Skoraszewski and Stanisław Wojnarowicz, the then Director of MPWiK. The design provided for construction of a test and production well with horizontal drains, built in a caisson under compressed air conditions. It was an innovative method at that time. The project commenced in 1953, while water from “Gruba Kaśka” started to run through taps in Warsaw in September 1964.

Water is drawn from under the bed of the Vistula with the use of fifteen drains (perforated pipes) arranged radially around the facility at a depth of approx. 7 metres. Following the process of infiltration through a natural sand and gravel deposit in the river bed, water reaches the inside of the well, from where it is pumped to further treatment stages.

In November 2015, the treatment process at “Praga” WTS was developed to include a modern technology of intermediate ozonation and active carbon filtration, which clearly improved the taste and smell of the water supplied to residents.

WATER QUALITY

The water supplied to residents of Warsaw and the surrounding municipalities invariably meets all quality requirements defined by the Regulation of the Minister of Health on the quality of water intended for human consumption, the requirements of the EU Directive on the quality of water intended for human consumption and the World Health Organisation's guidelines.

As part of the Company's research activities, we started the monitoring of micro pollutants (pharmaceuticals, hormone-active substances and micro plastic) in water. In Q1 and Q4 2019, we performed two testing series, both for intake water (from the Vistula River and from Lake Zegrze) and for treated water (at the "Filtry" Water Treatment Station and the "Praga" Water Treatment Station of the Central Plant and at the Northern Plant), during which 18 parameters were measured at each of the 5 locations, including hormone-active substances, pain killers and antibiotics. In addition, in Q4 2019, for intake and treated water, we conducted the first series of tests for the presence of micro particles of plastics, covering 8 polymers at the above-mentioned 5 locations.

The content of such micro pollutants in water intended for consumption is not yet regulated by EU or national law. We have tackled this issue in order to obtain knowl-

edge on the scale of the problem and due to high interest from the media in the issue of pharmaceuticals and micro plastic content in drinking water.

We keep the public informed about the quality of water pumped into the municipal network from individual stations and water booster stations via the www.mpwik.com.pl website and the capital city press. Water quality tests in the water supply network were conducted across Warsaw at 72 permanent water quality control points. In addition, in the Pruszków Belt area served by the Company for water supply, including Pruszków, Piastów and Michałowice, water quality tests were performed at 8 points. The location of network control points, their number, as well as the scope and frequency of testing, were agreed with the relevant District State Sanitary Inspector (in Warsaw and Pruszków).

In 2019, we performed a total of 13,740 determinations of water quality parameters in the water supply network in Warsaw and 1,868 determinations in the Pruszków Belt. Of the total number of determinations made, in Warsaw we recorded 79 results inconsistent with the requirements for water intended for human consumption, which represents approx. 0.57% of all test results, while in the Pruszków Belt the percentage results inconsistent with the requirements was about 0.96%, which corresponds to 18 identified exceedances.

51,803

of water supply system flushing operations performed



80

water quality control point



246.2 km

of cleaned water pipes



200,000

water tests carried out by laboratory staff



◆ For drinking, we recommend Warsaw tap water

Warsaw tap water meets Polish, EU and WHO requirements. It is safe and is suitable for drinking straight from the tap without boiling or using any additional filters. Its high quality is guaranteed by:

- the use of advanced water treatment methods, including intermediate ozonation and multi-stage filtration,
- water disinfection with small doses of chlorine dioxide (Central Plant) or a mix of chlorine and chlorine dioxide (Northern Plant),
- ongoing laboratory supervision, including microbiological tests performed 7 days a week,
- ongoing online supervision,
- independent quality checks by the sanitary authority,
- ongoing care of the condition of water pipes through which water is carried to consumers

More information on tap water can be found on the Company's website at www.mpwik.com.pl or at www.warszawskakranowka.pl.

PRICING POLICY

We continue the pricing policy adopted in 2018, under which we decided to reduce by 14.12% the water and sewage charges for the residents of Warsaw and the surroundings.

Pursuant to decisions of the Director of the Regional Water Management Board of the Polish National Water Management Authority in Warsaw of 24 April 2018, the tariff for the collective water supply and collective sewage discharge in

- the Capital City of Warsaw, the municipalities of: Michałowice, Nieporęt, Raszyn, Serock, Wieliszew, and the towns of Piastów and Pruszków for a period of 3 years, effective as of 2 June 2018,
- Brwinów municipality for a period of 3 years, effective as of 26 May 2018.

Current prices for the Capital City of Warsaw and the municipalities of Michałowice, Nieporęt, Raszyn, Serock, Wieliszew, and towns of Piastów and Pruszków: 9.85 PLN/m³ gross, of which:

- water supplied: 3.89 PLN/m³ gross,
- sewage collected: 5.96 PLN/m³ gross.

Current prices for consumers in the Brwinów municipality: 9.37 PLN/m³ gross, of which:

- water supplied: 3.75 PLN/m³ gross,
- sewage collected: 5.62 PLN/m³ gross.

The price for 1 m³ of water drawn from street standposts or water consumed for firefighting purposes is 3.48 PLN gross.

The subscription fee is 6.90 PLN gross per month.

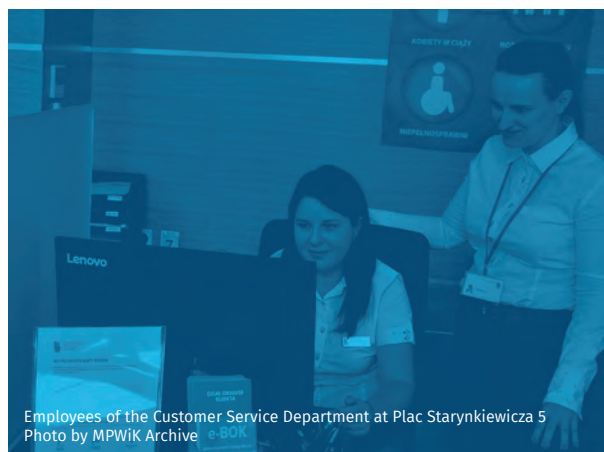
The average savings for residents in respect of discount:

- PLN 233 for a 3-person family,
- PLN 311 for a 4-person family,
- PLN 389 for a 5-person family,
- PLN 544 for a 7-person family.

CUSTOMER SERVICE

◆ Contact Centre telecommunication platform

In 2019, we continued work on the implementation of the Contact Centre communication platform together with a dedicated application supporting different communication channels and elementary functionality of the customer relationship management (CRM) system. The system will ensure interaction with application solutions, facilitating consultants' work and make it possible to archive and classify data on the history of correspondence via all communication channels with a particular service recipient. The Contact Centre communication platform together with the CRM application and a dedicated service panel will provide the main work tool for consultants. As a result of implementation work, in Q1 2019, a 24/7 automatic helpline was launched, which enables service recipients to obtain essential information on the service agreement concerned, e.g. the value of the last invoice, water consumption volume, last invoice payment status, with no need for a telephone contact with a consultant. Helpline number: (22) 445 50 00.



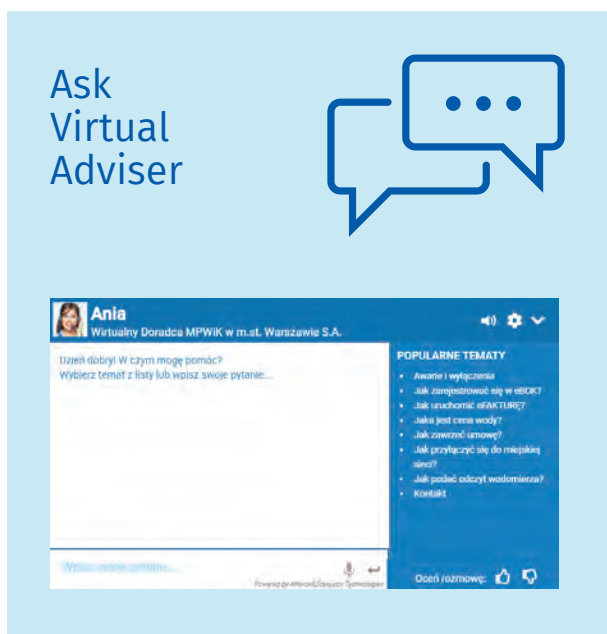
◆ Upgrading the Online Customer Service Office (e-BOK)

In 2019, we completed the upgrading of the Online Customer Service Office (e-BOK). The implementation of the project in response to customers' proposals and expectations, was dictated by the need to adjust the e-BOK system to the current technological solutions and advanced applications available in today's IT market. Major modifications to the application included:

- adjustment of e-BOK to mobile devices,
- interface changes (some service recipients were unable to log into the system due to the use of the Flash Player interface at e-BOK),
- simplifications of the new user registration process,
- improvement of data migration from the billing system to e-BOK,
- adjustment of e-BOK to the view of the Company's current website (graphics, modern look of icons),
- introduction of the option for the Customer Service Department employees to register customers in e-BOK.

◆ Implementation of the Virtual Adviser application

In 2019, we completed the application of the Virtual Adviser application. The software enables efficient and comfortable customer service with regard to the provision of information on the Company's services and activities. The Virtual Adviser provides customers with an option to ask questions and immediately obtain a correct and accurate answer. The application is available via the Company's website (www.mpwik.com.pl) on a 24 hour basis.



◆ New customers



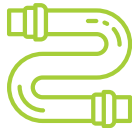
We are trying to be close to residents and their needs, also by facilitating the connection of properties to the MPWiK infrastructure. In order to make it easier for residents to obtain information about water supply and sewerage projects in progress in their neighbourhood, the terms and conditions for network connection and initiation of the connection procedure (submission of applications for technical conditions), a Mobile Consultation Point was operating in the field. Eight meetings held under the initiative were attended by 990 residents, and 301 applications for technical conditions of network connection were issued. Information activities conducted under the Mobile Consultation Point initiative, as well as the distribution of targeted correspondence, increased the activity of residents in acquiring information on connection to the municipal water supply and sewerage network, and resulted in the commencement of the network connection procedure. In addition, in the course of verification and control activities carried out by the Company's specialist teams, consisting of regular inspection of property connection to the network, 184 properties were identified in the borough of Wawer where there is suspicion of illegal water uptake and illegal sewage discharge. Investigation and validation measures were taken in respect of those properties.

INFRASTRUCTURE INVESTMENTS

We operate:



4,385.6 km
of water supply network



4,274.2 km
of sewerage network*

*As at the end of 2019

We continuously take care of their condition – for this purpose, they are flushed, repaired and monitored with the use of specialist equipment. By caring of the infrastructure, we are able to ensure a sufficient volume of water supplied and the capacity of the sewerage network, and to minimise the number of failures.

In parallel with maintenance and repairs, we upgrade and expand both networks, and invest in other infrastructure components. During the past dozen or so years, we have completed investments whose significance can be compared to projects undertaken at the time the system was first commissioned. We have been implementing the largest water and sewage management project in our part of Europe, titled “Water supply and wastewater treatment in Warsaw”, co-financed with EU funds. Under the project, we have thoroughly upgraded the water treatment processes at our plants.

In 2007-2019, we invested more than **PLN 7 billion** in the expansion and upgrading of the water supply and sewerage infrastructure:

- **PLN 5.2 billion** in sewerage facilities (in 2019 – PLN 265 million),
- **PLN 1.9 billion** in water supply facilities (in 2019 – PLN 200 million),

of which approx. 35% were EU funds.

During that period, we built and converted almost **1,147 km of networks**:

- **634.3 km** of water supply network (in 2019 – 57 km),
- **512.3 km** of sewerage network (in 2019 – 30 km).

Major investments of the last decade



- | | |
|---|-------------------------|
| 1. Pressurised flotation station at the Northern Plant | PLN 124 million |
| 2. Intermediate ozonation and active carbon filtration station “Filtry” WTS | PLN 246 million |
| 3. Upgrading and expansion of the “Czajka” sewage treatment plant | PLN 2.1 billion |
| 4. Sewage transfer system under the Vistula | PLN 527 million |
| 5. Sewage sludge thermal treatment station | PLN 447 million |
| 6. Sewage treatment plan upgrade, “Pruszków” Plant | PLN 71 million |
| 7. Intermediate ozonation and active carbon filtration station at “Praga” WTS | PLN 90.5 million |
| 8. Burakowski “Bis” trunk sewer 2013 – 2015 | PLN 224 million |
| 9. Technological upgrade of “Filtry” WTS, State 2 | PLN 118 million |

Largest completed water supply and sewerage network projects by borough/municipality based on acceptance certificates and commissioning certificates [km]

Water supply network		Sewerage network	
Borough/Municipality	Length	Borough	Length
Białołęka	11.4	Wawer	4.8
Mokotów	8.8	Białołęka	4.4
Rembertów	7.8	Italy	4.0
Wawer	5.9	Mokotów	3.6
Ursus	3.0	Praga Południe	3.0
Wola	2.7	Targówek	2.9
Pruszków	2.6	Wilanów	2.4
Ursynów	2.5	Ursynów	1.6

TECHNOLOGIES FRIENDLY FOR RESIDENTS

Electromobility

Having regard to amendments of the Act on electro-mobility and alternative fuels, we have taken a number of measures to meet our statutory obligations. The foremost ones include:

- signing a design and build contract for the CNG filling station on the premises of the Equipment and Transport Unit at 4 Mikkego St.,
- launching the tendering procedure for the delivery of CNG-fuelled vehicles: 20 hook loader trucks and 33 vans.

SOCIAL COMMITMENT

As a natural monopolist in water supply and sewerage services within the territory of Warsaw and a part of the agglomeration, we attach particular importance to educational and ecological activities. We pursue our activities looking towards satisfying social, cultural and environmental expectations and needs of residents of the capital and its surroundings. We encourage Varsovians to drink tap water and care for the natural environment. We conduct information campaigns concerning the technologies we use and the investment projects we implement. We actively participate in the community life and development of our city.

Waterworks and ecology

Since 2007, we have been teaching children and youth respect for the environment – we engage in educational activities addressing the youngest resident of the Warsaw agglomeration, including the subjects of significance of water in nature, processes of water treatment and rational use in everyday life. During the activities, we also tackle the issues of sewage treatment and consequences of throwing rubbish into the toilet. The activities are performed under the Ecological Education Programme of Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. “From the Vistula to the Vistula – Journeys with Mr Droplet”.

The basic forms are educational activities for pupils and students of all grades of primary and secondary schools of the Warsaw agglomeration, conducted by the Company’s employees on the premises of the “Filtry” Water Treatment Station and the “Czajka” Sewage Treatment Plant.

Since 2007, almost
37,000
 school students have
 participated in the activities



Building water mains during activities with primary school pupils
Photo by Krzysztof Kobus/Travelphoto.pl

As part of the activities, educational materials are delivered to the participants, including: “Save water – drop by drop”. How to Save Water – A Drawing Guide”, “The Toilet Bowl Is not a Rubbish Bin – A Drawing Guide for the Toilet User”, “Warsaw Tap Water *Rules”, “Journeys with Mr Droplet, or Everything You should Know about Water”, or “Clean Water Guards”.

The educational materials are available on the Company’s website at www.mpwik.com.pl and distributed during ecological events hosted and co-hosted by the Company.

161
activities for
school students
were organised under the
Ecological Education
Programme in 2019

In addition, since 2015 we have been running a free-of-charge programme for the installation of tap water fountains in Warsaw schools, and since 2017 in public utility buildings.

Since the launch of the programmes, more than
400
devices
have been installed for drinking
Warsaw tap water

The list of locations where Warsaw tap water fountains are installed, together with information on how to join the programmes, is available at:
www.mpwik.com.pl/view/zrodelka.

We conduct information campaigns concerning the Company’s activities, as well as ecological actions such as “The Toilet Is not a Rubbish Bin”, making residents aware of the negative consequences of incorrect use of the toilet bowl.

Following a failure of the sewage transfer system under the Vistula, it became one of our goals to inform Warsaw’s residents about the current situation and to alleviate any concerns and give assurance of no impact of the emergency sewage discharge into the river on the quality of Warsaw tap water. This goal was also behind the campaign “Let’s Drink Warsaw Tap Water” on external media in Warsaw.



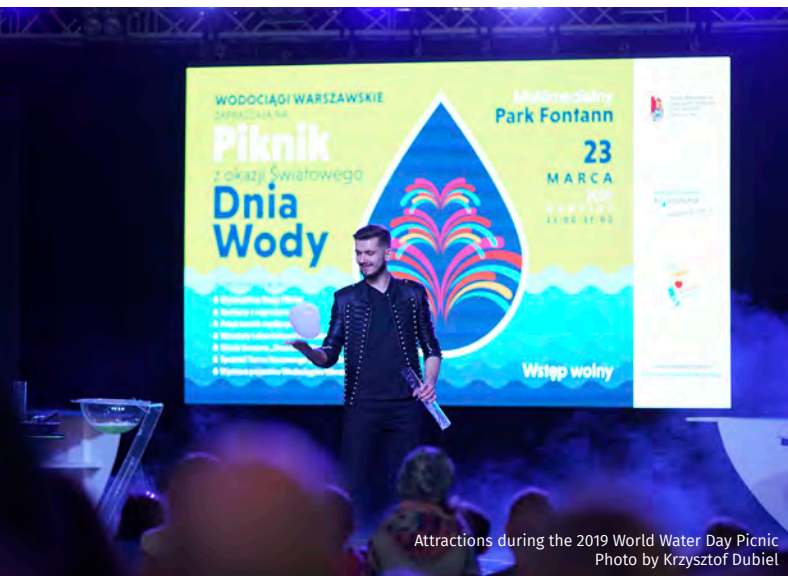
Warsaw Waterworks – Naturally Running campaign
 Photo by Synergic Sp. z o.o.



Illuminated installation at Krasinski Square in Warsaw
 Photo by MPWiK Archive



Light inscription on Jan Karski Boulevards on the Vistula
 Photo by MPWiK Archive



Attractions during the 2019 World Water Day Picnic
Photo by Krzysztof Dubiel

Major events in 2019

💧 The World Water Day at the Multimedia Fountain Park

On 23 March 2019, for the first time at the Multimedia Fountain Park in Podzamcze, we hosted an ecological picnic to mark the World Water Day. During the event, we arranged numerous games and contests related to water and our activities, including the construction of a water tower, putting together puzzles with water supply systems and MPWiK facilities. In addition, using jar gardens as an example, we explained how retention works and showed what water looks like under the microscope. There were also on-stage attractions, with illusion, soap bubbles and rhythmic gymnastics shows, as well as a concert on water-filled jugs, glasses and drums.

World Water Day was established 27 years ago by the United Nations Organisation and it is celebrated on 22 March. The idea of the celebrations is to emphasise the role of water in our lives and access to its resources. Every year, World Water Day is celebrated with a different theme; in 2019 it was “Leaving no one behind”.

The celebrations and the picnic were held under the Honorary Sponsorship of the Mayor of Warsaw.

💧 Bicycle May – Join the Traffic

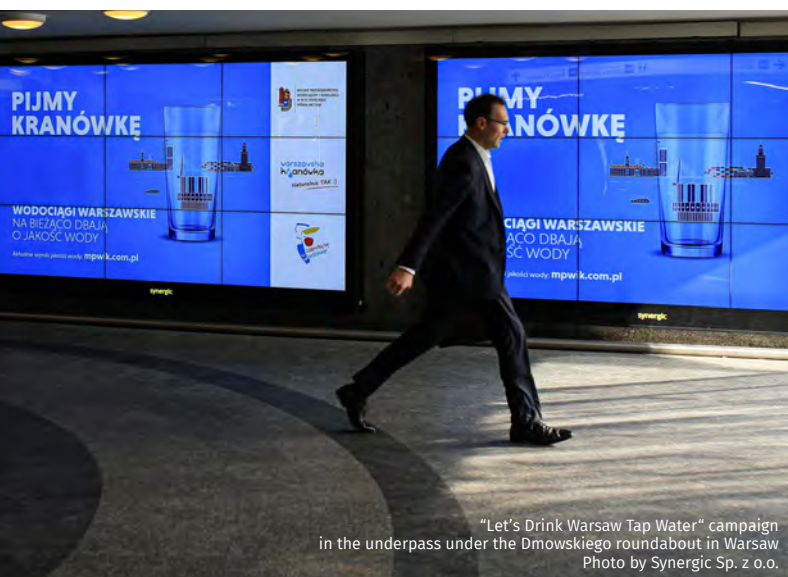
In 2019, for the third time, we supported the social and educational campaign “Bicycle May”, encouraging children and youth to follow an active and healthy lifestyle. The most active participants, who “collected” the largest number of kilometres, were presented with wonderful prizes, such as participation in educational activities organised by the Company under the Ecological Education Programme “From the Vistula to the Vistula – Journeys with Mr Droplet”. We reminded those taking on the sports challenge of the need to regularly drink liquids. After an effort, Warsaw tap water is best to quench thirst!

💧 Warsaw Waterworks joined the WWF “Earth Hour” action

On 30 March 2019, we joined the WWF’s global action “Earth Hour”. On that day, together with millions of people around the world, at 8:30 pm, we switched off external lighting of some of our facilities, including the water tower at the “Filtry” Water Treatment Station, the process buildings on the premises of the sewage treatment plant or “Gruba Kaśka” main water intake. The “Earth Hour” action was held under the theme #connect2earth – this way the organisers wanted to remind that the world, including Poland, is our common home. If we do not care about it, we will finally cause its devastation.



Attractions during the 2019 World Water Day Picnic
Photo by Krzysztof Dubiel



“Let’s Drink Warsaw Tap Water” campaign
in the underpass under the Dmowskiego roundabout in Warsaw
Photo by Synergic Sp. z o.o.

Zero waste

During the Zero Waste fair hosted on the premises of Agora, we were talking about facts and myths about Warsaw tap water, and during the Przerob-My craft and upcycling festival at the “Koneser” Praga Centre we showed how paper cups can be remade into an attractive pen holder or a colour fan, and, first of all, how to encourage children to play creatively. This festival of creativity showed that nice things do not have to be new and every item can be remade.

For our employees

During the teachers’ strike in April 2019, we actively supported our employees, providing professional pedagogical care to their children. All interested employees could leave their kids of pre-school and school age (4 to 14) under the care of qualified staff employed by the Company. Every day, during working hours, in secure rooms prepared especially for this purpose, we organised games, educational plays and activities under the ecological education programme “From the Vistula to the Vistula – Journeys with Mr Droplet” and full board. The care was provided throughout the duration of the strike.

Another event organised for children of the Company’s employees was the Waterworks Children’s Day held at the Bielany Ropes Course. The children had plenty of attractions to choose from, including different route distances depending on height and physical fitness.

The picnic marking the Waterworker’s Day is a holiday of all employees of the Company and the largest integration event organised since 2008. During the official part, the company distinctions For Services to Warsaw Waterworks were awarded as well as industry distinctions: For Services to the Construction Industry and For Services to the Municipal Economy. The results of the “Waterworker of the Year 2018” poll were also announced, choosing the Company’s most popular and respected employee. In the poll, 1,131 votes were cast for 10 candidates. The largest number of votes – 230 – were cast for a sewerage network fitter with 44 years of service with MPWiK.

We also care for relations with retired employees of the Company. We invite our senior colleagues to a special Yew Year meeting and a picnic marking the Waterworker’s Day.

Memory binds us together!

To commemorate the 76th anniversary of the outbreak of the Warsaw Ghetto Uprising, we joined the “Daffodils” action. On 19 April 1943, three hundred Jewish fighters faced the German occupants despite no chance of winning. On the anniversary of those events, paper daffodils were distributed at many locations in the capital, including our customer service offices at 5 Starynkiewicza Sq. and at 4 Zaruskiego St.

The Company also commemorated the 75th anniversary of the outbreak of the Warsaw Uprising by providing tankers with Warsaw tap water during events organised in the municipal scape. A special exhibition dedicated to the Uprising was displayed on the fencing of the historic “Flitry” Water Treatment Station.



Warsaw tap water during celebrations of the 75th anniversary of the Warsaw Uprising
Photo by Krzysztof Dubiel

Sports

The Warsaw Triad Race with Warsaw tap water – once again, were a partner of Warsaw Triad Race, i.e. three most important running events in the city: the Constitution Run, the Warsaw Uprising Run and the Independence Run. The runners quenched thirst with Warsaw tap water, and the winners were presented with company gift packages. In addition, the participants of the 29th Warsaw Uprising Run had an opportunity to take part in a unique history lesson. On the initiative of the ACTIVE WARSAW Capital Sports Centre, we arranged a visit to the stormwater sewer in Karowa St. The walk under the guardianship of our employees was not only a commemoration of the 75th anniversary of the Warsaw Uprising but also an opportunity to visit normally inaccessible places and to mention the sewerage system workers who guided fighters and civilians through the sewers.

We always actively support our employees’ sports passions – there are 10 sports sections at the Company

(football, basketball, volleyball, angling, table tennis, athletics, cycling, squash, tennis, and badminton), The members of the respective sections train regularly, thanks to which they are successful in sports competitions, including charitable events. One example is a fantastic result of our volleyball team in the 8th Charity Volleyball Tournament 2019 #GRANYDLADZIECI, organised by the Słonie na balkonie Foundation, which supports children after trauma, orphaned, depressed children, or children with anxiety disorders. In this competition, our team made it to the finals. Members of our cycling team participating in various stages of the Lotto Poland Bike (21 medals), Mazovia MTB (23 medals) and Korona Karkonoszy (2 medals) races. The athletes can also demonstrate their capabilities in sports events involving the Company. Their hard work in 2019 was crowned with successful participation in the 29th Tadeusz Jakubowski Spartakiad of Water Supply and Sewerage Workers in Lublin – our athletes competed in 22 disciplines, winning 11 medals.

◆ Warsaw Waterworks cool the capital

2019 was a year of intensive work for us, thanks to which we provided refreshing drinks of Warsaw tap water, lemonade and aromatic hot tea during outdoor sports and cultural events held in the capital. These were both local picnics at borough level as well as large municipal events, such as: Wreaths on the Vistula, Science Festival, Christmas illumination start, or New Year's Eve. Warsaw tap water refreshments were accompanied by educational and information stalls where attractive animations were offered to children.

For the second time, we installed water gates in the capital city boroughs. The devices produce refreshing mist which cool the air and brings relief to passers-by. Our installations enjoy great popularity among residents and tourists, especially tourists.

In 2019, we teamed up with the Greenery Board of the Capital City of Warsaw to participate in a pilot programme for the installation of urban fountains with Warsaw tap water in the urban space. Thirsty strollers could quench thirst from devices installed at 27 locations, including Teatralny Sq. Trzech Krzyży Sq., Nowy Świat St. or Marszałkowska St. The locations were selected by residents under the participatory budget initiative.

◆ Charitable and sponsoring activities

Sponsoring and charitable activities are very important area for our Company, which is regulated and monitored under the compliance system implemented. In our activities, we aim to support the active lifestyle and environmentally sustainable actions, as well a non-governmental organisations operating for the benefit of disabled and needy persons. As a municipal entity responsible for the implementation of project of key significance for the city, the Company remains sensitive to the needs of Warsaw residents. We engage in many projects of diverse scales, coverage and subject matter, and sponsoring and charitable actions taken in 2019 focused on supporting organisations providing assistance to disabled persons, active participation in cultural events of importance to the city and its residents, events promoting education and science, as well as on local initiatives, and many others.

The Company's participation in urban events is an excellent opportunity to familiarise Varsovians with our activities and encourage them to drink tap water.

In 2019, we participated in **404** such events, during which residents drank almost **80,000** litres of water.



Water curtains
Photo by Krzysztof Kobus/Travelphoto.pl

In 2019:

- we concluded 30 sponsoring agreements and 5 donation agreements,
- once again, we supported the Great Orchestra of Christmas Charity, donating for its auctions Filter Station tour vouchers, jubilee publications and company gift packages; the funds collected in the amount of more than PLN 11,000 were credited to the charity and were disbursed for the purchase of modern medical equipment for specialist children's hospital.
- as one of the greatest beneficiaries of EU funds in Warsaw, we were partners to numerous urban events, including the European Festival, i.e. Warsaw's celebration of the 15th anniversary of Poland's accession to the European Union, or the European Picnic at the Multimedia Park of Fountains,
- we increased support for two veteran organisations: the Warsaw Insurgents' Union and the World Association of Home Army Soldiers; the Company's activities in celebration of the 75th anniversary of the outbreak of the Warsaw Uprising culminated with the presentation of donations of PLN 75,000 for each of these organisations,
- we supported the Warsaw Zoo Development Foundation "PANDA", where we have taken care of one of the Zoo's inhabitants – the Nile hippopotamus named Hugo.



Much focus was placed on sports support activities – the group of existing partner, including local children's and youth sports clubs was joined by the Legia Warszawa Football Club. Owing to this partnership, we could promote a healthy lifestyle and tap water drinking during the club's sport events and reach the broad group of football fans. Under the agreement signed, 8 fountains with Warsaw tap water were installed in Legia Stadium.

For many years, we have also engaged in organising the Poll for the Best Athlete in Warsaw, and since 2017 we have been granting our own award – "Water without Barriers". The award is presented both to competitors without impairments and to those taking part in tournaments for persons with impairments; hence the name of award, the idea of which is to popularise fair play and a healthy lifestyle. In 2019, the award was granted to rower Agnieszka Kobus-Zawojaska and swimmer Julia Chmielewska.

The Company's pro-social activities, our presence in the urban space during numerous events, organisation of information and educational stalls for the youngest residents, delivery of tankers with Warsaw tap water, as well as many other activities that have contributed to perceiving Warsaw Waterworks as a company which is socially responsible, sensitive to the needs of others, with a mission to serve the city of Warsaw and its residents.

2019 was also a record year in terms of the Company employees' own engagement in charitable activities. On 13 October, they appeared with all their families on the premises of "Filtry" Water Treatment Station at the start line of the fifth edition of the charitable Waterworker Family Run. All the participants covered 539.5 km in total, which allowed the amount of PLN 12,000 to be donated to the Janusz Korczak Children's Home Association and the "Czwórka" Foundation. In December, we organised, for the sixth time, the "Blue Santa" action, which enabled us to collect, thanks to the generosity of our team, Christmas gifts for 110 children from four residential care centres in Warsaw.



Interior of the slow-rate filter at "Filtry"
WTS Photo by Krzysztof Kobus/Travelphoto.pl

◆ Holiday decorations fairs

On two occasions, children from the TPD "Helenów" Special Educational Centre have organised fairs of self-made holiday decorations at the premises of our Company. Easter decorations, and then Christmas baubles, angels and other trinkets could be bought at the MPWiK Customer Service Department. Income from the sale of the decorations was used by the children for an trip to the seaside resort of Jastrzębia Góra.

◆ Visiting the Filter Station

The unique Filter Station which has been recognised since 2012 as a Monument of History by decision of the President of Poland, is extremely popular with residents of Warsaw and tourists visiting the capital. Normally inaccessible, the technological complex attracts unceasing interest, and therefore it is willingly visited during summer holiday open days organised by us.

In 2019, the Filter Station was visited by

1,950 people

(83 organised groups: 34 groups on working days and 48 group on Sundays)

Addressing the expectations of Warsaw's residents, we try enable the public visit the facility as often as possible as part of tours held e.g. during events hosted by the Company (World Water Day or during the Night of Museums). One of the most interesting tours was that arranged at the Filter Station under the "Hydro-puzzle" catchword during the 14th Festival of Innocent Wizards organised by the Museum of Warsaw Uprising. The participants toured the Filter Station in the company of Szymon Majewski, who introduced himself as a "rusk watering" expert and was wearing the costume of As, the hero of the Polish cult comedy "Hydro-puzzle".



The Night of Museums on the premises of Filter Station.
Photo by Krzysztof Dubiel



"Gruba Kaśka"
infiltration well Photo by Kacper Kowalski/aeromedia.pl

**RESPONSIBLE
USER OF THE
ENVIRONMENT**





153,022.0 GJ
total consumption of energy from non-renewable sources (natural gas, heating oil, liquid fuels)



623,438.8 GJ
total consumption of energy from renewable sources (biogas from sewage treatment plants and photovoltaic energy)



137.7 GWh
total electricity consumption



69,266.8 t
CO₂ emissions

The issue of environmental protection strictly related to the Company's operations includes all aspects of the use of the natural environment, i.e. water withdrawal, sewage collection, waste management and emission of pollutions discharged into the air and extraction of gravel from the Vistula River bed.

PREVENTING ENVIRONMENTAL RISKS

Based on the PN-EN ISO 14001 standards, the Company has an environmental management system in place, which is a part of its integrated management system. The Environmental Protection Coordinator coordinates activities related to the environmental management system, involving in particular:

- meeting the requirements of the PN-EN ISO 14001 standard, relating to the Company's environmental activities,
- identification and assessment of environmental aspects, including aspects related to environmental emergencies,
- identification of situations potentially critical for the environment,
- identification and supervision of compliance with legal and other requirements concerning the Company's environmental activities,
- activities concerning the monitoring and measurement of environmental aspects and reporting on the performance of monitoring and measurement,
- developing environmental programmes and assessment of their implementation.

WATER AND SEWAGE MANAGEMENT

Investment in the expansion of the water and sewerage infrastructure

In 2019, we completed:

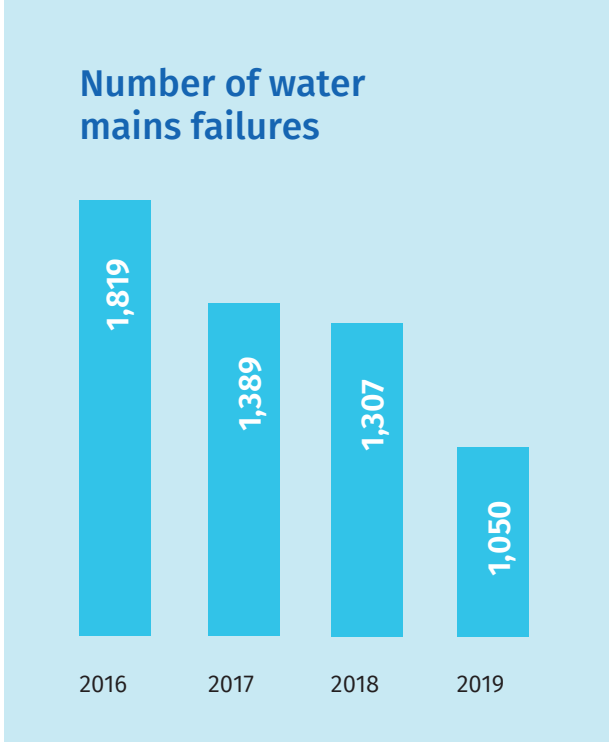
- 104 water supply infrastructure expansion projects, building 57 km of networks,
- 59 sewerage infrastructure expansion projects, building 30 km of networks.

In the capital city and in the surrounding municipalities, we operate almost 4,400 km of water lines – from service connections of diameters ranging between 40 mm and 200 mm (depending on the building), to huge water mains which are compared, due to their diameters (the largest being 1.4 m!), to water motorways. In order to ensure access to high-quality water for residents of the more-than-2.5-million capital city agglomeration at all times, the network is being continuously expanded, upgraded and replaced.

For several years, we have been using an intelligent on-line water supply network management system which enables its key parameters to be supervised in real time, such as volumetric flow rate, speed, or pressure inside the water supply network. Data acquired this way is used by dispatchers watching the different indicators on their display screens, who can decide, e.g. whether the equipment operates correctly or there has been a failure.

In Warsaw, we acquire system operation data from more than 90 measurement points, each of which is equipped with an advance flow meter, a device for measuring pressure inside the pipe, and a GSM transmitter. In order to detect the locations of water leakage, e.g. caused by failures, even quicker, we cyclically put into operation new water supply network measurement points.

Expansion of the existing water supply network of the Warsaw agglomeration will also make it possible to increase the effectiveness of preventive measures taken by MPWiK. The data acquired, including volumetric flow rates and water pressure, are used not only for day-to-day network operation and maintenance, but they are also processed multiple times in a mathematical model, i.e. a virtual water distribution system. Thanks to this, our engineers can perform test of system behaviour in the event of failure, the need to re-route water or to connect new mains sections. Thus, the more detailed data we have, the more effective our control will be. All this serves the achievement of one goal – to provide Warsaw’s residents with undisturbed supply of tasteful and safe tap water which can be drunk straight from the tap.



Northern Plant in Wieliszew
Photo by Kacper Kowalski/aeromedia.pl

Our sewerage system includes four sewage treatment plants: “Czajka”, “Dębe”, “Południe” and “Pruszków”, more than 120 pumping stations and almost 4,274 km sewers which carry more than 500 million litres of sewage every day, and during rain even four times as much. In order to strengthen the management of the sewerage system and prevent of climate change effects, we have started the implementation on one of the largest investment projects in the country, an important element of which is the implementation of modern, environmentally-friendly solutions enhancing the living standard of Warsaw’s residents. The project provides for the expansion and upgrade of the sewerage network and deployment of its centralised control system.

The sewerage network control system is a part of a much larger project under which three huge trunk sewers will be built: Wiśłany, Lindego Bis and Mokotowski Bis. By increasing the capacity of the sewerage network, it will be possible to retain sewage and stormwater during both rainless and rainy weather. Another important element of the project is the construction of a retention reservoir on the site of the “Czajka” sewage treatment plant. In addition, other tasks are being implemented in all boroughs of the city, including the construction of the Western trunk sewer in Ochota, upgrades of sewers in the streets: Bacha, Sikorskiego and Al. Witosa in Mokotów and sewer pumping stations which have to meet the requirements of the new management system.

The task is being implemented under the EU Project “Water Supply and Wastewater Treatment in Warsaw – Phase IV” Project, as part of the Infrastructure and Environment Operational Programme 2014-2020.



“Pruszków” Plant
Photo by Krzysztof Kobus / Travelphoto.pl



The Sewage Sludge Thermal Treatment Station operating on the premises of the "Czajka" Plant.
Photo by Krzysztof Kobus/Travelphoto.pl



Sawtooth overflows, "Czajka" Plant
Photo by Krzysztof Kobus/Travelphoto.pl



WASTE REGISTRATION

We have put into effect new waste registration rules based on the *Database on Products, Packaging and Waste Management* implemented by the Institute of Environmental Protection in coordination with the Ministry of Climate.

During municipal events, we distributed water to resident in disposable cups. After use, they become waste that has to be managed, and therefore we have entered into agreements with a waste recovery organisation, i.e. an entity that will ensure the recovery and recycling of this kind of waste. Thus, we make all efforts to minimise the negative environmental impact of such waste. In addition, we keep encouraging residents to use their own water bottles to reduce the volume of waste generated.

THE ECOLOGICAL RESPONSIBILITY CHARTER OF THE ENTREPRENEURS AND EMPLOYERS OF POLAND

We have joined the group of more than 30 firms, signatories of the "Ecological Responsibility Charter of Entrepreneurs and Employers of Poland". It is an initiative of Employers of Poland – a voluntary declaration of specific actions towards climate neutrality, ecological education and support for circular economy. The Charter was presented on 6 November 2019 in Brussels at the conference "Business perspective on the transition to a climate neutral future by 2050", organised by Employers of Poland with the Employers' Group of the European Economic and Social Committee.

SEWAGE SLUDGE MANAGEMENT

Sewage sludge is a by-product of the sewage treatment process and it not classified as environmentally hazardous waste, as provided by the Regulation of the Minister of Climate of 2 January 2020 on the waste catalogue.

Sewage sludge generated at the Company's sewage treatment plants are incinerated at the Sewage Sludge Thermal Utilisation Station (SSTUS) situated on the premises of the "Czajka" sewage treatment plant, which was commissioned on 31 December 2012. Owing to this, green energy is produced for the purposes of the plant, and all process waste is incinerated at origin. The installation enables a maximum of 28 Mg of process waste to be incinerated in one hour, of which:

25 Mg	of dewatered sewage sludge
0.8 Mg	of dried sewage sludge
1.3 Mg	of screenings
0.8 Mg	of sand
0.1 Mg	of material from grease traps

Sewage sludge removed from the MPWiK sewage treatment plant is safe for the environment and residents, as provided by the Regulation of the Minister of the Environment of 9 December 2014 (amended by Regulation of 2 January 2020) on the waste catalogue, and it is designated by code 19 08 05. In Poland, there are more than 4,000 sewage treatment plants, and only 11 sludge incineration plants. Each of those treatment plants are required to manage sewage sludge and often do so using external contractors who must hold all approvals by government authorities. According to Polish law, sewage sludge can be reclaimed through its use:

- 1) in agriculture, defined as the cultivation of all crops placed on the market, including crops intended for feed production,
- 2) for growing plants intended for compost production,
- 3) for growing plants intended for compost production,
- 4) for land reclamation, including land for agricultural use,
- 5) in adapting land to specific needs resulting from waste management plans, land use plans or outline planning permissions.

In addition, in the case of an outage of the incineration

line, we have the capacity to manage sewage sludge. For this purpose, we have signed agreements for sludge delivery to authorised external operators. In selecting them, we exercise due care and diligence in compliance with applicable waste management regulations and the public procurement law. In the course of tendering procedures, we check in detail all necessary documents submitted by contractor, including decisions and permits authorising them to conduct the activity concerned. The requirement to submit such documents results from the tendering documentation and the applicable laws and regulations. We deliver municipal sewage sludge for management in recovery processes which enable the substances contained in them to be re-used in an environmentally safe manner.

ENVIRONMENTALLY SUSTAINABLE ENERGY POLICY

The strategic objective of the energy policy pursued is to ensure energy security for the Company. The implementation of this objective proceeds in four main directions:

- ensuring stable energy and fuel supply for the Company from external sources, in line with demand and in compliance with economically optimal parameters,
- maintenance of energy facilities in proper condition,
- improvement of the Company's energy efficiency,
- diversification of the energy sources used by the Company and investment in new energy sources.

The main activities pursued in 2019 include:

- verification and updating of the energy efficiency improvement programme,
- verification and updating of energy policy,
- implementation of projects serving the improvement of energy efficiency, in accordance with the Company's investment plans and energy audit recommendations,
- planned upgrades of facilities and installations in order to improve their state of repair,
- monitoring energy consumption at the Company's facilities,
- monitoring energy intensity of industrial processes,
- covering a part of electricity demand by generation from own energy sources, mainly in cogeneration.

Main projects promoting energy efficiency, completed in 2019:

- upgrade of the III BIS water pumping station at the "Białotężka" Zonal Station, including the use of new pumps of various sizes, equipped with frequency converters to ensure efficient speed control,
- upgrade of high-rate sand filters at the Northern

Plant, where flushing pumps are deployed, equipped with frequency converters for speed control and new energy-efficient blowers for the filter flushing process.

In three sewage treatment plants, there are eight cogeneration units installed, with an overall capacity of 7.37 MW, which generate electricity and heat from biogas, and one 1.96 MW turbine generator using the energy of incinerated sewage sludge. In 2019, the on-site generating units of the “Czajka” Plant, “Południe” Plant and “Pruszków” Plant generated 46,640 MWh of electricity in total, which covered approx. 25% of the total electricity consumption at the Company.

ENVIRONMENTAL COMPLIANCE

The Company carried out its operations under relevant permits authorising it to use environmental resources for water intake, sewage collection, waste generation, and air emissions.

The installations operated, in addition to the sewage treatment plants described before, include also storm overflows of the combined sewerage system. The overflows protect the municipal sewerage system from overloads caused by heavy torrential rains which may lead to local waterlogging and disrupt the operational safety of sewage treatment plants. The overflows operate periodically – the discharge of sewage mixed with rainwater is assumed to take place only in emergency situations, i.e. in the event of depletion of network retention capacity, in particular due to intensive weather phenomena. The Company has 16 storm overflows, 10 of which are situated on the left bank of the Vistula, and 6 on the right bank of the Vistula. In 2019, there were 121 controlled sewage discharges into the Vistula River (of 160 possible for the whole city). We meet legal requirements for storm overflows, i.e. hold relevant water management permits which specify the permissible annual number of discharge operations. This is dictated by climate conditions on which the Company has no influence – the recent years have witnessed an increased frequency and intensity of extreme phenomena, including heavy rainfall. The combined nature of the sewerage network, which receives both domestic sewage and rainwater, is also of significance. In order to meet the challenges posed by the progressing climate changes, the Company has, for many years, been implementing new solutions with a view to increasing sewer retention capacity and reduce the number of stormwater discharge operations.

In Q3 2019, following a failure of the municipal sewage transfer system to the “Czajka” sewage treatment plant, emergency discharge of municipal sewage into the Vistula was performed via the stormwater outlet in the Farysa St. area.

The Company took a number of measures to minimise its impact. The foremost ones included sewage ozonation and its mechanical treatment. For this purpose, in the screening building at Farysa St., we installed custom, higher-density screening grates which retained larger impurities flowing with sewage. Out of concern for the condition of water in the Vistula, between 29 August and 28 November 2019, we performed daily extended monitoring of its quality at 14 locations on the river (with 7 situated in the Warsaw section and another 7 in the Warsaw-Płock section). In addition, the Company’s employees performed daily monitoring of the river with the use of floating equipment and remained ready to remove any pollutions or leachate. This way, we had continuous control of sewage impact on the river condition, also in the long term, as daily laboratory tests were performed for 12 days after the sewage transfer was resumed. We published the results on our website at www.mpwik.com.pl and on a social media profile. It should also be noted that the volume of sewage discharged into the Vistula represented approx. 1% of the total water flow in the river. The monitoring performed also showed that the water discharge caused only local and temporary deterioration of water condition.

In connection with the sewage discharge, the Polish National Water Management Authority charged a fee of PLN 2.1 million to the Company. It is a fee charged for the actual volume of pollutants discharged into the river, which corresponds to the extent of extraordinary sewage discharge as a consequence of a failure preventing its continuous collection and transfer to the “Czajka” sewage treatment plant. In compliance with the principle of cost refund for water services, including environmental costs, as stipulated in the Water Law, the Company paid the fee when due without contesting its amount.

Owing to the intensification of the drought phenomenon in the Vistula and the decrease in capacity of the infiltration intakes, a greater uptake of surface waters was reported in 2019 – the quantity of withdrawn water exceeded the maximum value set in the permit issued to the Company. We took appropriate measures and the permit was changed so as to adjust the limit prescribed in it to the real needs.



A fragment of the aeration system in one of the biological reactors at the “Czajka” Plant.
Photo by Krzysztof Dąbiel



Employee of the Sewerage System Plant
Photo by Krzysztof Dubiel

GOOD EMPLOYER



Owing to the passion and commitment of our employees, we have together made great changes, implemented innovative solutions, and the projects implemented have a real impact on the comfort of living for residents of the whole agglomeration

Employees at as the end of 2019



641
women



1,708
men



8.3%
turnover ratio

EMPLOYMENT CONDITIONS

One of our main objectives is to care about our employees, provide them with comprehensive care and security, sense of identification with the company, and seek to improve skills of the personnel.

We guarantee our employees stable employment conditions:

- contract of employment,
- attractive bonus system based on management by objectives and performance appraisal,
- professional development and skill upgrading,
- an extensive benefit package from the Company Social Benefit Fund, including co-financing of rural tourism, subsidies to resort holidays and rehabilitation holidays for employees, and organised rest for their children, housing and home repair loans, grants-in-aid for people in difficult life situation, school starter kits and gift cards for children,
- co-financing of education, including completion of secondary or higher education (engineering, master's, postgraduate, and doctoral studies,
- private medical care (Lux Med),
- group life insurance.

Additionally:

- jubilee awards,
- free English lessons via the eTutor application,
- the Benefit System scheme,
- participation in sports sections (football, basketball, volleyball, angling, table tennis, athletics, cycling, squash, tennis, or badminton),
- special events (e.g. Children's Day) or integration events (e.g. Waterworker's Day),
- free parking.

The Company at labour fairs

Once again, we have taken part in major labour fairs – Absolvent Talent Days (5 November) and the JOBICON Labour Fair (10 October). During the fairs, we had an opportunity to present the Company as an attractive employer and to talk to potential job candidates interested in working for MPWiK in Warsaw.

PROFESSIONAL DEVELOPMENT OF EMPLOYEES

In 2019, we recorded **6,439 employee development activities**, i.e. participation in training (seminars, lectures, workshops), professional courses, specialists forums, university education.

We supported employees in acquiring the latest technological know-how and upskilling related to the tasks performed.

841 people participated in individual specialist training events

204 employees participated in specialist forums

56 employees received co-financing for school and university education, and for postgraduate studies

Since January 2019, a new IT tool has been in operation supporting the Performance Appraisal System (PAS) and Management by Objectives (MBO), and a new Competence Model has been developed. On this basis, the PAS quarterly and annual assessment rules were modified. We trained 281 employees in managerial positions in operating the PAS module and 173 employees in operating the MBO module. Training in the new Competence Model was provided to all employees, with 2,140 workers trained in total.

Optional training in **safety, fire protection and OHS** was delivered to 406 employees. In addition, we organise and coordinate vocational training courses for employees, which enable them to acquire formal qualifications necessary to perform tasks in specific job positions. In 2019, as a result of the above activities, employees acquired 702 qualification certificates, including renewals and new ones. In 2019, the Company set up the **MPWiK Academy**, a project aimed mainly at developing and improving management skills involving the organisation and planning of teamwork, decision-making, inspiring employees, and monitoring the achievement of designated goals. In 2019, 64 senior executive staff completed the **1st edition of the MPWiK Academy** – the Company's first-ever holistic development project dedicated to management staff. Being aware how important it is that employees at each management level at the Company have a consistent knowledge and opportunities to develop their skills in the same theoretical/practical approach, we have decided to hold the 2nd edition of the project, which involved 128 managers in the following positions: department manager, laboratory manager, section/branch manager, and warehouse manager. In 2019, within the **2nd edition of the MPWiK Academy**, an assessment of the management skills level was conducted using the Development Centre method.

We also delivered **customer service** training as a continuation of action initiated in 2011. The project is aimed at developing skills in building customer relations and includes the acquisition of the skill of coping with difficult situations. Training is provided to all employees of the Company who interface with external customers, i.e., apart from the Customer Service Department, also non-manual workers who liaise with other external entities, as well as manual workers who have direct contact with residents of Warsaw.



In 2019, customer service training was provided to **317** employees



Under the Development Project for employees in assistant positions, we delivered 6 training modules for 21 persons

On the other hand, the project aimed at improving the **assessment interview** skills involved 93 members of lower management staff (foreman, senior foreman, ship captain).

In connection with the compliance management system implemented at the Company in 2018, in 2019 we continued employee training **to expand knowledge of solutions adopted in the compliance management system**, the impact of employees' attitude on fostering the Company's image and the employer's expectations towards the employee related to the functioning of the system. In 2019, 6030 employees participated in the training events.

In addition, an obligatory e-learning training in **anti-corruption** was delivered, available on the Central Anti-Corruption Bureau website.

In December 2019, e-learning training was launched, titled **Secure Employee in Cyberspace**. The training is obligatory and dedicated to the Company's employees in non-manual positions. The main purpose of the training is to build awareness of IT security and cyberthreats in the world of information technology and electronic communications.

In addition, in the third quarter of 2019, on-site training was delivered to dispatchers covering cyberthreats and methods of responding to ICT incidents.



Employee of the Sewage Treatment Plant Maintenance Section of the "Czajka" Plant
Photo by Krzysztof Dubiel

BENEFITS FROM THE COMPANY SOCIAL BENEFITS FUND

In 2019, addressing the employees' needs, the Management Board of the Company took a decision to make an additional contribution to the Company Social Benefits Fund (CSBF) in the amount of **PLN 500,000**.

As in 2018, we expanded the eligibility for a Christmas gift (gift cards) to include also children under 1 year of age.

In addition, we increased expenditure in the CBSF 2019 budget for:

- non-refundable tangible or financial aid (grants-in-aid) for employees from **PLN 130,000** to **PLN 150,000**,
- housing aid in the form of loans from the amount of **PLN 1.5 million** to **PLN 1.8 million**.

In 2019, the CSBF was used at the Company to grant **3,635** social benefits for the total amount of **PLN 5.1 million**



In parallel, we started work to amend the regulatory framework for the management of CBSF funds so as to satisfy employees' needs more effectively and to simplify the procedures for the use of social benefits. CSBF resources are also available to retired employees of the Company.

EMPLOYEE SAFETY AND HEALTH

The occupational health and safety management system operating within the framework of the integrated management system is based on the PN-N-18001 and BS OHSAS18001 standards, and all requirements defined by these standards apply to the Company.

We perform the identification of threats and assessment of occupational risk in compliance with the requirements of the PN-N-18002:2011 standard. The entire process is described in internal documents, and its quality is confirmed by systematic internal and external audits, and inspections carried out by OHS officers.

The results of occupational risk assessment are translated into remedial programmes which contribute

to a continuous improvement of working conditions through the application of technical and organisational measures or personal protective equipment. We also take the results of occupational risk assessments in regular management reviews.

Investigation of work-related incidents is based on the provisions of the Regulation of the Council of Ministers of 1 July 2009 on the determination of circumstances and causes of accidents at work. At the Company, the process is described in detail by internal procedures. After each accident, we carry out a repeat detailed occupational risk assessment.

PARTNERSHIP WITH SCHOOLS AND VOCATIONAL INTERNSHIPS

In 2019, we continued partnering with schools and universities. Between January and September, we organised free internships for adult students and graduates of and technical secondary schools and vocational schools, as well as last-year and graduates of universities from selected fields of study. Our internships provide a unique opportunity to partner with specialists in a selected area, who willingly share their knowledge and experience and support the interns in developing practical skills.

During the period, we hosted 23 interns in total, including 14 university students as part of student internships and 9 students of the Horticultural Technical School at 1/3 Bielska St. in Warsaw for vocational internships.

DIALOGUE WITH EMPLOYEES

The most important information on the activities of the enterprise and news were communicated to employees through the Wodnik intranet platform as well as information boards and television monitors. Publication of the Wodociągowiec Warszawski (Warsaw Waterworker) monthly was also continued.

In addition, we started an information/education campaign dedicated to OHS rules, which is intended to make employees more aware of dangers related to their job responsibilities and to emphasise the importance of compliance with safety rules at the workplace. The campaign included the preparation of articles on OHS, the development and distribution of thematic posters, organising competitions, display of short pop-up messages, e-mailing addressed to managers, and organisation of "safety days". A feature of the campaign that became particularly popular among employees was a series of educational videos titled "Mondays with NAPO", which was communicated on the Wodnik intranet portal.

At 14 locations on the premises of the Company, we have installed lockable boxes:

- light-grey for contacts with the Compliance Office, in order to facilitate the submission by employees of information on irregularities observed, in particular corruption, appropriation of Company property, mobbing, discrimination, acting under conditions of conflict of interest, breaches of obligations under non-competition agreements, breaches of rules for accepting or presenting gifts.
- dark-grey for contacts with the OHS Department, through which employees can share ideas contributing to the improvement of security daily work, report potential and actual irregularities relating to OHS. The boxes are also a communication channel during safe work competitions.

Communication with employees is also maintained through six trade unions operating at the Company.

NON-DISCRIMINATION AND MOBBING PREVENTION

Keeping up-to-date with subjects currently of concern to the public, a campaign was carried out, dealing with "Hate Speech". By means of the intranet and information posters, exposed at all locations of our Company, we recalled the values described in the Code of Ethics in force:

- Do not use hate speech
- Respect
- Respond/Report

The internal campaign was aimed to remind that we oppose all manifestations of hate speech. We are not indifferent and know how to recognise and respond to hateful comments and statements.

Articles have been published in Wodociągowiec Warszawski about the implemented compliance management system, values of importance to the Company, and the possibility to report irregularities in a secure, anonymous way.

In response to the needs of disabled persons, "On-line sign language interpreter" was launched at the Customer Service Department in 2017. The service is a solution that eliminates the communication barrier when dealing with hearing-impaired persons. An online sign language interpreter enables a three-party conversation to be conducted (at the same time) between a translator, a hearing-impaired person and an employee. Interpreting takes place via a tablet featuring a camera and headphones. The service is available both in direct and

in telephone customer service. In Q1 2019, the service was launched at a second customer service outlet situated in Warsaw at 4, Zaruskiego St.

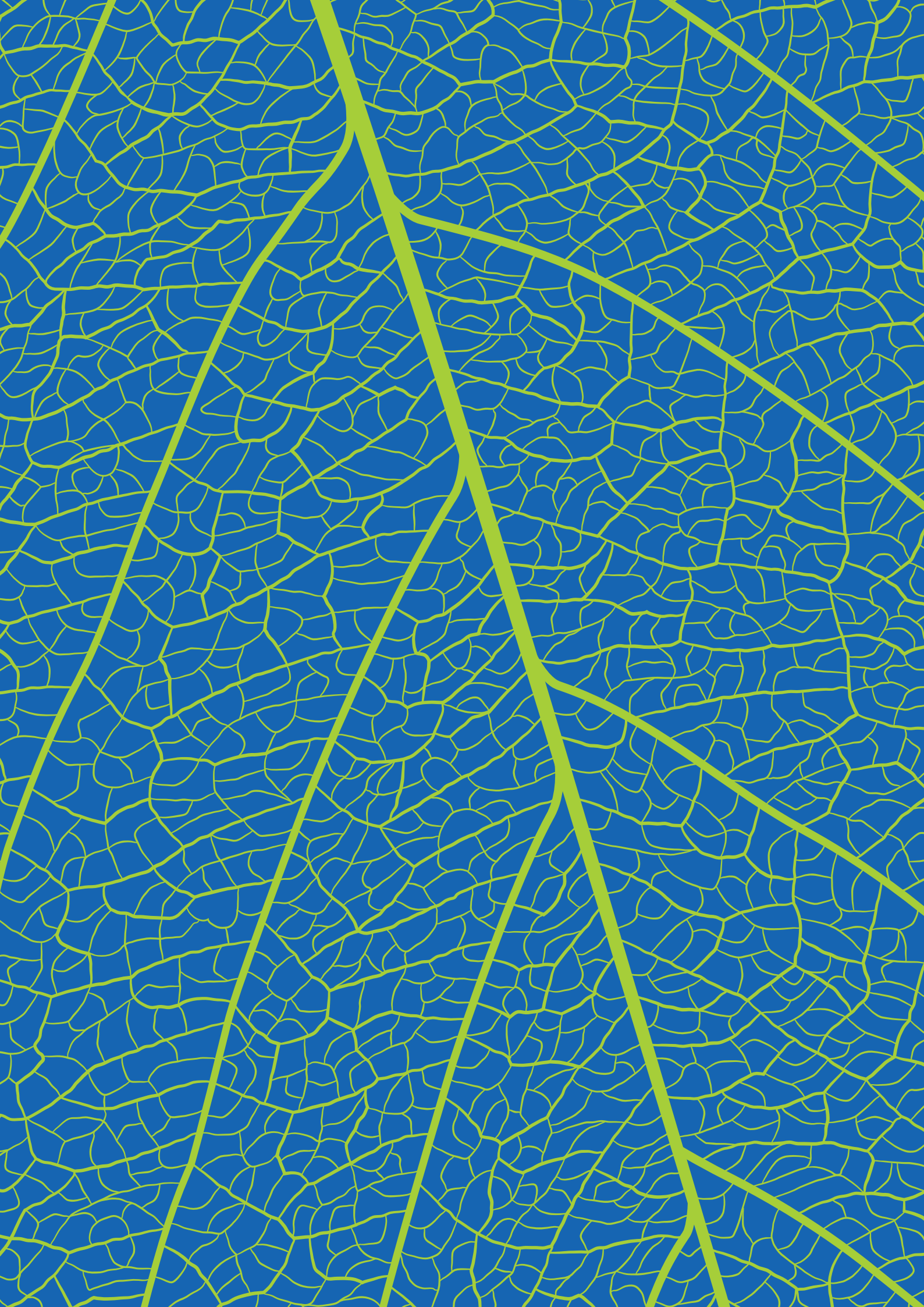


TRADE UNIONS

There are six trade union organisations operating at the Company:

- Trade Union of Engineers and Technicians at Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A.
- Free Trade Union of Water Management and Environmental Protection Employees, Warsaw Branch at Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A.
- Continuous Operation Workers Trade Union "MPWiK"
- Independent Self-governing Trade Union "Solidarity '80", Intercompany Organisation No 3 at MPWiK S.A.
- Independent Self-governing Trade Union "Solidarity", Intercompany Committee No 25 at Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A.
- National Employee Trade Union "Labour Confederation", Company Organisation No 07-184 at Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A.

We make all efforts to ensure that important decisions concerning employee are taken in cooperation with the Trade Unions active at the Company.



ABOUT THE REPORT



Report development process

We are presenting the Company's second report that has been prepared in accordance with the GRI Standards at Core level. The Report covers the calendar year 2019 and has not been subject to external verification. In 2021, we are planning to publish the next report for 2020.

Our first report was published in July 2019 and it is available on our website at www.mpwik.com.pl in the CSR Reports tab.

If you have any questions or suggestions concerning the publication, please contact:



Witold Roman
w.roman@mpwik.com.pl

Any notes, opinions and comments regarding our activities in the context of sustainable development, including those related to the scope of this Report, will be most valuable for us.

Our Stakeholders

- The City
- Employees
- Trade unions
- Suppliers
- Contractors
- National Fund for Environmental Protection and Water Management/Voivodeship Fund for Environmental Protection and Water Management
- Audit bodies
- IG "Wodociągi Polskie"
- Voivodeship Inspector of Environmental Protection
- Municipal Roads Board
- Potential employees
- Media
- Customers and Residents
- Banks
- Potential consumers
- NGOs (non-governmental organisations)
- Ministries
- Higher education institutions
- Schools
- Industry organisations
- Board of Experts
- Municipal Road Investment Board
- Polish National Water Management Authority
- Trade unions



Hydraulic cutter "Chudy Wojtek III"
Photo by Krzysztof Kobus / Travelphoto.pl

2018 priority reporting subjects

Area of sustainable development	Description of issue	Key aspects for internal stakeholders	Key aspects for external stakeholders
Natural environment	Energy policy	●	●
	Harmful atmospheric emissions	●	●
	Sewage, waste and leaks	●	●
	Environmental compliance	●	●
	Management of raw and other materials	–	●
	Water consumption	–	●
	Environmental assessment of supplier	●	–
Society	Preventing unethical actions	●	–
	Policy toward local communities	●	●
	Preventing violations of free competition principles	–	●
Market	Financial results, investments, employee benefits	●	●
	Wages and Impact on local labour market	●	●
	Providing services and supporting society	●	●
	Marketing communication	●	●
Workplace	Company employees	●	●
	Personnel-management relations	●	●
	Diversity and equal opportunity	●	●
	OHS	●	●
	Preventing discrimination	●	●
	Training	●	●

DATA TABLES



Direct economic value

in PLN '000s

	2018	2019
A Total revenue, of which:	1,271,706	1,221,512
Net revenue from sales (i.e. gross sales of products and services less returns, discounts and reductions)	1,115,559	1,062,002
Revenues from financial investments (i.e. cash received as interest on loans and credit facilities, dividends from equity shares, royalties, and direct income generated on assets, e.g. property rental)	13,262	11,823
Revenues from the sale of assets (i.e. tangible assets such as real property, infrastructure and equipment, and intangible assets such as intellectual property rights, designs and brands)	1,639	571
B Operating expenses	277,842*	349,974*
B Wages, salaries and employee benefits	202,711	224,176
B Payments to investors (dividend)	0	0
B Payments to the state (taxes)	192,724	197,902
B Social investments (donations and investments for society)	315	343
ECONOMIC VALUE RETAINED (B-A)	598,114	449,117

* Cash operating expenses (without depreciation and amortisation)

Balance Sheet

PLN

ASSETS	31 Dec 2018	31 Dec 2019
A. Fixed assets	7,463,980,907.94	7,729,387,998.99
I. Intangible assets	13,474,457.55	16,147,204.03
1. Costs of completed development work	0.00	0.00
2. Goodwill	0.00	0.00
3. Other intangible assets	13,474,457.55	16,147,204.03
4. Prepayments for intangible assets	0.00	0.00
II. Tangible non-current assets	7,400,454,463.87	7,651,152,611.19

ASSETS	31 Dec 2018	31 Dec 2019
1. Fixed assets	6,989,208,928.92	7,018,477,244.89
a) Land (including right of perpetual usufruct)	709,811,577.19	703,439,887.43
b) Buildings, premises, rights to premises, and civil engineering works	5,463,697,929.05	5,534,541,462.16
c) Plant and machinery	751,300,496.65	715,182,966.58
d) Means of transport	54,384,681.83	55,078,780.22
e) Other fixed assets	10,014,244.20	10,234,148.50
2. Fixed assets under construction	388,279,496.57	582,979,840.65
3. Prepayments for fixed assets under construction	22,966,038.38	49,695,525.65
III. Long-term receivables	2,661,072.75	2,936,803.89
1. From related entities	0.00	0.00
2. From other entities in which the entity holds an equity interest	0.00	0.00
3. From other entities	2,661,072.75	2,936,803.89
IV. Long-term investments	22,384,943.91	33,968,714.52
1. Real property	0.00	0.00
2. Intangible assets	0.00	0.00
3. Long-term financial assets	22,384,943.91	33,968,714.52
a) in related entities	0.00	0.00
b) in other entities in which the entity holds an equity interest	0.00	0.00
c) in other entities	22,384,943.91	33,968,714.52
- shares	0.00	0.00
- other securities	0.00	0.00
- loans granted	0.00	0.00
- other long-terms financial assets	22,384,943.91	33,968,714.52
4. Other long-term investments	0.00	0.00
V. Long-term prepayments	25,005,969.86	25,182,665.36
1. Deferred income tax assets	22,790,995.00	22,697,744.00
2. Other prepayments and deferred expenses	2,214,974.86	2,484,921.36
B. Current assets	880,798,242.17	768,576,676.54

ASSETS	31 Dec 2018	31 Dec 2019
I. Inventory	17,034,250.03	19,667,190.88
1. Materials	17,013,886.76	19,619,274.64
2. Semi-finished products and work in progress	0.00	0.00
3. Finished goods	0.00	0.00
4. Goods for resale	0.00	0.00
5. Trade prepayments	20,363.27	47,916.24
II. Short-term receivables	138,340,326.16	145,252,897.33
1. From related entities	0.00	0.00
a) trade receivables, maturing:	0.00	0.00
- up to 12 months	0.00	0.00
- above 12 months	0.00	0.00
b) other	0.00	0.00
2. Receivables from other entities in which the entity holds equity interest	0.00	0.00
a) trade receivables, maturing:	0.00	0.00
- up to 12 months	0.00	0.00
- above 12 months	0.00	0.00
b) other	0.00	0.00
3. Receivables from other entities	138,340,326.16	145,252,897.33
a) trade receivables, maturing:	79,293,599.09	76,212,130.05
- up to 12 months	79,293,599.09	76,212,130.05
- above 12 months	0.00	0.00
b) taxes, subsidies, customs duties, social security and health insurance and other benefits receivable	50,094,902.20	52,460,254.26
c) Other	8,951,824.87	16,580,513.02
d) claimed at court	0.00	0.00
III. Short-term investments	673,569,615.71	547,209,791.31
1. Short-term financial assets	673,569,615.71	547,209,791.31
a) in related entities	0.00	0.00
b) in other entities	49,866,054.24	100,000,000.00
- shares	0.00	0.00
- other securities	49,752,108.00	0.00
- loans granted	0.00	0.00

ASSETS	31 Dec 2018	31 Dec 2019
- other short-term financial assets	113,946.24	100,000,000.00
c) cash and cash equivalents	623,703,561.47	447,209,791.31
- cash in hand and at bank	63,230,376.40	77,209,791.31
- other cash	560,473,185.07	370,000,000.00
- cash equivalents	0.00	0.00
2. Other short-term investments	0.00	0.00
IV. Short-term prepayments and deferred expenses	51,854,050.27	56,446,797.02
C. Called up share capital	0.00	0.00
D. Own shares	0.00	0.00
TOTAL ASSETS (A+B+C+D)	8,344,779,150.11	8,497,964,675.53

EQUITY AND LIABILITIES	31 Dec 2018	31 Dec 2019
A. Equity	4,504,764,934.28	4,610,148,767.12
I. Share capital	2,712,555,600.00	2,734,575,100.00
of which that registered as at 31 December	0.00	0.00
II. Supplementary capital	1,595,866,469.59	1,792,170,331.40
III. Revaluation reserve	0.00	0.00
IV. Other reserves	39,035.88	39,035.88
V. Retained profit (loss)	0.00	0.00
VI. Net profit (loss)	196,303,828.81	83,364,299.84
VII. Appropriations of net profit during the financial year	0.00	0.00
B. Liabilities and provisions for liabilities	3,840,014,215.83	3,887,815,908.41
I. Provisions for liabilities	351,651,835.88	397,909,098.25
1. Provisions for deferred income tax	185,145,418.00	214,350,978.00
2. Provision for retirement benefits and similar benefits	7,905,496.26	13,677,289.88
- long-term	3,479,504.65	7,793,472.76
- short-term	4,425,991.61	5,883,817.12
3. Other provisions	158,600,921.62	169,880,830.37

EQUITY AND LIABILITIES	31 Dec 2018	31 Dec 2019
- long-term	0.00	0.00
- short-term	158,600,921.62	169,880,830.37
II. Long-term liabilities	549,998,687.26	389,229,076.15
1. To related entities	0.00	0.00
2. To other entities	549,998,687.26	389,229,076.15
a) loans and borrowings	386,576,519.82	326,071,589.91
b) from issue of debt securities	160,478,009.00	60,254,031.00
c) other financial liabilities	0.00	0.00
d) other	2,944,158.44	2,903,455.24
III. Short-term liabilities	300,805,075.18	418,426,051.77
1. To related entities	22,019,533.00	0.00
2. To other entities	275,435,653.33	414,758,843.82
a) loans and borrowings	65,112,013.63	65,249,698.69
b) from issue of debt securities	0.00	100,434,043.00
c) other financial liabilities	0.00	0.00
d) trade and other liabilities, maturing:	54,236,843.28	67,212,259.29
- up to 12 months	54,236,843.28	67,212,259.29
- above 12 months	0.00	0.00
e) payments received on account of orders	0.00	0.00
f) bill-of-exchange liabilities	0.00	0.00
g) taxes, customs duties, social security and health insurance, and other public law benefits payable	20,773,953.08	21,228,558.17
h) payroll liabilities	18,911,541.81	18,294,652.63
i. Other	116,401,301.53	142,339,632.04
3. Special funds - CSBF	3,349,888.85	3,667,207.95
IV. Accruals and deferred income	2,637,558,617.51	2,682,251,682.24
1. Negative goodwill	0.00	0.00
2. Other accruals and deferred income	2,637,558,617.51	2,682,251,682.24
- long-term	2,551,092,194.74	2,593,263,310.52
- short-term	86,466,422.77	88,988,371.72
TOTAL EQUITY AND LIABILITIES (A+B)	8,344,779,150.11	8,497,964,675.53

Profit and loss account (comparative format)

PLN

Description	31 Dec 2018	31 Dec 2019
A. Net revenues from sales and equivalent revenues, of which:	1,137,043,777.73	1,088,811,866.90
- from related entities	0.00	0.00
I. Net sales of products	1,115,558,611.94	1,062,002,323.28
II. Change in products (increase — positive value, decrease — negative value)	0.00	0.00
III. Manufacturing costs of products for internal purposes	20,369,333.85	25,178,243.96
IV. Net sales of goods and materials	1,115,831.94	1,631,299.66
B. Operating expenses	956,218,412.05	1,060,929,715.78
I. Amortisation and depreciation	281,867,881.42	287,220,912.81
II. Consumption of materials and energy	112,706,603.80	106,261,859.63
III. Third-party services	146,988,601.78	221,617,644.47
IV. Taxes and duties, of which:	192,724,353.13	197,902,249.80
- excise duty	4,096,571.53	996,197.98
V. Payroll	166,516,402.42	187,367,488.16
VI. Social security and other benefits, of which:	40,373,190.75	44,540,758.47
- retirement benefits	15,452,633.35	16,865,955.42
VII. Other costs by type	13,968,799.35	14,428,758.14
VIII. Value of goods for resale and materials sold	1,072,579.40	1,590,044.30
C. Profit (loss) on sales (A-B)	180,825,365.68	27,882,151.12
D. Other operating income	108,837,631.11	117,541,836.32
I. Profit on disposal of non-financial non-current assets	1,639,311.97	570,820.43
II. Subsidies	74,055,983.31	75,802,800.88
III. Revaluation of non-financial assets	2,558,265.38	4,077,178.00
IV. Other operating income	30,584,070.45	37,091,037.01
E. Other operating expenses	43,834,291.70	25,856,005.61
I. Loss on disposal of non-financial non-current assets	0.00	0.00
II. Revaluation of non-financial assets	2,295,857.77	8,590,468.18
III. Other operating expenses	41,538,433.93	17,265,537.43

Description	31 Dec 2018	31 Dec 2019
F. Profit (loss) on operating activities (C+D-E)	245,828,705.09	119,567,981.83
G. Financial income	25,824,761.30	15,158,739.26
I. Dividend and profit sharing, of which:	0.00	0.00
- from related entities	0.00	0.00
II. Interest, of which:	13,262,238.55	11,822,528.51
- from related entities	0.00	0.00
III. Profit on disposal of financial assets	0.00	0.00
IV. Revaluation of financial assets	12,153,440.21	3,195,931.67
V. Other	409,082.54	140,279.08
H. Financial costs	20,412,769.58	22,063,610.25
I. Interest, of which:	19,359,594.60	18,132,235.19
- to related entities	0.00	0.00
II. Loss on financial fixed assets	0.00	0.00
III. Revaluation of financial assets	965,712.92	3,152,605.94
IV. Other	87,462.06	778,769.12
I. Gross profit (loss) (I+/-J)	251,240,696.81	112,663,110.84
J. Income tax, of which:	54,936,868.00	29,298,811.00
- deferred tax	30,018,911.00	29,298,811.00
K. Other statutory profit reductions (increase of loss)	0.00	0.00
L. Net profit (loss) (K-L-M)	196,303,828.81	83,364,299.84

Cash flow statement (indirect method)

PLN

Description	31 Dec 2018	31 Dec 2019
A. Cash flows from operating activities		
I. Net profit (loss)	196,303,828.81	83,364,299.84
II. Total adjustments	251,041,962.11	259,108,597.11
1. Amortisation and depreciation	281,867,881.42	287,220,912.81
2. Foreign exchange gains (losses)	0.00	0.00
3. Interest and profit sharing (dividends)	19,175,431.63	19,054,685.92
4. Profit (loss) on investing activities	-13,851,718.75	1,020,708.72
5. Change in provisions	63,583,459.13	46,257,262.37
6. Change in inventories	1,408,425.62	-2,632,940.85
7. Change in receivables	-19,594,561.77	-7,169,007.21
8. Change in short-term liabilities, excluding loans and borrowings	7,997,081.70	16,520,836.92
9. Change in prepayments and accruals	-83,621,286.24	-92,881,993.87
10. Other adjustments	-5,922,750.63	-8,281,867.70
III. Net cash flows from operating activities (I ± II)	447,345,790.92	342,472,896.95
B. Cash flows from investing activities		
I. Inflows	342,322,617.09	151,061,317.71
1. Disposal of intangible and tangible non-current assets	2,322,617.09	1,061,317.71
2. Disposal of investments in real property and intangible assets	0.00	0.00
3. From financial assets, of which:	340,000,000.00	150,000,000.00
a) in related entities	0.00	0.00
b) in other entities	340,000,000.00	150,000,000.00
- disposal of financial assets	0.00	100,000,000.00
- dividends and profit sharing	0.00	0.00
- repayment of long-term loans granted	0.00	0.00
- interest	0.00	0.00
- other inflows from financial assets	340,000,000.00	50,000,000.00
4. Other investment inflows	0.00	0.00
II. Outflows	-431,151,964.04	-723,381,818.40

Description	31 Dec 2018	31 Dec 2019
1. Acquisition of intangible and tangible non-current assets	-431,151,964.04	-523,381,818.40
2. Investments in real property and intangible assets	0.00	0.00
3. For financial assets, of which:	0.00	-200,000,000.00
a) in related entities	0.00	0.00
b) in other entities	0.00	-200,000,000.00
– acquisition of financial assets	0.00	-200,000,000.00
- long-term loans granted	0.00	0.00
4. Other investment outflows	0.00	0.00
III. Net cash flows from investing activities (I ± II)	-88,829,346.95	-572,320,500.69
C. Cash flows from financing activities		
I. Inflows	160,819,167.42	135,673,223.15
1. Net inflows from the issue of shares and other equity instruments and additional equity contributions	0.00	0.00
2. Loans and borrowings	5,488,568.04	2,867,606.80
3. Issue of debt securities	0.00	0.00
4. Other inflows from financing activities	155,330,599.38	132,805,616.35
II. Outflows	-331,593,053.34	-82,319,389.57
1. Acquisition of own shares	0.00	0.00
2. Dividends and other payments to owners	-250,000,000.00	0.00
3. Outflows related to distribution of profit other than payments to owners	0.00	0.00
4. Repayments of loans and borrowings	-62,475,533.63	-65,110,538.63
5. Redemption of debt securities	0.00	0.00
6. Related to other financial liabilities	0.00	0.00
7. Payments of finance lease liabilities	0.00	0.00
8. Interest and commissions	-19,117,519.71	-17,208,850.94
9. Other outflows from financing activities	0.00	0.00
III. Net cash flows from financing activities (I ± II)	-170,773,885.92	53,353,833.58
D. Total net cash flows (A.III ± B.III ± C.III)	187,742,558.05	-176,493,770.16
E. Balance sheet change in cash, of which:	187,742,558.05	-176,493,770.16

Description	31 Dec 2018	31 Dec 2019
- change in cash balance due to exchange differences	0.00	0.00
F. Opening balance of cash	435,961,003.42	623,703,561.47
G. Closing balance of cash (F+/-D), of which:	623,703,561.47	447,209,791.31
- restricted cash	13,623,953.73	13,515,399.15

Statement of changes in equity

PLN

	31 Dec 2018	31 Dec 2019
I. Opening balance (OB) of equity	4,558,461,105.47	4,504,764,934.28
- fundamental error adjustments	0.00	0.00
- adjustments resulting from merger accounted for using the pooling of interests method	0.00	0.00
I.a. Opening balance of equity (OB), after adjustments	4,558,461,105.47	4,504,764,934.28
1. Opening balance of share capital	2,662,555,600.00	2,712,555,600.00
1.1. Changes in share capital	50,000,000.00	22,019,500.00
a) increase	300,000,000.00	23,231,500.00
- issue of shares	300,000,000.00	23,231,500.00
b) decrease (due to)	250,000,000.00	1,212,000.00
- redemption of shares	250,000,000.00	1,212,000.00
1.2. Closing balance of share capital	2,712,555,600.00	2,734,575,100.00
including registered capital	2,712,555,600.00	2,734,575,100.00
2. Opening balance of supplementary capital	1,598,744,090.91	1,595,866,469.59
2.1. Changes in supplementary capital	-2,877,621.32	196,303,861.81
a) increase (due to)	297,122,378.68	196,303,861.81
- issue of shares above nominal value	0.00	0.00
- from profit distribution (statutory)	297,122,378.68	196,303,828.81
- from merger with OŚP	0.00	0.00
- other increases	0.00	33.00
b) decrease (due to)	300,000,000.00	0.00

	31 Dec 2018	31 Dec 2019
- appropriation for supplementary capital	300,000,000.00	0.00
- loss coverage	0.00	0.00
2.2. Closing balance of supplementary capital	1,595,866,469.59	1,792,170,331.40
3. Opening balance of revaluation reserve	0.00	0.00
3.1. Changes in revaluation reserve	0.00	0.00
a) increase	0.00	0.00
b) decrease	0.00	0.00
3.2. Closing balance of revaluation reserve	0.00	0.00
4. Opening balance of other reserves	39,035.88	39,035.88
4.1. Changes in other reserves	0.00	0.00
a) increase, contribution in kind, merger	0.00	0.00
b) decrease (due to)	0.00	0.00
4.2. Closing balance of other reserves	39,035.88	39,035.88
5. Opening balance of retained profit or loss	0.00	0.00
5.1. Opening balance of retained profit	0.00	0.00
- adjustments - merger with OŠP	0.00	0.00
5.2. Opening balance of retained profit, after adjustments	0.00	0.00
a) increase (due to)	297,122,378.68	196,303,828.81
b) decrease (due to)	297,122,378.68	196,303,828.81
- appropriation for supplementary capital	297,122,378.68	196,303,828.81
- dividends paid	0.00	0.00
5.3. Closing balance of retained profit	0.00	0.00
5.4. Opening balance of retained loss	0.00	0.00
- fundamental error adjustments	0.00	0.00
5.5. Change in retained loss	0.00	0.00
a) increase (due to)	0.00	0.00
- transfer of loss	0.00	0.00
b) decreases, due to	0.00	0.00

	31 Dec 2018	31 Dec 2019
- loss coverage	0.00	0.00
- other decreases	0.00	0.00
5.6. Closing balance of retained loss	0.00	0.00
5.7. Closing balance of retained profit (loss)	0.00	0.00
6. Net profit/loss	196,303,828.81	83,364,299.84
a) net profit	196,303,828.81	83,364,299.84
b) net loss	0.00	0.00
c) write-downs on profit	0.00	0.00
II. Closing balance (CB) of equity	4,504,764,934.28	4,610,148,767.12
III. Equity after proposed profit distribution (loss coverage)	4,504,764,934.28	4,610,148,767.12

Energy consumption within the organisation

Total consumption of energy from non-renewable sources (from purchased and own sources – generated as part of the organisation's own activities) and types of fuels used	Consumption in 2018 [GJ]	Consumption in 2019 [GJ]
Natural and coke-oven gas	85,810.46	90,403.00
Heating oil	36.20	-
Liquid fuels	58,950.35	62,619.00
Total energy consumption	144,797.01	153,022.00

Total consumption of energy from renewable sources:	Consumption in 2018 [GJ]	Consumption in 2019 [GJ]
photovoltaic energy	80.73	78.84
biogas from sewage treatment plant	573,434.15	623,360.00
Total energy consumption	573,514.88	623,438.84

Total consumption:	Consumption in 2018 [GJ]	Consumption in 2019 [GJ]
electricity	557,164.04	495,828.00
thermal energy	70,121.00	67,434.00
Total consumption	627,285.04	563,262.00

Total volume:	Consumption in 2018 [GJ]	Consumption in 2019 [GJ]
of sold electricity	50.20	326.52
of sold thermal energy	4,017.73	3,306.90
Total volume	4,067.93	3,633.42

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION	1,341,529.00	1,336,089.42
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Greenhouse gas emissions

Substance	2018		2019	
	Emission volume [kg]	Emission volume [t Eg CO ₂]	Emission volume [kg]	Emission volume [t Eg CO ₂]
CO ₂	92,652,492	92,652.49	69,266,868	69,266.87
CH ₄	2,984,110	68,634.54	1,279,336	29,424.74
N ₂ O	186,284	55,140.17	1,067	315.90
HFC 407C	93	165.16	32	56.27
HFC 410A	143	297.75	62	128.62
HF C134A	28	40.04	-	-
O ₃	1.6	-	-	-
SF ₆	-	-	1	22.20

Collection of sewage and rinsing water*

Receiving water body	Planned discharged volume** [m ³]		Unplanned discharged volume*** [m ³]	
	2018	2019	2018	2019
Groundwater	-	-	-	-
Surface waters	196,017,010	185,060,855	5,343,957	9,416,499
Sewerage systems leading to rivers, oceans, lakes, wetlands	-	-	-	-
Sewerage systems leading to sewage treatment plants	-	-	-	-
Other location	19,958	11,675	-	-
TOTAL VOLUME	196,036,968	185,072,530	5,343,957	9,416,499

* Rinsing water – water remaining after the water treatment process

** Treated sewage from sewage treatment plant and rinsing water from water treatment plant

*** Discharges during torrential rain after exceeding holding capacity of the network

Sewage treatment location	Planned discharged volume* [m ³]		Unplanned discharged volume** [m ³]		Sewage treatment method	
	2018	2019	2018	2019	2018	2019
“Czajka” Plant	155,543,634	143,175,022	-	-	Mechanical/biological with increased removal of biogenic compounds	
“Południe” Plant	21,108,745	22,067,724	-	-	Mechanical/biological with increased removal of biogenic compounds	
“Dębe” Plant	1,931,094	1,983,255	-	-	Biological with increased removal of biogenic compounds	
“Pruszków” Plant	13,467,660	13,095,804	-	-	Mechanical/biological with increased removal of biogenic compounds	
Name of storm overflow	2018	2019	2018	2019	2018	2019
“Pruszków” Plant storm overflow	-	-	1,089	5,682		
“Al. 3-go Maja”	-	-	101,007	23,898		
“Bielański”	-	-	79,987	87,010		
“Boleść”	-	-	473	480		
“Farysa”	-	-	1,969,421	6,551,066		
“Golędzinów”	-	-	6,026	722		
“Karowa (by gravity)”	-	-	-	-		
“Kościelna”	-	-	7,044	5,770		
“Krańskiego”	-	-	206,676	150,966		
“Pelcowizna”	-	-	204,373	149,387		
“Płyta Desantowa”	-	-	102,896	89,341		
“Powiśle I (Karowa pumped)”	-	-	324,164	386,835		
“Ratuszowa”	-	-	-	126		
“Saska Kępa”	-	-	463,004	446,558		
“Wenedów”	-	-	5,628	3,574		
“Żerań”	-	-	1,872,169	1,515,084		

Rinsing water discharge point	2018	2019	2018	2019	2018	2019
Białotłęka Zonal Station	57,160	42,760	-	-	mechanical treatment (sedimentation)	
Northern Plant – rinsing water	488,663	689,981	-	-	mechanical treatment	
Northern Plant – infiltration water	3,413,507	3,984,714	-	-		
Northern Plant – clean water tank	-	3,600	-	-		
“Stara Miłosna” Water Treatment Station	6,547	6,320	-		clarifier, sedimentation	
“Falenica” Water Treatment Station	19,958	11,675	-		sedimentation tank, infiltration into the ground through sedimentation bed	

*Treated sewage from sewage treatment plant and rinsing water from water treatment plant

**Discharges during torrential rain after exceeding holding capacity of the network

Quality of discharged sewage and rinsing water

Parameters	Planned discharged volume [kg]		Unplanned discharged volume [kg]	
	2018	2019	2018	2019
Biological oxygen demand (BOD5)	910,723	930,883	1,022,016	2,122,665
Total suspended solids	1,271,850	1,256,752	1,796,571	2,554,459
Chemical oxygen demand (COD)	5,995,084	5,728,596	2,357,599	4,985,573
Total nitrogen	1,211,041	1,245,219	145,775	396,754
Total phosphorus	75,660	67,404	21,192	48,931

Quality of mains water in respective plants [mg/L]

Indicator, substance name	Permissible content*	Central Plant "Filtry" WTS		Central Plant "Praga" WTS		Northern Plant	
		average	max	average	max	average	max
Magnesium	7-125 ⁽¹⁾	14.9	17.6	15.3	17.5	9.9	11.4
Sodium	200	104.5	119	104.2	117	20	23
Calcium	⁽²⁾	69.2	89	68.2	83	83	103

Indicator, substance name	Permissible content*	"Radość" SUW	"Falenica" WTS	"Wola Grzybowska" WTS	"Stara Miłosna" WTS
Magnesium	7-125 ⁽¹⁾	7.4	8.3	14.2	14.1
Sodium	200	14	50	60	43
Calcium	⁽²⁾	62	83	144	111

Indicator, substance name	Permissible content*	OSP "Centrum" Water Booster Station
Magnesium	7-125 ⁽¹⁾	12.6
Sodium	200	19
Calcium	⁽²⁾	92

* Regulation of the Minister of Health of 7 December 2017 on the quality of water intended for human consumption (Journal of Laws 2017, item 2294).

(1) – not more than 30 mg/l of magnesium if the concentration of sulphates is equal to or higher than 250 mg/l. With a lower sulphate content, the permissible concentration of magnesium is 125 mg/l; the value recommended for health reasons means that it is desirable for human health, but does not impose on the water and sewage company the obligation to supplement the minimum content.

(2) – no defined permissible value ranges.

Potassium is not included in the requirements for potable water, defined in the Regulation of the Minister of Health of 7 December 2017 (Journal of Laws of 2017, item 2294) and it is not determined in treated water at the respective Water Treatment Stations (WTSs).

Headcount at the Company

Total number of employees by type of contract, type of employment and sex	Total	Women	Men
Fixed term	303	100	203
Indefinite term	2,046	541	1,505
Full-time	2,340	636	1,704
Part-time	9	5	4
Number of all employees	2,349	641	1,708

Total number of new employees by sex and age	Total	Women	Men
Under 30 years of age	77	34	43
Between 30 and 50 years of age	167	56	111
Over 50 years of age	25	4	21
Total	269	94	175
Employment ratio	11.5%	14.7%	10.3%
Number of all employees	2,349	641	1,708

Total number of new employees by sex and age	Total	Women	Men
Under 30 years of age	24	13	11
Between 30 and 50 years of age	99	39	60
Over 50 years of age	73	18	55
Total	196	70	126
Turnover ratio	8.3%	10.9%	7.4%
Number of all employees	2,349	641	1,708

Employment structure – positions	Total	Women	Men
Number of personnel on the board	4	2	2
Number of personnel in senior management positions	42	19	23
Number of personnel in middle management positions	267	74	193
Number of other employees	2,040	548	1,492

Breakdown by structure and age	Total	Women	Men
Senior management			
Under 30 years of age	-	-	-
Between 30 and 50 years of age	24	11	13
Over 50 years of age	18	8	10
Total	42	19	23
Middle management			
Under 30 years of age	1	-	1
Between 30 and 50 years of age	170	56	114
Over 50 years of age	96	18	78
Total	267	74	193
Other employees			
Under 30 years of age	186	69	117
Between 30 and 50 years of age	1,077	338	739
Over 50 years of age	777	141	636
Total	2,040	548	1,492

Percentage of employees in the categories below	Total	Women	Men
Senior management			
Under 30 years of age	0%	0%	0%
Between 30 and 50 years of age	1%	2%	1%
Over 50 years of age	1%	1%	1%
Total	2%	3%	1%
Middle management			
Under 30 years of age	0%	0%	0%
Between 30 and 50 years of age	7%	9%	7%
Over 50 years of age	4%	3%	5%
Total	11%	12%	11%

Other employees	Total	Women	Men
Under 30 years of age	8%	11%	7%
Between 30 and 50 years of age	46%	53%	43%
Over 50 years of age	33%	22%	37%
Total	87%	85%	87%

The management staff consists of 309 people, including those:	
Working and living in Warsaw	53.07%
Working in Warsaw and living outside Warsaw	38.51%
Working outside Warsaw and living in Warsaw	0.97%
Working and living outside Warsaw	7.44%



Employee of the Sewerage System Plant
Photo by Krzysztof Dubiel

Training

Percentage of employees who have been acquainted with the organisation's anti-corruption policies and procedures by type of employment and age	Those acquainted with anti-corruption policies and procedures
Fixed term	100%
Indefinite term	100%
Full-time	100%
Part-time	100%
Under 30 years of age	100%
Between 30 and 50 years of age	100%
Over 50 years of age	100%

Total training hours*	Total	Women	Men
Breakdown by position category			
Senior management	4,499	2,215	2,284
Middle management	14,546	4,107	10,439
Other employees	65,283	15,060	50,223
Total training hours	84,328	21,382	62,946
Breakdown by area of activity			
Administration	884	380	504
Customer service	1,108	739	369
IT	1,010	17	993
Production	49,526	4,275	45,251
Sales	1,822	1,424	398
Legal	1,108	920	188
Public procurement	3,084	2,125	959
Security, protection, OHS	1,275	472	803
Accounting, planning, controlling Audit	3,911	2,879	1,032
Investments, development, EU projects, environmental protection	8,482	5,012	3,470
Logistics, transport, support	9,324	879	8,445
Organisation, HR	2,794	2,260	534
Total training hours	84,328	21,382	62,946

*(1 hour = 60 min.)

Average hours of training* by gender	
Total number of employees	2,349
Average hours of training per year per employee	36
Number of women	641
Average hours of training per woman	33
Number of men	1,708
Average hours of training per man	37

*(1 hour = 60 min.)

Average hours of training* by sex and position category	Total	Women	Men
Senior management	107	117	99
Middle management	54	56	54
Other employees	32	27	34

*(1 hour = 60 min.)

**SUMMARY OF
GRI STANDARDS
INDICATORS**



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405-1	Diversity of governance bodies and employees	78-79

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