OUR RESPONSIBILITY

2019
# Table of contents

**NOTES ON OUR RESPONSIBILITY**
- Energa Group and the society .......................... 50
- A trusted part of the community .......................... 52
- Our contribution to development ........................... 56
- Being part of the local community .......................... 62

**ECOLOGICAL SOLUTIONS**
- Environmental protection in Energa Group ................. 90
- Fulfilment of objectives for 2019 and challenges for 2020 ......... 92
- Our approach to environmental impact management ............. 96

**RELATIONS WITH CUSTOMERS**
- Energa Group and the market ............................. 144
- Fulfilment of objectives for 2019 and challenges for 2020 ........ 146
- Scale of cooperation ...................................... 154
- Geographical availability .................................... 160
- Products ...................................................... 162
- Safety and stability of energy supply .......................... 166
- Relations with customers ...................................... 180

**GROUP AS A TRUSTWORTHY EMPLOYER**
- Energa Group as an employer ............................. 206
- Fulfilment of objectives for 2019 and challenges for 2020 ........ 208
- Structure of employment .................................... 212
- Terms of employment ........................................ 216
- Development and training .................................... 232
- Dialogue with employees and labour unions ..................... 236
- Support for employee volunteering programmes ................. 238

**ESSENTIAL INFORMATION ABOUT OUR GROUP**
- Energa Group as an employer ............................. 206
- Structure of employment .................................... 212
- Terms of employment ........................................ 216
- Development and training .................................... 232
- Dialogue with employees and labour unions ..................... 236
- Support for employee volunteering programmes ................. 238

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This report was drawn up in accordance with core GRI Standards. The GRI Index, found at the end of this report, is a convenient way to find specific information. The Index specifies the number of the page where a given piece of information or data is discussed, as well as the relevant GRI Standard indicated in the text on the relevant page.

This solution makes it easy to quickly find the required information in the text, even if it appears in several places in the report, as well as to compare the information with previous reports published by Energa Group or its competitors.

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Energa Group’s ‘Our Responsibility’ 2019 CSR Report was printed on Nautilus Classic paper, 100% recycled, uncoated, processed chlorine-free. Using this type of paper helps reduce the negative environmental impact.
ESSENTIAL information about Energa Group
The year 2019 in Energa Group was marked by comprehensive activities in the field of sustainable development and corporate social responsibility. At the end of the previous year, PKN Orlen announced its intention to buy the entirety of shares in Energa SA. By 30 April 2020, the corporation headquartered in Płock had purchased over 80% of shares in the company. The transaction marks the first step on the way to creating a strong multi-energy corporation, capable of more effective action on the domestic and global markets.

We believe that our company has a special duty to combine business operations with respect for the needs and values of the local communities where Energa operates. That is why for many years our corporation has strived to lead by example and set standards for good practices and norms.

Environmental protection is of great importance to Energa Group. For many years now we have been strengthening our position in the area of renewable energy sources, as evidenced by the 38% share of renewable energy sources in total installed electrical energy of power plants operated by Energa Group. The increasing importance of green energy has been reflected in the change of the name of one of our key companies, from Energa Wytwarzanie (Energa Generation) to Energa OZE (Energa Renewable Energy Sources).

Energa Group has implemented an integrated environmental and power management system, compliant with the provisions of the EMAS Regulation and requirements of ISO 14001 and ISO 50001 standards, enabling us to take advantage of the best available techniques and methods of management. The move resulted in the optimisation of consumption of resources, reduction of waste and pollutants emitted into the atmosphere and enabled us to reduce our operating costs. The Group was entered into the prestigious register of organisations covered by EMAS as early as in 2016.

Financial institutions also recognised in 2019 our many years of efforts in the area of environmental and social responsibility. A consortium of five banks granted Energa SA, the Group’s holding company, an ESG-linked loan, an innovative formula based on social and environmental indicators.

In the ‘Our Responsibility 2019’ report, we provide our readers with information as to the actions, corporate standards and good practices that brought Energa Group to a strong position in the area of corporate social responsibility. We also outline the objectives we have set for us in the coming years in all areas of key importance to CSR activities: employee, customer, environment and social-related.

We hope you find this report of interest.
Energa Group is one of Poland’s four major energy groups, with a leading position in the Polish market with regards to the share of electric energy produced from renewable sources in total own production. The Group’s basic operations include the production, distribution and trading in electricity and heat and the sale of natural gas.

Energa Group delivers and sells electricity to approx. 3 million customers, both households and businesses. Energa Group is also Poland’s third largest integrated distribution system operator in terms of the volume of energy supplied. Its distribution network comprises a total of over 189 thousand kilometres of power lines and covers a total area of nearly 75 thousand square kilometres, i.e. approx. 24% of the surface area of Poland.

### Energa Group in numbers

- **189,557 km**: total length of power lines
- **3.1 million**: number of customers
- **22.16 TWh**: distribution service volume
- **10,124**: number of power plants owned
- **102-3**: number of persons employed based on employment agreements

### Company profile and business model

**GRI**

102-1  
102-7

**GRI**

102-8  
G4-EU3  
G4-EU4

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### Locations of Energa Group’s operations and main assets

- **Koszalin**: wind farm, pumped-storage plant, combined heat and power plant, baseload power plant
- **Kartaline**: pumped-storage plant, photoelectric farm, combined heat and power plant
- **Kielce**: pumped-storage plant, photoelectric farm, combined heat and power plant
- **Toruń**: wind farm, pumped-storage plant, combined heat and power plant
- **Kalisz**: wind farm, photoelectric farm, combined heat and power plant
- **Płock**: wind farm, pumped-storage plant, combined heat and power plant
- **Olsztyn**: wind farm, pumped-storage plant, photoelectric farm, combined heat and power plant

**Distances**

- **Gdańsk**: 1,024 km
- **Warszawa**: 331 km
- **Oława**: 302 km
- **Olsztyn**: 138 km
- **Gdynia**: 98 km
- **Gdynia**: 93 km
- **Bystra**: 69 km

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**Local branch offices of Energa Operator SA**

- **Koszalin**: city or town
- **Kartaline**: length of power lines
- **Kielce**: electricity distribution area
- **Toruń**: number of recipients connected to the grid
- **Kalisz**: distribution of electricity
- **Płock**: sale of electricity
- **Olsztyn**: sales outlet
- **Gdańsk**: partner-operated point
- **Warszawa**: head office of Energa SA

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**Our responsibility 2019**
In 2019, Energa Group continued to implement a number of innovative projects in support of sustainable development. The most notable of these projects are discussed in more detail below.

**NEO Project**

In 2019, companies forming part of Energa Group continued their work as part of the NEO project, originally commenced in 2017. The purpose of the project is to gain experience and expand the Group's knowledge with regards to the potential uses of energy storage technology, enabling an increase in the flexibility of operation of the National Power System. As part of the project, an energy storage is being constructed at the Bystra Wind Farm. The initiative is also part of the Smart Grid Demonstration Project in Poland, implemented by NEDO, a Japanese governmental organisation.

**Pylon**

In 2018, Energa Invest Sp. z o.o. commenced implementation of the Pylon project. The project received the award of the Chief of the Polish Power Transmission and Distribution Association at the 32nd edition of the ENERGETAB® Bielsko-Biała International Power Industry Fair in 2019.

**SORAL**

The purpose of the SORAL project is to obtain knowledge and tools that will lead to an increased efficiency in the management of medium-voltage cable grids. The project involves the creation of a methodology for failure risk assessment and a SORAL IT system, enabling a measurable assessment of the potential for failure of individual components of medium-voltage grids. The system will provide information that will enable taking preventive action to reduce the number of failures and will support the process of modernisation of cable grids. The project has received funding from the National Centre for Research and Development as part of the Smart Growth Operational Programme 2014-2020, action 1.2. The project commenced in 2018 and is scheduled to conclude in 2021.

**Innovative business models**

- **Smart City**, electromobility and microgrids.
- **Future technologies** – issues related to the development of new generation and storage technologies which could support the area of energy generation and distribution.

**ESG-linked loan**

Energa Group is Poland’s first corporation to obtain funding in the form of a special ESG-linked revolving loan, aimed at promoting sustainable development. On 17 September 2019, Energa SA and a consortium of five banks entered into a loan agreement with a total value of PLN 2b over a period of 5 years (with the option to prolong the repayment period by a further two years).

The company intends to allocate these funds to projects such as the development of its renewable energy generating capacities and continued modernisation of its distribution grid, leading to increased comfort for energy recipients thanks to a reduction in power outages, as well as increased energy efficiency through a reduction in grid losses.

**ESG stands for environmental, social and governance**, i.e. goals related to the company’s activities for the environment, social responsibility and quality of governance.

**Innovations for a sustainable development**

**ESG-linked loan**

**Innovative projects**

**Programme 2014-2020, action 1.2.**

**Energa Group**

In October 2018, Energa SA announced its Strategic Research Agenda, establishing the main directions of research, development and implementation of innovations in the Group over the coming decade.

The Agenda comprises three pillars of development:

I. Improvements to business and technology, namely issues related to key areas of the company’s operations – generation, distribution, customer service.

II. Innovative business models – Smart City, electromobility and microgrids.

III. Future technologies – issues related to the development of new generation and storage technologies which could support the area of energy generation and distribution.

**Innovative business models**

- **Smart City**, electromobility and microgrids.
- **Future technologies** – issues related to the development of new generation and storage technologies which could support the area of energy generation and distribution.

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The ESG-linked loan constitutes significant backing for Energa Group and obtaining this funding is a great success for us, as it confirms our credibility in the eyes of international financial institutions and our strong position in the domestic market. The loan agreement creates new standards for Polish corporations and is an example of a tool that assists in the transformation of the energy sector towards renewable energy sources.
Energa Invest Sp. z o.o. is implementing a range of optimal transmission towers for use in 110 kV power lines. The structures incorporate the latest solutions developed by the company as part of its efforts to standardize the design and construction of overhead power lines and were created in collaboration with company Energa Operator SA. The system will be the first of its kind in Poland in terms of the comprehensive nature of solutions concerning the implementation of modern technologies and standardization in the area of power infrastructure.

The range of solutions includes 36 various types of transmission towers, i.e. 6 series of towers for use in 110 kV lines and 3 series of one- and two-circuit towers each for use in 310 kV, 526 kV and 5262 wind and ice zones. The towers are protected by a Community design covering a series of lattice transmission towers used in high-voltage lines. Furthermore, the company possesses the know-how required to develop and implement the Pylon project and design services in respect of transmission networks, stations and generating plants.

Electromobility project
Energa Group is a pioneer in the area of electromobility solutions in Poland. Energa Obrót SA is involved in the development of infrastructure for charging electrical vehicles, available to the general public. In 2013, the company commenced implementation of the eMobility project, which involved the installation of pilot infrastructure for charging electrical vehicles, testing of an electrical vehicle Fleet and of IT systems managing the charging terminals and EV fleet. The project also involved the implementation of Poland’s first car-sharing service based on electrical vehicles. Over the course of past years, the company participated in numerous initiatives in collaboration with local governments and private partners.

In 2019, Energa Obrót SA launched additional charging stations, located e.g. in the Tricity area, in Tczew, Starogard Gdański and Grudziądz, enabling drivers of electrical vehicles to access vehicle charging services, thus supporting the development of low-emission transport. In the coming years, the company plans to continue expanding its network of charging terminals, popularizing environmentally friendly means of transport and enabling their use for Polish citizens.

Since 2019, energy provided by Energa Obrót SA to its customers at charging terminals has also been generated from renewable sources.

DSR
As part of the DSR (Demand Side Response) service, companies which enter into suitable agreements receive remuneration for their readiness to reduce their power consumption, as well as for actually reducing consumption at the request of the Transmission System Operator. Such requests may be issued where the system is threatened by an energy shortage.

During a tendering procedure opened by Polskie Sieci Elektroenergetyczne SA in 2019, company Enspirion Sp. z o.o. was awarded contracts for a total reduction of power amounting to 542 MW during summertime and 362 MW during wintertime, which altogether constituted 70% of total power available for contracting as part of that tendering procedure. The DSR service improves the country’s energy security and enables a reduction in the consumption of electricity, e.g. by steel mills, chemical plants or telecommunications companies. In case of a potential energy shortage, these companies have indicated their readiness to move their production processes to different hours or to temporarily switch to their own power sources.

The further planned investment into power grids will contribute to an increase in the quality of life of power customers thanks to ensuring the continuity and reliability of the supply of energy. It will also ensure even broader access to energy generated from renewable sources.

Smart crosswalks
In 2019, Energa Oświetlenie Sp. z o.o. continued to install additional lighting on crosswalks using special lamps that improve the visibility of pedestrians. The newly installed lighting enables drivers to correctly assess the situation on the crosswalk, significantly improving safety and contributing to an actual reduction of risk in particularly dangerous locations. Solutions used involved specialized LED fixtures focusing white light directly on the crosswalk and the sidewalk. Locations of Smart crosswalks installed by the company in 2019 include Płońsk and Miłosnaję.

Pole-mounted electric vehicle charging terminals
In 2019, Energa Oświetlenie Sp. z o.o. commenced working on a project involving the modification of streetlights to enable their use for charging electric vehicles. The launch of pilot solutions, aimed at enabling the mass use of inexpensive electric vehicle charging systems, is planned for 2020. Particularly in larger cities, this will enable drivers to charge their electric vehicles in close vicinity of their homes.
Hope for Sport – Energa Group received a special award from the jury of the 84th annual popularity contest organised by the Przegląd Sportowy sports periodical at the Champions of Sports Gala. The statuette was awarded in acknowledgement of the Group’s contribution to the development of basketball in Poland. Since 2018, Energa has been the strategic sponsor of the Polish Basketball Association and the titular sponsor of top-tier Polish men’s and women’s basketball leagues.

JANUARY

During the second edition of the Vision for Growth Forum, Energa Group was presented with the Business Award in the Ecomobility category in recognition of its many years of pioneering involvement in the development of electromobility in Poland.

JUNE

Energa SA was presented with an award by the Ministry of Capital Works Projects and Development in the Social Reports competition for its ‘Our Responsibility 2018’ report, receiving high praise for such aspects as the transparency of the report and the level of detail of information provided therein. The report was also recognised in the ‘Journalist Jury Award’ category.

SEPTEMBER

At the 2019 edition of the Energatab International Fair, company Energa Invest Sp. z o.o. received the award of the Chief of the Polish Power Transmission and Distribution Association for its innovative design of a range of latticework transmission towers (one- and two-circuit towers for use in 110 kV power lines) named Pylon.

OCTOBER

The 2019 Polish Compass – an award presented by the Gazeta Bankowa periodical to Energa SA in recognition of the company’s unrelenting involvement in activities related to corporate social activity and sponsoring of sports (in particular support for Polish basketball).

Awards and commendations

Several good practices implemented by Energa Group in the area of corporate social responsibility and sustainable development were recognised in the 18th annual Corporate Social Responsibility in Poland – Good Practices’ report, published by the Corporate Social Responsibility Forum organisation for 2019.

Energa SA was recognised by the local government of the town of Toruń for its support for local athletes: women’s basketball team, table tennis and ice hockey.

Several good practices implemented by Energa Group in the area of corporate social responsibility and sustainable development were recognised in the 18th annual Corporate Social Responsibility in Poland – Good Practices’ report, published by the Corporate Social Responsibility Forum organisation for 2019.
**Timeline**

**2019**

**January**

- **R** Construction of a hybrid energy storage at the Bystra Wind Farm begins.
- **M** Modernisation of the hydroelectric plant in Borowo.

**February**

- **A** Tender procedure for the construction of a combined gas and steam plant in Grudziądz is announced.
- **M** 125th anniversary of the power industry in Płock.
- **J** An Energa Operator SA’s Distribution Zone is restored in Sierpc.

**March**

- **A** A tender procedure for the construction of a combined gas and steam plant in Grudziądz is announced.
- **P** 125th anniversary of the power industry in Płock.
- **M** An Energa Operator SA’s Distribution Zone is restored in Sierpc.

**April**

- **G** Energa Group and Polish Post sign a letter of intent concerning the development of electromobility.
- **E** Construction of the Przykona Wind Farm begins.
- **M** Completion of modernisation works at the Ostrółęka B power plant.

**May**

- **A** Energa Invest Sp. z o.o. and ORLEN Projekt SA sign a letter of intent concerning business and research cooperation.
- **E** Enspirion Sp. z o.o. declares the largest volume of power contracted as part of DSR service at an auction held by Polskie Sieci Elektroenergetyczne SA.

**June**

- **M** energa Invest Sp. z o.o. and ORLEN Projekt SA sign a letter of intent concerning the modification of safety gates on the Jamno Canal to the ‘Woody Polskie’ Polish Water Management Enterprise.
- **J** New Work Regulations enter into effect at Energa SA.
- **G** The Polish men’s national basketball team, sponsored by Energa Group, qualifies for the world cup held in China.

**July**

- **A** ORLEN Projekt SA sign a letter of intent concerning business and research cooperation.
- **E** Enspirion Sp. z o.o. declares the largest volume of power contracted as part of DSR service at an auction held by Polskie Sieci Elektroenergetyczne SA.
- **G** Completion of modernisation works at the hydroelectric plant in Gałąźnia Mała.
- **K** The Polish Power Industry Traditions Centre opens in Toruń.

**August**

- **M** A decision to reopen local branches of Energa Operator SA in Elbląg and Słupsk is announced.
- **P** An investor loyalty program named Energa in Action commences.
- **G** Energa SA obtains an ESG-linked loan as the first corporation in Poland.
- **J** Energa and the University of Gdańsk enter into an agreement concerning collaboration in the field of science, technology, support for research and new technologies.

**September**

- **M** A decision to reopen local branches of Energa Operator SA in Elbląg and Słupsk is announced.
- **P** An investor loyalty program named Energa in Action commences.
- **G** Energa SA obtains an ESG-linked loan as the first corporation in Poland.
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**October**

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- **G** Energa SA obtains an ESG-linked loan as the first corporation in Poland.
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**November**

- **M** A decision to reopen local branches of Energa Operator SA in Elbląg and Słupsk is announced.
- **P** An investor loyalty program named Energa in Action commences.
- **G** Energa SA obtains an ESG-linked loan as the first corporation in Poland.
- **J** Energa and the University of Gdańsk enter into an agreement concerning collaboration in the field of science, technology, support for research and new technologies.

**December**

- **M** A decision to reopen local branches of Energa Operator SA in Elbląg and Słupsk is announced.
- **P** An investor loyalty program named Energa in Action commences.
- **G** Energa SA obtains an ESG-linked loan as the first corporation in Poland.
- **J** Energa and the University of Gdańsk enter into an agreement concerning collaboration in the field of science, technology, support for research and new technologies.
Energa Group’s dominant entity is Energa SA with its registered office in Gdańsk. The company is the sole owner of companies operating as leaders of key business lines: Distribution, Generation and Sales. Energa SA is responsible for active owner’s supervision, integration of major management and support functions and for making decisions as to the strategic directions of the Group, its business model and management of its value. Since December 2013, the company’s shares are traded on the Warsaw Stock Exchange as part of the WIG30 index.

In the period covered by this report, an important change took place with regards to the leading entity of the Generation Business Line, company Energa Wytwarzanie SA, which was renamed to Energa OZE SA. A decision was made to modify the concept of its operation, as a result of which the heat generating assets owned by the Group and company Energa Elektrownie Ostrołęka SA will be directly subordinated to Energa SA. Thanks to this, the activities of Energa OZE SA will focus solely on generating energy from renewable sources and the continued development of generation capacities of renewable energy sources. This decision marked the commencement of work on updating the strategy of Energa Group’s development, aimed at continuing to strengthen the Group’s position in the area of renewable energy sources.

Commencement of capital works projects with regards to new gas generating facilities in Grudziądz and Gdańsk required to transfer of organised parts of the enterprise from Energa OZE SA to special purpose vehicles named EDB PGK 1 Sp. z o.o. and ENSA PGK 8 Sp. z o.o. The SPVs then changed their trading names to CCGT Grudziądz Sp. z o.o. and CCGT Gdańsk respectively. Both companies were then assigned to the Generation Business Line - they had previously operated as part of the Services and Other Business Line.

In the period covered by this report, Enspirion Sp. z o.o. a leading entity in the Polish market in terms of DSR (Demand Side Response) solutions and a company with extensive experience in the field of electromobility, was meanwhile moved from the Services and Other Business Line to the Sales Business Line. The purpose of this change was to ensure a better integration of activities in the field of DSR with the sale of electricity within the structure of Energa Group, as well as to achieve a better efficiency in the process of making business decisions.

There were changes to the composition of the Board of Directors of Energa SA in the period covered by the report. Detailed information is available online at: https://ir.energa.pl

Our task is to develop Energa Group, strengthen its market position and record the best possible financial results. In recent years we have not only developed our competences in the field of electromobility and renewable energy sources, but also restructured the entire Group, creating mutually collaborating and complementary business lines which made achieving our goals and exercising owner supervision easier and more efficient. It is an important change, but our work is not finished. Energa Group is facing many more tasks that need completing.

Jacek Goliński
CEO of Energa SA

Our responsibility 2019
Energa Group is one of Poland’s largest vertically integrated producers, distributors and vendors of electricity. We operate across the entire value chain, from the distribution of electricity in the area of our Distribution Grid Operator to the sale of electricity to customers across Poland both individual and business or institutional, as well as to local governments.
Distribution

Companies from the Distribution Business Line focus on operations related primarily to the distribution of electricity.

The leading entity of this line is Energa Operator SA, which, pursuant to a decision by the Chief of the Energy Regulatory Office, acts as a Distribution System Operator on an area covering approx. ¼ of the surface area of Poland. According to the requirements of the concession for distribution operations, which was extended until the end of 2030 during the period covered by this report, Energa Operator SA is responsible for the development, operation and modernisation of distribution infrastructure in the area of its operations, and for ensuring the supply of electricity with requisite quality parameters to customers connected to its power grid.

The company is in the leading position in the Polish market in terms of improving its SAIDI and SAIFI failure rates, as well as implementing modern solutions and smart grid technologies. It owns the largest number of smart energy counters connected to the distribution grid with over 850k units. In the period covered by the report, the company obtained additional funding in the amount of PLN 170m from the Infrastructure and Environment Operational Programme and regional operational programmes for the years 2014-2020 for further investment into the development of smart power grids.
In 2019, the leading entity of the line was renamed from Energa Wytwarzanie SA to Energa OZE SA. Electricity is generated from water, wind, biomass, sunlight and bituminous coal. The generating asset portfolio of Energa OZE SA includes 44 small hydroelectric plants, a large hydroelectric plant in Włocławek, a pumped storage plant in Żydowo, five wind farms and two photovoltaic farms. Further generating assets are in various stages of construction, works required to bring the Przykonwa Wind Farm with an installed power of 31 MW online are close to completion. Asset portfolios of Energa OZE SA’s subsidiaries include one conventional power plant (Ostrołęka B Power Plant), four CHP plants and two thermal power stations. Companies from this business line supply heating to customers in Kalisz and Ostrołęka using their own district heating lines. Energa Group can boast the highest share of electricity from renewable sources in own generation among all Polish power industry groups, amounting to 38 percent in the energy mix in 2019.

Operations of companies in the Sales Business Line focus on trading in electricity and gas, as well as providing customer service. Energa Obrót SA is the leading entity of this line. Its main operations include trading in energy and gas on domestic and international wholesale markets, as well as selling energy and gas to individual, business or institutional customers.

Energa Obrót SA offers innovative, pro-ecological technologies and services, related to such areas as energy efficiency, provision of electric vehicle charging services at its stations or the installation of photovoltaic infrastructure. The company sells electricity to 3 million customers, of which over 2.6 million constitute households. Energa Obrót SA pays close attention to optimising customer service processes, developing electronic service channels and ensuring a high quality of its services.
We develop, providing the best solutions for our customers.

Responsible development
Credibility
Safety
Courage and innovation
Lasting relations

We achieve the goals of our shareholders, customers, employees and environment in a sustainable manner, based on a reliable and modern infrastructure and our products and customer service adapted to the needs of our stakeholders, with respect for the environment and in accordance with rules of social responsibility.

Objective 1.
Development of modern power infrastructure

The following strategic programmes were specified as the means to achieve this objective:

Programme 1. Expansion of a smart and reliable electricity distribution grid. In the face of changing market conditions, objectives were updated in 2017 and include the development of Smart Grid, modernisation of grid assets, improvement of quality parameters and installation of AMI counters.

Programme 2. Development of infrastructure Internet access infrastructure. The short-term objective, involving the creation of a business model, was completed in 2017.

Programme 3. Taking advantage of revenue stabilising regulations in terms of the energy market and thermal energy tariffs. Energy generating companies forming part of Energa Group successfully participated in energy market auctions, obtaining support in this regard. The ongoing construction of a 1000 MW-class unit at the Ostrołęka C power plant has received support for a period of 15 years.

Programme 4. Sustaining a strong position in terms of renewable energy sources. Energa Group boasts the highest share of energy produced from renewable sources among all Polish power industry groups (over 30 percent) and will strive to further consolidate its already strong position in this regard. The Group is currently constructing the Przykona Wind Farm with a power of 31 MW, which is scheduled to be brought online in Q2 of 2020.

Objective 2.
A customer-oriented business model, enabling the efficient management of customer values, based on a coherent range of products and services offered.

The following strategic programmes were specified as the means to achieve this objective:


The programme focuses on the customer and on meeting their demands by providing them with appropriate products, thus increasing their satisfaction with the products and services offered by Energa Group. The annual objective of the programme, oriented towards generating a set EBITDA value, is being achieved.

Energa Group’s strategy for the years 2016-2025 specifies two objectives of business development and value creation:

Dominik Wadecki
VP of Operations, Energa SA

Energa Group operates within a dynamically changing market and regulatory environment. We analyse existing and potential directions of development and improving operational excellence, all in order to create value of our business. Our highest priorities include caring for the environment, Poland’s energy security, ensuring continuity of supply of electricity and providing an attractive offer for our customers.
Energa Group actively participates in the activities of many industry, specialised and business organisations. Involvement of employees in the work of these organisations enables the exchange of experiences, gaining new knowledge and integration of power industry experts. In this way, Energa Group is able to build lasting relations and contribute valuable input to its environment.

In 2019, Energa Group increased its involvement in the initiatives of the Polish Electricity Association and the Polish Chamber of Power Industry and Environmental Protection. Membership in these organisations enables Energa Group to exchange knowledge, valuable experience and good practices with representatives of the entire Polish power industry.

Membership in organisations

- Centre of Transfer Prices (no longer a member since February 2019)
- Polish Committee of Large Electric Systems CIGRE
- Polish Research Laboratory Club POLLAB
- Association of Business Owners and Employers
- Polish Association of Electricians
- Commodity Clearing House
- TUW P2UW mutual insurance company
- Prime Alliance
- Pomeranian Employers
- Association of Energy Trading
- Association of Polish Electrical Engineers
- Energa Association of Power Industry Employers
- Economic Society Polish Power Plants
- European Distribution System Operators for Smart Grids

Bolded names indicate organisations that included a representative of Energa Group in their management, supervisory or executive bodies in 2018.
In the period covered by the report, Energa Group comprised 22 companies: the holding company Energa SA, and 21 other companies divided into 4 business lines. In 2019, organised sections of the enterprise related to the implementation of projects involving the construction of combined cycle gas and steam plants with steam turbines were separated from company Energa OZE SA and transferred to special purpose vehicles: CCGT Grudziądz Sp. z o.o. (formerly EOB PGK1 Sp. z o.o.) and CCGT Gdańsk Sp. z o.o. (formerly ENSA PGK8 Sp. z o.o.). These companies were reassigned to the Generation Business Line.

Organisational Structure of Energa SA

Board of Directors of ENERGA SA

Department of Finance
Strategic Management Department
Department of Corporate Management
Department of Staff Policy
Department of Investor Relations
ESG Department
Audit and Internal Control Office
Office of the Board of Directors
Security Office
Legal Office
Press Office
IT Department
Department of Development and Innovation

Energa SA

Generation
- Energa OZE SA
- Energa Serwis Sp. z o.o.
- Energa Kogeneracja Sp. z o.o.
- Energa Eletrownie Ostołęk SA
- Energa Ciepło Kaliskie Sp. z o.o.
- CCGT Grudziądz Sp. z o.o.
- CCGT Gdańsk Sp. z o.o.

Distribution
- Energa Operator SA
- Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o.

Sales
- Energa Obrót SA
- Energa Oświetlenie Sp. z o.o.
- Enspirion Sp. z o.o.
- Energa Slovakia s r o.

Services and other
- Energa Informatyka i Technologie Sp. z o.o.
- Energa Logistyka Sp. z o.o.
- Energa Centrum Usług Wspólnotch Sp. z o.o.
- Energa Finance AB
- Energa Ochrona Sp. z o.o.
- Centrum Badawczo- -Rozwojowe im. M. Faradaya Sp. z o.o.
- Energa Invest Sp. z o.o.

*status as of 31 December 2019
Structure of the Board of Directors of Energa SA

Jacek Goliński  
CEO

An experienced manager who gained knowledge and skills while working as a member of boards of directors of key Polish energy and fuel corporations. His previous professional experiences were primarily in the field of management, supervision of company operations, marketing and achievement of set sales goals and optimisation of business processes in enterprises, primarily in the power industry.

Member of the Board of Directors of Energa SA since December 2019. From October 2019 he was the CEO of ORLEN Paliwa sp z o.o. Between 2018 and 2019 he was the CEO of the Inowrocław Salt Mine ‘Solino’. From May 2017 he was employed as the general director of the Gdańsk Branch at Energa Operator. In 2014 he owned a business providing power consulting services and was a regional sales director at PKP Energetyka. Between 2007 and 2013 he coordinated tasks in the area of commerce at such companies as Carlsberg Polska, Wella Polska and ZT Kruszwica.

A graduate of the Faculty of Economy and Management at the Koszalin University of Technology. He completed a postgraduate course in Economy of Agriculture and Agroenergy, as well as an Executive Master of Business Administration at the Higher School of Trade and Services in Poznań.

He is responsible for functional supervision of the following fields of operations of Energa SA: management of the organisation, legal services, auditing, control, strategic risk management, security, Group staff policy, including employment of members of governing bodies of Energa Group companies, social dialogue, strategy of Energo Group, mergers and acquisitions, corporate and owner’s supervision within the Group, objective-based management, management of Group’s organisational/corporate governance, environmental policy.

Responsibility for making decisions in key environmental issues.

Adrianna Sikorska  
VP of Communication

Adrianna Sikorska was appointed as the VP of Energa SA on 17 December 2019. She is responsible for communication, corporate social responsibility, sponsoring and marketing.

A manager with several years of professional experience in the fields of information, analyses and security. She has practical knowledge in the area of building a communication strategy and knowledge related to financial mechanisms in business entities. She possesses experience from working in key areas of operational business management, i.e. communication, security, finance, logistics and human resources.

Between 2016 and 2019 she was employed in management and supervisory positions in the power industry, in entities from the PKN Orlen group of companies. Between 2013 and 2016 she provided consulting services in the area of detecting risks and irregularities in business and their elimination. Between 2007 and 2013 she worked as an economic analysis expert for the Central Investigation Bureau. Between 1993 and 2007 she held various specialised and expert posts with the Polish police.

She completed an Executive MBA at the Higher School of Trade and Services in Poznań. She is a graduate of the School of Entrepreneurship in Warsaw, Lublin University of Technology and the Higher Police Academy in Szczecin. She is responsible for functional supervision of the following fields of operations of Energa SA: marketing and sponsoring, institutional relations, internal and external communication, CSR, press services.

Responsibility for making decisions in key social issues.
Dominik Wadecki possesses a broad array of knowledge on the operations of companies in the power industry and creating their operational models. He possesses skills in the field of exercising supervision over the capital market, efficiency of the tax relief and exemption system, bank investment operations and privatisation of banks. He is also an expert in auditing thanks to his previous experience as an internal auditor.

A member of the Board of Directors of Energa SA since May 2019, Dominik Wadecki has worked for the Group since 2017 as the CEO of Energa Logistyka, and previously as a member of the board and managing director of that company. In 2010 he sat on the Supervisory Board and the Board of Directors of PGE Zamojska Korporacja Energetyczna SA. Between 2006 and 2014 he worked for the Polish Energy Group as an external auditor. Between 1999 and 2007 he was an employee of the Supreme Audit Office. His professional career began in the banking sector in 1997, at Pierwszy Bank Komersyjny SA in Lublin.

A graduate of the Faculty of Law at the John Paul II Catholic University of Lublin and the College of Enterprise Sciences at the Warsaw School of Economics. He completed an apprenticeship as a controller at the Supreme Audit Office with commendation.

He is responsible for functional supervision of the following fields of operations of Energa SA: regulatory policy, management of strategic assets, market analyses and Group development, research, development and innovation, IT.

Marek Kasicki is an experienced economist and manager. He possesses knowledge in the area of company budgeting and managing the financial liquidity of companies. He has experience in the field of financing and monitoring operational and investment activities of companies, obtained while working for external financial institutions, including the European Investment Bank and the European Bank for Reconstruction and Development.

He has been working for Energa since March 2016 as VP of Energa Operator, where he was responsible for the Finance and Regulatory Division and Distribution Services Division. Since 2007 he has been the VP of Finance at Agencja Rozwoju Pomorza SA. Between 2009 and 2016 he headed the Capital Fund at Agencja Rozwoju Pomorza SA. Between 2000 and 2007 he held the posts of director of finance, VP and CEO of the Managing Group of Pomerania SA. He sat on supervisory boards of Mikrostyk SA, MIDIE SA, Pomorski Regionalny Fundusz Poreczek Kredytowych Sp. z o.o., INVEND Sp. z o.o., i-Find.pl Sp. z o.o., i-Trends Sp. z o.o.

A graduate of the Faculty of Management and Economics at the Gdańsk University of Technology, French-Polish Postgraduate Studies in Banking and Finance, Postgraduate Tax Studies, Postgraduate Studies in Management – Executive MBA organised by the Gdańsk Manager Education Foundation and Rotterdam School of Management Erasmus University. He has completed training in the fields of MSR, mergers and corporate acquisitions. He holds a national diploma of a Candidate for a Member of Supervising Boards at State-Owned Companies.

He is responsible for functional supervision of the following fields of operations of Energa SA: financial planning and analyses, financial statements and consolidations, financial policy, management of the Group’s financial risks, business controlling, investor relations, stakeholder relations.

Responsibility for making decisions in key economic issues.
Risk management system and process in Energa Group

Risk management in Energa Group is a continuous process aimed at identifying potential events that might affect the implementation of business strategies and objectives. At the same time, the role of the process is to keep the risk within established boundaries. The process is based on international standards (ISO, COSO II, FERMA) and applies in all business lines and on all levels of the organisation, from organisational units to senior management, from individual Group companies to the holding company, Energa SA.

The formal frameworks of the Integrated Risk Management System within the organisation are specified in ‘Energa Group’s Risk Management Policy’, constituting part of the collaboration agreement between individual companies of Energa Group. The policy enables the application of uniform rules across the entire Group and specifies individual stages and roles within the risk management process.

Due to increasing external requirements with regards to the assessment and management of risk in various areas, the Risk Management System operating within Energa Group integrates and takes into account various processes established in respect of specific risks. A holistic model of Energa Group’s systemic approach to the management of various types of risk can be found in the below diagram:

<table>
<thead>
<tr>
<th>Energa Group's Integrated Risk Management System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of risk affecting strategy and objectives</td>
</tr>
<tr>
<td>Management of environmental risk (ERM: ISO 14001)</td>
</tr>
<tr>
<td>Management of information security risk (ISO 27001)</td>
</tr>
<tr>
<td>Management of business continuity risk (ISO 22301)</td>
</tr>
</tbody>
</table>

Ongoing and cyclical risk reporting

The following activities are implemented as part of a systemic approach to risk management:

**A. Ongoing risk management** – involves the identification and assessment of risk and formulation of risk management strategy, e.g. in connection with projects, programmes, task forces and ongoing activities, in the context of events inside and outside Energa Group.

**B. Cyclical risk management** – risk reviews involving the identification and assessment of risk and formulation of risk management strategy based on a comprehensive approach, on all levels of the organisation (in all organisational units) and Energa Group (entities, business lines, holding company) in six-month cycles.

**C. Cyclical monitoring of implementation of action plans** – action plan reviews involving quarterly updates of risk management strategy and verification of actions taken by risk owners in order to limit risk.

Roles and responsibilities within the Risk Management System

Effective and efficient actions implemented as part of the risk management process are taken based on a clear division of roles and responsibilities within the system:

**Employees**

Provide information on events and risks.

**Risk owner**

Manages risk, prepares and implements a risk management strategy, monitors risk and keeps it within specified limits.

**Risk Department**

Coordinates the risk management process, carries out risk and strategy reviews, provides reports for senior management.

**Board of Directors**

Exercises supervision and specifies directions of risk management, receives results of risk management and specifies appetite for risk.

**Audit and Control Department**

Assesses components of the Risk Management System in an independent and objective manner and accounts for the results of risk reporting in the course of its activities.

**Auditing Committee**

Monitors the effectiveness of the Risk Management System.
Tools in support of risk management

Systemic risk management is implemented using tools maintained and developed as part of internal competences within Energa Group, such as:

- **Risk sheet**: a form used to describe and assess risk, consistent across the entire Group
- **Event sheet**: a form used to describe and report risk materialisation events, consistent across the entire Group
- **Risk/event log**: a list of all risks/events in a specific company or the entire Group, enabling the preparation of analyses and generation of statistics
- **Risk model**: a description of main areas and categories of risk, enabling a comprehensive identification of risks and allowing for the comparison and aggregation of risks in all areas of operations of Energa Group
- **ERM site**: a dedicated area within the Microsoft SharePoint environment, enabling the archival and versioning of documentation, reporting of events, management of authorisations
- **Risk map**: a graphical presentation of the scope of impact, probability and significance of risk assessment
- **Risk model**: a description of main areas and categories of risk, enabling a comprehensive identification of risks and allowing for the comparison and aggregation of risks in all areas of operations of Energa Group
- **ERM site**: a dedicated area within the Microsoft SharePoint environment, enabling the archival and versioning of documentation, reporting of events, management of authorisations

Major non-financial risks

The section below contains a description of selected risks identified in the following areas:

- **Environmental protection area**
  - Risks which might have an adverse impact on the environment are identified and managed by key companies of the Group (primarily in entities in Generation and Distribution Business Lines). Risks in this area are related to such aspects as having to observe legal regulations, permits, norms and standards with regards to environmental protection and limitations applicable to capital works projects in areas subject to particular protection. Environmental protection within Energa Group is related to issues such as emission of pollutants, CO₂, SO₂, storage of waste, quality of fuels used by Group companies, technical condition of Group’s infrastructure (including equipment used for environmental protection).
  - Risk owners implement actions aimed at improving environmental protection in the course of implementing their tasks and eliminating their negative environmental footprint. The Group has implemented an ISO-14001 compliant environmental management system and an ISO-50001 compliant energy management system. Companies carry out cyclical monitoring of environmental aspects and operate emission monitoring systems. Energa Group is entered into EMAS (EcoManagement and Audit Scheme), which means that the organisation meets very strict requirements with regards to environmental protection and operates in accordance with the concept of sustainable development. Structures of Group companies feature organisational units responsible for environmental protection. Cyclical environmental audits are also performed. General intentions and directions of action of Group companies with regards to the effects of the Group’s environmental activities and energy efficiency can be found in Energa Group’s Environmental and Power Policy.
Risk related to ensuring appropriate competences and appropriate staff. Specifying standards of interaction with the labour market or labour and salary processes is identified and managed on the level of Energa SA and – on operational level – within individual companies. The main mechanisms aimed at mitigating this risk include applicable internal regulations (including Energa Group’s Personal Policy, Mobbing and Discrimination Prevention Policy, Code of Ethics, working regulations, remuneration regulations), monitoring of legal regulations in the area of labour law, monitoring of indicators related to staff policy area (personal controlling), specifying targets for staff and assessment of their achievement, regular training courses or initiatives taken by human resource departments.

Particular care is given to the generation gap risk, related to a lack of continuity in employment and loss of specialized (technical) knowledge by Group companies due to numerous retirements and inability to replace outgoing staff with new human resources available on the job market. Risk mitigation measures include the implementation of actions related to age management, collaboration with higher education institutions with regards to job placements and internships, as well as the implementation of priority objectives as part of Energa Group’s Strategy for Sustainable Development and Responsible Business in the ‘Staff’ area. These objectives include building the image of the Group as a responsible employer or operating the ‘Energy for Science’ program, as well as building relations with future employees (e.g. by taking patronage over vocational schools or funding scholarships for the best students).

Risk related to occupational safety and health and fire safety concerning workplace accidents and occupational diseases involving employees of Group companies, as well as the risk of fires on the premises of Group companies is identified and managed within all Group companies. Risk is mitigated by such measures as the application of Occupational Safety and Health within Energa Group, providing training to employees in the area of occupational safety and health and fire safety, as well as the implementation of tasks of occupational health and safety services in accordance with provisions of the Regulation of the Council of Ministers on Occupational Health and Safety Services. The area of occupational health and safety within the group is subject to additional supervision exercised by the Representative of the Board of Directors of Energa SA for Occupational Health and Safety within Energa Group.

Risk related to situations and behaviours related to abuse, including conflict of interest, corruption or fraud potentially committed by employees of Energa Group companies, is identified and managed both on the level of Energa SA and key Group companies. In order to limit the potential for corruption or other abuse, the Energa Group Abuse and Conflict of Interest Prevention Policy has been implemented. The Energa Group Code of Ethics has also been implemented, which specifies the values that should be followed by the Group’s employees and the entire organisation. Training courses are organised for employees in such areas as abuse and conflict of interest, including using the e-learning platform. The organisation also collaborates with law enforcement agencies in preventing abuse.

Risk related to the correct and timely provision of information for ratings, rankings and reports from the ESG area, as well as to the correct choice of supported stakeholders, identified and managed on the level of Energa SA. Risk is alleviated through the application of Rules Governing Sponsoring Activities, which are consistent with good practices in the area of sponsoring activities of companies with State’s shareholding.

Risk related to Group activities impacting its image is identified and managed on the level of Energa SA. The risk is limited by such measures as adopting a model of centralising marketing activities within Energa SA, as well as the application of rules of marketing communication, internal communication and corporate identity manual within the Group. Media and environment monitoring is also carried out in order to check for brand presence, as well as surveys of customer satisfaction and brand recognition for Energa Group.

Furthermore, risk related to sponsoring activities is identified and managed on the level of Energa SA. Risk is alleviated through the application of Rules Governing Sponsoring Activities, which are consistent with good practices in the area of sponsoring activities of companies with State’s shareholding.

Risk related to dialogue and relations with trade unions is identified and managed primarily on the level of Energa SA. Energa Group places particular attention on maintaining proper relations with representatives of the community – the Group maintains a common policy of community dialogue. In order to maintain proper communication with trade unions and workforce representatives, information on planned changes is communicated in advance. Collective labour agreements are in effect in individual Group companies.

Risk related to the implementation of tasks of occupational health and safety within Energa Group, providing training to employees in the area of occupational safety and health and fire safety, as well as the implementation of tasks of occupational health and safety services in accordance with provisions of the Regulation of the Council of Ministers on Occupational Health and Safety Services. The area of occupational health and safety within the group is subject to additional supervision exercised by the Representative of the Board of Directors of Energa SA for Occupational Health and Safety within Energa Group.

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Risk related to the correct and timely provision of information for ratings, rankings and reports from the ESG area, as well as to the correct choice of supported stakeholders, identified and managed on the level of Energa SA. Key mechanisms used to mitigate risk in this area include the implementation of the Group’s Strategy for Sustainable Development and Responsible Business, dialogue with stakeholders and implementation of tasks resulting from ministerial good practices in the area of corporate social responsibility.
Risks related to quality and standards of customer service within Energa Group are managed both on the level of Energa SA (supervision) and on the level of sales or distribution companies (operational activity). Rules governing the supervision and coordination of customer service processes are in affect within Energa Group. Customer service standards are reviewed and customer parameters are approved on an ongoing basis. Guidelines for Energa Group’s customers detailing the method of submitting and resolving issues are published online on webpages operated by individual companies.

Risks related to communication, both with the media and with representatives of the capital market, are identified and managed on the level of Energa SA. Risks are mitigated by measures such as maintaining external communication on behalf of Energa Group by the Press Department of Energa SA, i.e. organising press conferences concerning key events and plans of the Group, regular publication of press releases, monitoring of media and reacting to events as they occur. Furthermore, risk is mitigated through complying with duties resulting from the Information Policy with regards to investor relations and ongoing verification of expectations of analysts and investors in terms of communication. Energa SA also operates a loyalty program for individual investors under the name ‘Energa in Action’.

Risks of strategic programs related to the implementation of the Group’s strategy for the years 2016-2025 are managed both on the level of Energa SA and of individual companies involved in the implementation of the strategy. Risks include those related to the application of regulations aimed at stabilising revenues with regards to heat tariffs, the implementation of a new, customer-oriented business model and development of new areas of operations. Risks are mitigated by such measures as the performance of tasks in a program formula (project formula – steering committees, task forces) and ongoing monitoring of works.

Market risks related to trading in electricity and fuels and property rights, e.g. in the context of volatility of prices, liquidity in the forward market and SPOT market, meeting customer demand or regulatory and legal requirements. Risks are mitigated by such measures as the performance of tasks resulting from applicable rules for the management of risks in the main area of operations of Energa Obrót, portfolio management policy and a number of operational instructions. Furthermore, Energa Group takes actions in order to centralise wholesale trading for the purpose of ensuring coherent management of market risk across the entire Group.

Regulatory risks concerning changes in legislation affecting the operation of individual business lines of Energa Group are identified and managed on the level of Energa SA. These risks may have an adverse effect on liquidity, require modification of capital works plans or result in an increase in operating costs. They also constitute an opportunity for adopting legal regulations that will enable obtaining additional funding or guarantee a system of support for the Group’s assets. To mitigate the potential effects of regulatory risks, the Group implements such actions as monitoring of changes to laws, participation in the legislative process, including by monitoring legislative initiatives and formulating opinions with regards to such initiatives, as well as participation of employees of the Group in professional associations operating in the power industry.

Legal risk related to court and administrative proceedings initiated by or against entities forming part of the Group is identified and managed both on the level of Energa SA and on the level of individual Group companies acting as parties to such proceedings. In order to mitigate legal risks and limiting their impact, the Group implements actions resulting from rules governing the coordination of legal representation applicable within the Group and reviews the compliance of agreements in the area of sponsoring, CSR, PR and consulting made without a tender procedure. Court disputes are also analysed in terms of their potential for settlement.

Risk of suspending the operation of the Polish energy market related to the potential decision of the Court of Justice of the European Union to uphold the complaint submitted by Tempus Energii and the rendering of a verdict resulting in the revocation of the decision of the European Commission to accept the Polish energy market, is identified within Energa Group. Energa SA monitors events related to the above issue. Furthermore, one of Group companies participates in the above matter as an intervening party.

Risk related to the protection of personal data, infringement of rights or liberties of natural persons concerning the security of personal data processed by the Group, meeting the requirements of GDPR and any external laws and regulations concerning the processing of personal data and privacy is identified in all Group companies. Energa Group has implemented a personal data security policy, which stipulates rules governing such topics as the outsourcing of processing of personal data, procedures in case of breach of personal data, procedures of obtaining consent for the processing of personal data, procedures for enabling data subjects to exercise their rights and procedures concerning training courses in personal data protection.
Energa Group attaches great significance to building and maintaining a culture of ethics within the organisation.

The basis for the mission and vision of the organisation, its development and growth and achievement of business objectives is the compliance of actions and decisions of all employees with requirements resulting e.g. from ethical values, provisions of applicable laws and guidelines of supervisory authorities.

**Code of Ethics**

All employees are required to familiarise themselves with the principles and standards found in the Code of Ethics, which they confirm by signing a declaration included in their personnel file. New employees are familiarised with the document during their onboarding process.

In case of updates to any regulations, including the Code of Ethics, employees are promptly notified of this fact via available channels of internal communication, such as email or intranet.

Energa Group’s Code of Ethics constitutes a basic regulation governing the area of ethics and compliance. It regulates ethical matters related to the operation of the entire group of companies and its employees. The Code contains rules of conduct in their relations with the external environment and within the Group. Provisions of the Code are strictly based on the principles and standards found in the Code of Ethics, which they confirm by signing a declaration included in their personnel file. New employees are familiarised with the document during their onboarding process.

In case of updates to any regulations, including the Code of Ethics, employees are promptly notified of this fact via available channels of internal communication, such as email or intranet.

Energa Group’s Code of Ethics is available online for all stakeholders at: https://grupa.energa.pl

Responsible development involves such actions as setting business objectives and striving to achieve them while maintaining a balance with regards to identified risks in order to keep in mind the consequences of actions and decisions taken and accepting responsibility for them. It requires gaining awareness of the expectations and needs of stakeholders, their mutual reconciliation and taking them into account when planning and performing actions.

Credibility and security includes looking at the development of the organisation in a long-term perspective, while maintaining a balance between business objectives and risks taken; it requires ensuring the security of the supply of energy to customers using modern and reliable technologies and a wide array of products and services.

Courage and innovation includes thinking of new directions of action and opportunities for the development of the organisation, while remaining aware of the risks involved and subjecting them to a careful assessment; looking for and developing innovative solutions with a legitimate business purpose that meet the needs and expectations of stakeholders.

Lasting relations involve maintaining deep and long-term relations with customers, implementing a business model oriented towards their needs, acting with respect, openness and understanding of expectations of stakeholders and being ready to meet these expectations if in the organisation’s interest.

In case of any doubts in matters concerning the Group’s values and ethical principles or in case of any breaches of these values or principles, employees may contact the compliance department by email at compliance@energa.pl in Energa SA, or they may speak directly to their supervisors. The Board of Directors of Energa SA has appointed a Representative for Compliance, acting as the ethics ombudsman within the organisation, responsible for such matters as ensuring the compliance of the actions of the organisation (and its employees) with standards formulated in the Code of Ethics.
Employees are informed of mechanisms that enable them to obtain advice with regards to conducting ethical matters via intranet and during training courses. Any abuse may be anonymously reported to compliance@energa.pl from any email address. All messages are kept confidential and applicable procedures stipulate that persons reporting abuse must be protected from any negative consequences of whistleblowing. No questions concerning ethics were received in 2019.

Energa Group operates in a strategic sector of a market environment, and therefore the Group’s actions must meet the above standards. This is particularly important in the case of compliance with applicable laws, internal regulations and other rules and standards, in particular those that may be classified as corruption, fraud or other forms of abuse or conflict of interest.

The purpose of procedures included in the document is to prevent any abuse and conflicts of interest, as well as to maintain due care and diligence when resolving any potential misgivings or suspicions as to the proper conduct of employees of Energa Group.

Preventing corruption

A policy for preventing abuse and conflicts of interest applies within Energa Group and constitutes part of the collaboration agreement made between individual companies forming part of the Group. The policy ensures a Group-wide standardisation of requirements applicable to employees for reacting to any violations of applicable laws, internal regulations and other rules and standards, in particular those that may be classified as corruption, fraud or other forms of abuse or conflict of interest.

The purpose of procedures included in the document is to prevent any abuse and conflicts of interest, as well as to maintain due care and diligence when resolving any potential misgivings or suspicions as to the proper conduct of employees of Energa Group.

In order to reinforce the awareness of the Group’s employees as to the content of the document and procedures resulting from its terms, informational and educational activities are carried out using available means of internal communication. In the period covered by this report, e-learning training courses on preventing abuse and conflict of interest were implemented.

Preventing mobbing and discrimination

Rules governing the reporting of any activities that might constitute mobbing or discrimination as well as other improper activities by employees are regulated in Energa Group’s policy for the prevention of mobbing and discrimination. The council for the prevention of mobbing and discrimination formulates its opinions as to any reported matters, based on recommendations made by the Investigating Commission.

A new draft of Energa Group’s policy for the prevention of mobbing and discrimination has been drawn up in collaboration with the Staff Policy Department. The draft provides for greater participation of Group companies in solving employee conflicts.

Complaints submitted to the Investigating Commission over the past three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of complaints received</th>
<th>Number of complaints resolved</th>
<th>Number of complaints resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>2018</td>
<td>21</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td>2019</td>
<td>9</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>
Energa Group respects diversity among its employees. Every employee is a source of inspiration for improvement and development.

According to Energa Group’s Code of Ethics and Staff Policy, all employees are guaranteed equal treatment, irrespective of their gender, age, disability, race, religion, nationality, political beliefs, membership in trade unions, ethnic background, religion, sexual orientation, and irrespective of whether they are employed on a full-time or part-time basis.

Respect for everyone

Equal treatment and prevention of mobbing and discrimination help us build an organisational culture where every employee feels safe, is respected and heard. Due to this, Energa Group pays particular attention to implementing appropriate regulations so as to take advantage of our human resources to the greatest extent possible. We want the experts and staff with many years of practice employed by our companies to be able to freely realise their potential with benefit to the entire organisation.

VP of Communication, Energa SA

Adrianna Sikorska

Energa Group implements comprehensive initiatives aimed at ensuring that all employees have an equal and fair access to the following resources and activities:

- non-financial benefits
- development and improvement of professional qualifications
- free communication and sharing of knowledge
- rest and work-life balance
- freedom of association
- social activities.

Openness, partnership and mutual respect are among our core values.

Respect in supply chain management

Energa Group is aware of the benefits of operating in a responsible manner. The Group makes every effort to ensure that values such as caring for ethics, prevention of corruption, respect for human rights, employee rights, rules of occupational health and safety, and caring for the environment be shared not only by individual companies forming part of the Group, but also its business partners. For this purpose, special clauses are inserted into agreements made with contractors.

100% of contractors who enter into agreements with Energa Group companies accept social clauses included in these agreements. By signing the agreement, the contractor declares that it complies in its operations with rules of ethics, prevention of corruption, respect for human rights, employee rights, rules of occupational health and safety, and that it acts in a manner consistent with the requirements of environmental protection. The contractor further declares that it maintains due diligence when vetting its suppliers, including in terms of the correctness of their tax settlements, particularly in terms of value added tax.

Assessment of social criteria by company Energa Operator SA also includes the issue of whether contractors seeking entry into the Register of Qualified Contractors meet requirements with regards to occupational health and safety. All of the contractors looking to cooperate with the company are subjected to an assessment, and rules of qualification and assessment given are publicly available on the company’s website.

As part of the new Group management model, improvements were made to Energa Group’s purchasing model, based on two purchasing centres:

- Energa Informatyka i Technologie Sp. z o.o. – purchases made in the area of IT and OT
- Energa Logistyka Sp. z o.o. – purchases made in all other areas except IT and OT.

Actions related to the optimisation of purchasing procedures are focused on ensuring the maximum possible synergy within Energa Group, while remaining in compliance with market conditions and rules governing competition.

Thanks to the correct management of the Group’s supply chain, companies receive correct products, in correct amounts, at the correct time and place, at the best possible price. This aspect is of key importance when determining purchasing strategies, affects the competitiveness of awarded contracts and their transparency, and conversely impacts Energa Group’s economic efficiency. The Group implemented the split payment mechanism from its very introduction in the Polish legal system, i.e. from 1 July 2018.

In 2019, the Group used the split payment mechanism in its dealings with business partners, which helped limit tax risks related to settlements of value added tax.
NOTES ON OUR RESPONSIBILITY

Energa Group
and the society
A trusted part of the community

Planning activities aimed at benefiting the community that we operate in lies at the core of Energa Group’s concept of sustainable development. We take account of interests of the community, environmental protection and corporate governance already during the stage of creating our CSR strategy. We make socially responsible decisions in a conscious and consistent manner. Our numerous projects implemented at home and abroad have become a permanent part of the work plan of the ESG Department at Energa SA and the Energa Foundation.

Thanks to its support for initiatives in the field of education, culture, health, sports and those aimed at strengthening the sense of bonding and national community, the Group is perceived as a trusted neighbour and reliable partner. Work on building mutual trust and a feeling of safety in a reliable and consistent manner has made Energa Group an indispensable part of everyday life of many local communities. Energa feels responsible for its activities, the reliability of its services and the quality of its products, and therefore every capital works project is analysed in terms of its potential impact on the local community, the environment and the Group’s relations with stakeholders.

Objectives for 2020

Creating and improving our value chain in the Environmental, Social and Governance (ESG) area.

Building lasting and responsible relations with stakeholder groups.

Continuous reinforcement and improvement of actions promoting corporate social responsibility and sustainable development in Energa Group companies.

Carrying out educational activities promoting environmental protection.

Continuing work on preparing a support system for the development of industry-oriented education.

Active involvement in the organisation of the 50th anniversary of the Polish 1970 Strikes.

Achievement

Increasing the number of stakeholders actively participating in dialogue

In order to entice stakeholders to actively participate in dialogue related to Energa Group’s operations, workshops concerning specific topics were organised in August 2019. A total of 52 internal and external stakeholders participated in these workshops. Thanks to the interactive, direct and open format of dialogue, the Group was able to obtain important information enabling it to improve its activities. Further information on the dialogue can be found in chapter 6 of this report, on pages 261-263.
Improving the process of evaluating efficiency and implementing indicators of progress in achieving objectives in individual areas of CSR strategy

The process of evaluating activities carried out in collaboration with the ESG Department has been expanded. An internal, multi-faceted process for evaluating completed initiatives with identification of progress in achieving individual objectives was implemented, using criteria of Sustainable Development Goals as indicators.

Developing initiatives as part of the ‘Energa for You’ programme

In 2019, Energa Group continued its ‘Energa for You’ programme, focusing on sports, cultural and educational activities of importance to the local community. A number of important initiatives were implemented over the course of this year, including further editions of the ‘Charitable and Active’ and ‘Planet of Energy’ projects. Further information about these activities can be found on pages 62-87 of the report.

Supporting the development of industry-oriented education

‘Generation gap’ affects all Polish industries. The power sector is also facing the problem of aging technical staff. In its CSR strategy, Energa Group supports initiatives related to the development of the labour market. Members of the task force responsible for vocational education worked on preparing a concept of effective programmes enabling the Group to recruit well-trained and competent employees despite the demographic decline.

Involvement in the celebration of the 100th anniversary of Polish Independence

Energa Group was actively involved in celebrating the 100th anniversary of Polish Independence. We participated in numerous programmes that commemorated this anniversary that is so important to Polish people. Energa SA collaborated with such organisations as the Museum of the Second World War and scouting groups, and carried out a campaign using posters and billboards across Poland.

The Group also ran a campaign named ‘Power Industry Employees for an Independent Poland’ for its employees, involving a contest of knowledge on Poland’s regaining of independence. The Group also published a special issue of ‘eMisja’, its corporate magazine, which was devoted to this subject. Articles in the magazine focused on the important role played by power industry employees in building an independent Polish state.

ESG in Energa SA

The spectrum of activities carried out by Energa Group in connection with corporate social responsibility is constantly expanding, as evidenced by the rising number of initiatives implemented by the Group and a change in the name of the organisational unit responsible for activities in this area: from CSR Department to ESG Department.

The name change was accompanied by an expansion of the scope of the Department’s competences. Apart from social issues, the unit is now also responsible for tasks related to environmental protection and corporate governance. As a result, new concepts for the implementation of ongoing initiatives have been devised accounting for their interdisciplinary nature.
Contribution to development

Direct value for the economy

Ongoing projects related to the modernisation of generating assets and construction of new generating units will improve the quality and potential of Energa Group’s infrastructure in this area, simultaneously improving energy security of our customers.

The main areas of capital works projects implemented by the Group include the construction of new renewable energy power plants, development of innovative solutions in the field of generating and storing energy, expansion and modernisation of distribution grids, modernisation of the Ostrołęka B Power Plant, development of designs of low-emission gas-fired CCGT units, adapting CHP units to standards required under the IED Directive and BAT conclusions, as well as modernisation of generating and grid assets (heating sector). Furthermore, taking social considerations into account, Energa Group is planning a wide-ranging development of electromobility. This new market sector is characterised by a high dynamic of growth due to its specific nature and the creation of independent means of distributing energy. Construction of the Ostrołęka C Power Plant, a joint project of Energa Group and Enea Group, is currently in the conceptual stage. In order to ensure the stable development of this new market segment, the Distribution Business Line will take action in two areas: collaboration with local governments and investment in medium- and low-voltage grids so as to enable the connection of charging stations.

The Sales Business Line is finalising a project involving the design of a platform enabling online sales and customer service, using a new website, self-care and a mobile app. Implementing this modern website and bringing it online will allow the Group to make its entire portfolio of products available to its customers, tailored to their identified needs. Its capabilities will include a full sales and self-service process, and will ensure that customers will be able to seamlessly navigate across the various websites operated by the company.

The Group also plans to support entities responsible for managing public infrastructure in terms of the application of modern technologies in the field of lighting. Both businesses and academic centres more and more often become involved in ongoing capital works and research projects, providing them with an impetus for development.

Breakdown of expenses on services provided by local suppliers to company Energa Logistyka Sp. z o.o.

<table>
<thead>
<tr>
<th>Province</th>
<th>Total expenses on services provided by suppliers (in million PLN)</th>
<th>Expenses on services provided by local suppliers (in million PLN)</th>
<th>Percentage of expenses on services provided by local suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dolnośląskie</td>
<td>5.62</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Kujawsko-Pomorskie</td>
<td>8.95</td>
<td>2.37</td>
<td>26.48%</td>
</tr>
<tr>
<td>Lubelskie</td>
<td>5.62</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Łódzkie</td>
<td>4.83</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Mazowieckie</td>
<td>49.14</td>
<td>3.59</td>
<td>7.31%</td>
</tr>
<tr>
<td>Opolskie</td>
<td>24.61</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Podkarpackie</td>
<td>4.42</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Podlaskie</td>
<td>1.46</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Pomorskie</td>
<td>27.79</td>
<td>7.85</td>
<td>28.26%</td>
</tr>
<tr>
<td>Śląskie</td>
<td>45.16</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Świętokrzyskie</td>
<td>22.7</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Warmińsko-Mazurskie</td>
<td>12.6</td>
<td>2.99</td>
<td>23.73%</td>
</tr>
<tr>
<td>Wielkopolskie</td>
<td>25.65</td>
<td>0.35</td>
<td>1.35%</td>
</tr>
<tr>
<td>Zachodniopomorskie</td>
<td>2.36</td>
<td>1.29</td>
<td>54.66%</td>
</tr>
<tr>
<td>Total in all provinces</td>
<td>251.83</td>
<td>18.44</td>
<td>7.32%</td>
</tr>
</tbody>
</table>

56 / 57 Our responsibility 2019
### Breakdown of expenses on services provided by local suppliers to company Energa Informatyka i Technologie Sp. z o.o.

<table>
<thead>
<tr>
<th>Province</th>
<th>Total expenses on services provided by suppliers (in thousand PLN)</th>
<th>Expenses on services provided by local suppliers (in thousand PLN)</th>
<th>Percentage of expenses on services provided by local suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOLNOSLASKIE</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>KUJAWSKO-POMORSKIE</td>
<td>n/a</td>
<td>1 720.64</td>
<td>n/a</td>
</tr>
<tr>
<td>LUBELSKIE</td>
<td>n/a</td>
<td>416.34</td>
<td>n/a</td>
</tr>
<tr>
<td>LUBUSKIE</td>
<td>n/a</td>
<td>0.57</td>
<td>n/a</td>
</tr>
<tr>
<td>LODZIE</td>
<td>n/a</td>
<td>111.04</td>
<td>n/a</td>
</tr>
<tr>
<td>MALOPOLSKIE</td>
<td>n/a</td>
<td>1 167.05</td>
<td>n/a</td>
</tr>
<tr>
<td>MAZOWIECKIE</td>
<td>n/a</td>
<td>39 143.66</td>
<td>n/a</td>
</tr>
<tr>
<td>DPOLSKIE</td>
<td>n/a</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td>PODLASKIE</td>
<td>n/a</td>
<td>5 881.01</td>
<td>n/a</td>
</tr>
<tr>
<td>POMORSKIE</td>
<td>n/a</td>
<td>4.3</td>
<td>n/a</td>
</tr>
<tr>
<td>107 629.15</td>
<td>32 924.41</td>
<td>30.59%</td>
<td></td>
</tr>
<tr>
<td>SLASKIE</td>
<td>n/a</td>
<td>24 224.76</td>
<td>n/a</td>
</tr>
<tr>
<td>SAZETRZYSKIE</td>
<td>n/a</td>
<td>0.05</td>
<td>n/a</td>
</tr>
<tr>
<td>WARMIJSKO-MALZIJSKE</td>
<td>n/a</td>
<td>876.11</td>
<td>n/a</td>
</tr>
<tr>
<td>WIELKOPOLSKIE</td>
<td>n/a</td>
<td>355.15</td>
<td>n/a</td>
</tr>
<tr>
<td>ZACHODNIPOMORSKIE</td>
<td>n/a</td>
<td>992.73</td>
<td>n/a</td>
</tr>
<tr>
<td>TOTAL IN ALL PROVINCES</td>
<td>107 629.15</td>
<td>107 629.15</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### Consolidated financial data of Energa Group (in million PLN)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES, including: net revenues from the sale of products, goods and services (including excise tax); other operational revenues, share in profits of other entities disclosed using the equity method</td>
<td>10 936</td>
<td>12 035</td>
</tr>
<tr>
<td>OPERATING COSTS, including: consumption of materials and energy, external services purchased, amortisation and revaluation write-offs of non-financial fixed assets, other prime costs and other operating costs, financial costs with the exception of costs of interest on indebtedness, share in losses of other entities disclosed using the equity method</td>
<td>7 723</td>
<td>10 677</td>
</tr>
<tr>
<td>REMUNERATION AND EMPLOYEE BENEFITS, including: remuneration, costs of social security and other costs of employee benefits</td>
<td>1 083</td>
<td>1 190</td>
</tr>
<tr>
<td>PAYMENTS TO INVESTORS, including: costs of interest on indebtedness, dividend paid out for the preceding year*</td>
<td>321</td>
<td>300</td>
</tr>
<tr>
<td>PUBLIC CHARGES, including: taxes and fees</td>
<td>1 095</td>
<td>643</td>
</tr>
<tr>
<td>INVESTMENT INTO COMMUNITIES IN THE FORM OF DONATIONS</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>RETAINED ECONOMIC VALUE</td>
<td>723</td>
<td>785</td>
</tr>
</tbody>
</table>

* No dividends were paid out in 2018 and 2019.

The above data is taken from the consolidated financial statement of the ENERGA SA Group of Companies, drawn up in compliance with International Financial Reporting Standards approved by the European Union for the year ended 31 December 2019 (data includes all companies comprising Energa Group).
Energa Group companies base their operations on such tenets as using energy resources and raw materials in a rational manner, preventing potential natural disasters and ensuring energy security. Other areas of their focus include support for research and investment for sustainable development, reduction of emissions and waste stream, steady improvement of reliability and safety of production and distribution of electricity, regular dialogue with representatives of local communities, fostering collaboration with social partners and construction and development of intersectoral partnerships.

In order to build a strong position as an innovator and to gain competitive advantage, on 25 September 2018, the Board of Directors of Energa SA adopted the 2019-2028 Strategic Research Agenda of Energa Group. The document acts as a roadmap and specifies in detail such aspects as the tenets, objectives, main directions and initiatives comprising the entirety of the R+D+I area (research, development and innovation). The company’s strategy, structure and organisational culture, as well as its assets were taken into account in the course of devising the Agenda.

In order to build a strong position as an innovator and to gain competitive advantage, on 25 September 2018, the Board of Directors of Energa SA adopted the 2019-2028 Strategic Research Agenda of Energa Group. The document acts as a roadmap and specifies in detail such aspects as the tenets, objectives, main directions and initiatives comprising the entirety of the R+D+I area (research, development and innovation). The company’s strategy, structure and organisational culture, as well as its assets were taken into account in the course of devising the Agenda.

Stimulating social and economic development

The Group’s operations impact the lives of local communities and the environment.

The ‘Energa Group’s Strategy for the Years 2016-2025’ strategic document and the complementary ‘Energa Group’s Strategy for Sustainable Development and Corporate Responsibility’ place particular attention on the implementation of tasks related to environmental protection and support for local communities.

Guidelines included in the strategy are implemented in all areas of the Group’s operations, including capital works projects and innovation. The development of Energa Group’s power infrastructure is meant to balance the interests of all our stakeholders, i.e. not only our shareholders or investors, but also the inhabitants of areas where our organisation operates and which it impacts.

Energa Group has been striving to meet the expectations of its customers while continuing to expand its range of services and products. As a consequence of this direction we have chosen to develop in, we have been focusing on ensuring a high quality of our operations and implementing marketing initiatives with the highest possible efficiency. In 2019, we provided support to a number of valuable initiatives in the area of culture, sports and education, including such prestigious events as EnergaCAMERIMAGE and support for the Polish national basketball team. We are involved in the development of parasports and promotion of fitness among children and adolescents. We remain mindful of the environment in which we operate, as evidenced by multiple initiatives for the benefit of the local community. Thanks to the broad spectrum of these initiatives, we are steadily and determinedly striving to earn the reputation of a reliable partner and a good neighbour.

Grzegorz Bałkowiec
Head of the Department of Marketing, Energa SA

For many years now, Energa Group has been striving to meet the expectations of its customers while continuing to expand its range of services and products. As a consequence of this direction we have chosen to develop in, we have been focusing on ensuring a high quality of our operations and implementing marketing initiatives with the highest possible efficiency. In 2019, we provided support to a number of valuable initiatives in the area of culture, sports and education, including such prestigious events as EnergaCAMERIMAGE and support for the Polish national basketball team. We are involved in the development of parasports and promotion of fitness among children and adolescents. We remain mindful of the environment in which we operate, as evidenced by multiple initiatives for the benefit of the local community. Thanks to the broad spectrum of these initiatives, we are steadily and determinedly striving to earn the reputation of a reliable partner and a good neighbour.
Social involvement

Mindful of its impact on the environment and local communities, Energa Group makes sure to implement initiatives aimed at improving its energy efficiency and investing into new solutions that are environmentally friendly and create value for the society.

‘Energa Group’s Strategy for Sustainable Development and Corporate Responsibility’ is the foundation for Energa Group’s social involvement and specifies the primary strategic areas of sustainable development: customers, the natural environment, employees, fair market practices, local communities and the national community, as well as corporate governance.

In order to assist applicants in getting in touch with Energa Group and engage in cooperation in ongoing initiatives, a process of creating an electronic request for support was commenced in 2019. Automation of the application process will enable the Group to increase its pace and the number of processed requests.
Museum of the Power Industry

In September 2019, the Centre of Polish Power Industry Traditions was set up in the offices of the Toruń branch of Energa Operator, located in the former building of the town’s power plant. The Centre’s purpose is to promote knowledge on the history of the Polish power industry. Archives and exhibits made available in the Centre convey knowledge about the primary fields of interest of the power industry: education, literature, power generation, telecommunications, industry and power installations. The exhibit devotes particular attention to the creative efforts of the entire generation of power industry employees during the interwar period. The artefacts on display illustrate their heroic efforts in the course of the country’s electrification process, as well as their great contribution to and involvement in the reconstruction of the Polish state shortly after it regained its independence.

The Centre is the only museum in Poland that can boast such an extensive collection of exhibits that help illustrate over 100 years of history of the Polish power industry, with particular attention placed on documenting the early period of the industry between 1918 and 1939.

We supported the publication of a comic book titled ‘Operation B-2’, which tells the story of the Underground Scouting Association in Gdynia and its activities in the Pomorskie Region during World War II. Through numerous initiatives aimed at promoting the publication, approx. 3000 inhabitants of the Pomorskie Region were able to learn about the heroic actions of the scouts from Gdynia.

Description of projects completed in 2019

GRI

Patriotism and national heritage

Building stable trust is a long-term process. Over the many years of nurturing mutual relations and being present in the everyday life of the community, Energa Group has been supporting initiatives that promote values which foster unity and awareness of national heritage and culture, patriotism, religion, healthcare, safety and education in the community. The Group places particular attention on historical education, pro-environmental initiatives and campaigns promoting a healthy lifestyle.

Such initiatives help reinforce mutual bonds and foster the creation of partnerships for the achievement of goals.

‘Operation B-2’ comic book

FOR THE MOTHERLAND,
FOR GDYNIA...
I MUST SUCCEED!

WHAT BRINGS YOU HERE TO THE CENTRE OF FIGHTING?
MY PURPOSE IN LIFE…
GDYNIA. CAN’T SAY ANYTHING MORE…

FOR THE MOTHERLAND,
FOR GDYNIA…I MUST SUCCEED!

FOR THE MOTHERLAND, FOR GDYNIA… I MUST SUCCEED!
Victory Parade

The 4th National Parade in Memory of Steadfast Soldiers passed through the streets of Gdańsk. The event was organised by the Gladius Gloriae Foundation, with the support of Energa Group. The organisers emphasised that the purpose of the event was to commemorate those who gave up their lives for the motherland, but were consigned to oblivion.

Onlookers gathered along the entire route of the parade, from the St. Bridget’s Church to the Museum of Second World War. The atmosphere of a family picnic combined with historical education made the 4th edition of the Parade one of the most important events to shape patriotic attitudes among tourists and residents of Gdańsk.

Over 200 reenactors, 1000 scouts, 8 armoured personnel carriers, a mounted cavalry unit, army veterans and the Border Guard orchestra participated in the parade. Organisers estimated that around 10 thousand spectators attended the parade itself, and 2500 took part in the picnic and concert that accompanied the event.

The ‘Live and Love Traditionally’ Fair

Energa Group supported the organisation of the ‘Live and Love Traditionally’ family fair, which took place on 9 June. The aim of the event was to promote various forms of spending time as a family and creating strong and lasting relations based on values. The initiative was a form of preventing the disintegration of family bonds and psychological problems that it causes in children.
Supporting such initiatives and sporting rivalry has a positive effect on shaping health-conscious attitudes among the public. The ‘Energy Team’ initiative is a major project of this kind, aimed at adolescents. Other initiatives implemented as part of the ‘Energa Sport’ programme focus on senior citizens. Apart from their indubitable beneficial effects for health and activity, such projects are of particular importance to the integration of local communities.

Energy Team

Energy Team is a project implemented by Energa, encouraging children to take up physical activity and engage in healthy rivalry through play and the use of technology. Two editions of the programme have taken place so far, both of them being proof of the fact that children love physical activity and have great fun when engaging in sporting competition. The project was supported by numerous well-known ambassadors: Marek Cieko, Krzysztof Golonka, Bartosz Ignacik, Krzysztof Ignaczak, Izabela Bełcik and Rafał ‘Lipek’ Lipiński. The athletes made movies in which they set challenges for children to perform and document. All that was needed to participate in the project was to send in a recorded video which showed the students and teachers doing the exercises and attach an entry form available online at www.druzynaenergii.pl.

With each year, more and more candidates apply to participate in the Energy Team programme, which continuously proposes new challenges for them to take part in. The most recent edition of the programme introduced a new discipline: basketball. 200 schools participated in the 2019 edition of the initiative, a 100% increase in comparison with the first edition. Over 25,000 students of years 6 to 8 participated in the project, recording over 20,000 video clips showing the exercises. Ambassadors travelled over 2400 kilometres in the course of the programme, 200 more than during the previous edition.

Kaszub Cup tournaments

The Kaszub Cup tournaments are organised for children and adolescents. Each tournament features at least 12 teams made up to 12 players. Matches are played in the Marshal Płażyński Memorial Sports and Event Arena in Łuzino. The tournaments have been organised for 10 years now.

25th Orlen ‘Solidarity’ Marathon

The international ‘Solidarity’ Marathon (25th edition) has become a permanent fixture on the sporting map of the Tricity area, Poland and the entire world. The full marathon run with a distance of 42 kilometres and 195 metres dates back to 1955. Apart from a purely sporting dimension, the event also took on a historical significance, as it commemorates the events that took place in the Polish coastal region and across the country in the 1970s and 1980s. The marathon was held on 15 August 2019. The route begins in Gdynia, while the finish line is located in Gdańsk’s Old Town.

Disability Football Association – Junior and Senior Amp Football

Energa sponsors the Polish national amputee football team. The sponsoring contract provides for the team’s participation in official games and international tournaments (including the 2020 European Championships), training sessions, training camps and exhibition matches organised in Poland and abroad. The Amp Football Polish National Team is an exceptional team who is now ranked among the top amp football teams in the world merely six years after being founded. Thanks to extensive promotion in the media, the team has now also entered public awareness. The Amp Football national team has played 68 international games to date. The National Junior AmpFootball Project enables children and adolescents with amputations or other limb disorders from all over the country to partake in their passion for football.

Objectives of the project include:

- enabling children and adolescents with disabilities to play football,
- foster integration of the players and their parents,
- training players who will play for the AmpFootball Polish National Team in the future,
- promoting physical activity among children with motor organ disorders and promoting a positive image of people with disabilities.
Sponsoring the Bałtyk Gdynia football club and its youth teams

Bałtyk Gdynia is a football club engaged in sports and training operations. It currently plays in the 3rd Polish Division under the auspices of the Polish Football Association. The team competes against other clubs from Pomorskie, Kujawsko-Pomorskie, Wielkopolskie and Zachodniopomorskie Regions. The club runs training sessions for its football players, including for the U19 and U17 teams.

The 4th Kashubian Unity Run in Władysławowo was organised in collaboration with the Centre of Culture, Promotion and Sport in Władysławowo. During this unique sporting event, participants compete in disciplines such as running at a distance of 1238 m for children, Nordic walking race at a distance of 5 km and main events run at distances of 5 and 10 km. The event also features artistic and cultural aspects, such as performances of stand-up comedians hailing from Kashubia and an art competition for children.

Lechia Gdańsk Academy

Under the terms of the sponsoring contract signed with Lechia Gdańsk SA, in season 2019/2020 Energa Group provided financial support for the training of young footballers in U9 to U19 age categories at the Lechia Gdańsk Academy. U18, U17 and U15 teams participate in such competitions as the Central Youth League, whereas players from the youngest age groups have been successfully competing in various tournaments in Poland and abroad.

54th Race Walking Festival and the Postman’s Run

The ‘Solidarity’ Independent Self-Governing Trade Union, Board of the ‘Pobrzeże’ Koszalin Region

The event, sponsored by Energa, has been running for 54 years and is a throwback to the sporting traditions of Polish postal workers during the interwar period in the Free City of Gdańsk and one of the initial incidents during World War II. In sporting circles, the festival is considered to be Poland’s most important intergenerational event promoting race walking, open to senior citizens. Routes of individual events pass through the historic part of the Gdansk Old Town.

Gdynia Basketball Academy

Sponsoring the Basketball Academy ran by the ‘Gdynia Basketball Academy’ Association

Gdynia Basketball Academy provides sports training to children and adolescents. The main objective of the organisation is to provide trainees with the best possible conditions for learning and training basketball. Thanks to the support, participants in the specially designed training program can enjoy professional conditions in which they can develop their basketball skills and prepare for furthering their professional careers at the highest level.

Polish Post Cup

The ‘Solidarity’ Independent Self-Governing Trade Union, Board of the ‘Pobrzeże’ Koszalin Region

The 10-kilometre National Solidarity Run in Kolobrzeg has been organised since 1989. The purpose of the event is to commemorate the anniversary of signing the August Accords and the role of ‘Solidarity’ in the political transformations in Poland and across Europe and to popularise sports and physical activity. The integration of non-disabled and disabled sportsmen is another important aspect of the event.

The men’s national 5x5 basketball team was the biggest success story of 2019 by qualifying for the World Cup for the first time in 52 years and taking an excellent 8th place at the tournament held in China. The China vs. Poland game was seen by over 300 million viewers across the world. The successes of our basketball team have been acclaimed as one of this year’s biggest achievements in Polish sport. The Polish national team was voted the Team of the Year at the 84th annual popularity contest organised by the Przegląd Sportowy sports periodical at the Champions of Sports Gala.

Energa Group Ambassador
Marek Citko

Marek Citko is a legend of Polish football. Over the course of his career he won 10 caps for the Polish national team, scored a famous goal at Wembley and represented clubs such as Jagiellonia Białystok, Widzew Łódź and Legia Warszawa, as well as clubs in Israel and Switzerland. He was the scorer of Widzew’s first ever goal in the Champions’ League and was voted as the best Polish athlete in 1996. He has also acted as an ambassador of the Energy Team project, as part of which he devised exercises enabling students to improve their footballing skills.

Energa Group Ambassador
Dorota Banaszczky

Energa provides financial support to Dorota Banaszczyk, an Olympic karate athlete and winner of the 2018 world championship. As an ambassador of Energa, she retained her title of Polish champion in 2019, competed in the Tokio 2020 Olympic qualification events and represented Poland at Series A and Premier League events, held in such countries as Japan, Chile, Russia, Turkey, China and Belarus.

Energa Group Ambassador
Marta Walczykiewicz

Energa sponsors Marta Walczykiewicz, a Polish canoe athlete, whose successes include a silver medal at the Olympic Games in Rio de Janeiro, as well as numerous medals at world and European championships. In 2019 she was a runner-up at the World Championships and qualified for the upcoming Olympic Games.

Energa Group Ambassador
Magdalena Głodek


Energa Group Ambassador
Marek Citko

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Marta Walczykiewicz

Energa sponsors Marta Walczykiewicz, a Polish canoe athlete, whose successes include a silver medal at the Olympic Games in Rio de Janeiro, as well as numerous medals at world and European championships. In 2019 she was a runner-up at the World Championships and qualified for the upcoming Olympic Games.

Energa Group Ambassador
Magdalena Głodek


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Marek Citko

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The International Gospel Music Festival dates back to 1996 and was originally held in the town of Osiek in the Starogard County. For 15 years straight, Osiek hosted gospel musicians and soloists from across the world. Due to requiring larger infrastructure and logistical reasons, the festival was then moved to the town of Gniew on the river Vistula and for the past 6 years has been steadily developing, interwoven with the architecture of the local medieval castle and the beautiful landscape of the banks of Vistula.

Patronage and culture

Energa Patronage is a program aimed at supporting cultural centres, organisations, associations and other cultural initiatives on a local, regional and national level. Through promoting actions aimed at fostering culture and nurturing the national heritage, it reinforces national and social identity.

Report on projects implemented in 2019

‘In Full Voice’ and ‘Haven – Soul Workshop’

The 7th edition of the event named ‘Haven – Soul Workshop’ featured such initiatives as regional and folk workshops on the culture of Kashubia and Kociewie, as well as a concert of the ‘In Full Voice’ band.

Association of Gospel Music Lovers – 23rd International Gospel Camp Meeting Festival in Gniew, 2019

The International Gospel Music Festival dates back to 1996 and was originally held in the town of Osiek in the Stargard County. For 15 years straight, Osiek hosted gospel musicians and soloists from across the world. Due to requiring larger infrastructure and logistical reasons, the festival was then moved to the town of Gniew on the river Vistula and for the past 6 years has been steadily developing, interwoven with the architecture of the local medieval castle and the beautiful landscape of the banks of Vistula.

Shine with Energa is a national charity initiative by Energa SA, as part of which residents vote for the city or town with the most beautiful Christmas illumination, with the winners receiving prizes in the form of household appliances awarded by the company. During the first stage of the contest, held at provincial level, 16 winning cities are chosen.

Cities that won the provincial vote then pass to the second stage of the contest, competing for the title of Poland’s Capital of Light and additional prizes for those in need: 175 cities or towns participated in the 11th edition of the initiative, held in 2019. For the third time, the town of Bialskie-Biala became Poland’s Capital of Light and received the main prize in the form of energy-efficient household appliances worth PLN 50,000. The value of prizes awarded by Energa to the winning cities amounted to a total of PLN 200,000, including around 300 household appliances. As is the tradition, competitions for fans of Christmas photography were also held as part of the project, with attractive prizes to be won.

11th International Accordion Festival, 2019

The International Accordion Festival in Sulęczyn took place in July 2019. The initiative is one of the most important cultural events in the Kashubia region and is definitely the largest event of its type in Poland. The international ensemble of performers attracts vast numbers of music lovers to this small village in the Pomorskie Region and this year’s edition was as popular as ever.

Sponsorship of the 1st Pomeranian Recreational and Cultural Spartakiad of Rural Housewives’ Associations for the Cup of the Minister of Agriculture and Rural Development

This extraordinary event was organised for members of Rural Housewives’ Associations from the Pomerania Province. Representatives of every district in the province participated in the event. The purpose of the Spartakiad was to foster integration among residents of the province, promote physical activity and cultivate the culture and traditions of rural areas.

The 23rd International Gospel Camp Meeting Festival in Gniew 2019 primarily consisted of vocal workshops, a line-up of gospel choirs and concerts.
For many years now, Energa has been supporting cultural activities as part of the Energa Patronage programme. The Group’s collaboration with the Polish Baltic Philharmonic in Gdańsk brings mutual benefits to both parties. The Energa brand accompanies many cultural events of importance to local communities, organised by the philharmonic, helping the Group build its image of an organisation that supports cultural endeavours.

Polish Baltic Philharmonic

EnergaCAMERIMAGE

EnergaCAMERIMAGE is a festival that celebrates film cinematographers. Events organised as part of the festival include meetings with cinematographers, film screenings and seminars given by major cinematographers and directors. The event focuses on the qualities of film cinematography and the awards given at the festival are an expression of appreciation of the highest quality of achievements in the field of cinematography. The festival is an excellent opportunity not only to present film art but also to discuss its future a place where both recognised cinematographers or directors and debutants or film students exploring new artistic spaces can share experiences and knowledge.

This edition of the International Film Festival of the Art of Cinematography ENERGA Camerimage marked another year of Energa’s titular sponsorship of the event.

Building a positive image of the company through supporting cultural events of international importance is one of the most effective forms of promotion. EnergaCAMERIMAGE Festival fits into this idea as the biggest and best known event celebrating cinematography in the world. Thanks to its involvement in this project, Energa brand can become associated with patronage of thriving Polish initiatives and be seen as a partner of the country’s most prestigious artistic events. Participation of foreign observers, promotion in foreign media and brand promoting materials in English help build the recognition of Energa Group abroad.
National Children’s Day – ‘INTE-GRA’ Local Tourist Organisation

The initiative is the biggest sports and cultural event for children in Poland and is organised on the happiest and most carefree day of the year in various prestigious localisations around Warsaw. The purpose of the event was to promote family values, educate children in matters of safety and creative ways of spending free time, demonstrating the integrating role of games and playtime activities, as well as forming the habit of actively spending free time together by children and their parents. Thanks to the involvement of the Office of the Council of Ministers, Children’s Ombudsman and Polish Television, the initiative became the largest fresh-air event in Poland.

‘Gdynia PANAma’

This event, sponsored by Energa Group, took place on 26 January 2019 at the Saint Anthony’s Parish in Gdynia as part of the World Youth Day. It was directed at those we wanted to experience the atmosphere of the World Youth Day in Panama and spend time in vigil with young people from around the world and Pope Francis. The event was an opportunity to listen to concerts and testimonies or participate in prayer. The day of vigil in Panama was a true celebration of the entire Church.

Sponsorship of the Pater Noster Religious Song Contest

On 15 June 2019, beautiful religious songs sung by choirs participating in the 5th National Pater Noster Religious Song Contest could be heard in the parish church in Strzegó. All throughout the day of the festival, members of the jury and those in attendance witnessed the performances of 14 various choirs who competed in three categories: lay choirs, church choirs and academic choirs. The event is organised by the Association of Young Artists of the Wejherowo Region.

Support for the series of concerts commemorating the 100th anniversary of Polish independence

Between October 2018 and June 2019, the Cappella Gedanensis band played several concerts, including in commemoration of the 100th anniversary of Polish independence. The band recorded and published 3 records: one of the records contained Polish patriotic songs and commemorated the 100th anniversary of Polish independence, another contained a collection of Christmas carols as interpreted by Rafał Kłoczka, while the third was recorded in collaboration with Konstanty Andrzej Kulka, a distinguished violinist.

Energa Group is involved in improving the level of the society’s awareness with regards to energy. It creates and develops educational initiatives that help raise generations who will use electricity in a safe manner and manage it consciously.

Shaping pro-environmental attitudes, in particular among young people, is an investment into our future. Initiating discussions concerning issues related to the power sector and partaking in them helps face up to potential challenges, while simultaneously taking advantage of available opportunities and chances for development.

Energa Group implemented a number of valuable educational initiatives in 2019.

Energa joins the faculty

Representatives of Energa Invest Sp. z o.o. joined the faculty of the Gdynia Maritime University in academic year 2019/2020 and will teach certain specialised courses.

The move is the result of a memorandum of agreement made in December 2018 between the Maritime University, Energa SA, Energa Operator SA and Energa Invest Sp. z o.o. Thanks to this collaboration, graduates of the University will be able to improve their skills in areas related to the power industry, go on profiled job placement in Energa Group companies and will participate in joint research and development works. The list of specialised courses taught as part of second-level studies includes: basics of the capital works process in the power industry, designing medium-voltage power grids and project management. Students with outstanding academic performance will have the opportunity to work on their diploma theses and projects in collaboration with Energa Group employees, while the very best students will be offered employment opportunities.
“Safer Around Electricity”

“Safer Around Electricity” is an educational campaign that has been ongoing since 1998. The initiative is addressed to students of years 1-3 of primary schools and is aimed at improving the safety of children while using electric appliances and shaping correct behaviours when interacting with power infrastructure. During meetings with employees of Energa Operator SA, children learn when they can receive an electrical shock, what are the dangers of improper use of electrical appliances and why they should not use any appliances that are malfunctioning. Through simple physical experiments, children learn about the ‘nature’ of electricity. The classes are accompanied by visual aids, such as boards, pictures, multimedia presentations and films. So far, 170 thousand children have participated in the campaign, with nearly 600 of them in 2019.

“Energy for Science!”

‘Energy for Science!’ is a collaboration with secondary and higher schools. As part of the programme, Energa Operator SA has since 2012 given its patronage to individual forms in schools and entire majors at universities that educate students in fields related to the power industry. Thanks to the programme, young people who in the future will work as electric technicians and engineers have the opportunity to learn the ins and outs of work in the industry.

The best pupils and students will receive scholarships and prizes, while secondary schools will receive new equipment for their power laboratories. The programme also includes visits of secondary school students at interesting locations operated by the company and paid job placements and internships. 18 secondary schools and 5 higher schools currently participate in the programme. Every year, approximately 180 students are awarded as part of the initiative. In 2019, the Technical School Complex in Turek joined the programme and received funding of PLN 50,000 to equip its school laboratory.

“Planet of Energy”

Planet of Energy is an initiative that for several years now has been helping teachers of years 1 to 3 of primary schools to convey knowledge of electricity, safety and environmental protection to children. Dr Tomasz Rożek, a well-known promoter of science among children and adolescents, has for many years now acted as the programme’s ambassador. The 9th edition of the school contest was concluded by the ambassador’s visit to three winning schools in Brusy, Tujsko and Koziegłowy, which received cheques for PLN 10,000 each for educational purposes. 10 other schools received commendations and cheques for PLN 2,000.

This year marked the first occasion where Energa commended and recognised the efforts of teachers as well. During the final event of the 9th edition of the Planet of Energy educational competition, Energa recognised 23 schools (3 main prizes, 10 commendations and 10 additional awards); teachers working at these schools were invited to participate in the first edition of the Planet of Energy Academy.

Various lectures and workshops were held as part of the Planet of Energy Academy, enabling teachers to improve their skills in how to talk to children on topics such as methods of energy conversion or sources of energy in a simple and understandable manner. They also learned how to do simple experiments and trials that will arouse the children’s curiosity and explain how complicated physical phenomena work.
Endorsed course in Ostrołęka

In June 2017, Energa Elektrownie Ostrołęka SA and the local government of Ostrołęka commenced collaboration in the development of vocational education. The local power plant endorsed a school unit at the Cardinal Stefan Wyszyński Vocational School Complex no. 3 in Ostrołęka providing vocational electrical technician courses. The objective of these activities is to reduce the generation and compensation gap in the power industry and implement good practices. As part of the agreement, the company pledged to provide the school workshops with learning aids and tools and to organize trips for students to power plants, CHP plants and branches of Energa Group's distribution company located in other towns. The company also arranged for the course to be placed under the care of the local branch of the Association of Polish Electrical Engineers. In 2019 there were 20 students in year I of the electric technician course and 21 students in year II of the electric technician course.

National Economic Summit in Siedlce

Energa supported the organization of the 5th edition of the summit. The event focused on the pillars of future Polish economy, namely the industries, companies and institutions whose operations and determination contribute to the country's economic development. The main theme of this year's summit was state-economy-security.

Congress 590 in Rzeszów

Energa Group provided financial support to the organization of Congress 590 in Rzeszów, one of Poland's largest economic events. The 4th edition of the event took place between 7 and 8 October 2019 at the G2A Arena Podkarpackie Province Exhibition and Congress Centre in Jasionka near Rzeszów, under the honorary patronage of Andrzej Duda, President of the Republic of Poland. Congress 590 is a unique forum for the exchange of experiences, ideas and arguments between representatives of business, science, politics and administration, a place where innovators, cultural creators and opinion leaders can discuss the future. Participants in the event engaged in several debates, discussed hundreds of issues and had thousands of constructive conversations.

29th Economic Forum in Krynica

Representatives of Energa Group participated in the 29th Economic Forum in Krynica, one of the largest events devoted to affairs of the economy in Central and Eastern Europe with over 3 thousand visitors in attendance. The Forum is an opportunity for prime ministers, speakers of parliaments, ministers and members of parliament of countries of the region. CEOs of major companies, experts, representatives of the scientific, cultural and media world from over 60 countries to exchange opinions on the current political, economic and social situation of the world. More than two hundred thematic debates, special events, plenary sessions and discussions take place over the three days of the event.

8th Biomass and Clean Energy Forum

Energa supported the organisation of the Biomass and Clean Energy Forum. The event has become a permanent fixture in the calendar of representatives of industries operating in the market of biomass used for energy-related purposes. From the very beginning of the initiative, the Forum was meant to be a place where representatives of the industry could expand their knowledge of the market and existing legal environment and learn from the experiences of other members of the industry. As is the case every year, representatives of major market regulatory bodies, State Forest Authority and businesses operating in the broadly defined energy industry were present at the Forum.

Visiting small hydropower plants

To meet the expectations of educational institutions and other entities interested in popularising knowledge of renewable energy sources, Energa Group made 54 various sites available to visitors in 2019. These sites included 45 hydropower plants, 5 wind farms, 3 photovoltaic farms and one pumped-storage power station. The sites were open to groups of 15 to 30 visitors. During the visit, an employee of the power plant outlined the history of the site, described the technology used to generate electricity in a given location and reminded the visitors of the vital role played by renewable energy sources in environmental protection. Being aware of the potential architectural barriers present in its power plants, Energa devised a budget enabling each site to adapt its infrastructure to allow entry for visitors with disabilities. No admission charges were collected by the power plants and farms.
Energa Foundation

Energa Foundation is a non-government agency whose statutory goals include providing support to persons and institutions who require assistance, including for saving human lives, preventing social ills, preserving religious and cultural heritage and developing patriotic activity among the young generation. The Foundation fulfils its mission through financial donations. Since 2011, it has had the status of a public benefit institution and uses funds received through the 1% of tax mechanism to meet the needs of Energa Group’s employees.

Energa Foundation celebrated its 10th anniversary in 2019. Over the ten years of its existence, it supported:

- **2956 institutions**
- **1237 natural persons**
- **310 employees of Energa Group**

The gynaecology and obstetrics unit at the Kociewie Health Centre in Starogard Gdański was among the health care institutions who received support from the organization. The Foundation donated PLN 60,000 to the unit to fund the purchase of specialist equipment used for prenatal examinations.

Energa Foundation provided assistance to residents affected by the storm which ravaged the municipalities of Sulęczyno and Dziemiany in the Pomerania Province. Aid was given not only to those affected by the storm, but also local Volunteer Fire Brigade units and nursing homes.

Through its involvement in projects promoting health and social and educational issues, the foundation provided financial aid to many persons and institutions. Of equal importance, however, was providing assistance to employees of the Group. Meetings with individuals or representatives of institutions who received aid through our mutual efforts always bring us great satisfaction. Every opportunity to help is of great importance to Energa Group.

In 2019 we were able to donate as much as PLN 350,000 to children from orphanages located in areas where Energa Group operates.

2019 also marked the second time that nursing homes for the elderly also received aid under the programme.

The foundation does not forget about our compatriots living abroad – it supported the construction of a playing field for children in Kazakhstan.

Thanks to the foundation’s ‘Breaking Barriers’ programme, integration swings for children with disabilities were installed in selected locations.

The ‘Active Charity’ social initiative is one of the projects regularly supported by the foundation. Every year, the campaign brings together employees of Energa Group, their relatives and friends who are interested in helping others.

In 2019 we were also able to provide financial aid to employees of Energa Group affected by the storm which ravaged the municipalities of Sulęczyno and Dziemiany in the Pomerania Province. Aid was given not only to those affected by the storm, but also local Volunteer Fire Brigade units and nursing homes.
In 2019, Energa Foundation supported the following charities:

- ‘Dragon’ Integration Sports Club – purchase of parts and accessories for sports wheelchairs, maintenance and repairs of sports equipment and purchase of new wheelchair wheels for a player who was called up to the Polish national handcycling team. The club promotes and popularises sport among people with disabilities. Athletes representing the club have been called up to Polish national teams and are preparing for the upcoming Paralympics.

- Gdańsk Academy of Figure Skating – organization of summer and holiday camps and purchase of sports equipment. The Academy promotes figure skating among children, adolescents and adults. It advocates a healthy lifestyle and physical activity through ice skating and other types of skating. It also organizes overall physical conditioning sessions and dance and ballet classes.

- Eagles of Sport Foundation – support for sports and physical activities for kindergarteners as part of the ‘Great Little Ones’ project. The initiative involved organizing overall physical conditioning classes with elements of teamplay, track and field and martial arts in kindergartens or school and kindergarten complexes.

- Blościek Team Sports Club – funding for prizes for competitors and sound system used during the 4th Wrestling Gala and promotional efforts. The main objective of the club is to promote physical activity, in particular wrestling, among children and adolescents. Every national competition organized by the club is very popular among fans of the discipline. Athletes called up to the Polish national team have been highly successful in international competitions.

- The Centre of Thought of Primate Cardinal Stefan Wyszyński Association – support for the publication of post-conference materials and honoria for speakers at the series of scientific conferences held in Komarzica. The objective of the conference was to reinforce educational processes among adolescents, bring together cultural, scientific and adolescent communities and systemize knowledge about Primate Cardinal Stefan Wyszyński.

- Gladus Glorae Foundation – support for the TADEV patriotic rap concert, patriotic concert given by the Floridus vocal quartet, lectures on patriotism and a living lesson of history for young children as part of the ‘Spring of Patriots’ project. The ‘Spring of Patriots’ project lasted 3 months and was aimed at promoting family and patriotic values among children, adolescents and adults.

- The Saint Lawrence Roman Catholic Parish in Luzino – funding for conservation works on the main altar. The church parish is a listed building. The main altar was built in the first half of the 18th century.

- BONA FIDE scholarship programme – Energa Foundation and other state-owned companies implement the social mission of their donors through educational activities, helping support Poland’s sustainable economic development. In collaboration with theGift of the Heart Foundation, Energa Foundation supported students studying at one of 50 foreign universities from the Shanghai Ranking. The board and council of the foundation decided to fund a scholarship for one person as part of this project in 2019.

- Special School and Education Centre no. 1 in Elbląg – purchase of learning aids for children and adolescents with intellectual disabilities as part of the ‘Understand My Words’ project, supporting child communication through feline therapy and AAC. The Centre provides education to children and adolescents with intellectual disabilities. The project is aimed at autistic students with speech disorders.

- Leonianum Foundation – purchase of an IMPACTIS M shockwave therapy unit, a POLARIS HP 5 high energy laser, an UGUL booth and equipment for use in rehabilitation rooms at the Leonianum Home for Senior Citizens.

- Caritas Poland – purchase of hygiene supplies and thermal blankets for those affected by floods in Mozambique, supported by Caritas Mozambique. As a result of the disaster, 602 people were killed and a further 1600 were injured.

- Pro Caritate Foundation – purchase of medical supplies and a wheelchair for a medical care facility in Rwanda, equipment for a medical practice in Madagascar and purchase of specialized beds for a hospital in Belarus. The equipment is to be used for helping the sick and those most in need.

- Pro Caritate Foundation – purchase of learning aids for children and adolescents with intellectual disabilities as part of the ‘Understand My Words’ project, supporting child communication through feline therapy and AAC. The Centre provides education to children and adolescents with intellectual disabilities. The project is aimed at autistic students with speech disorders.

- Shanghai Ranking. The board and council of the foundation supported students studying at one of 50 foreign universities from the Shanghai Ranking. The board and council of the foundation decided to fund a scholarship for one person as part of this project in 2019.

- Polish Society Against Cystic Fibrosis, Local Branch in Gdańsk – the ‘Super Moms’ project, support for mothers of children suffering from cystic fibrosis. The project involves the creation of support groups for mothers who struggle with everyday difficulties resulting from their children’s illness. A psychological support program and assertiveness workshops will be prepared for them.

- ‘EFFETHA’ Association of Deaf People, their families and friends in Gdynia – individual therapy for those under the care of the Association. The aim of the project is to provide psychological and group therapy, as well as therapeutic workshops, with the assistance of a sign language interpreter.

- Volunteer Fire Brigade in Kępno – purchase of firefighting helmets.
In 2019, Energa Foundation made **411 agreements** for donations.

**Consolidated financial data for 2019:**

**Funds expended on donations in 2019:**

**PLN 4,571,510.12**

**Revenues from unpaid work for public benefit:**

**PLN 6,047,141.40**

- including:
  - donations of 3% of personal income tax: **PLN 1,143,380.00**
  - donations of 2% of corporate income tax: **PLN 2,067,000.00**
  - donations of 1% of personal income tax (Energa SA donated PLN 6,000,000, whereas Energa Operator SA donated computer equipment worth PLN 28,857.10, which was then donated to schools)
  - other sources: **PLN 50.00** (donation made by a natural person)
  - financial revenues: **PLN 25,283.90**
  - other operating revenues: **PLN 3,474.30**

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Limiting the Group’s negative impact on local communities

Energa Group identifies the actual and potential negative impact of its operations on local communities. Each capital works project or site operated by Energa Group Companies may cause local inconveniences for their environment, despite meeting all relevant legal requirements. For example, overhead power lines, transformer stations or wind farms disrupt the natural landscape, cause vibrations or noise. Transport of raw materials and ash to stockpiling locations may also constitute an additional nuisance for local residence. Energa Group is aware that despite maintaining the highest degree of care and meeting legal requirements, elimination of all issues may not always be possible. In such situations, the various initiatives taken by Energa for the benefit of the society described in the current chapter constitute a compensation for local communities.
Environmental protection at Energa Group

ECOLOGICAL SOLUTIONS
Fulfilment of objectives for 2019 and challenges in 2020

Since 2016, Energa Group has been part of a prestigious set of organisations subject to EMAS (Eco Management and Audit Scheme). We are the first and so far the only power industry group in Poland to be registered with EMAS, taking into account the large number of companies.

Energa has been implementing the tenets of the State’s Ecological Policy 2030, adopted by the Council of Ministers on 16 July 2019. The document specifies key objectives in the area of environment and water management and directions of development, enabling them to be combined with economic and social needs.

The Group is consistently adapting to the strategic tenets of the ecological policy. It puts into action initiatives related to preventing climate change and implementing sustainable management of water and waste with a view to transitioning to a circular economy, eco-innovation and ecological education.

Energa attaches great importance to the Paris Agreement, ratified by Poland. The organisation actively participates in working towards achieving reduction targets resulting from EU regulations, including greenhouse gas emission reduction targets, steadily implements innovative technologies and uses low-emission conventional energy generating sources in a rational manner. It aims at maintaining a balance between the emission of greenhouse gases and their absorption, including through the capture of CO₂ by ecosystems (Polish forests) and Forest Carbon Farms.

Energa is a leading player among domestic power industry groups in terms of the share of energy generated from renewable sources in the total amount of generated energy. The share of renewable energy sources in Energa Group’s own generation mix currently amounts to 36%, and 38% in total installed power.

The gradual departure from a linear model of economy towards a circular economy, mandated by the Council of Ministers, has a significant impact on the power industry. It will primarily require rational management of resources, starting with the design stage, moving on to production and consumption, and ending with the collection and disposal of waste. In accordance with the circular economy model, Energa strives to ensure that materials and resources remain in use within the economy for as long as possible.

Energa Group companies have been successfully following this model for several years now.

Work towards meeting the challenges facing the Group in terms of current operating activities and capital works plans is supported by the integrated environmental and power management system implemented within Energa, which complies with the EMAS Regulation and the following standards: ISO 14001:2015, ISO 50001:2011.

Energa has been implementing the tenets of the State’s Ecological Policy 2030, adopted by the Council of Ministers on 16 July 2019. The document specifies key objectives in the area of environment and water management and directions of development, enabling them to be combined with economic and social needs.

The Group is consistently adapting to the strategic tenets of the ecological policy. It puts into action initiatives related to preventing climate change and implementing sustainable management of water and waste with a view to transitioning to a circular economy, eco-innovation and ecological education.

Energa attaches great importance to the Paris Agreement, ratified by Poland. The organisation actively participates in working towards achieving reduction targets resulting from EU regulations, including greenhouse gas emission reduction targets, steadily implements innovative technologies and uses low-emission conventional energy generating sources in a rational manner. It aims at maintaining a balance between the emission of greenhouse gases and their absorption, including through the capture of CO₂ by ecosystems (Polish forests) and Forest Carbon Farms.

Energa is a leading player among domestic power industry groups in terms of the share of energy generated from renewable sources in the total amount of generated energy. The share of renewable energy sources in Energa Group’s own generation mix currently amounts to 36%, and 38% in total installed power.

The gradual departure from a linear model of economy towards a circular economy, mandated by the Council of Ministers, has a significant impact on the power industry. It will primarily require rational management of resources, starting with the design stage, moving on to production and consumption, and ending with the collection and disposal of waste. In accordance with the circular economy model, Energa strives to ensure that materials and resources remain in use within the economy for as long as possible.

Energa Group companies have been successfully following this model for several years now.

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Completing the implementation of an ISO 50001:2011-compliant energy management system at Energa Operator SA

In 2019, Energa Operator SA continued its earlier activities related to the implementation of the ISO 50001:2011 standard in connection with the update of this standard, which will be superseded by ISO 50001:2018 starting with 21 August 2021, the ending date for the implementation of this energy standard within the company has been set for 2020.

Fulfilment of environmental goals as part of implementation of capital works projects

Reduction of low-stack emissions in Kalisz through the expansion of the city’s district heating system and connection of new customers (reducing the emission of dusts generated by households in the urban regeneration area in Kalisz).

Purchase of an electrical vehicle for the District Heating Emergency Services in Ostrołęka.

Implementation of projects related to the construction, remodelling and modernisation of lighting infrastructure, aimed at improving energy efficiency of road lighting installations and reducing consumption of electricity and CO₂ emissions.

Completion of capital works projects by Energa Operator SA:
- installation of 221 platforms for stork nests
- modernisation of 125 pole-mounted stations
- replacement of 250 km of medium-voltage power lines with lines with covered conductors
- replacement of 137.8 km of overhead medium-voltage power lines with cable lines
- replacement of 823 km of power lines with insulated lines
- replacement of 7398 connectors with insulated connectors

Maintaining a high share of energy from renewable sources in the Group’s energy mix

Modernisation of the power generating unit at the Gałąźnia Mała Hydroelectric Plant. The initiative is expected to improve the efficiency of power generating equipment through discontinuing the use of belt and pulley drives in hydraulic RPM controllers, which will result in an estimated 5% increase in production.

Replacement of 10.5/0.4 kV and 15/0.4 kV auxiliary transformers, their installation and connection at the Włocławek Hydroelectric Plant. The expected environmental effect of this initiative is to eliminate the potential for an oil leak in these transformers. The expected energy-related effect of this initiative is to reduce the consumption of power related to captive transformer losses by approx. 5%.

Fulfilment of environmental goals as part of implementation of capital works projects

Priority objectives for 2020

Implementing an ISO-50001:2018-compliant energy management system at Energa Operator SA

Completing the construction of a desulphurisation exhaust fume at the Ostrołęka B Power Plant

Continuing the reduction of low-stack emissions in Kalisz through the expansion of the city’s district heating system and connection of new customers

Continuing the initiatives related to the construction, remodelling and modernisation of lighting infrastructure, aimed at improving energy efficiency of road lighting installations and reducing consumption of electricity and CO₂ emissions

• Replacement of high-voltage/medium voltage and medium voltage/low-voltage transformers
• Replacement of overhead medium-voltage power lines with cable lines
• Replacement of low-voltage power lines with insulated lines
• Installing platforms for white stork nests

Objectives for 2019

Completing the implementation of an ISO 50001:2011-compliant energy management system at Energa Operator SA

Continuing the reduction of low-stack emissions in Kalisz through the expansion of the city’s district heating system and connection of new customers

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An environmental and energy affairs coordinator has been appointed at every company of Energa Group and is responsible for coordinating and maintaining the environmental and energy management system. Coordinators ensure compliance with requirements resulting from the scope of ‘standard environmental duties’, including monitoring of permits, emission balancing, reporting required under applicable regulations, calculation of fees, etc. Environmental and energy affairs coordinators cooperate in every company with energy committees, responsible for coordinating and improving energy performance. Operating activities on the level of Energa Group under the Environmental Policy are managed by a programme coordinator (Energa Centrum Usług Wspólnych Sp. z o.o. - Shared Services Center). Activities of the programme coordinator are supervised by Energa SA.

Energa Group identifies, assesses and manages initiatives that impact or may potentially impact the environment. The process begins with the identification of environmental aspects.

Environmental aspects (emissions, resource consumption, interactions with the environment) are identified not only in the context of operations of Energa Group companies, but in the context of operations of the Group’s external suppliers and partners as well, which the Group can control or at least partially influence.

A careful identification of environmental aspects has enabled Energa Group companies to carry out a comprehensive assessment of their environmental impact, taking into account not only their regular mode of operation, but also conditions prevailing during start-up and winding down of operations, as well as any extraordinary conditions that can be reasonably predicted. They also take into account past, current and planned operations.

From the perspective of product and service life cycle, this analysis in particular applies to the purchase of raw energy materials (coal, biomass), their transport (in particular with regards to the Generation Business Line), procurement, as well as designing new and modernised generating and distribution infrastructure.

Distribution and generating infrastructure leads to the rise of direct aspects. The area of indirect aspects meanwhile applies to the handover of waste created when dismantling distribution and generating infrastructure to other entities dealing with its disposal or reuse/recycling.

Energa Group:
- Identifies environmental aspects, determining their environmental impact (from the life cycle perspective)
- Accounts for various stages of the life cycle of generating and distribution infrastructure (construction, operation, demolition) in its design processes, in particular with regards to infrastructure which requires the issue of environmental permits.
- Has adopted procurement principles which ensure a sustainable business and environmental approach and minimise the risk of potential harm to the environment.

Energa Group pays close attention to minimising environmental risks. Assessment of each aspect, determining their impacts and related risks helps the organisation make balanced and responsible business decisions. The importance and impact of aspects typical to a power industry business can, however, vary in each business line.

Due to operating a vast network of power infrastructure, the Distribution Business Line may primarily impact the continuity of ecosystems. Locally, power lines may emit noise and radiation, and a potential failure of a power station may also cause the emission of greenhouse gases to the ozone layer.

In order to minimise these risks, Energa Operator SA regularly replaces its transformers and modernises its grid infrastructure, helping limit grid losses and reduce CO₂ emissions.
The Generation Business Line primarily produces atmospheric emissions, related to the combustion of fuels. The potential impact of these issues primarily includes the consumption of non-renewable resources (coal) and the emission of pollutants (harmful dusts and gases, including nitrogen and sulphur oxides), as well as emissions contributing to the greenhouse effect (primarily carbon dioxide).

Reducing the emission of pollutants into the air by intercepting them using de-dusting equipment leads to the generation of large amounts of clinker, which may occupy large swathes on land when stockpiled without being put to economic use. Due to this, Energa Elektrownie Ostrołęka SA has for several years now been making efforts to put furnace waste and combustion by-products to economic use. Since 2015, they have been used in other technological processes or collected by external companies and used for such purposes as the manufacture of cement and rockfill in roadbuilding, leading to reduced consumption of natural resources in the construction industry. In this regard, Energa Group has been steadily developing renewable energy sources.

Conventional generating units consume water to produce electricity, primarily for cooling the generating systems. Discharging cooling water may increase the temperature of surface water and contribute to the eutrophication of bodies of water when combined with an excess of biogenic substances. To prevent this, Energa Group has been steadily developing renewable energy sources.

Electricity is generated using natural resources, such as the force of wind blowing along the Baltic coast, solar energy in north-eastern Poland and the waters of Vistula and other rivers in the Pomeranian region. The Group can boast the largest share of green energy (36%) in its total energy mix among other domestic power industry groups, giving it a leading position in this segment.

Although renewable generation sources do not directly cause emissions, they may lead to localized inconveniences for their surroundings, such as noise or vibrations (wind farms). Furthermore, terrestrial photovoltaic farms reduce the areas of habitats of various species of organisms. All installations operated by Energa OZE SA meet legal requirements with regards to environmental protection, including requirements stipulated in administrative permits.

Operations of the Sales Business Line mostly take place in offices. Their impact on the environment is limited to the consumption of resources such as water and energy. The Company contributes to shaping prosumer attitudes and supports customers willing to modify their consumer habits to reduce their energy usage. Due to this, Energa Obrót SA has been steadily expanding its portfolio of products and services. It offers its customers flexible solutions and is dynamically developing its network of sales and skilled salespeople. It focuses on ensuring simplicity of customer service and building a range of products and services based on a dialogue between employees and customers, with tangible results. The company’s customers include residents and businesses hailing from across the country and representing various segments of the economy.

Detailed information on environmental aspects, impacts and risks can be found in the annual ‘Energa Group’s Environmental Declaration’, available online at:


Additional information about the process of implementing an environmental and energy management system within Energa Group can be found in Energa Group’s CSR reports, available online at:

Environmental management strategy – EMAS system

Energa has implemented and is improving the EMAS system as part of the Environmental Policy adopted by Energa Group. The Environmental and Energy Management Programme is a tool for implementing that Policy. The integrated environmental and energy management system implemented within Energa Group was during the last year adapted to the updated EMAS Regulation.

Targets and indicators have been implemented at each stage of the Group’s operations, starting from the managing company – Energa SA, moving on to each Group company and ending with each individual installation and site. As a result, the approach to issues related to environmental impact has been integrated which means that every company covered by the EMAS ecomanagement and audit system is subject to:

1) ongoing verification with regards to compliance with applicable regulations
2) monitoring in terms of its environmental operations
3) supervision in terms of determining targets and tasks
4) systematic oversight, including regular audits
5) while accounting for the specific nature of the operations of each Group company.

On 15 June 2016, key companies of Energa Group were entered into the prestigious EMAS register, kept by the Ministry of the Environment. In October 2018, Energa submitted an application to register additional companies.

In 2018, the EMAS integrated environmental and energy management system covered a total of 17 Energa Group companies. Between July and September 2019, Bureau Veritas Polska sp. z o.o., an external environmental monitoring agency, carried out an independent audit of the environmental and energy management system across a total of 379 locations. More information on the environmental policy and environmental and energy management system can be found in ‘Energa Group’s Environmental Declaration’, available online at: https://grupa.energa.pl/en/environment/csr-policy
The first Polish organisation was registered in the EMAS system in 2006. The number of entities in the system has been steadily increasing since that date. In 2015, 48 organisations operating 122 sites were registered in EMAS*.

In 2016, Energa Group entered 10 of its key companies operating 167 sites into the register, which doubled the number of all sites recorded in the domestic register. 7 additional Energa Group companies were entered into the register in 2019. In total, the register includes 17 Energa Group companies operating in 379 locations.

*source: State’s Ecology Policy 2030

Environmental aspects of our collaboration with business partners
Acting in accordance with the principles of social responsibility and striving to achieve sustainable development, companies of the Generation Business Line engage in collaboration only with those business partners who are aware of rules and requirements in areas of environmental protection, occupational health and safety and fire safety. Each business partner is required to familiarise itself with these rules and requirements and obligate its employees and subcontractors engaged to perform the works (where all or some of the work under a contract is subcontracted) to comply with these rules and requirements.

Capital works impacting the environment
Energa Group implements capital works projects with an environmental and energy impact resulting from the steady development of the organisation. Activities are oriented towards meeting the expectations of stakeholders while ensuring an improvement in energy efficiency, reducing emissions into the environment and developing new products for Group customers.

By implementing the Strategy of Development for 2016-2025, Energa Group expended PLN 1.6b on capital works projects, of which PLN 1.3b was expended on capital works in the Distribution Business Line.
Modernisation of the power generating unit at the Gałąźnia Mała Hydroelectric Plant, completed in September 2019

Defunct equipment was dismantled, new electrohydraulic unit RPM controllers, medium-voltage 15 kV switching gear and safety and measurement instruments were installed, and oil-filled transformers were replaced with dry resin cast transformers. As a result of the modernisation, the reliability of generating equipment was improved and risks to the environment were reduced to a minimum (the Słupia River Valley protected area). In terms of energy, the modernisation is expected to improve the efficiency of generating equipment and an estimated increase in production of 5%.

Key capital works projects in the Generation Business Line in 2019

Modernisation of fans in unit 2 of the Ostrołęka B Power Plant

Installation of two new fans will contribute to reducing CO₂ emissions by approx. 753 Mg/year through reducing the unit’s demand for auxiliary electricity.

Auxiliary transformers are indispensable in the process of generating electrical energy. They are used to power all auxiliary equipment in the power plant, both those used in the generation of electricity (water and oil pump engines, compressor rooms, voltage and RPM controllers) and for other purposes (lighting, heating, drainage pumps, computer systems). The worn-down transformers, manufactured in 1967, were replaced with new generation transformers that meet requirements stipulated for this type of devices in Commission Regulation no. 548/2014. Furthermore, modernisation of the auxiliary direct current switching gear, T5 transformer 15 kV switching gear and T4 transformer 10.5 kV switching gear was completed. Installation of new generation switchgear enabled full reliability of the system and energy security of the entire site.

Replacement of 10.5/0.4 kV and 15/0.4 kV auxiliary transformers, their installation and connection at the Włocławek Hydroelectric Plant

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Continuation of projects aimed at improving the quality of air in Kalisz (collaboration between Energa Ciepło Kaliskie Sp. z o. o. and Energa Serwis Sp. z o.o.) through expanding the municipal district heating system, connecting new customers and eliminating low stack emission in Kalisz

2019 marked the end of the last stage of discontinuing the use of old-type coal-fired stoves in the historical part of the city and connecting tenement houses to the municipal district heating system. Company Energa Ciepło Kaliskie Sp. z o.o. and local authorities in Kalisz commenced collaboration with a view to reducing low-stack emission (i.e. emission of harmful dusts and gases generated mostly by households and vehicle transport) in the historical centre of the city. Actions taken as part of the initiative are aimed at reducing the number of individual heat sources powered by solid fuels. Expansion of the district heating network is primarily meant to all council-owned residential abodes, but does not preclude the potential connection of sites owned by other entities. Energa Ciepło Kaliskie Sp. z o.o. builds heating networks and connections, whereas the Municipal Residential Building Authority funds the construction of heating substations and indoor heating systems. In 2019, these activities were carried out in 24 buildings with a total heated surface of 1193 m² and enabled to discontinue the use of 32 stoves, reducing PM10 emission by approx. 1.37 Mg/year, PM2.5 emission by approx. 0.82 Mg/year and BaP emission by approx. 0.24 Mg/year.

Continuing the construction of an exhaust fume desulphurisation installation at the Ostrołęka B Power Plant

The purpose of this project is to reduce emissions from 1200 mg/Nm³ to 70 mg/Nm³. Works completed in 2019 include the installation of an absorber coating.

Key capital works projects in the Distribution Business Line in 2019

Installation of 221 platforms for stork nests

Modernisation of 125 pole-mounted transformers

Replacement of 250 km of medium-voltage power lines with lines with covered conductors

Replacement of 137.8 km of overhead medium-voltage power lines with cable lines

Replacement of 823 km of power lines with insulated lines

Replacement of 7396 connectors with insulated connectors

Modernization of the engineering structure forming part of the Szczytno Distribution Region to reduce thermal energy losses and lower indirect and direct emissions into the atmosphere (CO₂, NOₓ and CO) caused by electricity generation processes.
Modernisation of cooling water installations in three 200 MW power units at the Ostrołęka B Power Plant

The project will involve the installation of new cooling water pumps with the option to adjust operating parameters using a rotor, with an adjustable blade angle. New pumps will replace the currently used, well-worn pumps with reduced efficiency and will enable the use of an expanded system of adjusting the amount of cooling water, depending on the demand in individual turbine units, leading to an optimization of operation of each power generating unit.

Energa Group is planning to commence the following initiatives in 2020:

- Modernisation of cooling water installations in three 200 MW power units at the Ostrołęka B Power Plant
- Completion of the construction of an SO\(_2\) reduction installation at the Ostrołęka B Power Plant
- Commencement of construction of three gas-fired water boilers with a power of 38 MWt each at the Elbląg CHP plant
- Completion of assembly of two trash rack cleaners in hydroelectric plants

The project will involve the installation of new cooling water pumps with the option to adjust operating parameters using a rotor, with an adjustable blade angle. New pumps will replace the currently used, well-worn pumps with reduced efficiency and will enable the use of an expanded system of adjusting the amount of cooling water, depending on the demand in individual turbine units, leading to an optimization of operation of each power generating unit.

The purpose of this project is to reduce SO\(_2\) emissions from 1200 mg/Nm\(^3\) to 70 mg/Nm\(^3\).

Commencement of construction of three gas-fired water boilers with a power of 38 MWt each at the Elbląg CHP plant

Completion of assembly of two trash rack cleaners in hydroelectric plants

The first cleaner will be installed on the trash racks of the dam on the Radow river at the Żydowo Pumped Storage Hydroelectric Plant. The other one – gripper-type – will be installed at the Kępice Hydroelectric Plant. Mechanisation of the process of cleaning trash racks from solid waste will enable the efficient removal of waste flowing downstream, improvement in the safety of operation of the power plant and, in the case of the Kępice hydroelectric plant, increase in production capacity.

Nearly 3839 old-type light fixtures (mercury and sodium) were modernized in 2019 and replaced with energy-efficient fixtures.

The purpose of the offer is to foster knowledge on the consumption of energy among business customers and provide them with solutions/projects that will enable them to reduce consumption levels. 4 business customers of Energa Obrót SA purchased energy and energy efficiency audit services in 2019.

The offer included comprehensive consulting services with regards to the design of the installation, sale and assembly of photovoltaic installation. In 2019, employees of Energa Obrót SA signed 25 contracts for microinstallations with a capacity of up to 50 kW.

Transferring the e-mobility area from Enspirion Sp. z o.o. to Energa Obrót SA as part of the Group’s competences

Objectives of the project include making additional electrical vehicle charging points available to customers. 22 electrical vehicle charging stations were installed in 2019.

Activities carried out as part of the project include preparations for the performance of capital works and bringing online CHP units with a capacity of 1 MWt on the premises of business customers. In 2019, representatives of Energa Obrót SA engaged in negotiations with business partners and analysed their capabilities and needs. Contracts are expected to be signed in 2020.

Development of technological range of products by offering photovoltaic panels for sale

Photovoltaic panels installed on the roof of a building or elsewhere on the premises enable business customers to use electricity generated throughout the day in their technological purposes or to light their warehouse buildings. The solution also ensures savings, as the business begins to partially generate the required energy on its own, which means that owners of PV panels can reduce their electricity consumption, lower the emission of exhaust fumes and increase the production of ‘green energy’.

The offer included comprehensive consulting services with regards to the design of the installation, sale and assembly of photovoltaic installation. In 2019, employees of Energa Obrót SA signed 25 contracts for microinstallations with a capacity of up to 50 kW.

Key capital works projects in the Sales Business Line completed in 2019

Modernisation of road lighting infrastructure by Energa Oświetlenie Sp. z o.o.

Nearly 3839 old-type light fixtures (mercury and sodium) were modernized in 2019 and replaced with energy-efficient fixtures.

Developing the range of products on offer in the area of energy efficiency

The purpose of the offer is to foster knowledge on the consumption of energy among business customers and provide them with solutions/projects that will enable them to reduce consumption levels. 4 business customers of Energa Obrót SA purchased energy and energy efficiency audit services in 2019.

Activities carried out as part of the project include preparations for the performance of capital works and bringing online CHP units with a capacity of 1 MWt on the premises of business customers. In 2019, representatives of Energa Obrót SA engaged in negotiations with business partners and analysed their capabilities and needs. Contracts are expected to be signed in 2020.

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The offer included comprehensive consulting services with regards to the design of the installation, sale and assembly of photovoltaic installation. In 2019, employees of Energa Obrót SA signed 25 contracts for microinstallations with a capacity of up to 50 kW.
As regards the electrical section of the plant, the medium-voltage 15 kV switching gear with vacuum switches, switching, measurement, safety and turbine control equipment will be replaced with new units. The modernisation will improve the safety of the plant’s operation and reliability of the generation process. Replacement of oil-filled transformers with dry resin cast transformers will provide greater protection of the environment from potential leaks and penetration of oil-based substances into the soil and water.

The project involves the modification of district heating systems – underground and overhead. Pre-insulated pipes will be installed on additional streets (task originally scheduled for 2019).

Modernisation of road lighting infrastructure by Energa Oświetlenie Sp. z o.o.

Continuation of the E-mobility project involving the installation of additional electric vehicle charging stations

Tasks planned in the area of operations of Energa Operator SA include: replacement of high-voltage/medium voltage and medium-voltage/low-voltage transformers, replacement of overhead medium-voltage power lines with cable lines, replacement of low-voltage power lines with insulated lines and installation of platforms for white stork nests

The project involves the modification of district heating systems – underground and overhead. Pre-insulated pipes will be installed on additional streets (task originally scheduled for 2019).

Optimisation of consumption of resources at company Energa Elektrownie Ostrołęka SA involves constant analysis of coal used for combustion and selection of material with optimal quality parameters, both in terms of economy and physical and chemical properties, such as calorific value, ash, moisture and sulphur content, grindability index. In 2019, the Ostrołęka power plant resumed co-firing biomass and coal, which also resulted in a reduction in the consumption of fossil fuels, namely bituminous coal, and a reduction in the amount of furnace waste produced and consumption of sorbent in the process of desulphurization of exhaust fumes.

As consumption of resources is an inherent part of the operations of Group companies, each of the companies (as per the tenets of the integrated environmental and energy management system) implements capital works projects and organisational activities supporting a reduction in the consumption of resources, in particular non-renewable resources.

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Thanks to equipping the high-performance water-tube boiler operated at the District Heating Plant owned by Energa Ciepło Kaliskie Sp. z o.o. with a dust blower (task described in the CSR report for 2018), the boiler’s reliability was improved and the number of shut-offs for cleaning the boiler was reduced. The effectiveness of this initiative was confirmed during the 2019 heating season, when the boiler did not have to be shut off even once, and therefore no re-ignitions were required, which otherwise would have resulted in the consumption of additional fuel.

Energa Operator SA has implemented regulations governing the return of material from dismantled installations. The purpose of the regulations is to implement uniform rules concerning the return and classification of devices or materials removed from power grids for further use.

Consumption of raw materials in the production of electricity and heat in 2019 amounted to a total of 1 239 438 Mg less than in the previous year 109 833 Mg.

In 2019, Energa Group sourced water from surface intakes and deep wells, for purposes including cooling of generation installations, manufacturing electricity in hydroelectric plants and providing potable water for employees.

Efficient management of water primarily entails a rational management of this resource and its protection. As is the case every year, the largest amount of water was sourced by Energa OZE SA, even though no water losses occur in the process of generating energy in hydroelectric plants. As regards other generation companies, the amount of consumed water is also high at Energa Elektrownie Ostrołęka SA. Part of the sourced and utilised water is then reused for such purposes as:

- replenishing losses in a closed hydro-ash handling system
- use as process water, after suitable purification
- part of steam produced by the power plant is used in the production of water to replenish water-steam circuits.

In connection with the construction of a second exhaust fume desulphurisation installation, one deep well was liquidated in 2019. Groundwater will now be sourced from two deep wells. The company also commenced the operation of a weir on the Narew river. The role of the weir is to ensure the correct level of water to enable its sourcing for cooling purposes irrespective of weather conditions, including in case of drought or ice jam. This will ensure the continuity of operation of generating units, reducing the number of unit start-ups and shutdowns required.

Consumption of raw materials/resources by weight and volume

<table>
<thead>
<tr>
<th>Raw materials/resources</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>coal (Mg)</td>
<td>1,288,660</td>
<td>1,059,255</td>
</tr>
<tr>
<td>natural gas (m³)</td>
<td>1,116,317</td>
<td>1,090,289</td>
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<tr>
<td>fuel oil (Mg)</td>
<td>3,362</td>
<td>3,272</td>
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<tr>
<td>diesel oil (Mg)</td>
<td>3,905</td>
<td>3,975</td>
</tr>
<tr>
<td>petrol (Mg)</td>
<td>872</td>
<td>970</td>
</tr>
<tr>
<td>other non-renewable (Mg)</td>
<td>175</td>
<td>580</td>
</tr>
<tr>
<td>consumption of other non-renewable resources and raw materials (Mg)</td>
<td>29,085</td>
<td>22,626</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION OF NON-RENEWABLE RAW MATERIALS (Mg)</strong></td>
<td>1,116,317</td>
<td>1,090,289</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION OF NON-RENEWABLE RAW MATERIALS (m³)</strong></td>
<td>1,336,015</td>
<td>1,090,878</td>
</tr>
<tr>
<td>biomass (Mg)</td>
<td>13,082</td>
<td>148,566</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION OF RENEWABLE RAW MATERIALS (Mg)</strong></td>
<td>13,082</td>
<td>148,566</td>
</tr>
<tr>
<td>consumption of direct resources (e.g. steel) (Mg)</td>
<td>173</td>
<td>193</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION OF RAW MATERIALS (m³)</strong></td>
<td>1,116,317</td>
<td>1,090,289</td>
</tr>
<tr>
<td><strong>TOTAL CONSUMPTION OF RAW MATERIALS (Mg)</strong></td>
<td>1,349,271</td>
<td>1,239,438</td>
</tr>
</tbody>
</table>

Total amount of water sourced:

- **29,279,780,499 m³**
  - a year on year reduction by **2,851,378,855 m³**
  - for cooling purposes

374,590,236 m³

Consumption of water

In 2019, Energa Group sourced water from surface intakes and deep wells, for purposes including cooling of generation installations, manufacturing electricity in hydroelectric plants and providing potable water for employees.

Efficient management of water primarily entails a rational management of this resource and its protection. As is the case every year, the largest amount of water was sourced by Energa OZE SA, even though no water losses occur in the process of generating energy in hydroelectric plants. As regards other generation companies, the amount of consumed water is also high at Energa Elektrownie Ostrołęka SA. Part of the sourced and utilised water is then reused for such purposes as:

- replenishing losses in a closed hydro-ash handling system
- use as process water, after suitable purification
- part of steam produced by the power plant is used in the production of water to replenish water-steam circuits.

In connection with the construction of a second exhaust fume desulphurisation installation, one deep well was liquidated in 2019. Groundwater will now be sourced from two deep wells. The company also commenced the operation of a weir on the Narew river. The role of the weir is to ensure the correct level of water to enable its sourcing for cooling purposes irrespective of weather conditions, including in case of drought or ice jam. This will ensure the continuity of operation of generating units, reducing the number of unit start-ups and shutdowns required.
### Total water intake by source

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total volume of water sourced from all included sources [m³/year]</th>
<th>Rivers (for cooling purposes) [m³/year]</th>
<th>Rivers (for purposes other than cooling) [m³/year]</th>
<th>Lakes (for cooling purposes) [m³/year]</th>
<th>Lakes (for purposes other than cooling) [m³/year]</th>
<th>Underground waters (for purposes other than cooling) [m³/year]</th>
<th>Water from municipal networks [m³/year]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energa D2E SA</td>
<td>31 718 945 409</td>
<td>18 911 950 872</td>
<td>10 100 642</td>
<td>9 811 243</td>
<td>32 131 159 354</td>
<td>1 818 630</td>
<td>6 791 179 654</td>
</tr>
<tr>
<td>Energa Elektrownie Odrodzone SA</td>
<td>394 545 708</td>
<td>340 393 008</td>
<td>334 752 995</td>
<td>3 479 314</td>
<td>403 269 108 598</td>
<td>50 503 487</td>
<td>3 479 314</td>
</tr>
<tr>
<td>Energa Sp. r.o.o.</td>
<td>668</td>
<td>1 075</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Odorzywa Sp. r.o.o.</td>
<td>496</td>
<td>471</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Saliwka Sp. r.o.o.</td>
<td>3 274</td>
<td>6 795</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Energoregeneracja Sp. r.o.o.</td>
<td>17 618 043</td>
<td>27 352 332</td>
<td>27 106 746</td>
<td>279 194</td>
<td>390 352 712</td>
<td>9 648 654</td>
<td>6 791 179 654</td>
</tr>
<tr>
<td>Energa Groupe</td>
<td>31 131 159 354</td>
<td>28 279 780 498</td>
<td>418 119 257</td>
<td>371 672 988</td>
<td>28 612 801 712</td>
<td>1 818 630</td>
<td>6 791 179 654</td>
</tr>
</tbody>
</table>

**Note:** The table reflects the volume of water sourced from different sources for the years 2018 and 2019, with specific breakdowns for rivers, lakes, underground waters, and water from municipal networks.
Energy efficiency

As part of the integrated environmental and energy management system in 2019 Energa Group companies carried out updates of energy reviews in accordance with requirements of standard ISO 50001:2011 and taking into account the scope of the energy audit of enterprises referred to in the energy efficiency act of 20 May 2016 and Directive 2012/27/EU. Activities carried out in each company were coordinated by energy committees set up within Energa Group. The programme coordinator (Energa Centrum Usług Wspólnych Sp. z o.o.) was responsible for drawing up the methodology of compiling data, model forms of reports and statements, oversight and verification of prepared materials. Energy reviews, as well as other components of the management system, were subjected to an independent verification between July and September 2019 (more information on this topic is available in the section titled ‘Environmental management strategy – EMAS system’).

In consequence of energy reviews carried out in previous years, in 2019 Group companies planned and implemented many modernisation and renovation activities aimed at reducing energy consumption, such as:

1. At Energa Elektrownie Ostrółęka SA:
   - modernisation of subure no. 1 in the Ostrółęka B Power Plant was completed in April 2019, resulting in an increase of power by 9 MWe. The efficiency of the high pressure and medium pressure section has been improved through the replacement of existing internal components with new ones, with a modern reactive-type flow-through system.
   - during the intermediate renovation of unit no. 2 (March – April 2019), fans in boiler K2 were modernised. The fans (2 units) were replaced with new ones, fitted with a hydraulic mid-operation rotor angle adjustment system; drive motors were replaced as well. The modernisation will save 82,911 toe/year of final energy per year.

2. At Energa Ciepło Kulicze Sp. z o.o.:
   - energy-absorbing equipment was replaced with units with higher energy efficiency parameters – 20 old pumping systems were replaced with electronically-controlled devices that comply with current requirements with regards to energy efficiency.
   - old-type lamps at the District Heating Station were dismantled and replaced with modern LED-based lamps.

3. At Energa Oświetlenie Sp. z o.o.:
   - road lighting infrastructure (lighting assets owned by the company and assets owned by other entities) was modernised. Nearly 3839 old-type light fixtures (mercury and sodium) were modernized in 2019 and replaced with energy-efficient fixtures. It is estimated that the replacement will result in energy savings of approx. 1,011,212 MWh per year, i.e. 86.95 toe/year, and reduction in CO₂ emissions by 773.58 toe/year.

4. At the Wilkowice Hydropower Plant auxiliary transformers were replaced. Their installation and connection has resulted in an estimated 79,409 kWh of annual savings in the consumption of energy.

5. At the Gałąźnia Mała Hydroelectric Plant the power generation section was modernised, leading to an increase in the energy efficiency of each hydropower section by approx. 3.94 percent. The increase in power at generator terminals for five hydropower sections is at approx. 157.5 kW.

6. At the Śluza Biała Hydroelectric Plant auxiliary transformers were replaced. Their installation and connection has resulted in an estimated 79,409 kWh of annual savings in the consumption of energy.

7. At the Wiązowa Wind Farm 2 a modern reactive-type flow-through system has been installed.

8. The project also involves the construction of an energy storage facility, meant to stabilise the operation of the distribution system in the area of Czernikowo, one of Poland’s largest photovoltaic farms with a power of 4 MWe.

Smart Grid

Energa Operator SA implements projects related to the expansion and modernisation of power infrastructure, with the help of EU funding. The company was able to receive over PLN 200m in funding for this type of projects as part of Operational Programme Infrastructure and Environment and regional operational programmes 2014–2020. The majority of these funds, PLN 170m, will be expended on the implementation of the Smart Grid intelligent distribution grid.

The coming years will see the creation of Poland’s first comprehensive medium-voltage grid management system, based on 1180 breakers in overhead medium-voltage lines, 1148 indoor switching gear sets with telecontrol systems and over two thousand TETRA telecommunications modems. Implementation of innovative ICT solutions, such as the FDIR (Fault Detection, Isolation and Restoration) module, will enable faster detection of the locations and causes of failures, as well as the automatic reconfiguration of the grid, resulting in a significant improvement in the efficiency of actions taken in case of a failure and reducing the number of persons affected by power outages to a minimum.

The project also involves the construction of an energy storage facility, meant to stabilise the operation of the distribution system in the area of Czernikowo, one of Poland’s largest photovoltaic farms with a power of 4 MWe.

Energa lights up Wąbrzeźno

Energa Osietlenie Sp. z o.o. will modernise street lighting in Wąbrzeźno. Under the terms of the eight-year contract signed by the company in November 2019 with the Wąbrzeźno Town Hall, one thousand modern, energy-efficient LED fixtures will replace the old and energy-inefficient sodium lamps. The project is the first of its type in the province of kujawsko-pomorskie. Modernisation works will begin in early 2020. Expected effects of the modernisation include:

- improving the level of safety of pedestrians and drivers
- reducing energy consumption by implementing an automatic reduction of energy intake during times of lighter road traffic
- reducing emissions of carbon dioxide into the atmosphere by over 173 tonnes per annum
- reducing consumption of energy used to power street lighting by approx. 60 percent.
### Consumption of energy generated from non-renewable raw materials by type of raw material:

|----------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------~~~~~~~~|-----------|------------------|------------------|----------------|-------------|
| Services and other                     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Distribution Business Line             |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|                                         | 168,793 | 183,165 | 168,793 | 180,920 | 240 | 173 | 18,705 | 21,034 | 3,672 | 3,703 | 116,857 | 130,888 | 29,108 | 21,513 |
| Sales Business Line                    | 19,881 | 19,886 | 19,884 | 19,842 | 0 | 0 | 769 | 636 | 0 | 0 | 11,279 | 9,594 | 7,786 | 9,610 |
| Energa G2E SA                          | 5,608,083 | 4,176,768 | 5,185 | 5,702 | 0 | 0 | 690 | 714 | 0 | 0 | 2,499 | 2,328 | 1,995 | 2,659 |
| Energa Elektrownie Ostrolecka SA       | 24,747,065 | 20,562,639 | 24,747,065 | 20,016,950 | 24,612,241 | 19,081,440 | 0 | 0 | 123,029 | 122,895 | 11,492 | 12,003 | 303 | 612 |
| Energa Serwis Sp. z o.o.                | 4,070 | 3,570 | 4,070 | 3,570 | 0 | 0 | 0 | 0 | 0 | 0 | 3,479 | 2,935 | 592 | 637 |
| Energa Ciepło Ostrolecka Sp. z o.o.    | 510 | 497 | 510 | 497 | 0 | 0 | 0 | 0 | 0 | 0 | 3,019 | 3,032 | 592 | 592 |
| Energa Ciepło Kaliskie Sp. z o.o.      | 352,117 | 332,376 | 332,376 | 332,376 | 317,556 | 318,946 | 10,661 | 11,046 | 0 | 0 | 3,876 | 3,679 | 737 | 776 |
| Energa Kaporałowo Sp. z o.o.           | 3,614,376 | 3,085,512 | 3,606,701 | 3,203,391 | 3,596,628 | 3,182,652 | 0 | 0 | 9,276 | 7,080 | 273 | 2,083 | 536 | 580 |
| Energa Group                           | 34,735,569 | 30,355,918 | 28,924,001 | 23,778,557 | 28,546,437 | 23,393,611 | 41,287 | 41,080 | 136,177 | 113,694 | 154,244 | 167,382 | 46,787 | 40,782 |
## Consumption of energy generated from renewable materials by type of material

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and other</td>
<td>14 625</td>
<td>12 310</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>168 783</td>
<td>131 165</td>
<td>0</td>
<td>245</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>19 861</td>
<td>19 866</td>
<td>47</td>
<td>43</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>34 532 223</td>
<td>30 143 758</td>
<td>5 610 571</td>
<td>6 579 073</td>
<td>207 875</td>
<td>2 408 009</td>
</tr>
<tr>
<td>Energa G2E SA</td>
<td>5 608 083</td>
<td>4 176 766</td>
<td>5 602 898</td>
<td>4 173 064</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrółęka SA</td>
<td>24 747 065</td>
<td>20 562 839</td>
<td>0</td>
<td>545 889</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Serwis Sp. z o.o.</td>
<td>4 070</td>
<td>3 570</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Ostrółęka Sp. z o.o.</td>
<td>510</td>
<td>497</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>338 117</td>
<td>332 976</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>3 614 378</td>
<td>5 985 512</td>
<td>107 673</td>
<td>3 362 120</td>
<td>207 673</td>
<td>2 408 009</td>
</tr>
<tr>
<td>Energa Group</td>
<td>34 735 589</td>
<td>30 355 918</td>
<td>5 610 518</td>
<td>6 579 061</td>
<td>207 875</td>
<td>2 408 009</td>
</tr>
</tbody>
</table>

### Notes
- The data represents the consumption of energy from renewable materials in GJ (gigajoules) for the years 2018 and 2019.
- Services and other includes various non-core business activities.
- Distribution Business Line is responsible for distribution services.
- Sales Business Line is responsible for sales activities.
- Generation Business Line includes the generation of energy from renewable sources.
- Energa G2E SA, Energa Elektrownie Ostrółęka SA, and others are specific subsidiaries or business lines within the Energa Group.
- The table reflects the consumption of energy from biomass, wind energy, solar energy, and hydropower, as well as the total energy consumed.
- The values indicate the amounts consumed/used for each year.
### Total energy purchased, broken down by electricity, heat, cooling and steam

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total consumed/used energy purchased (GJ)</th>
<th>Electricity (GJ)</th>
<th>Heat (GJ)</th>
<th>Cooling (GJ)</th>
<th>Steam (GJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>19 780</td>
<td>19 223</td>
<td>15 886</td>
<td>15 092</td>
<td>2 374</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>4 905 755</td>
<td>4 648 232</td>
<td>4 847 884</td>
<td>4 595 106</td>
<td>57 871</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>414 363</td>
<td>425 013</td>
<td>412 070</td>
<td>421 434</td>
<td>2 270</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>1 522 100</td>
<td>1 490 760</td>
<td>23 150</td>
<td>20 020</td>
<td>1 260 778</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>10 330</td>
<td>7 119</td>
<td>7 427</td>
<td>5 709</td>
<td>2 704</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Serwis Sp z o.o.</td>
<td>15 367</td>
<td>15 069</td>
<td>2 035</td>
<td>2 174</td>
<td>11 332</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp z o.o.</td>
<td>496 873</td>
<td>497 702</td>
<td>2 889</td>
<td>3 048</td>
<td>470 989</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp z o.o.</td>
<td>494 032</td>
<td>491 283</td>
<td>4 910</td>
<td>5 206</td>
<td>469 866</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>5 694</td>
<td>4 047</td>
<td>5 694</td>
<td>4 047</td>
<td>0</td>
</tr>
<tr>
<td>Energa Group</td>
<td>6 862 618</td>
<td>6 583 228</td>
<td>5 298 978</td>
<td>5 055 652</td>
<td>1 331 299</td>
</tr>
</tbody>
</table>
In 2019, total energy consumption in Energa Group dropped to 9,831,616 GJ. The reduction was caused by such factors as ongoing works on the modernisation of generating and distribution infrastructure. In 2019, Energa Group reduced its consumption of energy from non-renewable sources to 30,355,918 GJ and significantly increased consumption of energy generated from biomass: from 207,673 GJ in 2018 to 2,408,009 GJ in 2019. Furthermore, the Group purchased 279,390 GJ of energy less than in 2018.

### Total energy sold, broken down by electricity, heat, and steam

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>1,037</td>
<td>1,053</td>
<td>1,037</td>
<td>1,053</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>4,119,270</td>
<td>4,092,034</td>
<td>4,319,270</td>
<td>4,092,034</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>22,463,041</td>
<td>18,560,949</td>
<td>21,253,710</td>
<td>17,349,903</td>
</tr>
<tr>
<td>Energa Serwis Sp. z o.o.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp. z o.o.</td>
<td>871,705</td>
<td>850,614</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>682,007</td>
<td>637,884</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>2,596,327</td>
<td>2,945,107</td>
<td>369,863</td>
<td>783,842</td>
</tr>
<tr>
<td>Energa Group</td>
<td>30,733,643</td>
<td>27,107,530</td>
<td>25,722,840</td>
<td>22,225,777</td>
</tr>
</tbody>
</table>

### Total energy consumption within the organisation

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total energy consumption [GJ]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Services and other</td>
<td>34,404</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>5,074,538</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>433,627</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>5,321,875</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>1,499,143</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>2,388,024</td>
</tr>
<tr>
<td>Energa Serwis Sp. z o.o.</td>
<td>19,493</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp. z o.o.</td>
<td>1,586,866</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>170,642</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>1,223,743</td>
</tr>
<tr>
<td>Energa Group</td>
<td>10,864,643</td>
</tr>
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</table>
### Maximum generating power achieved, broken down by main types of raw materials

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>coal</td>
<td>0</td>
<td>56</td>
<td>0</td>
<td>56</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>coal</td>
<td>624</td>
<td>201.4</td>
<td>833</td>
<td>201.4</td>
</tr>
<tr>
<td></td>
<td>biomass</td>
<td>57</td>
<td>18.1</td>
<td>57</td>
<td>18.1</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>water</td>
<td>365.59</td>
<td>0</td>
<td>359.29</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>wind</td>
<td>211</td>
<td>0</td>
<td>211</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>photovoltaics</td>
<td>541</td>
<td>0</td>
<td>541</td>
<td>0</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>coal</td>
<td>47</td>
<td>325.08</td>
<td>47</td>
<td>325.08</td>
</tr>
<tr>
<td></td>
<td>biomass</td>
<td>25.26</td>
<td>48.24</td>
<td>22.26</td>
<td>48.24</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1335.26</td>
<td>631.40</td>
<td>1534.95</td>
<td>651.40</td>
</tr>
</tbody>
</table>

### Net amount of produced energy, broken down by main energy sources

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>coal</td>
<td>2427.135</td>
<td>1943.588</td>
<td>2427.135</td>
<td>1943.588</td>
</tr>
<tr>
<td>biomass</td>
<td>15.150</td>
<td>13.278</td>
<td>15.150</td>
<td>13.278</td>
</tr>
<tr>
<td>water</td>
<td>804.508</td>
<td>740.378</td>
<td>804.508</td>
<td>740.378</td>
</tr>
<tr>
<td>wind</td>
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<td>natural gas</td>
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<td>4565</td>
<td>0</td>
<td>4565</td>
</tr>
<tr>
<td>photovoltaics</td>
<td>5.318</td>
<td>0</td>
<td>5.318</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3628.149</td>
<td>1005.273</td>
<td>3628.149</td>
<td>1005.273</td>
</tr>
</tbody>
</table>

Energa Ciepło Kaliskie Sp. z o.o. 0 58 0 58
Energa Elektrownie Ostrołęka SA
Energa OZE SA
Energa Kogeneracja Sp. z o.o.
Emissions into the atmosphere

Greenhouse gas emissions

Energa Group actively participates in activities aimed at protecting the climate. Group companies pay particular attention to effectively reducing the emission of greenhouse gases into the atmosphere. To achieve this objective, principles oriented towards sustainable development have been implemented:

- more efficient use of energy
- rational use of raw materials
- waste management aimed at achieving a closed cycle
- monitoring and managing emissions

Energa Group companies constantly carry out operational activities that translate into the carbon dioxide emissions that they generate, both direct and indirect. These activities are described in detail in subchapters devoted to ensuring energy efficiency, waste management and consumption of raw materials and water.

In order to reduce direct emissions of greenhouse gases, Group companies have been regularly replacing their vehicle fleets. In 2019, Energa OZE SA purchased a 149 HP Nissan Leaf electric vehicle equipped with 23 vehicles that meet the EURO 6 standard driving. Furthermore, the company's fleet was dominated by gas-powered cars, with a range of up to 270 km in city traffic. The vehicle does not generate any CO₂ emissions when driving. Furthermore, the company's fleet was equipped with 23 vehicles that meet the EURO 6 European exhaust fume emission standard.

In 2019, Energa Group emitted 2,194,422 Mg of CO₂, which is 471,669 Mg less than in the previous year. Direct emissions of greenhouse gases related to the generation of electricity dropped to 1,846,147 Mg of CO₂, whereas emissions related to the generation of thermal energy dropped to 333,199 Mg of CO₂.

In 2019, Energa Group submitted its seventh annual report on emissions of greenhouse gases produced as a result of its operations to the independent Carbon Disclosure Project organisation. These reporting activities enable the comparison of the results of operations of various companies in the power industry in terms of reducing greenhouse gas emissions.

Replacing its transformers and modernising its grid infrastructure: reducing grid electricity losses. The potential reduction in CO₂ emissions in 2019 achieved through reducing transfer and distribution losses amounted to 222,785 Mg.

Energa participated in the second edition of the Carbon Offset auction. Certificates of these offsets are one of the elements of the Forest Carbon Farm project implemented by the State Forest Authority. Revenues from the auction organised by the General State Forest Authority are directed towards objectives specified by each buyer, related to environmental protection. They include activities related to the protection of selected species, improving biodiversity, forest education or forest tourism. Energa chose the 'Black Storks Online' educational and promotional project.
Emissions of pollutants, including NO, and SO \textsubscript{x} compounds

In 2019, Energa Group companies reduced their emissions of pollutants into the atmosphere to 5,728 Mg, primarily thanks to their ongoing capital works projects. It bears underlining that the Group’s installations benefit from the following derogations under the IED Directive:

- Transitional National Plan – from 1 January 2016 until 30 June 2020:
  - Ostrołęka B Power Plant – with regards to SO\textsubscript{2} and dust emissions
  - Elbląg Power Plant – with regards to NO\textsubscript{x}, SO\textsubscript{2} and dust emissions

The company is constructing a second Exhaust Fume Desulphurisation Installation using the wet lime scrubbing method, with limestone dust used as a sorbent. The organisation is also carrying out renovation and modernisation works in respect of the power units in order to keep them at a high level of performance and reliability. These activities improve the unit of fuel consumed per unit of energy generated coefficient, which translates into a reduction in the emission of pollutants.

In 2019, co-firing of biomass and coal was resumed. Replacement of fossil fuels with biomass reduces pollution of the atmosphere with such substances as oxides of carbon, nitrogen and sulphur, as well as dusts, which are emitted in large quantities when burning conventional fuels.

The company is constructing a second Exhaust Fume Desulphurisation Installation using the wet lime scrubbing method, with limestone dust used as a sorbent. The organisation is also carrying out renovation and modernisation works in respect of the power units in order to keep them at a high level of performance and reliability. These activities improve the unit of fuel consumed per unit of energy generated coefficient, which translates into a reduction in the emission of pollutants.

In 2019, Energa Group companies emitted into the atmosphere 1,396 Mg less pollutants than in the previous year.

### Emissions of NO\textsubscript{x} and SO\textsubscript{2} compounds and other air emissions*

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total air emissions [Mg]</th>
<th>NO\textsubscript{x} [Mg]</th>
<th>SO\textsubscript{2} [Mg]</th>
<th>Volatile organic compounds (VOC) [Mg]</th>
<th>HCL [Mg]</th>
<th>Dust (PRB) [Mg]</th>
<th>Other emissions of compounds into the air* [Mg]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>27</td>
<td>55</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Sales Business Line</td>
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<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Generation Business Line</td>
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<td>5,670</td>
<td>2,163</td>
<td>1,856</td>
<td>3,076</td>
<td>2,053</td>
<td>4</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>4,650</td>
<td>1,622</td>
<td>1,534</td>
<td>1,253</td>
<td>2,227</td>
<td>1,545</td>
<td>125</td>
</tr>
<tr>
<td>Energa Service Sp. z o.o.</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka SA</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>213</td>
<td>187</td>
<td>60</td>
<td>45</td>
<td>114</td>
<td>105</td>
<td>103</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>232</td>
<td>195</td>
<td>58</td>
<td>53</td>
<td>1,116</td>
<td>1,053</td>
<td>123</td>
</tr>
<tr>
<td>Energa Group</td>
<td>7,126</td>
<td>5,728</td>
<td>2,170</td>
<td>1,939</td>
<td>3,076</td>
<td>2,053</td>
<td>10</td>
</tr>
</tbody>
</table>

* Other emissions in the case of generation installations include such substances as methane, cadmium, chrome, copper, lead and F-gasses. Emissions from installations operated by Energa Operator SA primarily include SF\textsubscript{6}, used in high-voltage switching gear, whereas emissions from structures used for administrative purposes mostly include F-gasses, used as coolants in air conditioning units.

In 2019, Energa Group companies emitted into the atmosphere 1,396 Mg less pollutants than in the previous year.

After the expiry of the derogations, Energa Group companies will be obliged to meet stricter emission requirements under the Directive, and starting from 17 August 2021 – requirements of BAT conclusions. In order to ensure conformity with requirements of the IED Directive, the Board of Directors of company Energa Kogeneracja made the decision to discontinue the operation of boilers OP-130 K-5 and K-6 at the Elbląg CHP Plant effective 1 July 2020.

As part of actions aimed at adapting the operations of Energa Elektryka Ostrołęka SA to legal requirements, a full modernisation of electrofilters in units 1, 2 and 3 was performed. The purpose of the modernisation was to reduce dusting of exhaust fumes to a level of <20 mg/Nm\textsuperscript{3}. Furthermore, all of the above boilers were fitted with an exhaust fume denitrification installation, which ensured a reduction of nitrogen oxides from 400-500 mg/m\textsuperscript{3} to <100 mg/m\textsuperscript{3} NO\textsubscript{x}.

The company is constructing a second Exhaust Fume Desulphurisation Installation using the wet lime scrubbing method, with limestone dust used as a sorbent. The organisation is also carrying out renovation and modernisation works in respect of the power units in order to keep them at a high level of performance and reliability. These activities improve the unit of fuel consumed per unit of energy generated coefficient, which translates into a reduction in the emission of pollutants.

In 2019, co-firing of biomass and coal was resumed. Replacement of fossil fuels with biomass reduces pollution of the atmosphere with such substances as oxides of carbon, nitrogen and sulphur, as well as dusts, which are emitted in large quantities when burning conventional fuels.
Financial implications of climate change

Climate change affects both generation and distribution processes in the power industry, as well as demand for energy (electricity and heating). Generation of energy using conventional assets of Energa Group is becoming more and more reliant on the cost of purchasing required CO₂ emission allowances.

Group companies receive part of CO₂ emission allowances free of charge, by way of derogation under the EU ETS Directive. A prerequisite for obtaining such allowances is to implement capital works projects included in the National Capital Works Plan. Furthermore, companies which generate heating receive free CO₂ emission allowances as part of the National Allowance Division Plan.

The pool of free emission allowances given to the Group is shrinking with every passing year (see table below). The reduction of the pool must be compensated through making purchases on the allowance market, where prices of CO₂ emission allowances have been rising, including as a result of policies of the European Union, which has recently reduced the pool of available carbon dioxide emission allowances as part of its support for a low emission economy.

Energa Group implements the following actions in order to prevent climate change:

- incorporation of its energy management system into an environmental and energy management system (EMAS, environmental standard ISO 14001, energy standard ISO 50001)
- regular reduction of consumption of raw materials, water and energy so as to build resistance across the entire value chain of the organisation
- constant development of renewable energy sources, conducive to the reduction of generation of energy from non-renewable sources (including bituminous coal).

<table>
<thead>
<tr>
<th>CO₂ emission allowances in the Generation Business Line</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emission capacity of installations (G GWh)</td>
<td>2 640</td>
<td>2 174</td>
</tr>
<tr>
<td>Number of free emission allowances granted (G GWh)</td>
<td>667</td>
<td>506</td>
</tr>
<tr>
<td>Volume of CO₂ allowance purchases (G GWh)</td>
<td>197</td>
<td>164</td>
</tr>
<tr>
<td>Cost of CO₂ allowance purchases (k PLN)</td>
<td>164.2</td>
<td>175.4</td>
</tr>
</tbody>
</table>

Other emissions

On 19 October 2019, a sealing oil cooler became unsealed in Turbine Unit no. 2 operated by Energa Elektrownie Ostrołęka SA. In spite of the organisation’s quick reaction to the event, oil penetrated into cooling water and approximately 3 m³ of oil was present in the discharge of cooling water.

The National Fire Brigade and the Provincial Environmental Authority were immediately notified of the incident. As a result of emergency and protection actions carried out by the National Fire Brigade and the crew of the power plant, approximately 80 percent of pollutants were intercepted. Further action was taken in river in order to neutralise the remaining oil-based pollutants. Energa Elektrownie Ostrołęka SA provided organisational and financial support to the emergency actions. The company also prepared a preventive action plan to minimise the risk of any potential leaks in the future.
Energa Group generated a total of 319 335 Mg of waste in 2019, a decrease of around 64 540 Mg in comparison to the previous year. All waste was segregated, stockpiled or recycled in accordance with applicable regulations and handed over to companies authorised to collect it. Largest amounts of waste are generated by the Group’s generation installations.

In 2019, Energa Elektrownie Ostrołęka SA requested the Office of the Marshal of the Province of Mazowiecie in Warsaw to classify furnace waste as a by-product of combustion. On 12 July, the Office issued a decision classifying synthetic gypsum as a by-product, which means that the material can be used in a direct manner, without the need for its reprocessing.

The company also intends to increase the removal of waste stockpiled in previous years from landfills and sell it, in particular with regards to the ash and slag mix, which can be utilized on various sectors of the economy. In 2019, the amount of waste stockpiled in the Łęg technological waste landfill was reduced by 25981.899 tonnes.

Energa Operator SA has regulated its ongoing operations related to the reduction of waste and implemented regulations governing the return of material from dismantled installations. The regulations harmonised rules applied when returning or classifying devices and materials removed from the power grid for further use or treated as waste, which will in effect contribute to a reduction in the amount of waste generated and consumption of raw materials and energy, and conversely will reduce environmental pollution.

These principles are consistent with the concept of a closed-cycle economy and ensure compliance with the declarations included in Energa Group’s Environmental Policy.

### Total weight of waste by type of waste and method of treatment

<table>
<thead>
<tr>
<th>Company business line</th>
<th>Total weight of waste (Mg)</th>
<th>Recycling</th>
<th>Recovery (including recovery of energy)</th>
<th>Waste stored in landfills</th>
<th>Waste stored on plant premises</th>
<th>Other waste treatment methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>130</td>
<td>129</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>6 608</td>
<td>6 204</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>255</td>
<td>422</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>376 882</td>
<td>312 580</td>
<td>4 065</td>
<td>4 834</td>
<td>43 727</td>
<td>43 107</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>497</td>
<td>597</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>330 766</td>
<td>262 065</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Serwis Sp. z o.o.</td>
<td>830</td>
<td>475</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp. z o.o.</td>
<td>4 148</td>
<td>4 838</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Kaliskie Sp. z o.o.</td>
<td>40 439</td>
<td>43 604</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>383 875</td>
<td>319 335</td>
<td>4 065</td>
<td>4 834</td>
<td>43 728</td>
<td>43 107</td>
</tr>
</tbody>
</table>

**319 335 Mg**

total amount of waste generated by Energa Group in 2019
## Total weight of waste by type of waste and method of treatment

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total weight of waste (Mg)</th>
<th>Weight of hazardous waste (Mg)</th>
<th>Weight of waste other than hazardous (Mg)</th>
<th>Weight of bottom ash slags (Mg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>130</td>
<td>129</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>6 618</td>
<td>6 204</td>
<td>1 775</td>
<td>1 568</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>255</td>
<td>422</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>376 682</td>
<td>312 580</td>
<td>159</td>
<td>170</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>487</td>
<td>597</td>
<td>424</td>
<td>567</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>330 715</td>
<td>263 005</td>
<td>60</td>
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</tr>
<tr>
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<td>830</td>
<td>479</td>
<td>45</td>
<td>6</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp. z o.o.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Ciepło Kolskie Sp. z o.o.</td>
<td>4 148</td>
<td>4 838</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>40 439</td>
<td>43 604</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Energa Group</td>
<td>383 875</td>
<td>319 335</td>
<td>1 886</td>
<td>1 772</td>
</tr>
</tbody>
</table>

## Total volume of wastewater by quality and destination

<table>
<thead>
<tr>
<th>Company/business line</th>
<th>Total volume of wastewater [m³]</th>
<th>Wastewater drained into the sewer system</th>
<th>Wastewater transported to sewage treatment facilities using means of transport</th>
<th>Wastewater drained into surface waters (lakes, rivers, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and other</td>
<td>4 169</td>
<td>4 322</td>
<td>4 169</td>
<td>4 322</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>67 360</td>
<td>65 421</td>
<td>65 200</td>
<td>62 514</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>4 163</td>
<td>2 629</td>
<td>4 163</td>
<td>2 629</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>421 659 584</td>
<td>376 683 722</td>
<td>62 975</td>
<td>68 713</td>
</tr>
<tr>
<td>Energa OZE SA</td>
<td>12 021 104</td>
<td>12 849 651</td>
<td>1 756</td>
<td>1 607</td>
</tr>
<tr>
<td>Energa Elektrownie Ostrołęka SA</td>
<td>392 026 157</td>
<td>336 286 464</td>
<td>41 702</td>
<td>43 435</td>
</tr>
<tr>
<td>Energa Serwis Sp. z o.o.</td>
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<td>1 075</td>
<td>668</td>
<td>1 075</td>
</tr>
<tr>
<td>Energa Ciepło Ostrołęka Sp. z o.o.</td>
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<td>405</td>
<td>409</td>
<td>405</td>
</tr>
<tr>
<td>Energa Ciepło Kolskie Sp. z o.o.</td>
<td>694</td>
<td>677</td>
<td>694</td>
<td>677</td>
</tr>
<tr>
<td>Energa Kogeneracja Sp. z o.o.</td>
<td>17 620 479</td>
<td>27 536 274</td>
<td>17 728</td>
<td>21 370</td>
</tr>
<tr>
<td>Energa Group</td>
<td>421 745 236</td>
<td>376 756 004</td>
<td>136 507</td>
<td>137 816</td>
</tr>
</tbody>
</table>

*Water from cooling circuits of power plants and CHP plants constitutes wastewater within the meaning of article 16 item 61 of the Water Law Act and are therefore included in the column ‘Wastewater drained into surface waters,’ with consistent data for 2018 included. Rainwater and meltwater does not constitute wastewater within the meaning of article 16 item 61 of the Water Law Act.*
Energa Group attaches great importance to its impact on the life of local communities and the environment, as reflected in such strategic documents as ‘Energa Group’s Business Strategy for the Years 2016-2020’ and ‘Energa Group’s Strategy for Sustainable Development and Corporate Responsibility’. Guidelines included in both these documents are implemented in all areas of the Group’s operations, including with regards to capital works and innovation.

The Group makes every effort to protect the natural environment, maintain stability of ecosystems and retain biological diversity, in spite of the fact that many sites and installations operated by Group companies are located near or directly on protected areas.

Generating sites of Energa OZE SA are primarily located in Natura 2000 areas, zones of protected landscape, landscape parks and in the buffer zone of the Slowinski National Park. However, when operated correctly, the installations do not have a significant impact on habitats or protected species, and where such impact is possible, the company implements a number of preventive actions.

Energa OZE SA prevents the adverse impact of hydroelectric plants on biodiversity in rivers and lakes and participates in the monitoring of the effects of its operations in this regard through:

- participating in regular restocking of fish populations in watercourses, carried out in collaboration with local branches of the Polish Fishing Association. The purpose of restocking is to reduce potential losses in the fish fauna through keeping the number of selected fish species on a stable level
- equipping additional hydroelectric plants with fish ladders that enable migrating organisms to pass through weirs. This applies not only to migrating species of fish, who travel many kilometres when returning from the sea to spawning areas in rivers, but also other water organisms who engage in short-distance migrations from one part of the river to another in appropriate stages of their lifecycles
- collaborating with the Polish Fishing Association in the regular relocation of specimens of selected fish species upstream of weir structures so as to enable them to migrate upstream
- collaborating with research institutions who monitor nature, including the Inland Fishing Institute in Olsztyn which carries out observations of eel populations on the premises of selected hydroelectric plants in cooperation with the Department of Environmental Biology at the Koszalin University of Technology. Energa OZE SA has been performing telemetric research on fish migration at the Rościno Hydroelectric Plant, in the catchment area of the fish ladder.

Furthermore, in order to alleviate the impact of wind farms on avian fauna (birds), Energa OZE SA carries out mandatory annual monitoring of the surrounding area to check for its use by birds and bats, as early as during the planning stage of the project, enabling the estimation of potential risk related to their migration. Active wind farms are subject to several years of post-completion monitoring, which allows determining their impact on avian and bat fauna. Based on the results of monitoring, the efficiency of implemented methods and actions aimed at minimising the environmental impact of wind farms, devised during the stage of obtaining administrative permits, is ascertained.

Valuable natural areas

**Energa OZE SA prevents the adverse impact of hydroelectric plants on biodiversity in rivers and lakes and participates in the monitoring of the effects of its operations in this regard through:**

- participating in regular restocking of fish populations in watercourses, carried out in collaboration with local branches of the Polish Fishing Association. The purpose of restocking is to reduce potential losses in the fish fauna through keeping the number of selected fish species on a stable level
- equipping additional hydroelectric plants with fish ladders that enable migrating organisms to pass through weirs. This applies not only to migrating species of fish, who travel many kilometres when returning from the sea to spawning areas in rivers, but also other water organisms who engage in short-distance migrations from one part of the river to another in appropriate stages of their lifecycles
- collaborating with the Polish Fishing Association in the regular relocation of specimens of selected fish species upstream of weir structures so as to enable them to migrate upstream
- collaborating with research institutions who monitor nature, including the Inland Fishing Institute in Olsztyn which carries out observations of eel populations on the premises of selected hydroelectric plants in cooperation with the Department of Environmental Biology at the Koszalin University of Technology. Energa OZE SA has been performing telemetric research on fish migration at the Rościno Hydroelectric Plant, in the catchment area of the fish ladder.

**Costs incurred by Energa OZE SA in connection with fish restocking operations**

<table>
<thead>
<tr>
<th>Year</th>
<th>Radunia river</th>
<th>Wierzyca river</th>
<th>Łyna river</th>
<th>Pasłęka and Wałsza rivers</th>
<th>Słupia, Skotawa, Łupawa and Wieprza rivers</th>
<th>Lake Hajka</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>61 500.00</td>
<td>12 674.40</td>
<td>6 000.00</td>
<td>12 475.00</td>
<td>19 750.50</td>
<td>19 750.50</td>
<td>115 940.96</td>
</tr>
<tr>
<td>2017</td>
<td>61 500.00</td>
<td>4 747.20</td>
<td>6 000.00</td>
<td>13 262.50</td>
<td>19 050.07</td>
<td>19 050.07</td>
<td>108 998.81</td>
</tr>
<tr>
<td>2018</td>
<td>6 000.00</td>
<td>6 000.00</td>
<td>6 000.00</td>
<td>13 563.80</td>
<td>9 999.87</td>
<td>9 999.87</td>
<td>87 503.67</td>
</tr>
<tr>
<td>2019</td>
<td>12 475.00</td>
<td>12 262.50</td>
<td>11 563.80</td>
<td>12 301.30</td>
<td>6 116.54</td>
<td>6 116.54</td>
<td>101 359.81</td>
</tr>
</tbody>
</table>
In the course of its business operations, Energa Elektrownie Ostrołęka SA follows the principle of prudence. The company refrains from any activities that could contribute to any adverse impact on surrounding areas, in particular Natura 2000 areas. Every capital works project is preceded by an in-depth analysis. The company operates a furnace waste landfill located in the village of Łęg Przedmioty. The landfill is located within a bird special protection area – Dolina Dolnej Narwi (PLB 140014) – as part of a Natura 2000 area and is a resting place for migrating birds in the autumn and winter period.

According to the ‘Report on the Implementation of Environmental Oversight of the “Łęg” furnace waste landfill’, 16 inspections were performed on the site in 2018. The inspections confirmed the presence of 50 species of nesting, migratory and wintering birds on the landfill site, a total of 8900 bird specimens. In 2019, Energa Elektrownie Ostrołęka SA commissioned a weir, intended to eliminate the risk related to the low water levels in the river. The level of water in weir tanks is monitored on a continuous basis, damming occurs only in case of extremely low water levels. The project enables the constant migration of fish fauna and does not disrupt the existence of water organisms.

In November 2019, on the initiative of the Society of Friends of Ostrołęka and with the support of Energa Elektrownie Ostrołęka SA, 400 specimens of narrow-clawed crayfish, entered into the Polish red list of threatened species, were released into the Narrew river. Narrow-clawed crayfish are threatened with extinction and are subject to partial species protection under the environmental protection act.

Protected areas where installations operated by Energa OZE SA are located include:

- 10 Natura 2000 special areas of conversation
- 6 Natura 2000 special protection areas
- 12 areas of protected landscape
- 3 national/landscape parks
- nature preserves

Protected areas intersected by high-voltage power lines operated by Energa Operator SA

<table>
<thead>
<tr>
<th>Protected areas</th>
<th>Number of areas</th>
<th>Length of high-voltage power lines (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landscape parks</td>
<td>17</td>
<td>181</td>
</tr>
<tr>
<td>Nature preserves</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Nature preserve buffer zones</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Natura 2000 network areas</td>
<td>66</td>
<td>479</td>
</tr>
</tbody>
</table>

Replacement of power lines reduces the number of disruptions, enabling the organisation to maintain the quality parameters of electricity supplied to customers, minimizing the number of power outages, improving human safety and protection against fires caused by short circuits. It also reduces the number of deaths among animals (primarily birds), caused both by electric shock and collision with power lines. Insulated power lines prevent electric shock and have better visibility thanks to their design (a large-diameter bundle of wires), helping animals to avoid them. Protection of the landscape is another environmental effect of the replacement of overhead power lines with cable lines, as transmission towers and overhead lines often constitute major anthropogenic landmarks.
Energa for Nature is Energa Group’s initiative for environmental protection, focusing primarily on the protection of the white stork. Actions taken as part of the initiative mainly involve providing information and education about:

- the white stork and the protection of these species in Poland (in collaboration with environmental experts)
- activities undertaken by Energa (mainly by Energa Operator SA and Energa SA) for white stork protection.

For over 20 years, employees of Energa Operator SA have been securing stork nests built on low-voltage transmission towers, building new nests and maintaining existing nest-supporting structures. The number of bird platforms installed on transmission towers located within the area of operations of Energa Group’s Distribution System Operator is around 11,300. It is estimated that 25% of the Polish population of storks may inhabit these nests.

During the 2018/19 winter season, Energa installed around 600 new and renovated stork platforms in locations across northern and central Poland. Collaboration between Energa Group and environmentalists from the ‘Pro Natura’ association on the ‘Energetic Energa Group Ringers’ project, the only initiative of its kind in Europe, resulted in the creation of the ‘bociany.pl’ project. Nature experts educate and assist in protecting the stork across Poland, including by providing guidelines via the national 801 BOCIAN helpline (telephone number: 801 26 24 26).

Since the helpline was set up, around 8300 questions and reports have been submitted.

The purpose of the helpline is to provide free consultations in the matter of actions related to the protection of the white stork and its habitats.

The helpline:
- provides information to persons who want to know how to act correctly when encountering storks on the premises of their house or in close neighbourhood, or how to help storks, e.g. by renovating nests or looking after injured birds
- acts as the consultation point for services of Energa Operator SA and Energa Oświetlenie Sp. z o.o. in matters related to the construction of nest platforms or emergency reports (e.g. following storms or gale-force winds) requiring the assistance of ornithologists.

Gathering plastic strings from fields and throwing them away is an effective way of reducing this risk. Every metre or kilogram of string removed from fields and meadows helps reduce the risk of it finding its way into a stork’s nest. A contact form is available at www.bociany.pl, encouraging readers to join the initiative.

Development of the ‘Energa for Nature’ programme

For the past 6 years, various educational and informational activities and annual campaigns addressed at individuals, schools and institutions have been implemented thanks to the ‘bociany.pl’ project. “Gather strings, protect storks”

Plastic strings can be found everywhere in farmlands and storks, unaware of danger posed by these objects, gather them and take them to their nests. The birds use the strings as nest lining, together with grass, ryegrass shoots and rags, leading to terrible consequences. The strings can very easily wrap around the legs of young storks in the nest, who flail about trying to free themselves, but succeed merely in further tightening the string loops. This in turn leads to swelling and open wounds, causing deformation or necrosis of the damaged limbs. Adult birds often attempt to throw the disabled baby storks out from the nest or stop feeding them.

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‘Looking for Wintering Storks’

The ‘Looking for Wintering Storks’ campaign is aimed at gathering information about birds who did not leave for the winter, who are maimed and who require help. The number of storks attempting to winter in Poland is rising. Due to winters becoming milder and the increasing incidence of storks looking for anthropogenic food sources (e.g. local landfills, abattoir waste dumping spots), we can expect this phenomenon to become more prevalent in the coming years.

Wintering storks usually raise curiosity in humans, who attempt to help them. However, such help is not always necessary. Healthy specimens are very difficult to capture and running away from humans consumes energy which the birds should during this time spend on searching for food. Attempting to capture a bird during the autumn period may scare it away from a place where it was able to find a sufficient amount of food, and thus expose it to the threat of death from starvation.

The purpose of the campaign is to change social behaviours, entice people to respect the needs of the birds and respect the law. Between 1/11/2018 and 28/02/2019, the ‘Pro Natura’ Environmental Foundation gathered reports on birds who remained in the country for the winter. 50 reports of storks wintering in Poland were received during this period.

Annual photography contest

In November 2018, the Bociany.pl National Photography Contest was announced, featuring three thematic categories: ‘The White Stork’, ‘Stork in Action’ and ‘Stork Nests’. 128 contestants participated in the competition, sending in 614 photographs.

Energa is the patron of the Bociany.pl nature blog, maintained by environmental specialist Krzysztof Konieczny, who blogs about natural life around a stork’s nest. The author publishes his observations, trip reports, photographs and film clips that shine a spotlight on Polish nature and its beauty. He also explains natural phenomena and draws the attention of his readers to potential dangers and means of protection of various plant and animal species.

The page contains:

- over 1870 entries, of which 330 concern white storks, their biology and protection, including materials documenting the activities of Energa Operator SA or actions taken in cooperation with Energa (each entry is then shared on Facebook)
- over 2900 original photographs of Polish nature
- over 20 films, each with several minutes of runtime, including the ‘Around a Stork’s Nest’ series
- 42 audio recordings with podcasts and ‘concerts’ of live Polish nature.

In the summer of 2019, a report on the ringing of storks in Łąck near Jarosławiec, was prepared in collaboration with Polsat TV.

Environmental expert Krzysztof Konieczny spoke about behaviours of storks and initiatives of representatives of the power industry for the protection of these birds. A lifting device and a group of technicians from the Słupsk branch of Energa Operator SA were present on set and were able to ring a pair of young storks, who were named Ela and Rafal. The technicians were also able to remove lethal strings from the nest, which coiled around the leg of one of the birds.
RELATION WITH CUSTOMERS

Energa Group and the market
The strategic objective of Energa Group, as specified in Energa Group’s Strategy for the Years 2016-2025, is to continuously adapt to the needs of electricity customers.

Effective value management based on a cohesive range of products and services is made possible thanks to a business model oriented towards the customer and development of new areas of operations. Energa Obrót SA, leading entity of the Sales Business Line, is responsible for the implementation of this model within Energa Group, whereas Energa Operator SA, leading entity of the Distribution Business Line, is tasked with developing modern power infrastructure that affects the quality of customer service.

**Fulfilment of objectives for 2019 and challenges for 2020**

**Objectives for 2020**

**Energa Obrót SA:**

- Expanding the range of services by sales of photovoltaic panels for individual customers.
- Preparing cogeneration tools and products.
- Expanding own electric vehicle charging infrastructure and implementing a system for managing charging stations and billing operations.
- Implementing a tool and competencies for managing customer experience, and in consequence permanent optimisation of customer service standards.
- Implementing a new portfolio of products dedicated to individual customers in order to improve the appeal of the available range of products by introducing e.g. promotional packages into the basic range.

**Energa Operator SA:**

- Continuation of projects involving the opening of local branches of Energa Operator SA in Elbląg and Słupsk. The local branches will take over responsibilities such as customer service and tasks related to modernising the distribution grid and adapting it to meet new challenges.
Implementing the omni-channel online sales and customer service system, as well as a mobile application

The new website of Energa Obrót SA was launched in October 2019. The new version of the website features a clear graphical and text layout, more friendly and intuitive for customers. A search function was also made available to users, tailored to their varying needs. For example, individual and business customers who enter ‘electricity connection’ into the search engine will receive results tailored to their profiles. A special description was prepared for each subsection of the site with the name of the subsection, its short description and – optionally – a customer segment. The search engine is one of the most technologically advanced solutions in the current digital services market.

The use of mobile apps and digital services, as well as constant optimisation of websites help us improve the effectiveness of our activities related to sourcing customers and providing them with services. The new website is also another step on the way to fulfilling the company’s mission, namely becoming the most user-friendly company in the power sector, boasting the largest digital presence in the market. An entire team of IT specialists and designers is responsible for ensuring that the website’s layout is clear and enables users to easily pay their bills and check the company’s range of products and services. The team’s tasks also include the integration of IT systems within the company.

Implementing and developing a solution consisting in offering Customers our products based on the Kafeteria model

This pilot project of Energa Obrót SA was available in two sales outlets, in Gdańsk and Gdynia, between 1 April and 30 June 2019. Kafeteria is a modern sales model that uses iPads with the Salesbook app installed and enables holding business conversations in an innovative way. With the help of a consultant, the customer determines their needs and chooses an individual package of services. The Salesbook app displays the products offered by the company to the customer in a visually appealing way, leading to a shorter duration of conversations between salespeople and customers and facilitating the presentation of benefits afforded by the company’s products.

Implementing and developing the EnerSOL! range of products and services and monitoring the effectiveness of their sales

On 31 May 2019, Energa Obrót SA concluded pilot sales of the EnerSOL! Photovoltaic sets range of products. The project bore fruit in the form of 8 contracts for the installation of photovoltaic panels signed with customers. The company is implementing joint actions with Energa SA, aimed at developing a new model of sales of PV products. The company’s recommendations involve a departure from the ‘Lead’ model (where an external supplier is a party to the contract) to a model where Energa Group is party to the contract. Ultimately (in the longer term), the model will involve the takeover of all executive services within the Group.

Detailed information on the project can be found on pages 164-165.
The objective will be fulfilled through the implementation of the following tasks:

1. Introduction of systemic solutions as part of Genesys infrastructure (phone-based customer service), with the most important involving:
   a) reduction in the duration of conversations (faster customer identification and access to required information in the system)
   b) implementation of customer service processes dedicated to customers in collections, frequent callers, senior citizens
   c) implementation of self-service processes, in particular with regards to payments and invoices (without needing to speak to a consultant)
   d) implementation of reporting tools enabling the monitoring of activity depending on the customer life cycle in remote contact channels and translating this data into costs of servicing processes and optimisation activities.

Business analyses and requirements have been prepared, including for the purposes of the above actions. Implementation of the functionality is scheduled for Q1 and Q2 of 2020, as per the agreed schedule.

2. Optimisation of customer communication (email, contact form, questions sent through the ENERGA24 website, chat, letters):
   a) implementation of changes in active communication channels – discontinuation of communication via email and contact forms
   b) focus on communication channels such as chat and ENERGA24 (more efficient customer service and up-to-date contact data of customers)
   c) implementation of a chat service as part of Genesys infrastructure – allowing consultants to use multiple tools (telephone + chat = one system platform).

3. Digitising customer service:
   a) increasing the number of customers using ENERGA24.

4. Support for sales channels:
   a) developing a new model for unlocking the potential of customer service contacts for supporting sales units.

Optimisation of current customer service processes at Energa Obrót SA, ultimately enabling the move to an internal service model with partial use of external services and resulting in the following benefits:

- a. reduction in the duration of customer service calls on the helpline thanks to system optimisations and internal organisational activities.
- b. ensuring full customer service via email without the participation of an external supplier.
- c. automation of sales processes for the purpose of improving sales results and linking Genesys (dialler) solutions with online applications.
- d. implementation of additional contact channels (chat, contact form) in the Genesys system and its integration with service systems.
- e. achievement of the desired NPS score following phone- and email-based customer service.

Energa Obrót SA is regularly expanding its network of electric vehicle charging stations. In 2019, the company successively installed new stations, located on main thoroughfares in the majority of large cities within Energa Group’s area of operations. By the end of June 2020, the number of charging stations installed will have reached 52, as per the plan of developing the charging station network within the Group’s area of operations adopted by the company. Some of the 52 charging points will constitute fast charging stations, enabling drivers to charge their batteries to 80 percent of capacity within 30 minutes.

Energa Group plans to continue the project in the coming years. In 2019, Energa Obrót SA and Poczta Polska SA signed a letter of intent concerning the construction of 20 electric vehicle charging stations. The companies are planning to collaborate in the development of transport using electric vehicles. Poczta Polska SA carried out Poland’s most extensive tests of electric delivery vehicles with a capacity exceeding 800 kg, as well as charging stations. Energa Obrót SA will provide Poczta Polska SA with access to its electric vehicle charging stations. Thanks to their collaboration, both companies will be well prepared for the ‘Polish Electromobility Development Plan’ implemented by the Ministry of Energy, forming part of the ‘Sustainable Development Plan’.

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Implementing tools for managing customer experience and consequently permanently optimising customer service standards

In 2019, Energa Obrót SA continued its Q project, aimed at ensuring tools, space and competences enabling the company to manage the experiences of its customers in a modern and effective way, thus allowing it to develop and build a competitive advantage. The project strongly focuses on active cooperation within the company, particularly in the areas of sales and mass and business customer service.

Further details concerning the project can be found on page 182.

Energa Obrót SA carries out regular reviews of its range of products for individual and business customers, on a weekly, monthly and quarterly basis.

Achieving target SAIDI and SAIFI values

Objectives set for 2019 in terms of electric power utility reliability indicators specified in our previous report ‘CSR – Our Responsibility 2018’ were based on the provisions of the ‘Quality Regulation for the Years 2016–2020’ in effect during that period.

In 2019, the Regulatory Authority (Chief of the Energy Regulatory Office) made changes to existing quality regulation mechanisms, which resulted in a new quality regulation applicable between 2018 and 2025 in respect of distribution system operators. As a result, 2019 target values of electric power utility reliability indicators for Energa Operator SA were updated and respectively amount to: SAIDI – 163 minutes; SAIFI – 2.28.

No weather anomalies resulting in large-scale grid failures occurred in 2019. An increased number of failures was recorded only in the area of operations of the company’s branch in Kalisz, which announced a crisis situation in late September 2019 in connection with mass failures caused by weather conditions.

Despite these difficulties, Energa Operator SA was able to meet its target SAIDI and SAIFI values, and the 2019 results in these areas are lower than those recorded in 2018.

The SAIDI indicator was lower than the target set for the organisation and amounted to 126.9 minutes/customer whereas the value of SAIFI indicator amounted to 2.02 failures/customer 11% below the target value.

SAIDI 163 min/customer

SAIFI 2.28 failures/customer
Energa Obrót SA sells electricity, gas and additional services, offered to customers both as separate products and as package deals. Services are provided to customers in all segments – industry, large, medium and small enterprises, as well as households. In 2019, Energa Group provided services to around 3 million customers, of which 2.7 million were in pricing group G, whereas the remaining customers were in pricing groups C, B and A.

Energa Obrót SA’s portfolio of business customers was in 2019 expanded by new companies: LG Group, Poczta Polska, Polmlek, Sfinks Polska and Iventus Group, managed by Martifer. In 2019, the company continued to supply electricity to Polish State Railways.

The Company also entered into a contract with Inditex Group, which includes companies such as ZARA. The contract was signed for 3 years and concerns 130 grid connections. The Indexed Offer Platform will be used to sell electricity to this Group, enabling flexibility when making decisions as to how much electricity should be purchased. The main reason behind the continued collaboration between the companies was the ability to choose energy generated from renewable resources. The parties will also enter into another contract for the purchase of electricity generated directly from renewable sources Corporate Power Purchase Agreement (PPA).
Regular monitoring of electricity vendor switches, carried out by the Energy Regulator Office, shows an increase in the number of switches of electricity vendors in pricing group G (households). At the end of December 2019, the number of households (pricing group G) that switched their electricity vendor amounted to 657,223, an increase of 8.7% since the start of 2019. Among industry customers (pricing groups A, B and C) this number amounted to 209,935, an increase of 4.4% since the beginning of 2019.

The number of customers from pricing groups A, B and C who switched vendors in December 2019 was 66, whereas customers from pricing group G made 4,172 vendor switches in the same month.
**Number of Energa Operator SA customers at the end of 2019**

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Total 2018</th>
<th>Total 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive</td>
<td>2,957,974</td>
<td>3,139,080</td>
</tr>
<tr>
<td>TPA</td>
<td>181,106</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,139,080</td>
<td></td>
</tr>
</tbody>
</table>

Energa Operator SA is a distribution system operator active in the northern and central parts of the country. It provides services in these areas to all customers of Energa Group and TPA customers with whom it has entered into distribution services contracts and who exercised their right to switch electricity vendors.

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**Number of registered individual, industrial, institutional and commercial users** (data on grid connections operated by Energa Operator SA)

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Number of Customers 2018</th>
<th>Number of Customers 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>2,796,251</td>
<td>2,840,936</td>
</tr>
<tr>
<td>Industrial</td>
<td>7,551</td>
<td>8,178</td>
</tr>
<tr>
<td>Institutional</td>
<td>11,086</td>
<td>11,264</td>
</tr>
<tr>
<td>Commercial</td>
<td>272,484</td>
<td>278,702</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,086,372</td>
<td>3,139,080</td>
</tr>
</tbody>
</table>

---

**Volume of electricity sales by customer group in 2019**

- **Mass market**
  - Individual customers: 2.7m GC, 5.5 TWh ee consumption volume
  - SOHO: 184.4k GC, 1.6 TWh ee consumption volume

- **Tendering market**
  - Public institutions: 86.7 tys. GC, 1.8 TWh ee consumption volume

- **Business market**
  - SME: 44.8k GC, 2.06 TWh ee consumption volume
  - Business: 17.8k GC, 2.1 TWh ee consumption volume
  - Strategic: 27k GC, 6.6 TWh ee consumption volume
  - Producers: 1.9k GC, 0.02 TWh ee consumption volume

**GRI 102-7**

- **GC** - grid connection
- **ee** - electrical energy
Interest in the development of dispersed generation in terms of microsources (including prosumer generation) has been on the rise for the past few years, both among local governments and private individuals. Various local governments support those interested in this area by providing them with potential microsource financing from EU funds. Energa Operator SA makes sure that generating devices (primarily PV panels and inverters) connected to the low-voltage grid are of sufficient quality, meet specific norms and technical requirements, as conformity in this aspect is of key importance to sustaining the quality of electricity supplied to other entities. The company therefore implements on an ongoing basis activities aimed at educating local governments as to the importance of ensuring that devices connected to the grid meet technical requirements.

However, in the larger scheme of things, simple measures may no longer be sufficient, as can already be observed in certain areas of operation of Energa Operator SA. Due to this, the overarching objective of the company, which engages its intellectual and material resources in multiple projects, is on the one hand to ensure energy security of all entities connected to its distribution network, whereas on the other it is to support the development of new civilizational (prosumer microgeneration) and technological (electromobility) trends.

Supporting regional development

The power grid must be constantly adapted, in terms of technological solutions, to new challenges which arise spontaneously, as it were, with the economic and civilizational development of the country. Traditional solutions may remain effective when limited to the interaction between individual microgeneration sources and customers connected to the same low-voltage power line. However, in the larger scheme of things, simple measures may no longer be sufficient, as can already be observed in certain areas of operation of Energa Operator SA. Due to this, the overarching objective of the company, which engages its intellectual and material resources in multiple projects, is on the one hand to ensure energy security of all entities connected to its distribution network, whereas on the other it is to support the development of new civilizational (prosumer microgeneration) and technological (electromobility) trends.

### Geographical availability

Collaboration with local governments on developing a prosumer generation

Interest in the development of dispersed generation in terms of microsources (including prosumer generation) has been on the rise for the past few years, both among local governments and private individuals. Various local governments support those interested in this area by providing them with potential microsource financing from EU funds. Energa Operator SA makes sure that generating devices (primarily PV panels and inverters) connected to the low-voltage grid are of sufficient quality, meet specific norms and technical requirements, as conformity in this aspect is of key importance to sustaining the quality of electricity supplied to other entities. The company therefore implements on an ongoing basis activities aimed at educating local governments as to the importance of ensuring that devices connected to the grid meet technical requirements.

However, in the larger scheme of things, simple measures may no longer be sufficient, as can already be observed in certain areas of operation of Energa Operator SA. Due to this, the overarching objective of the company, which engages its intellectual and material resources in multiple projects, is on the one hand to ensure energy security of all entities connected to its distribution network, whereas on the other it is to support the development of new civilizational (prosumer microgeneration) and technological (electromobility) trends.

<table>
<thead>
<tr>
<th>Branch</th>
<th>High-voltage power lines [km]</th>
<th>Medium-voltage power lines [km]</th>
<th>Low-voltage power lines with connection points [km]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gdańsk</td>
<td>30 149</td>
<td>7k km</td>
<td>791,473</td>
</tr>
<tr>
<td>Koszalin</td>
<td>32 453</td>
<td>9k km</td>
<td>878,831</td>
</tr>
<tr>
<td>Toruń</td>
<td>33 484</td>
<td>10k km</td>
<td>926,360</td>
</tr>
<tr>
<td>Płock</td>
<td>31 268</td>
<td>8k km</td>
<td>851,400</td>
</tr>
<tr>
<td>Gniezno</td>
<td>29 892</td>
<td>6k km</td>
<td>822,445</td>
</tr>
<tr>
<td>Kalisz</td>
<td>33 186</td>
<td>12k km</td>
<td>471,777</td>
</tr>
<tr>
<td>Olsztyn</td>
<td>32 795</td>
<td>11k km</td>
<td>552,600</td>
</tr>
</tbody>
</table>
In 2019, Energa Obrót SA systematically adapted its range of products, both to the changing needs of customers and modifications in regulations, in particular the act on changes in electricity prices. The company continued offering a new product, i.e. passive power compensation, as specified in the energy efficiency act, supplying individually designed capacitor batteries to business customers. Passive power compensation reduces costs, improves quality and enables a more efficient use of electricity. Reduction of passive energy costs may reach up to 95 percent.

Furthermore, taking advantage of the development potential of photovoltaic stations, the company prepared two special sales processes for the EnerSOL! product, aimed at business customers. It also made a self-billing service available to business customers. By the end of 2019, Energa Obrót SA made 38 contracts/agreements with self-billing based invoicing and issued 57 invoices as part of this new service.

The potential of photovoltaics in Poland was also utilised when expanding the company’s range of products addressed to individual customers. The company offers the construction of a photovoltaic microinstallation, which draws solar power first and power from the grid second. The solution is a particularly beneficial one in the context of the amendment to the renewable energy sources act of 2016. The regulation created a mechanism which enables drawing power from the grid free of charge in exchange for introducing power generated by the microinstallation into the grid. The solution enables savings of up to 80% on annual costs of electricity.

Starting from January 2019, the company began additionally offering its customers a heat pump, one of the cheapest sources of heat to maintain. A return on the investment is possible within 5 to 7 years. The average lifetime cycle of a heat pump is 15 to 20 years. Such cheap heating systems can be installed both in newly-constructed buildings and existing heating installations, subject to appropriate modifications.

### Other interesting products offered by the company include:

1. **Starting Bonus** – an offer addressed to individual customers, combining sales of electricity with a system of discounts in Energa’s online store, supported by regular information on discounts on products available in the online store, selected based on the customer’s profile and the online store’s marketing calendar.

2. **Safe Travels Package II** – an offer addressed to individual customers who own vehicles. As part of the offer, customers receive access to 1000 service workshops, cheaper vehicle repairs (even 40% less costs in comparison to licensed workshops), competitively priced additional product offers (seasonal tyre and battery change) and a fixed price of electricity for 12 months.

3. **PLUS Full Insurance Package** – as part of the offer, the customer receives the following insurance coverage over a period of 24 months:
   - Premium house assistance with an extended package of professional services: locksmith, electrician, hydraulic, glazer, heating and gas appliances technician, electrical household appliance repair technician or roofer. Insurance covers the costs of repair, travel, spare parts and materials used in the repair and includes two interventions per year with a sum insured of PLN 700 per one event, with a total sum insured of up to PLN 1400 per year.
   - Energetic Assistance PLUS – medical insurance with coverage including sudden bouts of illness, accident or hospitalisation, with a sum insured of up to PLN 500 per year.
   - Premium Private Third Party Liability Insurance – coverage includes the customer and their relatives, with compensation of up to up to PLN 50k.

4. **Mega Profit** – offer for electricity sold in package with premium house assistance insurance, with an increased number of professional services available and a discount coupon worth PLN 200, which can be spent in Energa’s online store.

5. **Medical Package** – as part of the offer, customers receive a package of medical services, in a basic or extended variant, with coverage available for the customers’ partners and families. The package includes guaranteed access to a general practitioner and 21 specialists and laboratory tests.

The product portfolio also includes anti-smog solutions for individual customers.
In 2019, a pilot project was launched, as part of which Energa Obrót SA’s consultants proposed new, package-based products to customers, adapted to their individual profiles.

Kafeteria is a modern sales model that uses iPads with the Salesbook app installed.

The solution enables consultants to hold business conversations in an innovative manner. Thanks to an intuitive and visually appealing form of communication, the solution allows customers to choose their own variant of the services and products available. With a consultant’s assistance, customers determine their needs and select an individual service package. The Salesbook app displays available products in a visually appealing and clear manner. Graphical elements reduce the duration of conversations between sellers and customers and show the benefits of the products offered.

Kafeteria moves the sales process to a new level for the sales team as well. The new tool not only supports them during the sales process, but also helps employees engage in effective conversations with customers and improves their comfort of work.

Salespeople are no longer required to memorise all the details of the company’s range of products and services, improving the quality of sales conversations. The company has trained 115 customer service consultants in the provision of the new ‘cafeteria’ service. During the first stage of the project, customers were presented with the new package-based ‘Offer Like You’ matched to their individual profiles.

The offer was prepared based on information obtained during conversations with customers, e.g. on the number of persons in their households, methods of using electricity or utilities applied. A written summary of the conversation with information on the selected range of products and services is sent to customers by email with their consent.

Furthermore, one of the following attractive products is proposed to customers as part of the ‘Offer Like You’ programme apart from traditional sales of electricity:
- ‘Electricity and Professional Services’ or ‘Electricity and a Coupon for PLN 150’
- additional products:
  - Car Service with a discount or Car Service and a MOT test
  - Mobile TV or Mobile TV with a Sports package
  - Individual Medical Package or partner Medical Package or family Medical Package.

In order to receive additional products as part of the Kafeteria programme, the customer must choose one of the primary products. If the customer is not interested in any of them, the consultant offers them other available products or services.

The pilot sales programme concluded on 30 June 2019. The company entered into 2367 contracts.

In 2019, Energa Obrót SA launched its new website at https://energa.pl, enabling the company to make available its entire portfolio of products, adapted to the identified needs of its users. The website allows for example for completing the sales process from the level of the online platform, commencing the process of purchase of products and services in the system by the customer.

If the process is interrupted, it can be resumed using other communication channels. The company is also planning to develop a mobile app for existing and future individual customers of Energa Obrót SA, enabling the transfer of customer communication traffic from other contact channels (call centre, brick and mortar retail locations) to the mobile app and reducing call traffic on the first line of the call centre.

GRI 102-2

Detailed information on Energa Obrót SA’s range of products is available online at: https://energa.pl.
Energa Group’s goal is to ensure the safety of the supply of energy to its customers, i.e. the continuity of supply of electricity meeting specific quality standards.

Observed and projected upward trends with regards to the number of customers and their demand for energy are in and of themselves forcing the Group to continuously develop and modernise its power grid. The Group’s task is to ensure that the directions of this development are not accidental and all actions taken in this context remain technically and economically rational. Due to this, periodic reviews of changes in the power system are extremely important, and as a result Energa Operator SA develops and implements concepts of grid development, in particular with regards to high- and medium-voltage grids.

Development concepts are created in short- and long-term perspectives, enabling the identification of potential hazards to the grid’s operation which might occur in the future. The concepts also feature proposed actions that could neutralise these hazards and enable the analysis of innovative technologies.

Development concepts are regularly updated, enabling plans to be constantly brought in line with current conditions and leading to an increase in the accuracy of choices made with regards to the directions of development. Specific tasks resulting from plans, included in the High-Voltage Grid Development Programme or the schedule of works and expenditures (in respect of all grid voltages), constitute an optimal variant of the project. Additionally, the High-Voltage Grid Development Programme enables management of grid-related capital works projects on an ongoing basis, depending on changes in the projects’ environment.

The High-Voltage Grid Development Programme – Energa Operator SA’s multi-year capital works project – constitutes a set of capital works projects related to the expansion of 110 kV grids, required as a result of connecting additional entities to the grid and replacing infrastructural components as required in order to ensure the safety of the supply of energy to customers of Energa Operator SA.

The schedule of works and expenditures enables the management of the capital works portfolio in the following areas:

- construction of new 110 kV/medium-voltage stations (transformer stations) with connections to the 110 kV grid
- construction or modification of 110 kV power lines
- expansion of the medium-voltage grid – including the construction of new power lines originating from 110 kV/medium-voltage stations (transformer stations)
- construction of medium-/low-voltage stations, enabling a reduction of length of low-voltage power lines
- construction of low-voltage power lines, enabling the connection of new customers.

Apart from customers, sources of electricity are being connected to the grid. Creating a steadily increasing potential of dispersed generation. The majority of these sources are renewable. The SCADA Wind system enables the monitoring of operation of wind power plants connected to the 110 kV grid. Dispersed generation has a significant impact on the phenomena in the power generation system, and conversely on the energy security of our customers, in particular the quality of energy.

Energa Operator SA monitors power flows in individual lines (in particular high-voltage lines), enabling the identification of hazards and implementation of actions in order to minimise them. Of particular importance in this regard are projects related to increasing the load capacity of individual lines or construction of new lines, such as:

- Increasing the diameters of live wires
- Using HTLS (low-sag) wires
- Increasing the working temperature of power lines
- Constructing new lines
- Increasing the power of 110 kV/SN transformers in grid transformer stations.

The nature of the distribution grid has been evolving over the past several years, changing from a customer-oriented grid, where energy flows in one direction only (to the customer), into a prosumer grid. This process opens new opportunities for the energy or grid services market, but makes the operation of the distribution system more complex.
The actions of Energa Operator SA described in the next column are meant to ensure secure supply of electricity.

Some of the actions have a local range and are meant to ensure ongoing protection of customers. The purpose of other actions is to effect a global increase in the security of operation of the grid managed by Energa Operator SA. All of these actions transform the grid into a system that is more reliable and open to new challenges.

### Actions related to ensuring energy safety

1. In August 2019, a report titled ‘Concept of operation of a low-voltage transfer grid and a 110 kV distribution grid as a closed grid within the area of operations of Energa Operator SA until 2030’ was developed. The purpose of the report is to determine the required capital works projects related to the high-voltage grid in the long-term (by 2030).

2. A number of programme guidelines for new transformer stations and high-voltage lines were developed. The purpose of these guidelines is to improve connection capabilities and/or improve SAIDI/SAIFI parameters (through reducing the length of medium-voltage lines) in respect of the following sites: RS Windyki, RS Zakrzewo, GPZ Tomaszkowo, GPZ Powidz, GPZ Zduńsko, 110 kV line between Rečz and Kalisz Pomorski. Program guidelines for all-year-round actions in respect of the following sites forming part of the 110 kV grid are currently in development: RS Zbiersk, RS Anielewo, GPZ Gutków, GPZ Kruszyn, GPZ Gołymin.

3. Development of a report titled ‘Analysis of the impact of the transformation of the medium-voltage grid from overhead to cable-based’ was planned.

4. Work on standards concerning rules governing the company’s collaboration with municipalities with regards to approving zoning documents (as part of the Polish Power Transmission and Distribution Association task force) and their implementation within Energa Operator SA was continued.

5. Collaboration with regards to agreeing local zoning plans with marshal’s offices of provinces where Energa Operator SA operates – actions carried out on an all-year round basis.

### Energa Operator SA modernises its grid to reduce the number of failures and their range of impact by:

- Implementing comprehensive solutions in medium- and low-voltage grids, aimed at eliminating their most failure-prone components and reducing the impact of external factors, i.e. surges, tree canopies, etc. (e.g. by replacing non-insulated wires with insulated wires in the low-voltage grid or cable wires in the medium-voltage grid in forested areas, using partially insulated wires in other areas, etc.)

- Introducing automatics on the most failure-prone lines, leading to a significant reduction in the extent and duration of failures

- Increasing the flexibility of distribution grids of all voltages through implementing capital works projects aimed at increasing the grid’s resistance to the unpredictable generation parameters of dispersed sources – through the use of voltage controllers, increasing the diameter of live cables in overhead lines, replacing overhead lines with cable lines, particularly within the medium-voltage grid.

The planned construction of several 110/15 kV transformer stations is another important action impacting the security of operation of the medium-voltage grid.

These structures are constructed primarily in order to connect large customers located far from existing transformer stations. Each new structure shortens the length of medium-voltage power lines, which enables the connection of new customers and improves the security of supply of electricity to customers connected to medium- or low-voltage grids.
Energa Group’s strategic objective is to ensure the highest possible level of reliability of the supply of electricity to customers, and therefore for several years now we’ve been consistently implementing key modernisation projects and operational initiatives aimed at improving the continuity of supply.

These efforts have resulted in a successive improvement of SAIDI and SAIFI parameters recorded by Energa Operator SA, and consequently in an increase of reliability of the distribution grid operated by the company. Between 2011 and 2019, the SAIDI indicator decreased nearly five times, reaching a value of 126.9 minutes/customer. In this regard, the company has reached a leading position among the largest domestic distribution system operators.

Groups of capital works projects that constitute the main impetus for improving the company’s power supply reliability indicators have been listed from among all modernisation capital works implemented by the company. These projects are primarily focused on improving the resistance of the power grid to adverse weather effects and reducing the frequency and duration of power outages.

They include:

- replacement of exposed wires with cable lines or insulated wires in medium- and low-voltage grids
- automation of medium-voltage grids – installation of remotely controlled isolator switches in overhead medium-voltage lines and remotely controlled switching gear in internal medium- and low-voltage stations
- expansion of medium-voltage grid reconfiguration capabilities through constructing new connections in order to enable duplex supply of electricity to customers and construction of new medium- and low-voltage stations and reducing the length of low-voltage circuits
- construction of new high- and medium-voltage stations and modernisation of existing stations, as well as replacement of 110/15 kV transformers
- replacement of non-networked medium-voltage cables.

The following operational activities have a significant impact on the improvement of power supply continuity indicators: comprehensive logging operations, significantly increased frequency of carrying out live work in medium- and low-voltage grids, the use of generators and consolidation of works carried out during a single disconnection of power. A traditional approach to the improvement of indicators is effective, but insufficient, and therefore further grid automatization and increased use of Smart Grid and information technologies solutions are expected in the future. They should support operational decisions and assist in processes related to the ongoing control of grid traffic in order to achieve the designated objectives.

Given the current pace of improvement in indicators and their values, it bears noting that the currently achieved parameters are approaching ‘saturation’ values. The company expects that any improvement to SAIDI or SAIFI parameters in the coming years will require significant increases in costs and capital expenses required to implement key modernisation projects.
Activities related to the development of electromobility

Energa Operator SA carries out activities in support of the development of electromobility, consistent with the Polish Electromobility Development Plan. In 2019, the company connected 72 charging stations, while a further 215 stations were under construction.

Apart from constructing connections for generally-available charging stations installed by private investors, Energa Operator SA is building 569 electrical vehicle charging points in Gdańsk, Gdynia, Koszalin, Elbląg, Olsztyn, Toruń, Włocławek and Płock, primarily AC 22 KW-type points. The charging stations will use TYPE 2 sockets. The company is planning to complete the construction of all points by the end of 2021.

The first generally-available charging stations installed fully by Energa Operator SA are expected to be brought online in late 2020. The company also purchased its first two VW eGolf electrical vehicles, used in Gdańsk and Gdynia, and is planning to expand its e-vehicle fleet in the future with additional fully electrical and plug-in hybrid vehicles.

Activities related to the implementation of grid codes

In 2019, Energa Operator SA implemented procedures and documents (prepared by task groups and commissions working as part of the Polish Power Transmission and Distribution Association) resulting from grid connection codes, i.e. regulations of the European Commission concerning requirements for the grid connection of the following assets: generators (RfG grid code), high voltage direct current systems and direct current-connected power park modules (HVDC grid code) and demand (DC grid code).

In 2011, 2013, 2015 and 2017, the SAIDI indicator was significantly affected by unplanned outages caused by gale-force winds (storms Yoda, Ksawery – twice, Feliks and the hurricane of August 2017) resulting in mass failures of power grids within Energa Operator SA’s area of operations.

In 2019, the company connected 72 charging points, while a further 215 points are under construction.
As regards Network Code Requirements for Generators:
- a list of required information and documents, as well as prerequisites that must be met by generators as part of the compliance verification process were published
- a procedure of verifying the scope of modernisation of generating assets was implemented
- a procedure of issuing approvals for the use of type A, B, C and D generating modules was implemented
- a procedure and rules governing the testing of generating assets were implemented, as well as procedures of using equipment certificates issued by authorised certification bodies.

As regards HVDC network code:
- a list of information and documents that must be provided by an owner of HVDC system or a power park module with a direct current connection, as well as requirements that the owner must meet
- a procedure of permitting the use of NC HVDC was implemented
- procedures of testing a HVDC system or power park module with a direct current connection were implemented.

As regards DC network code:
- a list of information and documents that must be provided by an owner of a receiving installation, as well as requirements that the owner must meet
- a procedure of issuing a use permit was implemented
- procedures of testing, simulation, certification and modernisation were implemented.

Activities related to 110 kV grid connections
In November 2019, the first wind farm with a power of 42 MW (14 wind turbines with a power of 3 MW each) was connected to the 110 kV grid. The farm is located in the municipality of Barwice and will meet Network Code Requirements for Generators. The entity connected to the grid was instructed to submit an energisation operational notification (EON), interim operational notification (ION) and final operational notification (FON). Introduction of energy generated by this wind farm into the grid began in February 2020.

Increase in the number of connections of renewable energy sources
In 2019, Energa Operator SA recorded a three-fold increase in the number of microinstallations in comparison to 2018. Microinstallations became extremely popular due to:
- the chance to obtain funding as part of the government’s ‘My Electricity’ Priority Programme
- the chance for businesses to receive discount, resulting in lower electricity bills
- increased awareness of environmental matters among the general populace.

Increase in the number of connections of microinstallations to Energa Operator SA’s grid, total notifications and applications

<table>
<thead>
<tr>
<th>Year</th>
<th>Installed power [MW]</th>
<th>Number of microinstallations [units]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>24.73</td>
<td>3383</td>
</tr>
<tr>
<td>2017</td>
<td>40.88</td>
<td>5440</td>
</tr>
<tr>
<td>2018</td>
<td>74.10</td>
<td>10167</td>
</tr>
<tr>
<td>2019</td>
<td>197.57</td>
<td>28115</td>
</tr>
</tbody>
</table>

Related to the 110 kV grid:
- a list of required information and documents, as well as prerequisites that must be met by generators as part of the compliance verification process were published
- a procedure of verifying the scope of modernisation of generating assets was implemented
- a procedure of issuing approvals for the use of type A, B, C and D generating modules was implemented
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- the chance for businesses to receive discount, resulting in lower electricity bills
- increased awareness of environmental matters among the general populace.
The full name of the project is ‘Modification of the grid to meet Smart Grid standards through the installation of intelligent metering devices and automatization of the grid to induce customers to increase the efficiency of their use of electricity and effective management of the power system to increase security of supply. Basic implementation within the area of operations of Energa Operator SA (Smart Grid).’

The purpose of the project is to ensure the stability and flexibility of the distribution system through implementing smart grid solutions.

The objective will be achieved through:

- Installation of 1180 controlled overhead medium-voltage isolating switches with short-circuit current detection
- Installation of 1148 indoor medium-voltage distribution panels with control instruments and short-circuit current detection
- Installation of a communication channel for connectors in the TETRA system – installation of 2328 devices
- Construction of an energy storage facility
- Improved quality of supply of electricity
- Improved quality of customer service
- Cost effectiveness of the power grid

Smart Grid
Smart grid components have been implementing for several years now. The project is a continuation of initiatives such as the implementation of a Smart Grid on the Hel Peninsula or Smart Toruń. The effects of these initiatives have enabled the company to commence actions as part of this project, which takes into account the experience gained in previous years and encompasses the entire area of operations of Energa Operator SA.

One of the main objectives of the project is to create a positive impact on the protection of the natural environment through reducing the consumption of energy generated from conventional sources and decreasing CO₂ emissions.

Works planned during each stage of the initiative – implementation, operation and liquidation of equipment – will not have an adverse effect on the environment, i.e. water, soil or air.

Adapting the grid to meet Smart Grid standards through the installation of a smart metering system and grid automatization improves the efficiency of its use, which will translate into a reduced demand for energy required to cover losses, resulting in a lower consumption of energy and reduction of CO₂ emissions.

Modernisation of the grid as part of the project implemented by the company is expected to result in achieving positive environmental impact indicators. Reducing the duration of power outages thanks to the modernisation of the grid has a direct impact on the ability to generate electricity from renewable sources during outages.

The project was found to have a neutral impact with regards to:

- protection of surface and groundwater
- reduction of noise.

Works completed in 2019

As a result of a sourcing procedure, a contract for the supply of 200 overhead medium-voltage isolating switches was signed and the supply of modems with a TETRA communications channel was agreed, satisfying current demand for their installation. Over the course of 2019, 400 overhead isolating switches with modems were installed.

Energa Operator SA also signed a contract with Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o. for the installation of 1148 electrical switching panels.

Works planned for 2020:

In mid-2020, Energa Operator SA plans to resolve four announced public procurement procedures and sign contracts with suppliers/contractors selected as a result of these procedures. The contracts will concern the delivery of 380 medium-voltage overhead isolating switches, delivery of remote control sets, delivery of a power storage facility to be constructed in Czernikowo near Toruń, the location of Poland’s largest photovoltaic farm with a power of 4 MW.

The procedures further concern the selection of a contractor responsible for the central SCADA system, who will ensure the implementation of the 8 functionalities specialised in the co-funding contract. At the same time, the company will commence the installation of 380 overhead isolating switches and communication models scheduled for 2020 and the installation of 574 indoor medium-voltage switching panels, carried out by Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o. Energa Operator SA is expecting the delivery of requisite server machines to ensure the computing power needed for the target SCADA system before the end of 2020 and will commence the implementation of the system upon their receipt.
Relations with customers

Honest sales and fair communication

Sales Business Line

Energa Obrót SA constantly improves its customer communication standards and implements new amenities. Every customer who provides their telephone number in their message to the company will receive information on the number assigned to their ticket in the system, facilitating further contact between the company and the customer – when the customer references the ticket number, customer service will be able to find it quickly and provide the customer with the required information. Furthermore, when receiving documents the customer is able to verify whether the reference number of the letter is consistent with the ticket number. During the next stage, depending on the method of communication (email or courier service), the customer receives a text message notifying them that their contract was dispatched and guidelines on how to proceed to enter into a binding contract. Both parties benefit from sending notifications via text messages – customer satisfaction is increased and more contracts are entered into in a binding manner.

Starting from 1 July 2019, the company changed the business hours of its own retail outlets. On Mondays and Fridays, outlets are open from 8 AM until 4 PM; whereas, from Tuesdays to Thursdays they are open between 9 AM and 5 PM. Changes to business hours led to a reduction in queues, as the majority of customers queued for the outlets before 9 AM, as well as a balanced distribution of customer traffic over the course of the day, reducing customer waiting times.

Implementation of outlet classification is another step on the way to standardisation of all own and partnered retail outlets. The programme’s objective is to ensure that customers receive the highest possible level of service in every retail outlet and be satisfied with each visit. From a business perspective, the goal of the programme is to provide support in the fulfilment of objectives in accordance with applicable priorities. Experiences of top outlets will be put to use in other locations.

The company wishes to become the friendliest and most digitally-enabled power enterprise in the market, and therefore strives to limit printing to a minimum and utilise electronic documents in place of hard copies. The ‘Paperwork’ project is aimed at reducing the workload printers and employees, as well as that of the customers, who must carry all of these documents home. Over the course of 3 months, the company was able to reduce the number of printed documents by 60%, 6 hours of work per week per employee fewer. Of the 4 documents required to sign a contract, only the contract itself needs to be printed. Some documents were incorporated into General Contractual Terms and Conditions. As a result, customers are no longer required to submit certain documents (presenting them is sufficient), e.g. a declaration confirming ownership of an abode will suffice in place of a deed of ownership.

Consultants from all retail outlets participate in the pilot ‘Gold, Silver, Bronze’ Outlet Classification Programme. The programme’s objective is to select and reward the best retail outlets who compete in the following 5 areas: visualisation, competences, management, efficiency, quality. Each area has its own significance with appropriate weighting assigned. Outlets are evaluated once per month, based on defined qualitative and quantitative indicators.
In September 2019, the company implemented a sales and customer service skills development program, aimed at customer-facing employees. Training courses help employees improve their skills in asking questions and listening to customers, speak the language of benefits and hone their negotiation skills. The programme consists of five blocks of training packages and is scheduled to continue until December 2020. Meetings take the form of workshops and lesson plans include discussion of products and services offered to customers. Topics analysed during the training courses carried out as part of the programme include:

- development of sales skills
- honing the ability to provide customer service in difficult situations
- development of competences related to personal efficiency
- support for competences in the area of managing sales teams.

Each training package takes into account the specific nature of individual channels used to communicate with customers. The programme is addressed to employees of retail outlets, Telephone Customer Service Department, Telephone Sales Department, Ticket Resolution Department, line supervisors and quality leaders.

Conscious management of customer experience is not accidental but is the product of purposeful and planned actions. By generating positive emotions in customers on a regular basis, we gain their loyalty, willingness to make additional purchases and recommend us to other customers.

Recommendations aimed at optimising our customer interface are implemented on a continuous basis, in small batches – using the DMAIC method, ensuring flexibility and fast reaction to the shifting expectations of customers and market trends. It also guarantees accurate and quick diagnosis of any problems and faster effect of any changes implemented in the organisation, which include:

- minimisation of customer effort – forms needed to join live chat or activate live billing services have been made shorter and simpler (90% of customers who use the live chat service are satisfied with this communication channel)
- reduction in the amount of formalities (documents) required – the number of hard copies printed was reduced by 60% and documents in electronic format are preferred, thus shortening the customer service process
- personalisation of text messages sent by collections, implementation of overdue amount reports showing balance as of day n+1.

For two years now, Energa Obrót SA has been consistently working on simplifying the language used by its employees when communicating with each other, but most of all when communicating with customers.

Using simple language makes communication clear and comprehensible. As a first step, the company simplified its contract and general contractual terms and conditions, i.e. documents which the customer takes home and often keeps for many years. In current documents, employees of Energa Obrót SA no longer refer to the customer in the third person and use everyday language to explain the definitions applied therein. That is why electrical energy is now referred to as electricity and metering and billing systems are referred to as meters. Apart from documents, simple language is also used in welcome messages on the company’s helpline, letters with information and replies to customer requests.
The Customer Service Management Bureau at Energa Operator SA oversees customer service provided via telephone, electronic channels and in direct communication. Services provided through each of these channels are based on guidelines specified in internal procedures and information scripts.

- The document titled ‘Rules governing the handling of customer communication by the Call Centre’ contains guidelines for handling communication received by telephone, text message and electronic channels. The document was drawn up in order to improve the quality of call handling services rendered by an external company. The instruction improves customer contact standards and the company’s image. Contents of the document include rules which must be followed by employees in telephone conversations with customers, sample scenarios of conversations or guidelines that enable consultants to find out how to obtain information from the customer and what data is required to identify the customer to solve their issue.

- The document titled ‘Rules governing the provision of direct customer service’ is aimed at ensuring uniformity of rules governing direct contact with customer, taking into account the changes resulting from amendments to personal data protection regulations.

- The document titled ‘Rules governing correspondence with customers’ is aimed at ensuring uniformity of rules governing correspondence with customers based on currently applicable personal data protection regulations and guidelines applicable in model correspondence forms.

- Changes to the IVR-based welcome message, adapted to the needs of customers and facilitating the correct choice of type of request.

---

**Types of customer calls**

IVR (interactive voice response) is the name of a system used in telecommunications to enable the provision of interactive services to the caller. IVR works as an automated call centre. The caller listens to pre-recorded messages and chooses the relevant item on the menu using a phone capable of DTMF tone dialing.

The IVR system currently used by the company is adapted to the needs of customers, therefore by calling 801 404 404 it is easier to connect to the customer service responsible for handling a specific type of call. IVR is also available by calling 991 and customers can receive information about outage locations and approximate time of repair while awaiting connection with a consultant.
### Number of households disconnected from the grid due to failing to pay electricity bills, broken down by the disconnection period

<table>
<thead>
<tr>
<th></th>
<th>Energa Obrót SA</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 48 hours</td>
<td>0</td>
<td>0</td>
<td>22 802</td>
<td>31 598</td>
<td>22 259</td>
<td></td>
</tr>
<tr>
<td>48 hours – 1 week</td>
<td>0</td>
<td>0</td>
<td>2 850</td>
<td>3 950</td>
<td>2 782</td>
<td></td>
</tr>
<tr>
<td>1 week – 1 month</td>
<td>61 067</td>
<td>24 552</td>
<td>1 995</td>
<td>2 765</td>
<td>1 948</td>
<td></td>
</tr>
<tr>
<td>1 year and more</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### Number of customers broken down by the time elapsed between paying the electricity bill and being reconnected

<table>
<thead>
<tr>
<th></th>
<th>Energa Obrót SA</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 48 hours</td>
<td>0</td>
<td>0</td>
<td>22 802</td>
<td>31 598</td>
<td>22 259</td>
<td></td>
</tr>
<tr>
<td>48 hours – 1 week</td>
<td>51 985</td>
<td>0</td>
<td>2 850</td>
<td>3 950</td>
<td>2 782</td>
<td></td>
</tr>
<tr>
<td>1 week – 1 month</td>
<td>0</td>
<td>20 446</td>
<td>1 995</td>
<td>2 765</td>
<td>1 948</td>
<td></td>
</tr>
</tbody>
</table>

### Total number of non-compliances with regulations and voluntary codes of conduct relating to the marking of and information concerning products and services, broken by type of consequences

<table>
<thead>
<tr>
<th>Non-compliances with regulations resulting in a fine or financial penalty</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energa Obrót SA, Energa Operator SA</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa SA, Energa Obrót SA, Energa Operator SA</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Monetary value of significant penalties resulting from non-compliance with laws and regulations related to the supply and use of goods and services (PLN)

<table>
<thead>
<tr>
<th>Energa Obrót SA, Energa Operator SA</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of penalties (in PLN) imposed as a result of non-compliance with laws and regulations related to the supply and use of goods and services</td>
<td>112 693</td>
<td>1 182 216.23*</td>
</tr>
</tbody>
</table>

*Proceedings which resulted in the imposition of financial penalties in 2019 that have not been paid as of yet due to ongoing appeal procedures.

### Total value of penalties (in PLN) imposed as a result of proceedings reported in previous years that have not been paid as of yet due to ongoing appeal procedures: 27 261 000.

### Total value of penalties (in PLN) imposed as a result of proceedings reported in previous years that were paid in 2019: 170 000.
Our responsibility 2019

Customer service departments are the basic channel of communication with the company
Helpline 555 555 555
Energa24 www.24.energa.pl
EBOK customer service sites www.ebok.energa.pl
Online form at: www.energa.pl/kontakt
Regular letters sent to the company’s address

In 2019, customer service at Energa Obrót SA was based on 7 customer service standard manuals:
- customer service standard manual for sales outlets
- customer service standard manual for employees replying to letters from customers
- new business customer service standards
- customer service standard manual for the telephone sales channel
- customer service standard manual for consultants in the mass market mobile sales network
- customer service standard manual for consultants working in the first and second line of service in the Customer Service Call Centre
- customer service standard manual for consultants in the D2D mass market network.

The purpose of implementing standards is to ensure high quality, professional service and to build awareness among employees as to who our customers are and what needs and expectations they have. Caring for relations is among the organisation’s primary values and ensuring professional and reliable customer service is our priority.

The Energa Customer Ombudsman provides customers with additional support in resolving atypical matters. The Ombudsman renders assistance in the most complex and long-standing issues. The main principle governing the activities of the Ombudsman is that he remains independent from the customer service channels operating within the company. The Ombudsman does not handle complaints or requests or the collections process, but merely analyses the responses sent by the company and verifies whether the complaint handling process was implemented in the due manner. Complaints and opinions can be sent to the Ombudsman using a special form available online at: https://www.energa.pl/dom/obsluga/reklamacje-i-ogloszenia.html

In 2019, Energa Obrót SA received an Electricity and Gas Vendor Certificate. The audit took place in November 2019 and included as many as 71 criteria in 4 areas: compliance, customer service, contracts and complaints. Auditors meticulously checked what information is provided to customers, what are the procedures for signing contracts, obtaining marketing consents and handling complaints. The audit confirmed that the organisation complied with the requirements of Good Practices for Electricity and Gas Fuel Vendors drawn up by the Association of Energy Trading. The certificate confirms that the company strives to maintain adequate care in its relations with customers, respects their time and efforts, endeavours to be professional and credible and constantly puts in effort to adequately and competently solve the problems of its customers, thereby becoming a friendly and trustworthy organisation.

90% of customer consultations were handled within 7 days
### Traffic in communication channels in 2019

<table>
<thead>
<tr>
<th>Channel</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>eBOK (number of active eBOK and E24 users)</td>
<td>122,106</td>
<td>156,546</td>
<td>142,456</td>
<td>124,369</td>
<td>179,215</td>
</tr>
<tr>
<td>tBOK MM + SOHO</td>
<td>265,681</td>
<td>475,458</td>
<td>328,119</td>
<td>280,621</td>
<td>362,696</td>
</tr>
<tr>
<td>tBOK eBOK + LiveChat</td>
<td>1,632,962</td>
<td>1,673,769</td>
<td>1,532,564</td>
<td>1,047,561</td>
<td>1,104,975</td>
</tr>
</tbody>
</table>

### Dynamics of change in customer use of various channels of communication between 2014 and 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>eBOK</th>
<th>tBOK</th>
<th>tBOK eBOK + LiveChat</th>
<th>DOZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>122,106</td>
<td>265,681</td>
<td>1,632,962</td>
<td>1,532,564</td>
</tr>
<tr>
<td>2015</td>
<td>156,546</td>
<td>475,458</td>
<td>1,673,769</td>
<td>1,047,561</td>
</tr>
<tr>
<td>2016</td>
<td>142,456</td>
<td>328,119</td>
<td>1,532,564</td>
<td>1,104,975</td>
</tr>
<tr>
<td>2017</td>
<td>124,369</td>
<td>280,621</td>
<td>1,047,561</td>
<td>1,104,975</td>
</tr>
<tr>
<td>2018</td>
<td>179,215</td>
<td>362,696</td>
<td>1,104,975</td>
<td>1,104,975</td>
</tr>
</tbody>
</table>

### Timeliness of response to customer correspondence between 2014 and 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>eBOK</th>
<th>tBOK</th>
<th>eBOK + LiveChat</th>
<th>DOZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>72%</td>
<td>69%</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>2015</td>
<td>77%</td>
<td>77%</td>
<td>75%</td>
<td>93%</td>
</tr>
<tr>
<td>2016</td>
<td>87%</td>
<td>87%</td>
<td>97%</td>
<td>90%</td>
</tr>
<tr>
<td>2017</td>
<td>93%</td>
<td>93%</td>
<td>90%</td>
<td>60%</td>
</tr>
<tr>
<td>2018</td>
<td>90%</td>
<td>90%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>90%</td>
<td>90%</td>
<td>60%</td>
<td></td>
</tr>
</tbody>
</table>
The expectations of Customers of Energa Obrót SA are becoming higher and higher with regards to the quality of service provided in the course of sales and post-sales processes. Due to this, the company constantly monitors the quality standards in sales and service channels using monthly quality research carried out by applying the ‘mystery customer’ method.

Ongoing analysis and use of the results of research for implementing corrective action, including employee training, is aimed at constantly improving the quality of service, which directly translates into the satisfaction of persons and businesses that use the company’s services.

Additionally, Energa Obrót SA carries out an ongoing monitoring of customer satisfaction levels in each sales and service channel by means of an automatic measurement of the Net Promotor Score (NPS) indicator. NPS indicates whether customers would recommend other people to contact the company.
Energa Obrót SA has implemented an instruction titled ‘Management of templates of contracts for the supply of electricity and gas’, which specifies the procedure of changing the existing contract template and introducing new contract templates. Before coming into effect, every contract template is verified for compliance with requirements in such areas as law, taxes, information security, personal data protection, or risk. The Representative for the Coordination of Legal Services and Compliance accepts contract templates and approves them for use. Furthermore, the company regularly verifies decisions of the Chief of the Office of Competition and Consumer Protection and keeps a register of prohibited clauses. Contract templates used by the company include amicable dispute resolution clauses. Apart from submitting their grievances directly to the company, customers may file them with the Chief of the Energy Regulatory Office, Negotiation Coordinator at the Chief of the Energy Regulatory Office or the competent court of law. The Coordinator is an authority regulated by energy law, responsible for the out-of-court settlement of disputes.

The graph illustrates the result of NPS measurements in sales outlets and on the helpline in individual months of 2019. In the case of sales outlets, the highest NPS value of 76 was observed during four consecutive months (April, May, June, July), whereas in the case of the helpline, NPS reached its highest value of 60 points in September. Both channels continuously strive to improve their customer service quality standards, which resulted in an improvement of NPS scores in comparison to the previous years.

Customers can contact Energa Operator SA using the following channels:
- direct – Customer Service Centres (BOO), Connection Service Points (POP)
- telephone – 991 emergency number, distribution helpline 801-404-404
- electronic – text message sent to 3991, online form at https://energa-operator.pl
- letters – sent to postal addresses of local branches of Energa Operator SA

Call categories

<table>
<thead>
<tr>
<th>Call categories</th>
<th>danger to life</th>
<th>emergency</th>
</tr>
</thead>
<tbody>
<tr>
<td>991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIII</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XII</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Response rate (ascending) | 93.22% | 93.27% | 93.91% | 94.26% | 94.52% |
Target value | 93% | 93% | 93% | 93% | 93% |

* service was performed by employees of Energa Operator SA due to losing the service provider.
Data on the 801-404-404 helpline

<table>
<thead>
<tr>
<th>801 404 404</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response rate (ascending)</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>85.27%</td>
<td>95.65%</td>
<td>94.43%</td>
<td>93.28%</td>
<td>93.29%</td>
<td>93.28%</td>
<td>93.27%</td>
</tr>
<tr>
<td>Target value</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>80%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td></td>
</tr>
</tbody>
</table>

Electronic queries

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of queries answered within 15 minutes</td>
<td>*</td>
<td>85.00%</td>
<td>98.04%</td>
<td>99.88%</td>
<td>99.28%</td>
<td>100%</td>
<td>98.87%</td>
<td>99.72%</td>
<td>99.94%</td>
<td>99.89%</td>
<td>99.61%</td>
</tr>
</tbody>
</table>

List of cases handled through the following communication channels:

991 helpline

<table>
<thead>
<tr>
<th>991</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of calls transferred to an agent</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>38 842</td>
<td>31 941</td>
<td>32 838</td>
<td>29 104</td>
<td>24 808</td>
<td>25 286</td>
<td></td>
</tr>
</tbody>
</table>

801 404-404 helpline

<table>
<thead>
<tr>
<th>801 404 404</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of calls transferred to an agent</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>38 544</td>
<td>14 067</td>
<td>14 230</td>
<td>16 710</td>
<td>14 906</td>
<td>14 434</td>
<td></td>
</tr>
</tbody>
</table>

Text message, emergency online form

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of queries</td>
<td>*</td>
<td>1976</td>
<td>3336</td>
<td>4254</td>
<td>707</td>
<td>2602</td>
<td>1084</td>
<td>941</td>
<td>1492</td>
<td>1267</td>
<td>626</td>
</tr>
</tbody>
</table>

Results of NPS measurement on the 911 helpline in 2019

![Graph showing NPS measurement results for 911 helpline in 2019]

* service was performed by employees of Energa Operator SA due to losing the service provider.
Queries received through the Infos system:

<table>
<thead>
<tr>
<th>Connection</th>
<th>Other</th>
<th>Operation</th>
<th>Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real properties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor switch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaint about an employee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and explanations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal data processing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measurements/technical customer service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution/comprehensive/Retail Market Participant contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overpayments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019 Infos</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL number of queries</td>
<td>14,479</td>
<td>12,121</td>
<td>10,880</td>
<td>11,413</td>
<td>12,386</td>
<td>12,568</td>
<td>14,230</td>
<td>10,714</td>
<td>11,865</td>
<td>13,133</td>
<td>12,566</td>
<td>10,661</td>
</tr>
</tbody>
</table>

Results of audits of conversations on Energa Operator SA’s helpline – 2019

<table>
<thead>
<tr>
<th>Conversation quality</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of the subject (maximum 9 pts)</td>
<td>ugg</td>
<td>97.7%</td>
<td>97.2%</td>
<td>97.7%</td>
<td>97.9%</td>
<td>98.1%</td>
<td>95.2%</td>
<td>97.2%</td>
<td>*</td>
<td>93.2%</td>
<td>97.2%</td>
<td>98.5%</td>
</tr>
<tr>
<td>Contact with the Customer (maximum 21 pts)</td>
<td>*</td>
<td>82.1%</td>
<td>85.1%</td>
<td>83.0%</td>
<td>82.0%</td>
<td>81.0%</td>
<td>84.4%</td>
<td>81.2%</td>
<td>*</td>
<td>83.4%</td>
<td>87.1%</td>
<td>88.6%</td>
</tr>
<tr>
<td>Total (maximum 30 pts)</td>
<td>*</td>
<td>86.8%</td>
<td>88.7%</td>
<td>87.4%</td>
<td>86.8%</td>
<td>86.1%</td>
<td>87.7%</td>
<td>86.0%</td>
<td>*</td>
<td>85.6%</td>
<td>89.3%</td>
<td>90.8%</td>
</tr>
<tr>
<td>Deviation</td>
<td>*</td>
<td>11.2%</td>
<td>11.3%</td>
<td>12.6%</td>
<td>13.2%</td>
<td>12.9%</td>
<td>12.5%</td>
<td>14.0%</td>
<td>*</td>
<td>14.4%</td>
<td>10.7%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

* No audit was made in January due to the fact that operation of the emergency helpline was taken over by employees of Energa Operator SA.

No audit was made in September as the procedure for the procurement of a new auditing company had not yet been completed.

To monitor customer service quality standards, the Customer Service Management Bureau at Energa Operator SA carries out the following audits and internal activities:

- creating training sets for new employees using the Moodle platform
- creating interactive customer service scenarios for consultants using the Moodle platform
- verification of training and testing materials used by the provider of call centre services
- regular training courses improving the quality of service (knowledge of the subject)
- remote conferences and meetings with the provider of call centre services on the subject of ongoing cooperation
- statistical indicators: call response rate, rate of response to online queries within 15 minutes
- auditing whether consultants comply with service scripts (emergency calls, distribution calls) – knowledge of the subject
- auditing whether consultants comply with service scripts – compliance with guidelines in the contract
- auditing whether consultants comply with ‘Rules Governing the Handling of Calls by Call Centre Employees’
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Additional guidelines formulated by Energa Operator SA or as a result of works by task groups of the Polish Power Transmission and Distribution Association

- Additional guidelines formulated by Energa Operator SA or as a result of works by task groups of the Polish Power Transmission and Distribution Association
- document titled ‘Guidelines Concerning Correspondence Sent to Customers’
- document titled ‘Rules Governing the Handling of Calls by Call Centre Employees’
- document titled ‘Good Practices for Distribution System Operators’
Numerous modifications to systems were implemented in 2019. By the end of November 2019, a total of 60 modifications were made to the CC&B billing system used by Energa Operator SA. The changes had a significant impact on indicators.

Caring for sensitive customers

Pursuant to article 3 item 13c of the energy law act, sensitive energy customers are people who were granted a housing benefit within the meaning of article 2 subsection 1 of the housing benefit act (Journal of Laws of 2017, item 180) and who are party to a comprehensive contract or electricity sales contract made with a power company and live in the location to which electricity is supplied.

All templates of contracts made by the company with its customers include clauses and procedures directly related to sensitive customers:
- definition of a sensitive customer,
- information on the installation of prepaid electricity meters in abodes of sensitive customers and related duties of customers and the distribution company.

The company is required to install a prepaid meter in the sensitive customer’s abode at its own expense, within 21 days of receipt of a requisite request from the customer.

In our everyday work we strive to deal with our customers in a sensitive manner while maintaining the highest standards of service. In some of our retail outlets we introduced the role of a Room Manager/Navigator, responsible for early identification of the needs and expectations of customers and providing them with assistance in filling our documents. We combine professional knowledge with interpersonal skills. Our employees often play the role of a friendly person who is simply there to hear someone’s life story.

Anna Czarniak
Head of the Mass Market Brick-and-Mortar Sales Department, Energa Obrót SA
In connection with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), Energa Group adopted a uniform approach to the security of personal data by adapting its solutions to the new guidelines. The wording of the regulation titled ‘Energa Group’s Personal Data Security Policy’ was amended.

In 2019, the Personal Data Protection Services Department implemented training courses on the subject of rules governing the protection of personal data for employees of all Energa Group companies. In total, 1062 employees underwent training in 2019 of which 810 employees completed online training courses, whereas 252 persons completed traditional training courses.

Aside from the ‘House’, ‘Company’ and ‘Online Visit’ categories, queue management machines now feature a new button: ‘Priority Service’. After pressing this button, the customer must specify which of the priority groups they belong to. The machine will assign first place in the queue to persons who had previously booked appointments, and then will alternate between customers in the priority queue and the standard queue.

Until mid-2019, the company offered a product for families with multiple children who held the Large Family Card, enabling them to receive an even bigger discount on their electricity bills.

Furthermore, over the course of 2019 the Group companies carried out:
- 30 initial audits
- 22 office audits concerning documents processed by companies and personal data contained in these documents
- 7 customer audits concerning the verification of personal data gathered and held by the companies
- 1 ad hoc audit concerning a breach of personal data
- 5 initial and office audits for external entities.

In order to identify areas and levels of risks related to the processing of personal data, a risk analysis was carried out twice in the 22 companies of the Group and external entities providing services in the area of personal data protection.

The company does not keep statistics related to sensitive customers, since nowhere does it state in comprehensive contracts or energy sales contract whether the other party is a sensitive customer. This information can be gleaned only from declarations made by customers when applying for the installation of a prepaid meter. Furthermore, housing benefits are paid out directly to their recipients, therefore welfare offices are the only institutions who may possess data about the number of such persons.

**Priority service**

A new functionality has been implemented in queue management systems operating in Energa Obrót SA retail outlets. The function gives priority of service to customers who need it most.

The following types of customers are entitled to priority service:
- pregnant women
- parents with children below 3 years of age
- persons in wheelchairs
- persons aged 75 and over.

The Personal Data Protection Department provides services in three areas: training, auditing and support rendered to companies through acting as a Data Protection Officer.
Relations with competitors

Fair market practices

The Compliance Programme, approved pursuant to a decision of the Chief of Energy Regulatory Office, is a procedure aimed at treating existing and potential system users in Energa Obrót SA an equal and non-discriminatory manner. Another objective of the Programme is to counteract anti-competition behaviours.

In 2019, the compliance officer prepared a report for the year 2018 referencing the 2017 report which showed irregularities in communication between the Distribution System Operator and a vendor from Energa Group, and submitted it to the Chief of Energy Regulatory Office. The report stated that the vendor only partially complied with its previous declarations of adapting its communication to the requirements of the Distribution System Operator. The vendor stated that adapting all remaining processes to communication consistent with applicable standards of exchanging information will be concluded by the end of 2019.
ENERGA GROUP AS A TRUSTWORTHY EMPLOYER

Working at Energa Group
Fulfilment of objectives for 2019 and challenges for 2020

Energa Group’s strategy focuses on four key values: responsible development, reliability and security, courage and innovation and lasting relations. These values constitute the building blocks of our organisational culture, ensure the achievement of our business goals and have an effect on our image and competitive advantage.

Energa Group is steadily creating a friendly work environment and efficiently supports the development of its employees. Actions implemented by the Group are aimed at ensuring stability in the field of employment and supporting the development of internship and job placement programmes.

Priorities for 2020

- Seek to reduce the number of workplace accidents.
- Build the image of a responsible employer.
- Develop the internship and job placement programme.
Employees are Energa Group’s greatest asset. Employers are aware of the value of competent specialists and managers, and therefore implement actions aimed at ensuring stabilisation in the area of employment. Employees have the opportunity to develop and improve their professional qualifications, and have access to many non-salary benefits. Energa Group also implements actions aimed at maintaining a good work-life balance.

Increasing the effectiveness of tools used in communication with employees

Fast exchange of information and the ability to communicate freely are foundations of efficient cooperation. Every employee of Energa Group can choose between various channels of communication. Starting from Q4 2019, employees can browse a new version of Energa Group’s intranet using not only their workstations, but also mobile devices, enabling easier access to information on such matters as activities implemented within the Group, employee affairs and applicable internal regulations. Energa News, a newsletter regularly sent out to employees, contains an overview of major happenings within the Group. The Group also publishes the wMisię magazine, distributed to 108 locations operated by Group companies.

Development of internship and job placement programmes

2019 was a year of Energa Group’s intensive involvement in vocational education. The Group commenced the implementation of its collaboration agreement with the Maritime University, while employees of Energa Invest Sp. z o.o. joined the school’s faculty. The Group also commenced cooperation with the University of Gdańsk, the Polish Naval Academy in Gdynia, the Nicolaus Copernicus University in Toruń, the Łazarski University in Warsaw, as well as several secondary schools. The organisation funded scholarships for students with exceptional academic achievements and contributed funds to the purchase of additional equipment for school laboratories.

Energa Group companies implemented job placement programmes and hired interns, with the most talented ones offered permanent positions.

Additional information:
Terms of employment and remuneration: pp. 216-219.
Competencies, professional experience and commitment of employees – these factors are the foundation of Energa Group’s successes. Of particular importance are the employees holding engineering and technical posts who possess experience in working in the power industry, a prized asset in the employment market.

Energa Group’s Staff Policy is a key regulation in the employment area. It specifies the major directions of development of the organisation’s staff and business strategy and its efficient implementation guarantees a steady increase in the value of the Group and its individual companies.

In order to build its image as a good employer and ensure equality in the workplace, the Group drafts uniform procedures in the areas of hiring, training, job placement and internship, as well as other areas that conform to standards in the market.

Energa Group promotes knowledge on preventing mobbing and discrimination in the workplace and implements initiatives aimed at eliminating unwanted attitudes and behaviours so that employees can feel safe and comfortable.

The policy implemented by the Group, which favours the employment of people with disabilities, guarantees good employment conditions and the right to take advantage of benefits and privileges available in the workplace.
Number of employees by gender

Number of employees by age group

Number of employees by contract type
Employment conditions

Non-salary benefits
Apart from salaries, employees of Energa Group, and in some cases members of their families, are entitled to a number of non-salary benefits, including:

- private medical care
- life insurance
- benefits from the Company Social Benefits Fund
- vouchers for special occasions
- reimbursement of costs of purchasing corrective glasses for employees who use display screens
- Christmas and Easter benefits
- discounts on electricity bills
- Employee Retirement Programme
- Employee Capital Plans

Energa Group has implemented a number of regulations introducing clear and transparent remuneration systems, including collective bargaining agreements, agreement on the protection of employee, social and unionising rights, as well as remuneration regulations.

The regulations ensure that employment conditions offered by Energa Group are more advantageous than those guaranteed by generally applicable labour laws. The Group puts clear emphasis on making wages and salaries dependent on the nature of work performed by a given employee, their qualifications and professional experience. The majority of the Group’s staff is employed based on indefinite term employment contracts.

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The majority of employees of Energa Group companies were able to participate in the Employee Capital Plan programme, implemented in 2019 and aimed at enabling workers to save for their retirements in the long term in the coming months, the remaining companies of Energa Group will join the programme.

Staff employed based on an employment contract are entitled to the following benefits as part of the Company Social Benefits Fund, irrespective of whether they are employed full-time or part-time:

- holiday grants
- housing loans
- financial aid in random events
- gift cards for children on Christmas
- cinema tickets
- Multisport cards
- Benefit Kultura cards
- new-born allowance.

Benefits available to employees also include an additional day off on 14 August to mark the Power Engineer’s Day.

Energa Group also celebrates the International Family Day, held on 15 May. As part of the ‘Two Hours for Your Family’ initiative, employers cut working time by two hours, encouraging staff to spend time with their loved ones.

A family-friendly employer

Energa Group cares for its employees and implements initiatives aimed at ensuring a good work-life balance. In order to combine professional and family duties, staff can work based on an individual working time plan or flexible hours schedule, as well as work remotely.

Employees are also entitled to parental benefits on terms stipulated in generally applicable regulations, i.e. maternal and paternal leave or time off to care for their children. Group companies also provide private medical care for the entire family, holiday grants, reimbursement of costs of purchasing school coursebooks or prepaid cards for the purchase of products for children.

Employees who find themselves in a difficult living situation may receive support from Energa Foundation.
The ‘For Contribution to the Energy Industry’ medal

This year marked the ninth occasion on which the most committed and distinguished employees working in the Distribution Business Line received commendations from the state and the company at a formal gala held in the Museum of the Second World War in Gdańsk.

The ministerial ‘For Contribution to the Energy Industry’ medal, conferred on employees of the energy industry who made exceptional contributions to the development of the power industry, was given to five employees of the Group by the Minister of Energy. Another five members of staff were decorated with state ‘Medals in Celebration of the 100th Anniversary of Polish Independence’, awarded by the Polish Prime Ministers. Furthermore, no fewer than 74 employees of the Distribution Business Line were awarded with ‘Distinguished Employee’ medals and badges of merit.

‘Energy for Health!’

Caring for the physical and mental health of employees is the main purpose of this programme, implemented by companies in the Distribution Business Line. The programme was devised to meet the needs of employees, therefore its form and initiatives implemented as part of it are adapted to the local capabilities of individual branches.

As part of the ‘Energy for Health’ programme, fruit and juices are regularly delivered to offices, health awareness workshops on preventing circulatory diseases and protecting eyesight are organised, as well as workshops led by a physiotherapist on ‘Rules of Ergonomics at Work’ and Practical Use of a Foam Roller in Corrective Gymnastics, Physical Rehabilitation and Stretching. The programme also includes health awareness classes titled ‘Dietitian Workshop on good nutrition rules’, monthly reviews of local health awareness initiatives and training courses in mindfulness and dealing with stress, as well as training courses in first aid for employees. The Group also celebrates such occasions as Saint Nicholas Day, Fat Thursday, International Women’s Day or International Boy’s Day.

National Health Fund closer to patients

In collaboration with the Pomeranian Branch of the National Health Fund in Gdańsk, Energa SA organised the ‘National Health Fund Closer to Patients’ initiative. Those interested in taking part in the event had the opportunity to undergo basic examinations, such as a blood sugar test, BMI measurement, blood pressure test or skin moisture analysis, as well as consult a dietician or receive information on how to prevent breast cancer. As part of the initiative, employees were able to confirm their trusted profiles, enabling them to receive electronic prescriptions via email or text message. Many members of staff were interested in obtaining a European Health Insurance Card, including for members of their families.

The National Health Fund closer to patients initiative was a success. Employees were able to undergo basic health checks, consult with healthcare professionals, and receive electronic prescriptions.
Occupational health and safety

Occupational health and safety is one of key areas of responsibility in Energa Group.

Work is organised in accordance with rules and regulations governing occupational health and safety, in particular through ensuring that rules and regulations are being observed and reacting to needs in this regard.

An effective OHS management system:

- ensures that all employees on all levels of the organisation are aware of their roles and responsibilities in the area of OHS
- enables the development of employee competences in the area of OHS through effective training
- enables the assessment and verification of procedures by means of internal inspections
- helps investigate the causes of injuries and diseases occurring in the workplace and implement effective action to prevent their recurrence.

Regular gathering and reporting of indicators in the area of occupational health and safety is a basic component of effective monitoring of the level of occupational health and safety. The nature of the organisation's operations leads to risks and hazards in workplaces. Regular assessments of occupational risks are aimed at keeping the risks at an acceptable level. Constant improvement of work conditions, including through modernisation of machinery stock, renovations or capital works on sites operated by the Group, is ensured with the application of cutting-edge solutions that take into account requirements of occupational health and safety in terms of organisation and ergonomics in the workplace.

Deviations from the norm are detected during regular occupational health and safety inspections. Safe work organisation instructions apply when performing work in Energa Group’s area of operations, while employees of Group companies are provided with information on contact persons in matters related to first aid and fire safety.

Energa Group’s Occupational Health and Safety Policy is a key regulation in the area of OHS. The Policy applies to employees of companies of all business lines, as well as external entities performing work for Group companies.

Appointment of Energa Group’s OHS Council

In order to improve the quality of collaboration between various OHS services within Energa Group and strengthen social dialogue, Energa Group’s OHS Council was appointed in Q3 2019.

The Council is made up of employees with experience in OHS service and social labour inspectors, guaranteeing that pro-employee activities will be coordinating in a way that ensures a safe working environment. Duties of the OHS council include recommending directions of development in the OHS area, initiating and preparing new solutions, unifying OHS management processes and procedures in individual companies of Energa Group.

Training for OHS services and social labour inspectors at Energa Group

Solutions aimed at improving the efficiency of cooperation between social labour inspectors and OHS services in post-accident investigations were the main topic of the training course organised between 7 and 8 October 2019. Another objective of the course was to strengthen the collaboration between OHS services and social representatives.

Participants in the course also took part in a workshop on new legal regulations. Discussion panels where those in attendance were able to exchange experiences and receive answers to any lingering doubts were particularly popular.

‘Planning Your Tomorrow?’ information campaign

Energa Operator SA commenced a new information campaign titled ‘Planning Your Tomorrow?’ aimed at improving occupational health and safety awareness. A series of posters featuring the company’s employees was created as part of the initiative, depicting issues related to occupational health and safety in various workplaces in connection with the employees’ private lives. Furthermore, ‘Gold Standard’ posters were created as part of the campaign, describing standards applicable when performing hot work on the power grid and work with the current disconnected.

‘Hour for Safety’

In order to improve the flow of information from the OHS area and improve dialogue between management and workers, the ‘Hour for Safety’ initiative was implemented in 2019. Once per quarter, members of the management of companies from the Distribution Business Line organised meetings for workers to discuss issues related to occupational health and safety. During these meetings, employees were able to submit their requests and state their observations related to the organisation of safe work.
As part of Technical Committee no. 276 at the Polish Committee for Standardization, Energa Operator SA continued its efforts related to the translation and practical implementation of the new international ISO 45001:2018 standard, describing occupational health and safety management standards for general application in Poland.

In the first quarter of 2019, Energa Operator SA issued an instruction on the operation of handling equipment, aimed at standardising safe working standards.

OHS inspections at external contractors

Striving to ensure the continuous improvement of the technical level of workplace safety and increase awareness among employees of external contractors performing works for Energa Operator SA, in 2019 the company continued comprehensive OHS reviews of works outsourced to such contractors.

In the period covered by this report, 1890 documented inspections of compliance with safe grid working standards were performed.

Directors of the Grid Asset Management Department and directors of distribution areas were also involved in the process of performing OHS inspections at external contractors in 2019.

Works on standardising the list of protective clothing, protective footwear and personal protection equipment

Energa Operator SA appointed a team tasked with devising a standardised list of protective clothing, protective footwear and personal protection equipment. The objective of the project is to reach a mutual decision as to the choice of products delivered by specific suppliers and distributors, and at the same time equalise and improve the quality standards of products used by the organisation and take advantage of the purchasing synergy effect (including cost optimisation).

Works on standardising OHS training

Energa Operator SA appointed a team tasked with devising a standardised OHS training system. The team devised the intended form, methods and organisers of mandatory periodic training.

In order to ensure the safety of employees of Energa Group and external contractors, every member of staff is required to undergo OHS training.

Prior to commencing work, employees of external contractors must be familiarised with:

- hazards present in the location and methods of protection against these hazards
- occupational health and safety regulations and rules
- internal regulations
- location of first aid stations
- list of persons responsible for providing first aid
- procedures in case of a fire.

Regulations governing the area

As per the provisions of Energa Group’s Occupational Health and Safety Policy, Group companies who outsource work to external contractors must draw up OHS requirements for external entities and obligate them to observe these requirements.
Activities of the training grounds in Bąkowo

Employees of both Energa Group and external companies hone their skills at the training grounds owned by Energa Operator SA, a training and development organisation.

The training grounds specialise in providing training in live-line working both on low- and medium-voltage lines. Training courses organised in 2019 were aimed at electrical fitters and employees responsible for supervision. The use of insulating equipment, awareness of potential hazards and particular attention to occupational health and safety protect the participants from possible risks. Furthermore, performing live-line works prevents power outages, improving the continuity of supply of electricity.

Other courses organised at the training grounds concerned safety when working at height, installation of low-voltage cabling, measurement of shock protection and earthing, operation of boom lifts and power saws.

The highly qualified staff of live-line working instructors and adequately equipped training grounds provided instruction at a high level of quality.

Number of persons who completed live-line working courses in 2018-2019

<table>
<thead>
<tr>
<th>Activity at the training grounds in 2018-2019 – all training courses</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees of Energa Group</td>
<td>403</td>
<td>828</td>
</tr>
<tr>
<td>Employees of external entities</td>
<td>204</td>
<td>258</td>
</tr>
<tr>
<td>Of which Energa Group employees</td>
<td>939</td>
<td>1 932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of training courses</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>80</td>
<td>194</td>
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</table>

<table>
<thead>
<tr>
<th>Number of persons trained</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 167</td>
<td>2 288</td>
<td></td>
</tr>
</tbody>
</table>

| Of which Energa Group employees | 939 | 1 932 |
Occupational health and safety commissions

Pursuant to provisions of labour code, any employer who employs over 250 staff must appoint an occupational health and safety commission, comprising representatives of both the employer and the workforce.

Commissions provide advisory and consulting services for employers. Their tasks include reviewing work conditions in workplaces, formulating recommendations on improving working conditions, periodic evaluation of the state of occupational health and safety, and cooperation with the employer in the implementation of the employer’s obligations related to ensuring workplace safety for all employees.

78% of employees and persons working for and under the supervision of Energa Group are represented by OHS commissions created within the organisation.

Workplace accidents and occupational diseases

Energa Group companies make every effort to minimise harmful factors in the work environment and their impact on employees. To this end, collective personal measures are used, employees are equipped with PPE and receive medical care. The Work Environment Research Centre, operating as part of Energa Elektrownie Ostrołęka SA, is responsible for the oversight of measurements in workplaces where maximum levels or concentrations of factors may be exceeded.

The following procedures were implemented in the Distribution Business Line: ‘Measurement of Harmful Factors in the Workplace’ and ‘Occupational Disease Procedures’.

The procedures describe mechanisms of monitoring harmful factors in the workplace, reacting in case of heightened levels and implementing preventive action.

Experienced and competent OHS and Social Labour Inspection services are an extremely important component improving the safety of everyday work in the power industry. Actions implemented by these services vary depending on the nature of work performed in a given location or workplace. It bears pointing out that only a few from among the total number of accidents suffered by employees of support services and professional power industry task groups constituted accidents in the performance of typical duties in the power industry, and these were classified as ‘minor’ or near misses. Despite the peculiar nature of the power industry, accidents related to electricity are therefore a rare occurrence.

Mariusz Kaźmierczak
Board’s Representative for Occupational Health and Safety at Energa Group

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Employees and persons working for and under the supervision of the organisation represented in OHS commissions

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GRI 403-1

GRI 403-2

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The following procedures were implemented in the Distribution Business Line: ‘Measurement of Harmful Factors in the Workplace’ and ‘Occupational Disease Procedures’.

The procedures describe mechanisms of monitoring harmful factors in the workplace, reacting in case of heightened levels and implementing preventive action.

Experienced and competent OHS and Social Labour Inspection services are an extremely important component improving the safety of everyday work in the power industry. Actions implemented by these services vary depending on the nature of work performed in a given location or workplace. It bears pointing out that only a few from among the total number of accidents suffered by employees of support services and professional power industry task groups constituted accidents in the performance of typical duties in the power industry, and these were classified as ‘minor’ or near misses. Despite the peculiar nature of the power industry, accidents related to electricity are therefore a rare occurrence.

Mariusz Kaźmierczak
Board’s Representative for Occupational Health and Safety at Energa Group

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Employees and persons working for and under the supervision of the organisation represented in OHS commissions

78%

GRI 403-1

GRI 403-2

Pursuant to provisions of labour code, any employer who employs over 250 staff must appoint an occupational health and safety commission, comprising representatives of both the employer and the workforce.

Commissions provide advisory and consulting services for employers. Their tasks include reviewing work conditions in workplaces, formulating recommendations on improving working conditions, periodic evaluation of the state of occupational health and safety, and cooperation with the employer in the implementation of the employer’s obligations related to ensuring workplace safety for all employees.

78% of employees and persons working for and under the supervision of Energa Group are represented by OHS commissions created within the organisation.

Workplace accidents and occupational diseases

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Employees and persons working for and under the supervision of the organisation represented in OHS commissions

78%
### Incidence of Accident Frequency by Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.6</td>
<td>0.3</td>
</tr>
<tr>
<td>2019</td>
<td>4.8</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Incidence of accident frequency =

\[
\frac{\text{total number of persons injured in workplace accidents}}{\text{total number of employees at the end of the reporting period}} \times 1000
\]

### Accident Severity Rate by Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8.9</td>
<td>0.014</td>
</tr>
<tr>
<td>2019</td>
<td>36.9</td>
<td>0.029</td>
</tr>
</tbody>
</table>

Accident severity rate =

\[
\frac{\text{total number of calendar days missed from work by employees injured in workplace accidents}}{\text{total number of persons injured in workplace accidents (except fatal accidents)}}
\]

### Incidence of Occupational Illnesses

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>0.029</td>
<td>0.014</td>
</tr>
</tbody>
</table>

Incidence of occupational illnesses =

\[
\frac{\text{total number of occupational illnesses}}{\text{total number of hours worked by employees}} \times 200,000
\]

* adjusted data

### Analysis of Work Accident Incidents in Energa Group

- **Persons injured in workplace accidents by age**
  - 12% aged 55 to 59
  - 12% aged 30 to 39
  - 11% aged 20 to 29
  - 7% aged over 60
  - 40% aged 40 to 49

- **Persons injured in workplace accidents by years worked**
  - 21% 1 to 5 years
  - 32% 21 to 30 years
  - 25% 31 years and more
  - 9% 16 to 20 years
  - 5% 6 to 10 years
  - 5% 11 to 15 years
  - 3% less than 1 year
  - 3% 11 to 15 years
Apart from generally applicable legal regulations that govern issues related to occupational health and safety, the Group’s internal regulatory documents include Work Regulations which contain provisions regarding the safety and protection of health of employees. Occupational health and safety aspects are also included in collective bargaining agreements and agreements made on the local level in the form of arrangements and addendums amending collective bargaining agreements applicable in specific locations.
Development and training

Energa Group implements training projects aimed at developing the competencies of its employees and ensuring the fulfilment of strategic goals. Employees improve their qualifications thanks to receiving partial funding of university studies, MBA programmes, postgraduate courses and secondary schools. Furthermore, employees attend specialist training, language courses and industry conferences. Sharing knowledge and skills with other colleagues is an important part of the Group’s training policy. All employees can access training on equal terms and therefore have the opportunity to develop during every stage of their professional career.

A new e-learning project was launched by Energa Group in 2019. The first programme provided as part of the initiative to all Group employees and associates concerned the security of personal data and comprised three courses: general information, data breaches and risk analysis. Another training project available to all employees and associates was a course in preventing abuse and conflict of interest. The e-learning course was mandatory and concluded with an exam.

Succession plan

The objective of the succession plan implemented at Energa Operator SA between 2014 and 2019 is to maintain continuity of management. In order to ensure succession in positions in key areas of operations, the organisation selected persons with the largest potential who became participants in the programme.

2019 saw the conclusion to the 6-year development process as part of the succession plan. Participants in the programme had the chance to develop as part of individual and group development sessions and workshops on the following subjects:
- Agile leadership
- Communication at the interface of departments
- How to build winning teams

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Technical Academy

Technical Academy is a development programme aimed at employees of the Distribution Business Line in engineering and technical positions. The purpose of the project is to equip employees of key divisions in the organisation with unique skills in the market, their integration and creation of an environment fostering the exchange of knowledge and experiences.

In 2019, 68 training courses were held as part of the project. The project is addressed to approx. 1700 persons.

Experts’ Programme

As part of the Experts’ Programme implemented in the Distribution Business Line, employees selected from within the organisation held training courses, during which they were happy to share their knowledge and professional experiences.

5 courses were carried out as part of the programme, with 35 employees participating.

Internal coach development programme

In 2019, efforts of internal coaches were mostly focused on providing support to employees working in the Call Centre, who were able to enrol in a course in customer service and dealing with difficult situations. Additionally, a series of four meetings for operational coaches was organised in the previous year, concluded by a coach exam. The purpose of the meetings was to prepare coaches for providing training in operation of the CC&B system.

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Age Management Concept

The purpose of the ‘Age Management Concept’ continued at Energa Operator is to prevent the negative consequences of the generation gap. Age analysis carried out in companies in the Distribution Business Line clearly shows that the power industry will face a wave of retirements in the coming future. Faced with this prospect, the organisation must begin implementing initiatives aimed at training employees who will hold various positions in the future, in particular engineering, technical and electrical fitting jobs. Due to this, the Group has been implementing actions as part of the ‘Age Management Concept’, aimed at hiring interns who will learn the ropes of working in the power industry. The concept therefore allows the organisation to maintain and develop collaboration with technical universities and secondary schools, oriented towards ensuring a steady supply of workforce.

Bona Fide

The Group continued its participation in the ‘Bona Fide’ programme, providing support to young, ambitious people in the development of their academic careers and funding their education at reputable foreign universities. The previous edition of the programme culminated in the hiring of the scholarship participant by Energa SA.
Employees covered by collective bargaining agreements

<table>
<thead>
<tr>
<th>Energa Group</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unionisation rate in Energa Group:</td>
<td>56% approx. 5.7 thousand employees</td>
<td></td>
</tr>
</tbody>
</table>

Dialogue with employees and trade unions

Social dialogue is an ongoing process of mutual interactions between employers and social partners, focused on finding constructive and lasting solutions in the area of collective labour law, to which Energa Group pays particular attention. Dialogue takes place based on shared values and mutual trust, primarily in the form of regular informational meetings, consultations, negotiations and arrangements.

At the end of 2019, intercompany and intracompany trade organisations were active within the Group, mostly associated within 3 trade unions representing employees on the national level – Independent and Self-Governing Labour Union ‘Solidarność’, Labour Union of Engineers and Technicians and Association of Labour Unions of Energy Sector Employees.

As at 31 December 2019, the unionisation rate in Energa Group amounted to 56%, with approx. 5.7 thousand employees of the Group being members of a trade union.

Internal dialogue within Energa Group was carried out in accordance with applicable laws, in particular the labour code, trade union act of 23 May 1991, act on resolving collective disputes of 23 May 1991 and the Agreement on the safeguarding of employee, social and union rights for employees of Energa Group made on 18 September 2017 in Gdańsk.

All trade union and labour liberties, including the freedom to found and join trade unions, are fully respected and observed by employers forming part of Energa Group. Representatives of trade unions may freely express their views, which are taken into account when making decisions in labour-related issues.

Social dialogue in 2019 concerned issues such as salaries and benefits for employees and retirees, social assets, organisational changes and uniformization of internal work regulations.

COLLECTIVE AGREEMENTS

As per the current definition, collective agreements are exclusively limited to collective bargaining agreements and agreements on the implementation of a composition made pursuant to article 241 (10) of labour code. Bargaining collective agreements include those signed by the organisation itself or by organisations of employers that the organisation is a member of. These agreements may apply at the national, regional, organisational or workplace level.

Energa Group employers comply with statutory deadlines for announcing important events in companies, as well as keep in mind and apply regulations stipulated in the above-mentioned Agreement from September 2017, as well as individual provisions of the collective bargaining agreement governing the principles of collaboration between parties during restructuring, consolidation, etc.

1. Collective labour dispute at Energa Elektrownie Ostrołęka SA in connection with a notice issued by trade unions on 22 August and 8 September 2017. The dispute is currently in the mediation stage.
2. Collective labour dispute at company Energa Kogeneracja Sp. z.o.o., commenced in connection with a notice issued by trade unions on 22 May 2018. The collective dispute was concluded by signing an agreement on concluding the collective dispute dated 29 November 2018.
3. Collective labour dispute at Energa Serwis Sp. z o.o., commenced further to an announcement made by the Inter-Enterprise Branch of the Independent and Self-Governing Labour Union ‘Solidarność’ for the Mazowsze Region at Energa Elektrownia Ostrołęka SA, operating in Energa Services Sp. z o.o., relating to the terms of the memorandum of agreement made on 21 November 2017 on determining the increase of salaries of employees of Energa Group in 2018. The dispute was concluded on 10 December 2018 by the trade unions withdrawing their demands.
4. Collective labour dispute at Energa Logistyka Sp. z o.o. in connection with a notice issued by trade unions on 14 and 15 January 2019. The collective dispute was concluded by signing an agreement dated 20 February 2019.
6. Collective labour dispute at Energa Logistyka Sp. z o.o. in connection with a notice issued by trade unions on 14 and 15 January 2019. The collective dispute was concluded by signing an agreement dated 7 May 2019.
Employees of Energa Group are happy to become involved in charitable drives, organised both on the central and local level. Their charitable activities include:

- collecting funds for specific goals by participating in aid programmes or fundraising drives
- donating blood
- gathering products for those in need
- supporting animal shelters
- donating 1% of their income tax.

Energa Group employees include both those who initiate new charitable drives and those who actively participate in such initiatives.

**Santas from EITE**
In response to letters to Santa received from children from Foster House no. 3 in Płock, employees of Energa Informatyka i Technologie Sp. z o.o. raised funds and purchased gifts. Nine children received their dream presents just before Christmas.

**‘Share the warmness’**
In December 2019, employees of Energa Obrót SA organised a collection drive for stray animals at the shelter in Kościerzyna.
The animal shelter in Płock received food donated by employees of Energa Informatyka i Technologie Sp. z o.o.

**Christmas collection drive**
Employees of Energa Operator SA organised a Christmas collection drive, donating such products as care and hygiene supplies, books, toys or clothes for unwanted children with disabilities, cared for by the Reclaiming Happiness Foundation in Kraszowó-Czubaki.
Energa Operator SA also participated in a collection drive for essential products and gifts for the children’s group home in Kalisz.

**Noble Package**
As part of the campaign, employees of Energa Group raised essential products and funds for the purchase of essential household appliances for families in need.

**Get involved, collect bottle caps**
Employees of Energa OZE SA participated in a bottle cap collection drive in support of the Gdańsk Hospice Foundation. Employees of Energa Operator SA also collected bottle caps to fund the treatment, rehabilitation and improvement of the comfort of living of sick children.

**School kit**
Employees of Energa Invest Sp. z o.o. organised a school kit collection drive for children in the care of the Poméranian Children’s hospice and their siblings.
Sweets for Gdańsk pre-schoolers

Employees of Energa SA, Energa Obrót SA and Energa Centrum Usług Wspólnych Sp. z o.o. organised a confectionery collection drive. The products were then distributed among pre-schools in Gdańsk by the ‘Me Too’ Foundation.

GOOD PRACTICE

Aid for the Special Primary School in Warcz

Employees of Energa OZE SA organised a Christmas collection drive of school supplies, board games, toys and confectionery for 90 pupils with disabilities from the Special Primary School in Warcz.

Christmas Charity Market

Energa initiated and organised the Christmas Charity Market. Pastries prepared by employees of Energa Group were put up for sale, and the entire proceeds from the initiative were donated to fund the construction of the first children’s hospice in Lithuania, via the ‘Angels of Mercy’ Foundation.

Package from You

During the Christmas period, employees of Energa Elektrownie Ostroleka SA organised a fundraiser, with proceeds going for the purchase of Christmas presents for children in the care of the Ostroleka children’s group home. Employees of Energa Serwis Sp. z o.o. also participated in the fundraiser.

‘Active and Charitable’

Active and Charitable’ is an initiative of employees of the Internal Communication Department at Energa SA, aimed at employees of Energa Group, their families and friends. The objective of the programme is to integrate people around the concept of living an active lifestyle and the shared idea of helping others. Every year, employees of Energa Group, their friends and loved ones turn kilometres into charity for those most in need. In 2019, the objective was to travel a total distance of 768,800 km, i.e. the distance needed to get to the Moon from Earth and back, reaching this goal would guarantee a donation of PLN 350,000 to children’s group homes, foster homes and residential homes.

533 participants took part in the sixth edition of the Active and Charitable initiative, travelling over 808,000 km on bicycles, rollerblades, doing Nordic walking or swimming in only 7 months.

Thanks to those who participated in the campaign, aid was provided to no fewer than 13 institutions with 655 people in their care, including 410 children. Over the six years of the ‘Active and Charitable’ initiative, participants travelled over 3.2 million kilometres and donated PLN 1.3 million to care institutions.


<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants</td>
<td>204</td>
<td>443</td>
<td>477</td>
<td>561</td>
<td>611</td>
<td>533</td>
</tr>
<tr>
<td>Number of kilometres travelled</td>
<td>242 k</td>
<td>350 k</td>
<td>515 k</td>
<td>602 k</td>
<td>728 k</td>
<td>808 k</td>
</tr>
<tr>
<td>Amount donated (PLN)</td>
<td>240 k</td>
<td>140 k</td>
<td>150 k</td>
<td>150 k</td>
<td>350 k</td>
<td>350 k</td>
</tr>
</tbody>
</table>
1500 litres is the amount of blood flowing through the veins of over 270 people. It is also the amount of this precious liquid that has so far been donated over the eight years of activity of the ‘Droplet of Energy’ foundation, set up by Piotr Krysiński and Tomasz Rubanowicz, employees of Energa Obrót SA.

Over the course of six donation drives organised in the Olivia Business Centre in 2019, 591 donors donated 265.5 litres of blood, while a further 84 people visited sites operated by the Regional Centre of Blood Donation and Blood Treatment in Gdańsk, donating 37.8 litres of blood. Two employees of Energa Group received the highest commendations – medals for ‘Charitable Blood Donors – For Distinguished Service to the Nation’s Health’, awarded by the Minister of Health. The donated blood was given to hospitals for use during surgeries and transfusions for cancer patients.

The Foundation’s objective is to assist in saving human health and lives. ‘Droplet of Energy’ promotes and endorses the concept of charitable blood donations as an unrivalled form of charity.

The Regional Centre of Blood Donation and Blood Treatment in Gdańsk is a partner of ‘Droplet of Energy’ and provides an ambulance for use during donation drives, with blood taken by highly qualified personnel.

‘Droplet of Energy’ collaborates with various Charitable Blood Donor clubs, associations and foundations operating within the structures of Energa Group, including the Charitable Blood Donor Club at Energa Serwis Sp. z o.o. or the ENERGA-KREW Charitable Blood Donor Club at Energa Operator SA.
### Indicators

#### Number and type of workplace accidents

<table>
<thead>
<tr>
<th></th>
<th>Number of fatal workplace accidents</th>
<th>Number of minor workplace accidents</th>
<th>Number of serious workplace accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>W W W W W W W M M M M M M</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Services and Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energa Group</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Number of accidents and work-related occupational-illnesses

<table>
<thead>
<tr>
<th>Total number of all accidents</th>
<th>Number of work-related occupational-illnesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Services and Other</td>
<td>4</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>2</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>1</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>0</td>
</tr>
<tr>
<td>Energa Group</td>
<td>7</td>
</tr>
</tbody>
</table>

*W – women  M – men

*In 2019, there was one workplace accident in the Distribution Business Line involving multiple employees, resulting in injuries to 2 persons.

### Injury and accident seriousness rates

<table>
<thead>
<tr>
<th>Injury rate</th>
<th>Accident seriousness rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and Other</td>
<td>6.3</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>1.8</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>1.5</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>0.0</td>
</tr>
<tr>
<td>Energa Group</td>
<td>2.6</td>
</tr>
</tbody>
</table>

The injury rate does not account for managerial contracts.

W – women  M – men

### Absentee rate

#### Average number of absent days per employee working under an employment contract

<table>
<thead>
<tr>
<th>Absentee rate</th>
<th>Average number of absent days per employee working under an employment contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>W W W W W W W M M M M M M</td>
</tr>
<tr>
<td>UServices and Other</td>
<td>10 157</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>10 851</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>15 913</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>11 023</td>
</tr>
<tr>
<td>Energa Group</td>
<td>11 950</td>
</tr>
</tbody>
</table>

W – women  M – men
### Percentage of employees and persons working for the organisation and under its supervision, represented in formal occupational health and safety commissions

<table>
<thead>
<tr>
<th>Organisation Name</th>
<th>Total Number of Employees</th>
<th>Percentage of Employees Represented by Commissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energia SA</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Logistyka Sp. z o. o.</td>
<td>331</td>
<td>100%</td>
</tr>
<tr>
<td>Energia Ochrona Sp. z o.o.</td>
<td>301</td>
<td>100%</td>
</tr>
<tr>
<td>Energia Invest Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Informatyki i Technologie Sp. z o.o.</td>
<td>294</td>
<td>100%</td>
</tr>
<tr>
<td>Energia Centrum Usług Współrzędnych Sp. z o.o.</td>
<td>311</td>
<td>100%</td>
</tr>
<tr>
<td>Centrum Badawczo-Rozwojowe im. M. Faradaya Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Empron Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Operator SA</td>
<td>5197</td>
<td>99%</td>
</tr>
<tr>
<td>Energia Operator Wykonawstwo Elektroenergetyczne Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Đurcz SA</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Oświetlenie Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energia Slovakia s.c.o.</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Total number of employees and associates represented by the specified commissions (cumulatively).

### Percentage of employees and persons working for the organisation and under its supervision, represented in formal occupational health and safety commissions

<table>
<thead>
<tr>
<th>Organisation Name</th>
<th>Total Number of Employees</th>
<th>Percentage of Employees Represented by Commissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energia OZE SA</td>
<td>262</td>
<td>96%</td>
</tr>
<tr>
<td>Energia Energetyka Ostrołęka SA</td>
<td>575</td>
<td>100%</td>
</tr>
<tr>
<td>Energia Serwis Sp. z o.o.</td>
<td>318</td>
<td>99%</td>
</tr>
<tr>
<td>Energia Ciepło Ostrołęka Sp. z o.o.</td>
<td>129</td>
<td>98%</td>
</tr>
<tr>
<td>Energia Kogeneracja Sp. z o.o.</td>
<td>166</td>
<td>98%</td>
</tr>
<tr>
<td>Energetron CC GT Gdańsk Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Energetron CC GT Grudziądz Sp. z o.o.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Grupa Energa</td>
<td>7904</td>
<td>78%</td>
</tr>
</tbody>
</table>
### Number and type of accidents and accident ratio among persons working for the organisation and under its supervision

<table>
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<th>Generation Business Line</th>
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W – women | M – men

### Number of employees by gender

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W – women | M – men

### Number of employees by gender and type of employment contract

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W – women | M – men

### Number of employees employed based on indefinite term agreements by gender and working hours

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W – women | M – men

248 | 249  Our responsibility 2019
### Number of employees by region and agreement type (employment contracts)

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**Sales Business Line**

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**Generation Business Line**

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**Energa Group**

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* Additionally, 2 employees were employed in 2019 by company Energa Slovakia and worked outside the borders of Poland (in Slovakia).
### Number of newly-employed employees by gender and age

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W – women  M – men

### Percentage of newly employed employees by gender and age

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<td>3.3%</td>
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</tr>
<tr>
<td>Generation Business Line</td>
<td>0.6%</td>
<td>1.5%</td>
<td>0.2%</td>
<td>2.3%</td>
<td>4.8%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Energa Group</td>
<td>0.6%</td>
<td>1.4%</td>
<td>0.2%</td>
<td>2.6%</td>
<td>3.9%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

W – women  M – men

### Number of departing employees by gender and age

<table>
<thead>
<tr>
<th></th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services and Other</td>
<td>10</td>
<td>34</td>
<td>16</td>
<td>16</td>
<td>56</td>
<td>57</td>
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<tr>
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<td>7</td>
<td>16</td>
<td>17</td>
<td>23</td>
<td>58</td>
<td>86</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>13</td>
<td>32</td>
<td>10</td>
<td>11</td>
<td>37</td>
<td>13</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>0</td>
<td>2</td>
<td>14</td>
<td>20</td>
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<td>52</td>
</tr>
<tr>
<td>Energa Group</td>
<td>30</td>
<td>84</td>
<td>57</td>
<td>70</td>
<td>184</td>
<td>208</td>
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</table>

### Percentage of departing employees by gender and age

<table>
<thead>
<tr>
<th></th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
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</thead>
<tbody>
<tr>
<td>Services and Other</td>
<td>0.6%</td>
<td>2.0%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>3.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>0.1%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>1.1%</td>
<td>2.7%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>3.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Generation Business Line</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.9%</td>
<td>1.3%</td>
<td>2.1%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Energa Group</td>
<td>0.3%</td>
<td>0.8%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>1.8%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

W – women  M – men

### Average number of training hours per employee, by gender and employment category

Indicators in business lines are compared against the employment level in a given line.

#### Employees in managerial and higher positions

<table>
<thead>
<tr>
<th></th>
<th>Employees in managerial and higher positions</th>
<th>Employees in positions lower than managerial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W</td>
<td>M</td>
</tr>
<tr>
<td>Services and Other</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Distribution Business Line</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Sales Business Line</td>
<td>21</td>
<td>27</td>
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<tr>
<td>Generation Business Line</td>
<td>44</td>
<td>40</td>
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<tr>
<td>Energa Group</td>
<td>25</td>
<td>23</td>
</tr>
</tbody>
</table>

W – women  M – men

### Indicators in business lines are compared against the employment level in a given line.
### Number of employees by gender and age group

<table>
<thead>
<tr>
<th></th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
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<td></td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
</tr>
<tr>
<td>Services and Other</td>
<td>98</td>
<td>429</td>
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<td>Distribution Business Line</td>
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<td>266</td>
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<td>1749</td>
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<td>Sales Business Line</td>
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<td>124</td>
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<td>71</td>
<td>567</td>
<td>644</td>
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<tr>
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<td>323</td>
<td>1734</td>
<td>822</td>
<td>504</td>
<td>3850</td>
<td>2782</td>
</tr>
</tbody>
</table>

W – women    M – men

### Number of employees by employment category, gender and age group

<table>
<thead>
<tr>
<th></th>
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<td></td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
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<tr>
<td>Energia Group</td>
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<td>175</td>
<td>56</td>
<td>17</td>
<td>592</td>
<td>328</td>
</tr>
</tbody>
</table>

W – women    M – men

### Composition of supervisory bodies by gender and age. Number of members of the supervisory board

<table>
<thead>
<tr>
<th></th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
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<th></th>
<th></th>
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</thead>
<tbody>
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<td></td>
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<td></td>
<td></td>
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<td></td>
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<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
</tr>
<tr>
<td>Services and Other</td>
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<td>3</td>
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<td>0</td>
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</tr>
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<td>0</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>0</td>
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<td>12</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

including foreign citizens 0 0 0 0 0 0

W – women    M – men

### Composition of the board of directors by gender and age. Number of members of the board

<table>
<thead>
<tr>
<th></th>
<th>aged &lt; 30</th>
<th>aged 30-50</th>
<th>aged &gt; 50</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
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<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
<td>M</td>
<td>W</td>
</tr>
<tr>
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<td>2</td>
<td>2</td>
<td>0</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
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<td>Sales Business Line</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
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<td>0</td>
<td>9</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
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<td>3</td>
<td>0</td>
<td>30</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

including foreign citizens 0 0 0 0 0 0

W – women    M – men
A COMPILATION OF CURRENT DATA
Energa Group identified its key stakeholders from the perspective of its business strategy. Both the basic categories of stakeholders and the nature of their forms of involvement or type of dialogue are not subject to significant changes over time. Due to this, the method and nature of communication with individual stakeholder groups did not change significantly over the past year.

The frequency and form of contacts depend on the nature of relations with a given group and are managed by selected business units. Information about the needs and expectations of individual groups, which can often be dissimilar or mutually exclusive, is gathered, analysed and taken into account in the business decision making process on various levels of management, depending on the nature of the decision itself and the matter under consideration. Information concerning major issues is analysed by boards of directors of respective companies, including the Board of Directors of Energa SA.

### Basic categories of Energa Group’s stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Method and frequency of involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders</strong></td>
<td>Direct communication, webpage at <a href="http://www.energa.pl">www.energa.pl</a>, current and periodical reports, other events (including: AGM, individual Shareholders’ Day, Press Office)</td>
</tr>
<tr>
<td><strong>Customers, consumers</strong></td>
<td>Individual meetings, correspondence, communication via electronic channels, communication through marketing campaigns, interventions, providing clarifications and help lines</td>
</tr>
<tr>
<td><strong>Banks, financial institutions</strong></td>
<td>Correspondence, regular reporting, individual meetings, communication via electronic channels</td>
</tr>
<tr>
<td><strong>Local governments (public authorities)</strong></td>
<td>Consultations, direct meetings, correspondence, communication via electronic channels</td>
</tr>
<tr>
<td><strong>Public administration (central)</strong></td>
<td>Correspondence, communication via electronic channels, study visits, lobbying, negotiating in emergency situations, meetings, coordination of the work of Energa Group with competent bodies, including those in the field of environmental protection (State Environmental Protection Authority, Provincial Environmental Protection Authority / Regional Environmental Protection Authority), keeping Energa Group in the EMAS register every year, renewing Energa Group’s registration in EMAS every 3 years (application to the General Environmental Protection Authority)</td>
</tr>
<tr>
<td><strong>Suppliers and business partners</strong></td>
<td>Exchange of information, communication via electronic channels, regular reporting, visits by suppliers</td>
</tr>
<tr>
<td><strong>Local communities</strong></td>
<td>Dialogue with local communities during public consultations throughout the capital works process, providing applications, public and private events, provision of information to the local authorities</td>
</tr>
<tr>
<td><strong>Employers and employee organizations, trade unions</strong></td>
<td>Internet, employee portal, consultations and meetings, exchange between the Board of Directors of Energa SA and its employee organizations, or trade unions, public and private events, provision of information to the local authorities</td>
</tr>
<tr>
<td><strong>Energy Group entities</strong></td>
<td>Consultations, meetings, exchange of information, communication via electronic channels, regular meetings of the supervisory board</td>
</tr>
<tr>
<td><strong>Non-governmental organizations (social, environmental, other)</strong></td>
<td>Cooperation as part of ongoing projects, sponsoring, replies to questions, correspondence, websites, publications, competitions for employees, training courses and workshops, team-building events, joint implementation of projects</td>
</tr>
<tr>
<td><strong>Academic and scientific community</strong></td>
<td>Meetings, job fairs, projects and conferences, financial support, joint educational projects, scholarship and internship programs, competitions, joint research, development and educational projects</td>
</tr>
<tr>
<td><strong>Representatives of the parliament</strong></td>
<td>Correspondence, meetings, participation in sessions of parliamentary committees, and task groups, study visits, consultations</td>
</tr>
<tr>
<td><strong>Opinion leaders</strong></td>
<td>Providing information, presentations, and lecture, study visits</td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td>Reports on current matters and press releases, interviews, press conferences and individual meetings, website</td>
</tr>
<tr>
<td><strong>Industry organisations and competitors</strong></td>
<td>Participation in the activities of organisations, participation in industry conferences, joint projects, lobbying, communication via electronic channels, consultations</td>
</tr>
<tr>
<td><strong>Emergency services (police, fire brigades, Regional Environmental Protection Authority, others)</strong></td>
<td>Ongoing cooperation, correspondence, sponsoring, joint activities, courses and training</td>
</tr>
<tr>
<td><strong>State institutions, authorities (Social Security Authority, Tax Authority, State Labour Inspection, State Labour Authority, Central Statistical Office, State Fund for Rehabilitation of Disabled People)</strong></td>
<td>Correspondence, reporting, providing information on a regular and ongoing basis, as required</td>
</tr>
</tbody>
</table>
Apart from a systematic exchange of information on the plans, intentions and operations of Energa Group companies and the Group’s impact on its environment, a dialogue dedicated exclusively to non-financial reporting takes place each year. In 2019, the formula of this dialogue was slightly modified. Surveys were replaced with workshops that featured interactive communication, which improved the efficiency of obtaining feedback. Furthermore, workshops enabled organisations to obtain additional information. Three meetings took place between 26 and 28 August 2019; the first two were organised at the Energa Gdańsk Stadium, whereas the third meeting took place in the head offices of the Warsaw Stock Exchange. Internal stakeholders were invited to the first meeting, while external stakeholders participated in the next two meetings.

Those in attendance included representatives of regulatory bodies, organisations related to the capital market, media, as well as non-governmental organisations. The workshops were primarily carried out using the projection method. Their objectives included the discussion of Energa Group’s areas of responsibility with key importance from the perspective of the participants, as well as an assessment of the communication method used in Energa Group’s CSR report (feedback on matters such as the clarity and transparency of the report and ways of improving presentation of information in the report). Internal stakeholders evaluated the impact of various areas of the Group’s operations on its economic, social and environmental results, whereas internal stakeholders assessed the importance of these areas for themselves.

We use non-financial information reporting as a special tool for building our relations with stakeholders. Being open to dialogue and the point of view of our stakeholders allows us to act in a socially responsible manner, creating value for shareholders, employees and local communities. Transparent and honest communication forms the basis of our activities as an employer, business partner and neighbour. It is also a formula for creating lasting partnerships to foster the development of corporate responsibility.
Dialogue with stakeholders helped define the layout of the report, i.e. determine its optimal distribution of content and topics discussed so as to enable an exhaustive discussion of significant issues.

During this year’s discussion, stakeholders placed greater importance on the clarity of contracts and bills and activities related to sales ethics (including related to activities of third party companies, the representatives of which push unaware customers to switch their energy providers in an unethical manner). Other issues that were touched upon included the increase or freeze of electricity prices as a result of amendments made to applicable laws, as well as long-term changes resulting from legislative actions of the European Union, e.g. in the context of the carbon footprint of businesses. Stakeholders stressed the necessity of actions related to consumer education and environmental protection (issues related to sustainability of consumption and capital works).

It bears noting that the report is not only a regular publication, but constitutes a useful tool for interacting with the environment. It has become a platform that enables the organisation to comment on expectations, questions and doubts raised both in direct dialogue and using other means. The report reaches the stakeholders, who read its contents and formulate their opinions. Another important aspect is the optimisation of the report’s format, adapted to the expectations of the readers (this aspect was also one of the objectives of the dialogue workshops).

Evaluation of importance of individual areas to external stakeholders

- broadly-defined customer service and clarity of contracts and invoices, preventing misselling, honesty and ethics in marketing communication, complaint management
- occupational health and safety
- policy governing sensitive customer service, observing legal regulations and going beyond legal requirements
- nature of the dialogue between Energa Group and trade unions
- nature of employment at Energa Group: employment statistics, benefits for employees (e.g. social package), training and development, equality
- nature of Energa Group’s impact on valuable natural areas and actions aimed at assisting in the protection of biodiversity (e.g. power lines, impact of wind farms on birds or impact of artificial bodies of water on fish living in rivers)
- promoting prosumer solutions and all technological solutions aiding in the reduction of energy consumption, as well as educational activities promoting a sustainable model of energy consumption
- approach to management based on increasing the efficiency of operations, using innovative technologies, capital works and cutting-edge management approach, aimed at minimising emissions into the environment (greenhouse gasses, NOx, SO2, wastewater, waste, etc.)
- contribution to the social and economic development of the region through transfers of funds (taxes, tax-like charges) and general transfers made for the benefit of the local community (which may include funding social activity)
- providing infrastructure constituting a prerequisite for the development of a given area, more generally speaking - providing a stable and secure supply of energy, including energy with a suitably low emission performance acceptable to businesses, at acceptably low prices
The present document is the ninth edition of the report published by Energa Group. It was prepared based on the core version of GRI standards. It includes all Energa Group entities that are consolidated in the Group’s financial reporting. However, the environmental and social parts of the report do not include four of Energa Group companies, as the nature of their impact in these areas was found to be immaterial; these companies include CCGT Gdańsk Sp. z o.o., CCGT Grudziądz Sp. z o.o., Energa Slovakia s.r.o. and Energa Finance AB. The exclusion does not apply to indicators no. 102-8, 403-2 and 404-1.

The report covers the 2019 fiscal year, i.e. the period between 1 January and 31 December 2019; however, by analogy to the general principles of financial reporting, it may include events that occurred after 31 December 2019 and prior to the publication of the report, provided that they were of significance to Energa Group from the perspective of its non-financial results.

Energa Group publishes its reports in a yearly cycle. The previous report for 2018, prepared based on GRI Standards, was published together with the Group’s financial statement in March 2019. No significant changes with regards to the most important issues (defined as the mapping of significant areas and GRI indicators) occurred in comparison to the previous year.

As this report concerns non-financial data, its scope is determined by regulatory requirements applicable to this type of document. The report includes all aspects, irrespective of the result of the analysis of significance. One instance was identified where the data contained in the previous report needed to be rectified. The occupational illness indicator (Our Responsibility 2018, p. 170) for the year 2018 was misrepresented as a result of an error in our IT system. The correct value was given in this report, on page 228.

A decision was made to exclude a site fully leased to external entities by one of the companies of the Services and Other Business Line from the report. To ensure the consistency of data, the environmental indicators for 2018 were adjusted in the same way. Furthermore, results recorded until 31/12/2019 by company Enspirion Sp. z o.o. which was moved to the Sales Business Line in 2019, for the purposes of management and statutory reporting were presented as part of the Services and Other Business Line.

Furthermore, in accordance with new methodology, only sites used strictly for generating purposes were included in data on the number of generating assets, while one site used for the transfer and distribution of heating was excluded from the data. As a result, the number of generating sites fell from 61 to 60 in comparison with the previous year.

### Parameters of the report

The present document is the ninth edition of the report published by Energa Group. It was prepared based on the core version of GRI standards. It includes all Energa Group entities that are consolidated in the Group’s financial reporting. However, the environmental and social parts of the report do not include four of Energa Group companies, as the nature of their impact in these areas was found to be immaterial; these companies include CCGT Gdańsk Sp. z o.o., CCGT Grudziądz Sp. z o.o., Energa Slovakia s.r.o. and Energa Finance AB. The exclusion does not apply to indicators no. 102-8, 403-2 and 404-1.

The report covers the 2019 fiscal year, i.e. the period between 1 January and 31 December 2019; however, by analogy to the general principles of financial reporting, it may include events that occurred after 31 December 2019 and prior to the publication of the report, provided that they were of significance to Energa Group from the perspective of its non-financial results.

Energa Group publishes its reports in a yearly cycle. The previous report for 2018, prepared based on GRI Standards, was published together with the Group’s financial statement in March 2019. No significant changes with regards to the most important issues (defined as the mapping of significant areas and GRI indicators) occurred in comparison to the previous year.

As this report concerns non-financial data, its scope is determined by regulatory requirements applicable to this type of document. The report includes all aspects, irrespective of the result of the analysis of significance. One instance was identified where the data contained in the previous report needed to be rectified. The occupational illness indicator (Our Responsibility 2018, p. 170) for the year 2018 was misrepresented as a result of an error in our IT system. The correct value was given in this report, on page 228.

A decision was made to exclude a site fully leased to external entities by one of the companies of the Services and Other Business Line from the report. To ensure the consistency of data, the environmental indicators for 2018 were adjusted in the same way. Furthermore, results recorded until 31/12/2019 by company Enspirion Sp. z o.o. which was moved to the Sales Business Line in 2019, for the purposes of management and statutory reporting were presented as part of the Services and Other Business Line.

Furthermore, in accordance with new methodology, only sites used strictly for generating purposes were included in data on the number of generating assets, while one site used for the transfer and distribution of heating was excluded from the data. As a result, the number of generating sites fell from 61 to 60 in comparison with the previous year.

### Issues determined to be significant from the perspective of the GRI taxonomy

<table>
<thead>
<tr>
<th>Issue as per GRI</th>
<th>GRI Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>101-1, 101-2</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td>102-1, 102-3</td>
</tr>
<tr>
<td>Economic impacts</td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>206-1</td>
</tr>
<tr>
<td>Practices</td>
<td></td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>205-1, 205-2, 205-3</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td></td>
</tr>
<tr>
<td>Materials (fuel)</td>
<td>301-1, 301-2</td>
</tr>
<tr>
<td>Energy</td>
<td>310-1</td>
</tr>
<tr>
<td>Water</td>
<td>311-1</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>410-1, 410-2</td>
</tr>
<tr>
<td>Labour-management relations</td>
<td>410-1</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>410-1, 410-2, 410-4, G4-EU18</td>
</tr>
<tr>
<td>Training and education</td>
<td>410-1, 410-2</td>
</tr>
<tr>
<td>Diversity and equal opportunity</td>
<td>410-1</td>
</tr>
<tr>
<td>Local communities</td>
<td>413-1, 413-2</td>
</tr>
</tbody>
</table>
Contact data and feedback

We will be grateful for any remarks and opinions concerning the report, methods used to present data and activities of Energa Group. Please send any information, questions or concerns to the following address:

Maciej Boryń
Tel: +48 58 778 83 78
maciej.boryn@energa.pl

or

Małgorzata Chrzanowska-Rokacz
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malgorzata.chrzanowska-rokacz@energa.pl

Energa SA
Corporate Governance
Department of Corporate Management
ESG Department
al. Grunwaldzka 472
80-309 Gdańsk
csr@energa.pl

(above address should be used to provide feedback in respect of all areas described in the report, unless otherwise specified with regards to a specific area)
### Mapping declarations regarding non-financial information

<table>
<thead>
<tr>
<th>Issue</th>
<th>Reference in the report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of the business model</td>
<td>Business Model</td>
</tr>
<tr>
<td>Description of non-financial risk management</td>
<td>Non-financial risk management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issue</th>
<th>Management approach (policies, due diligence procedures)</th>
<th>Related risk aspects</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>social</td>
<td>Caring for sensitive consumers</td>
<td>Geographical availability</td>
<td>Security and stability of supply</td>
</tr>
<tr>
<td></td>
<td>Caring for sensitive consumers</td>
<td>Geographical availability</td>
<td>Security and stability of supply</td>
</tr>
<tr>
<td></td>
<td>Our responsibility</td>
<td>A trustworthy employer</td>
<td>Secure personal data</td>
</tr>
<tr>
<td>labour</td>
<td>Our responsibility</td>
<td>A trustworthy employer</td>
<td>Secure personal data</td>
</tr>
<tr>
<td>environmental</td>
<td>Approach to environmental impact management</td>
<td>Approach to environmental impact management</td>
<td>Approach to environmental impact management</td>
</tr>
<tr>
<td>respect for human rights</td>
<td>Ethics and compliance/ Respect for everyone/ Secure personal data</td>
<td>Ethics and compliance/ Respect for everyone/ Secure personal data</td>
<td>Ethics and compliance/ Respect for everyone/ Secure personal data</td>
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<td>anti-corruption</td>
<td>Ethics and compliance/ Preventing corruption</td>
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<td>Ethics and compliance/ Preventing corruption</td>
</tr>
<tr>
<td>Disclosure</td>
<td>Description of disclosure</td>
<td>Value/location in the report/comments</td>
<td>Page</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------</td>
<td>---------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>102-1</td>
<td>Name of the organisation</td>
<td>Operational profile and business model</td>
<td>8</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>Operational profile and business model, Ethics and compliance</td>
<td>10-25</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Operational profile and business model</td>
<td>6-9</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Operational profile and business model</td>
<td>6-9</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Operational profile and business model</td>
<td>18</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Operational profile and business model</td>
<td>9-25</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organisation</td>
<td>Operational profile and business model Scale of cooperation</td>
<td>6.21, 154, 158-159</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>Structure of employment Indicators</td>
<td>214-215, 248-251</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Operational profile and business model</td>
<td>21-49</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>Integrated management</td>
<td>25-49</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>Non-financial risk management Ethics and compliance</td>
<td>36-46</td>
</tr>
</tbody>
</table>
### GRI table (GRI index)

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description of disclosure</th>
<th>Value/location in the report/comments</th>
<th>Page</th>
<th>External verification by an auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-47</td>
<td>List of material topics</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Parameters of the report</td>
<td>267</td>
<td>✓</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>Parameters of the report</td>
<td>264</td>
<td>✓</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>Parameters of the report</td>
<td>270-279</td>
<td>✓</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>Parameters of the report</td>
<td>266</td>
<td>✓</td>
</tr>
<tr>
<td>103-1</td>
<td>Selection of important aspects Management approach</td>
<td>Management approach</td>
<td>S6-61</td>
<td></td>
</tr>
<tr>
<td>103-2</td>
<td>Selection of important aspects Management approach</td>
<td>Management approach</td>
<td>S6-61</td>
<td></td>
</tr>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>Contribution to development</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>Financial implications of climate change</td>
<td>130-131</td>
<td></td>
</tr>
<tr>
<td>103-1 (201)</td>
<td>Management approach</td>
<td>Contribution to development</td>
<td>S6-61</td>
<td>✓</td>
</tr>
<tr>
<td>201-1</td>
<td>Infrastructure investments and services supported</td>
<td>Contribution to development</td>
<td>S6-61</td>
<td></td>
</tr>
<tr>
<td>201-2</td>
<td>Significant indirect economic impacts</td>
<td>Contribution to development</td>
<td>S6-61</td>
<td></td>
</tr>
</tbody>
</table>
### GRI table (GRI index)

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description of disclosure</th>
<th>Value location in the report/comments</th>
<th>Page</th>
<th>External verification by an auditor</th>
</tr>
</thead>
</table>

#### GRI 302: Energy 2016

<table>
<thead>
<tr>
<th>103-1 (302) 103-2 (302)</th>
<th>Management approach</th>
<th>Approach to environmental impact management</th>
<th>114-125</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>302-1</td>
<td>Energy consumption within the organisation</td>
<td>Energy efficiency</td>
<td>116-123</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### GRI 303: Water 2016

<table>
<thead>
<tr>
<th>103-1 (303) 103-2 (303)</th>
<th>Management approach</th>
<th>Approach to environmental impact management Water management</th>
<th>117-118</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>303-1</td>
<td>Total water withdrawn by source</td>
<td>Water consumption</td>
<td>117-118</td>
<td></td>
</tr>
</tbody>
</table>

#### GRI 304: Valuable Natural Areas 2016

<table>
<thead>
<tr>
<th>103-1 (304) 103-2 (304)</th>
<th>Management approach</th>
<th>Approach to environmental impact management Valuable natural areas</th>
<th>136-143</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>304-1</td>
<td>Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value Outside protected areas</td>
<td>Valuable natural areas</td>
<td>136-143</td>
<td></td>
</tr>
<tr>
<td>304-2</td>
<td>Significant impacts of activities, products, and services on biodiversity</td>
<td>Valuable natural areas</td>
<td>136-143</td>
<td></td>
</tr>
</tbody>
</table>

#### GRI 305: Emissions 2016

<table>
<thead>
<tr>
<th>103-1 (305) 103-2 (305)</th>
<th>Management approach</th>
<th>Approach to environmental impact management</th>
<th>126-129</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Emissions into the atmosphere</td>
<td>126-129</td>
<td>✔</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Emissions into the atmosphere</td>
<td>127</td>
<td>✔</td>
</tr>
<tr>
<td>305-3</td>
<td>Reduction of GHG emissions</td>
<td>Emissions into the atmosphere</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>305-4</td>
<td>Nitrogen oxides (NO), sulfur oxides (SO), and other significant air emissions</td>
<td>Emissions of pollutants, including NO, and SO, compounds</td>
<td>128-129</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### GRI 306: Valuable Natural Areas 2016

<table>
<thead>
<tr>
<th>103-1 (306) 103-2 (306)</th>
<th>Management approach</th>
<th>Approach to environmental impact management Waste and wastewater management</th>
<th>132-135</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>306-1</td>
<td>Water discharge by quality and destination</td>
<td>Waste and wastewater management</td>
<td>134-135</td>
<td></td>
</tr>
<tr>
<td>306-2</td>
<td>Water by type and disposal method</td>
<td>Waste and wastewater management</td>
<td>133-135</td>
<td></td>
</tr>
</tbody>
</table>

#### GRI 308: Employee Involvement 2016

<table>
<thead>
<tr>
<th>103-1 (308) 103-2 (308)</th>
<th>Management approach</th>
<th>Structure of employment Employment conditions</th>
<th>212-214</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>Indicators</td>
<td>252-253</td>
<td></td>
</tr>
<tr>
<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>Employment conditions</td>
<td>216-219</td>
<td>✔</td>
</tr>
</tbody>
</table>
### GRI table (GRI index)

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description of disclosure</th>
<th>Value/location in the report/comments</th>
<th>Page</th>
<th>External verification by an auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1 (402)</td>
<td>Management approach</td>
<td>Dialogue with employers and trade unions</td>
<td>236-237</td>
<td></td>
</tr>
<tr>
<td>103-2 (402)</td>
<td>Management approach</td>
<td>Dialogue with employers and trade unions</td>
<td>237</td>
<td></td>
</tr>
<tr>
<td>402-1</td>
<td>Minimum notice periods regarding operational changes</td>
<td>Occupational health and safety</td>
<td>220-231</td>
<td></td>
</tr>
<tr>
<td>103-1 (403)</td>
<td>Management approach</td>
<td>Occupational health and safety</td>
<td>226</td>
<td></td>
</tr>
<tr>
<td>103-2 (403)</td>
<td>Management approach</td>
<td>Occupational health and safety</td>
<td>227-231</td>
<td></td>
</tr>
<tr>
<td>403-2</td>
<td>Worker representation in joint formal occupational health and safety commissions</td>
<td>Occupational health and safety</td>
<td>226</td>
<td></td>
</tr>
<tr>
<td>403-4</td>
<td>Matters related to occupational health and safety included in formal agreements made with trade unions</td>
<td>Occupational health and safety</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>103-1 (404)</td>
<td>Management approach</td>
<td>Development and training</td>
<td>232-235</td>
<td></td>
</tr>
<tr>
<td>103-2 (404)</td>
<td>Management approach</td>
<td>Development and training</td>
<td>233-235</td>
<td></td>
</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>Development and training</td>
<td>233-235</td>
<td></td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Development and training</td>
<td>232-234</td>
<td></td>
</tr>
</tbody>
</table>

### Disclosure

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description of disclosure</th>
<th>Value/location in the report/comments</th>
<th>Page</th>
<th>External verification by an auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1 (410)</td>
<td>Management approach</td>
<td>Ethics and compliance</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>103-2 (410)</td>
<td>Management approach</td>
<td>Ethics and compliance</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>410-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Indicators</td>
<td>254-255</td>
<td></td>
</tr>
<tr>
<td>103-1 (413)</td>
<td>Management approach</td>
<td>Contribution to development</td>
<td>56-81</td>
<td></td>
</tr>
<tr>
<td>103-2 (413)</td>
<td>Management approach</td>
<td>Contribution to development</td>
<td>52-71</td>
<td></td>
</tr>
<tr>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Contribution to development being part of the local community</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
<td>Linking the Group's negative impact on local communities</td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>103-1 (414)</td>
<td>Management approach</td>
<td>Ethics and compliance</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>103-2 (414)</td>
<td>Management approach</td>
<td>Ethics and compliance</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
<td>Ethics and compliance</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>103-1 (417)</td>
<td>Management approach</td>
<td>Relations with customers</td>
<td>180-203</td>
<td></td>
</tr>
<tr>
<td>103-2 (417)</td>
<td>Management approach</td>
<td>Relations with customers</td>
<td>180-203</td>
<td></td>
</tr>
<tr>
<td>417-1</td>
<td>Residents of non-compliance concerning product and service information and labeling</td>
<td>Friendly customer service</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>417-2</td>
<td>Residents of non-compliance concerning marketing communications</td>
<td>Friendly customer service</td>
<td>187</td>
<td></td>
</tr>
</tbody>
</table>

### Notes

- **External verification by an auditor**
  - **GRI 103-1**: Management approach
  - **GRI 103-2**: Management approach
  - **GRI 402**: Labor/Management Relations 2016
  - **GRI 403**: Occupational Health and Safety 2016
  - **GRI 404**: Training and Education 2016
  - **GRI 103**: Management Approach 2016
  - **GRI 405**: Diversity and Equal Opportunity 2016
  - **GRI 413**: Local Communities 2016
  - **GRI 414**: Supplier Social Assessment 2016
  - **GRI 417**: Marketing and Labeling 2016
## GRI table (GRI index)

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description of disclosure</th>
<th>Value location in the report/comments</th>
<th>Page</th>
<th>External verification by an auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-IL15</td>
<td>Allocation of free carbon dioxide emission allowances</td>
<td>Financial implications of climate change</td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>G4-IL12</td>
<td>Transmission and distribution losses as percentage of total/distributed energy</td>
<td>Conditioning social and economic development</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>G4-IL18</td>
<td>Percentage of contractors and subcontractors employees who passed the relevant health and safety training</td>
<td>Occupational health and safety</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>G4-IL27</td>
<td>Number of household disconnections for non-payment, broken down by duration of disconnection</td>
<td>Customer relations</td>
<td>198</td>
<td></td>
</tr>
<tr>
<td>G4-IL28</td>
<td>Power outage frequency (SAIFI)</td>
<td>Safety and stability of energy supply</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>G4-IL29</td>
<td>System Average Interruption Duration Index (SAIDI)</td>
<td>Safety and stability of energy supply</td>
<td>172</td>
<td></td>
</tr>
</tbody>
</table>

### G4-IL15: Allocation of free carbon dioxide emission allowances

- **Disclosure**: Allocation of free carbon dioxide emission allowances
- **Description of disclosure**: Financial implications of climate change
- **Page**: 123
- **External verification by an auditor**: Yes

### G4-IL12: Transmission and distribution losses as percentage of total/distributed energy

- **Disclosure**: Transmission and distribution losses as percentage of total/distributed energy
- **Description of disclosure**: Conditioning social and economic development
- **Page**: 61
- **External verification by an auditor**: Yes

### G4-IL18: Percentage of contractors and subcontractors employees who passed the relevant health and safety training

- **Disclosure**: Percentage of contractors and subcontractors employees who passed the relevant health and safety training
- **Description of disclosure**: Occupational health and safety
- **Page**: 223
- **External verification by an auditor**: Yes

### G4-IL27: Number of household disconnections for non-payment, broken down by duration of disconnection

- **Disclosure**: Number of household disconnections for non-payment, broken down by duration of disconnection
- **Description of disclosure**: Customer relations
- **Page**: 198
- **External verification by an auditor**: Yes

### G4-IL28: Power outage frequency (SAIFI)

- **Disclosure**: Power outage frequency (SAIFI)
- **Description of disclosure**: Safety and stability of energy supply
- **Page**: 172
- **External verification by an auditor**: Yes

### G4-IL29: System Average Interruption Duration Index (SAIDI)

- **Disclosure**: System Average Interruption Duration Index (SAIDI)
- **Description of disclosure**: Safety and stability of energy supply
- **Page**: 172
- **External verification by an auditor**: Yes

To the Management Board of Energa S.A.

At Deloitte 412

Scope of work performed

We have undertaken a limited assurance engagement on the indicators presented in the Sustainability Report of Energa S.A. (‘Our responsibility 2019’) for the year ended 31 December 2019 (the “Sustainability Report”), developed by Energa S.A. (the “Company”) and marked with “√” symbol in a column “Balanced verification” is a solid “√” symbol that signifies disclosure and assessed, numerical specific indicators. 305

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. The procedures we have performed are based on our professional judgment and included inquiries, observation of internal controls, evaluation of the Company’s internal control over financial reporting, analytical procedures and other procedures as we have deemed necessary.

Inquiries undertaken during our review are designed to test the reliability of the sustainability information presented in the Sustainability Report. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited assurance engagement has been limited to the indicators as marked in the GRI index presented in the Sustainability Report and does not extend to the rest of the information included in the report or the report as a whole. Accordingly, our conclusion below covers only those indicators and not all data presented or any other information included in the Sustainability Report. The process the organization adopts to define, gather and report data as its non-financial performance is not subject to the formal procedures adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Sustainability Report are subject to management’s judgment given the nature and the methods for determining, calculating or estimating each information.

Conclusions

Based on our work we have obtained limited assurance that the information concerning the indicators as marked in the GRI index included in the Sustainability Report developed by Energa S.A. are not inconsistent with Sustainability Reporting Guidelines GRI Standard. For “Core” level marked by Global Reporting Initiative’s (GRI) information, the process followed to determine its content as well as for definitions, collection and reporting methodology with no consistent, accepted standards. This may result in non-comparable information between organizations and from year to year within the organization. The accuracy and completeness of the information disclosed in the Sustainability Report are subject to management’s judgment given the nature and the methods for determining, calculating or estimating each information.

We have no reason to believe that the reviewed indicators presented in the Sustainability Report for the year ended 31 December 2019 (the “Sustainability Report”) were not prepared, in form and content, in conformity with the International Standards on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. The information related to Social Sustainability included in the Sustainability Report (the “Sustainability Report”) is the responsibility of the Company’s Board of Management and is consistent with the presentation of information and the GRI Core Option and the Sustainability Reporting Guidelines issued by the Global Reporting Initiative.

The Management Board of the Company is responsible for the preparation and presentation of the indicators presented in the Sustainability Report. A commitment to conformity with the International Standards on Assurance Engagements was made by the Board of Management of the Company.

Our responsibility is to express a limited assurance conclusion on the indicators as marked in the GRI index presented in the Sustainability Report based on the procedures we have performed and the evidence we have obtained. As a result, we have no reason to believe that the reviewed indicators presented in the Sustainability Report for the year ended 31 December 2019 have been prepared in conformity with the International Standards on Assurance Engagements 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

Our responsibility is to express a limited assurance conclusion on the indicators as marked in the GRI index presented in the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We have undertaken a limited assurance engagement on the indicators presented in the Sustainability Report for the year ended 31 December 2019. The procedures we have performed are based on our professional judgment and included inquiries, observation of internal controls, evaluation of the Company’s internal control over financial reporting, analytical procedures and other procedures as we have deemed necessary.

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