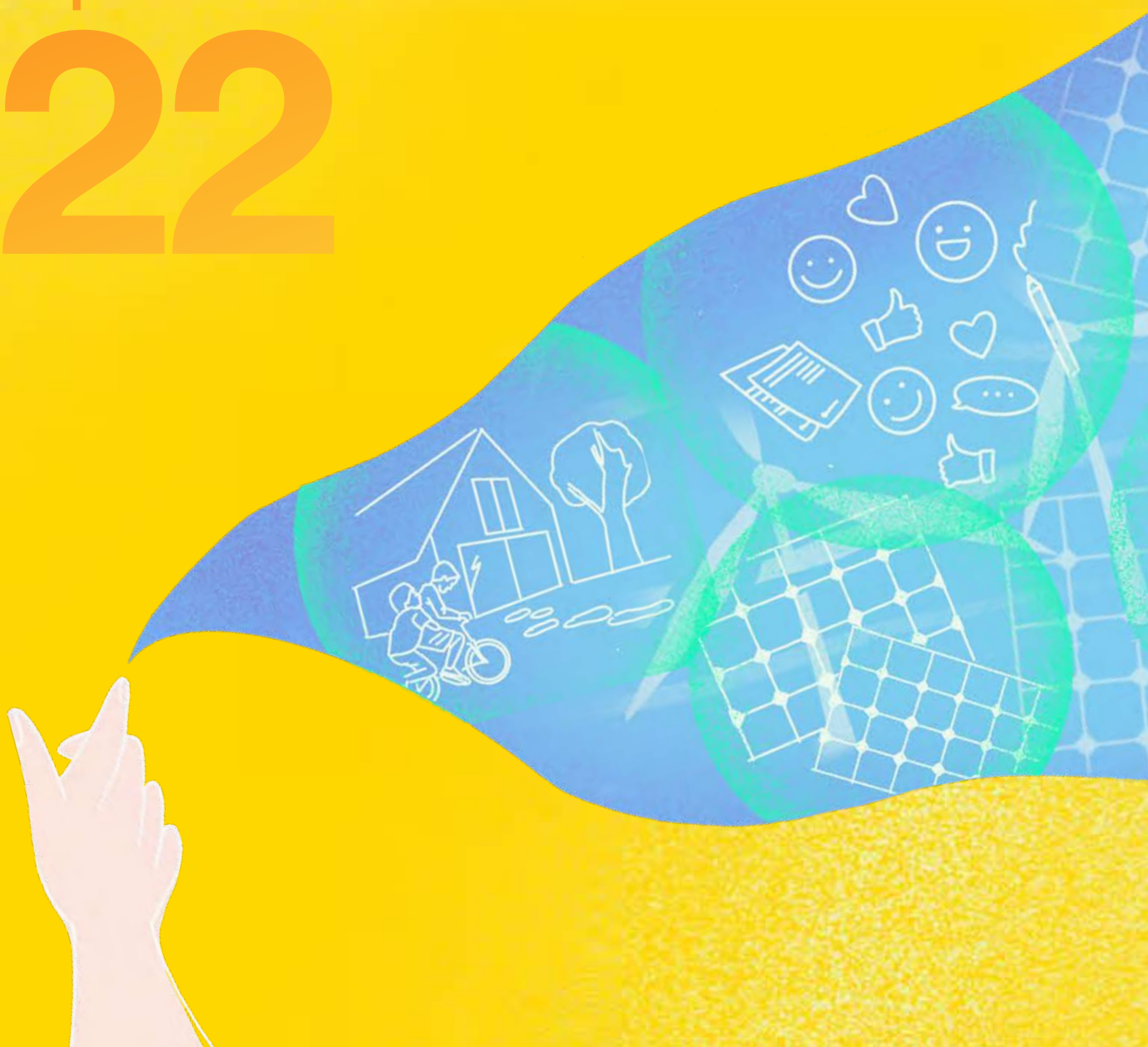
EPH

Sustainability Report 22



Year in review

EBITDA[1]
€4.3 billion

REVENUES
€37.1 billion**

CASH CONVERSION[2]
73.3 %

EMISSION RIGHTS AND TAX COSTS[3]
€2.3 billion

TOTAL EPCG FOUNDATION + EPH FOUNDATION CONTRIBUTIONS
€5.9 million

TOTAL EPCG FOUNDATION + EPH FOUNDATION HELP FOR UKRAINIAN PEOPLE
€1.7 million

INCREASE IN POWER PRODUCTION FROM RENEWABLE SOURCES FROM 2018 TO 2022
12 %

YEAR-ON-YEAR INCREASE IN HEAT PRODUCTION FROM RENEWABLE SOURCES
24 %

NET POWER PRODUCTION FROM RENEWABLE SOURCES
2,464 GWh

NET HEAT PRODUCTION FROM RENEWABLE SOURCES
257 GWh

CO_2 EMISSIONS INTENSITY DECREASE COMPARED TO 2015
28 %

** This data was verified by the independent auditing firm KPMG.
1 The presented EBITDA is defined as profit from operations plus depreciation and amortisation and is further netted for eventual impact of negative goodwill.
2 Cash conversion = (EBITDA – CAPEX – Tax paid)/EBITDA.
3 For 2022, the Group is contributing a total of EUR 2.3 billion in income taxes (including windfall taxes) to state budgets and for a consumption of CO_2 allowances.

Report contents

Foreword

Dear Stakeholders,

As I begin to write this introduction to the annual Sustainability Report of Energetický a průmyslový holding, a.s. (“EPH” or the “Group”), I am delighted and take a real and genuine sense of achievement and responsibility. I feel pride in our progress towards embracing ESG principles, and responsibility as this journey requires our continued commitment. We invite you to delve into our efforts through this report. It not only outlines our environmental footprint, but also covers our social impact, governance structures, community engagement, and ways in which we empower our employees and partners for a sustainable future. The report presents our current position, along with clearly indicating our future goals.

2022 has posed numerous challenges, stemming from energy market volatility in Europe throughout the year, where security of supply has become even more critical than ever anticipated. Our conservative financial management and diversified portfolio across power generation, gas storage, and gas and power distribution have proven their resilience, delivering reliable services to our customers and business partners, thereby helping Europe to overcome the critical moments.

Throughout 2022, we experienced unprecedented volatility, supply instability, and a heightened concern for the approaching winter. However, thanks to our diligent employees and prudent risk management, we were able to overcome these hurdles and support major European markets. We responded promptly to the German and French governments’ requests to reactivate two of our hard coal power plants slated for decommissioning. Within a few months, we were able to resume power production after rehiring retired employees and securing fuel.

Although these short-term efforts may seem to conflict with our long-term ESG commitments to reduce our carbon footprint and achieve carbon neutrality by 2050, this is not the case. Even with the adjustments made in 2022, our CO_2 emission intensity was lower than in 2017, when we significantly strengthened our power plant portfolio. It is essential to highlight that grid stability and supply security cannot be taken for granted and must be considered in future decommissioning plans.

Daniel Křetinský

The instability of gas supply following Russia’s military invasion of Ukraine underscored the importance of gas storage. The role of our Gas Storage segment in mitigating disruptions and seasonal volatility became clear in 2022. Our storage capacity of over 64 TWh is strategically positioned in this volatile market, prompting us to continue investing in operational security, storage technology modernization, automation enhancement, and data utilization to further optimize our processes.

We’ve made substantial investments in several state-of-the-art flexible hydrogen-ready power generation plants. Significant projects include the Kilroot gas power plant in the UK with nearly 700 MW of capacity, and two gas power plants in Tavazzano and Ostiglia, Italy, with capacities of 800 MW and 880 MW, respectively. Together with investments in new-build gas development projects in the UK and the Republic of Ireland, we are planning to spend approximately €2.3 billion, resulting in a total installed capacity of 4.4 GW of flexible low-emission power, crucial for Europe’s energy transition. As we firmly believe

EPH will be almost free from all of its coal assets by 2025 and completely abandon coal as a power generation source by 2030.

in the future of hydrogen in the European energy market, all our new gas-fired power plants are hydrogen-ready. In addition, we have strengthened our position in the Netherlands by acquiring four gas-fired power plants, establishing us as a significant energy supplier.

To expedite our transition from coal to low-carbon units, we are actively seeking renewable opportunities. These efforts are largely carried out through EP New Energies, a subsidiary specializing in developing large-scale renewable projects, often on former mining sites in Germany. We will also separate most of our coal-intensive assets into a new sister company, EP Energy Transition. This company will have a clearly defined decommissioning strategy. EP Energy Transition plans to invest around €10 billion in decarbonization efforts.

As a result, EPH will be almost free from all of its current coal assets by 2025 and completely abandon coal as a power generation source by 2030. This plan means a substantial acceleration of our long-term commitment to transform our business.

The social dimension of our business has been highlighted by the challenges of the past year. We understand the importance of secure delivery under any conditions while maintaining reasonable terms. This was manifested for example by the decision to increase the prices of heat by less than 5% across all heat suppliers in the Czech Republic. Considering the inflation, this decision meant a decrease in the real price and confirmed our status as one of the most competitively priced heat suppliers in the Czech market.

Gary Mazzotti

The power generation business transformation cannot happen without a robust infrastructure ensuring grid stability and supply. We remain dedicated to providing a safe and stable environment for our employees and understand our responsibility towards the communities in which we operate, striving to maintain as many jobs as possible.

I would like to extend my heartfelt gratitude to all our employees, partners, and other stakeholders for making our mission possible. With courage, fairness, and resilience, I am confident we will succeed even in challenging times and continue to deliver in the years to come.

Sincerely,

Daniel Křetínský

Chairman of the Board of Directors and CEO

Gary Mazzotti

Member of Board of Directors and ESG Officer of EPIF and EPPE

Actively transforming the energy system and bringing real-world solutions

Taking a genuine approach to our responsibility within the energy system requires applicable solutions. At EPH, we are committed to tackling both global challenges and satisfying our stakeholders' needs. We believe it is their sustainable fulfilment that creates a solid foundation for any structural change.

We take initiative in transforming the energy system. We accomplish this through our active decarbonisation strategy, investment in renewable power generation, and strengthening the security of European energy infrastructure and supplies.

By thoughtfully transforming and developing the infrastructure that the Group owns throughout Europe, we aim to enrich the local regions, people and environment; we give these properties, and future ones, further function and meaning.

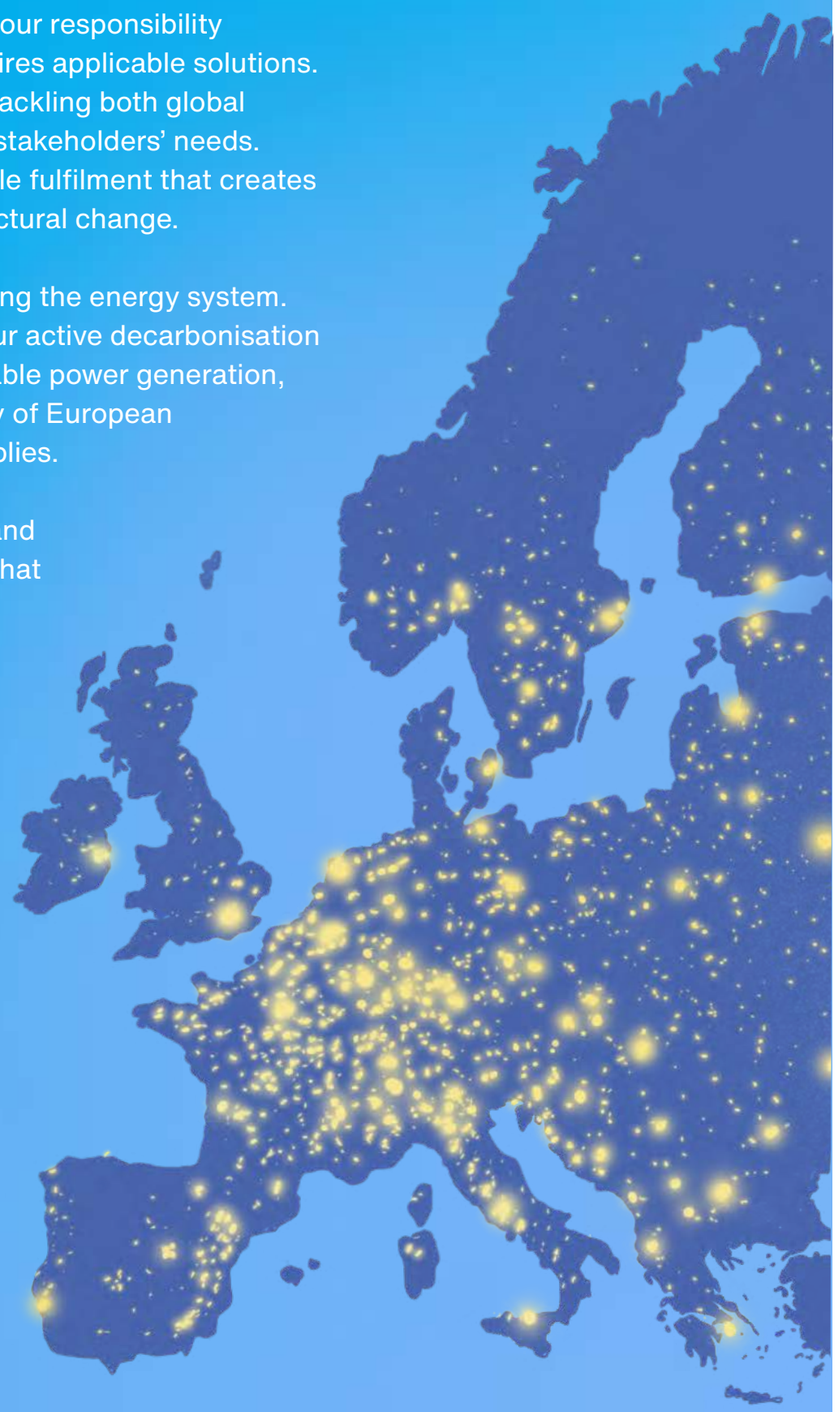


Figure 1: Value chain infographic.

Investing in renewable and low-carbon power

On top of operating a vast number of low carbon power plants, in 2022, we continued to operate and modernise critical gas infrastructure, which could support the transition to hydrogen and renewable energy systems in the future.

We are committed to further increasing the share of renewables in our portfolio. Through EP New Energies, we are leading the way in sustainable renewable energy projects, utilising former mining areas to help transition to a cleaner, greener future. Our new projects are predominantly composed of wind on land and ground-mounted Photovoltaic (PV), with additional floating and rooftop PV projects.

Securing the stability of energy supply

While we remain committed to the carbon-free energy transition by decommissioning our power plants and phasing out coal, in 2022, new challenges linked to the European energy crisis occurred. To support energy stability in the European region, we were asked to keep the ↘ Kraftwerk Mehrum and ↘ Émile-Huchet power plants (originally set for decommissioning) operational by the German and French governments until some specific date. Although we encountered logistical and administrative challenges during the relaunch of operations, we were able to handle them effectively. Both plants operated only a limited number of hours to ensure the security of supply and stability of the network. Moreover, in relation to these unforeseen events, our carbon footprint increased, influencing our decarbonisation targets. Despite the short-term negative effects on our carbon footprint, our priority is to continue mitigating the potential negative macroeconomic and social impacts and strengthening the resilience of the EU energy market.

While almost 50% of GazelEnergie employees affected by the social plan left for new jobs or to start their companies, the government urged the company to relaunch the Emile Huchet 6 power plant. In Germany, a similar situation occurred, when the Kraftwerk Mehrum power plant was declared systemically important, suspending the ban on coal-fired power generation. Although the current situation is for our employees challenging, we are proud that they have proved to play an essential role in securing the stability of the energy supply in the EU regions.

The flexibility of natural gas makes it an ideal partner for renewables while transitioning to a low-carbon future. We massively invest in better interconnections within the European natural gas market to further strengthen the infrastructure while increasing production efficiency by implementing state-of-the-art technologies. Moreover, we enhance the energy security of Central Europe by operating its most extensive, modern underground gas storage facilities. Projects in the area of power generation are primarily centred on the closure of high-emission assets and their conversion into low-carbon dispatchable generation sources, such as hydrogen-ready gas-fired plants or biomass plants. These projects share a common objective of ensuring security of supply, enhancing grid stability, and supporting the anticipated increase in intermittent renewable generation capacities. We also keep ourselves busy looking into innovative ways of storing power. The latest events in Ukraine further highlighted the importance of robust and flexible infrastructure for security of supplies.

Total energy production
45,934 GWh[4]

Total installed capacity in electricity
14,372 MW[4]

Thermal capacity of boilers at heating plants
3,095 MW

Share of zero or low carbon intensive sources on power production
72%[4]

It's our employees, who create the value and contribute to energy transition

For over 10 years, we have been offering stable conditions to our talents, which span eleven countries. We have also remained committed to ensuring their health and safety, as well as supporting their personal and professional development. We appreciate our mutual dependencies – as our employees rely on EPH future sustainable development, however, no innovation is possible without their top talents.

Number of employees
10,420

Number of health and safety incidents
54 registered / 1 fatal

Hours worked by our employees
17 million

4 The production and installed capacity were proforma adjusted for the Dutch acquisitions closed in H1 2023 (6,200 GWh and 2,551 MW).

Laying a pathway to Energy Transition and Affordable Energy

Reliable energy for Europe

EPH's infrastructure continues to play a vital role in supplying major European markets with natural gas. Owing to our investments in the interconnectedness of the system, the corridor operated by eustream can currently serve all neighbouring countries irrespective of the gas source and contributes significantly to energy security in Europe. We further enhance the energy security of Central Europe by operating its most extensive, modern underground gas storage facilities. As coal and nuclear sources are gradually phased out, meeting the basic needs of developed societies will require gaseous fuels in a certain form to realise a successful energy transformation. While natural gas will likely remain a dominant fuel in the near to medium term, low carbon gases such as biomethane or hydrogen are expected to be gradually deployed on a more significant scale. Our infrastructure is well positioned to secure transit, storage, and distribution of alternative gases, ensuring energy system stability in a zero-carbon future.

Combining power generation within the EP Power Europe group and gas transmission, distribution and storage and power distribution within the EP Infrastructure group, and conservative financial management of the whole Group, we have shown that our customers, end consumers and business partners can count on us even in the most difficult times.

Carbon dioxide concentration in atmosphere continues to grow in an unsettling steady way, reaching 419 ppm as of January 2023[5]. The EU has – within the framework of European Green Deal – set itself a binding target of achieving climate neutrality by 2050. This requires current greenhouse gas emission levels to drop substantially in the next decades. As an intermediate step towards climate neutrality, the EU has raised its 2030 climate ambition, committing to cutting emissions by at least 55% by 2030. Further measures have been announced as part of the REPowerEU Plan in response to the Russian invasion of Ukraine to reduce EU's reliance on fossil fuels. European Green Deal aims to transform the EU into a modern, resource-efficient and competitive economy, ensuring that (i) no net emissions of greenhouse gases by 2050, (ii) economic growth decoupled from resource use and (iii) no person and no place left behind.

EPH endorses and supports these targets and strives to actively contribute to achieving them. EPH aims to achieve carbon neutrality by 2050. We are significantly reducing the carbon footprint of energy production having a goal of 60% reduction already by 2030[6], in deployment of renewable power generation and energy storage solutions, and, also, in providing much needed security of supply by backing up massively deployed intermittent renewable generation with our power generation capacity which we continuously improve to even more flexible. We also provide natural gas transmission, distribution, supply, and storage services, vital for any customers using natural gas as a relatively low-carbon energy source and for securing the supply when renewable sources cannot cover the demand for electricity or heat. With regard to conflict between Russia and Ukraine and connected fuel supply restrictions for Europe, it seems to be the right direction.

Just these recent developments have shown how fragile the situation is if Europe depends on irreplaceable imports from a single territory that becomes unstable or even hostile. The energy crisis reminds us of the importance of relying on domestic primary energies and resources and on proper strategic diversification of imports of the part that cannot be supplied domestically – aspects that have been in recent history considered not urgent as world seemed stable and good-will based cooperation taken largely for granted. The energy crisis that negatively impacts European industry and households, driving an inflation wave, also shows the importance of strategic reserves, both in terms of storage where possible and of reserve production capacity where any reasonable storage is not possible. EPH is proud to provide a significant gas storage, cutting edge electricity storage as well as flexible and reliable power generation capacity.

5 Source: Global Climate Change – Carbon Dioxide, Earth Science Communications Team at NASA's Jet Propulsion Laboratory, California Institute of Technology (climate.nasa.gov/vital-signs/carbon-dioxide/).
6 60% reduction by the end of 2030 compared to the 2020 emissions from our power fleet as of August 2021.

We are convinced that in the long term, hydrogen will play a key role in the energy future of Europe. The operation of integrated gas infrastructure – transmission, storage, distribution, and hydrogen ready flexible power generation – endows us with the natural position to develop hydrogen solutions and to be an active participant in converting Europe into a hydrogen economy. We are determined to lead this process.

Gas storage capacity
64.3 TWh

Natural gas corridor length
2.4 thsnd. km

Gas transmitted
26.3 bcm

Gas distributed
48.3 TWh

Connecting business partners

When it comes to transporting goods and material, we are constantly increasing the share of rail transport, as it is known to release the least amount of GHGs, as well as being the most fuel-efficient freight system. We offer premium services and complex logistic solutions, including professional railway employee training.

Supply chain

Further strengthening the management of our supply chain has increasingly been a focus throughout the Group. To highlight the initiatives of a few of our subsidiaries, EP Resources and MIBRAG have rigorous management process in place for new and existing suppliers, and United Energy ensures suppliers not only comply with relevant legislation, but also EPIF's purchasing policy before transactions occur.

Powering households

Essential physiological needs and access to basic services are non-negotiable foundations for any thriving society. We provide households and institutions with reliable gas, electricity and heat, while minimising our environmental impact through cogeneration. Coherently with the goal of "no person and no place left behind" it is our legal and moral obligation to provide access to basic services to vulnerable and disadvantaged groups.

Number of connection points
2,458 thsnd.

Power and gas supply customers
868 thsnd.

Figure 2:
Value chain infographic.

EPH's Focus on reducing GHG emissions

The Group acknowledges the serious threat posed by human-induced climate change and is ready to play a major role in the energy transition, while ensuring continuity and affordability of the supply of basic commodities.

Despite near-term challenges posed by the military invasion of Ukraine for energy security in Europe, we are convinced that the energy system development will continue to be driven by long-term EU decarbonisation goals.

EPH's primary GHG emissions

Both CH_4 and CO_2 are produced through natural and human-related activities, making them the most common greenhouse gases and contributors to human-induced global warming.

In 2022, **EPH's GHG emissions mainly consisted of CO_2**, where methane only made up 1% of the total GHG CO_2-eq. emissions.

Heat Infra & Flexible Power Generation

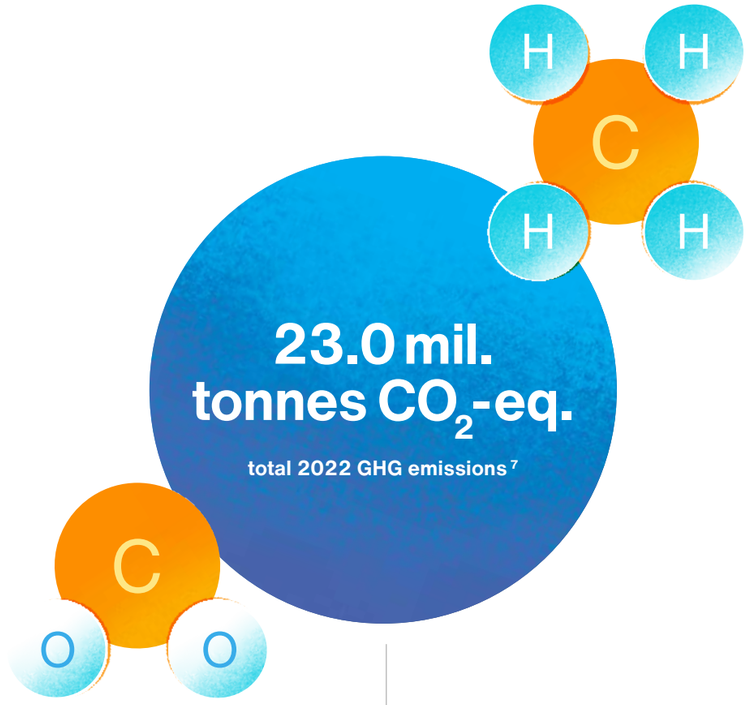
Within these business segments, EPH implements concrete projects that will guide the Group in achieving carbon neutrality by 2050. These projects focus on **decommissioning the Group's assets**, while keeping in mind the importance of **controllable electricity production** for society and economies.

Information about these projects and our commitments can be found in the "Decarbonisation roadmap" section of this Report.

Gas infrastructure

Within these business segments, EPH has been focusing its efforts on **proactively following developments and best practices** with regards to detecting, reporting and managing methane emissions. The Group's progress within these reductions can be partly attributed to our **close cooperation with** and **participation in a number of associations** that further support this topic specifically within the energy industry.

Information about methane and the Group's initiatives can be found in the "EPIF's focus on methane" section of EPIF's 2022 Sustainability Report.



Carbon dioxide (CO_2)

CO_2 is predominantly emitted within our Flexible Power Generation, and heat infrastructure segments.

- **Heat Infra**
- **Gas & Power Distribution**
- **Flexible Power Generation**

Methane (CH_4)[8]

CH_4 is predominantly emitted within our main business segments related to gas infrastructure (transmission, distribution and storage).

- **Gas & Power Distribution**
- **Gas Transmission**
- **Gas Storage**

7 Direct CO_2 emissions and CH_4 emissions are included.

8 Methane: For reporting and inventory purposes, we use 100-year time horizon global warming potentials (GWP) relative to CO_2 of 28. This value is recommended by the Intergovernmental Panel on Climate Change (IPCC) – the United Nations body for assessing the science related to climate change.

Commitments

by 2030

Emissions reduction by 60%

(Scope 1 & 2)

&

Zero coal

as a primary source of generation

by 2050

Carbon neutrality

(Scope 1 & 2)

Reduce CO_2 emissions by 60% by 2030

We have created a clear and resilient transition roadmap for our assets, thereby guiding generating plants existing within our fleet as of August 2021, when the target was set, to a 60% reduction in CO_2 emissions compared to our 2020 levels[9]. The roadmap is illustrated on the following page.

Become a European frontrunner in the transition to a hydrogen future

EPH believes that storage of energy in the form of green gases represents an important link to accelerate deployment of intermittent renewable power sources. Therefore, the Group has embarked on several projects to ensure that its midstream and downstream infrastructure is ready for large-scale transit, distribution and storage of hydrogen. In addition, we are evaluating and participating in several projects relating to hydrogen production and subsequently using hydrogen as a fuel in power generation.

Create a Green Finance Framework for use, where applicable, within EPH Capital Structure Strategy

Once developed, the EPH Green Finance Framework shall serve as a basis for the financing of any future eligible project, in line with the ICMA Green Bond and LMA Green Loan Guidelines.

Zero coal as a primary source of generation by 2030

EPH will be free of almost all coal assets by the end of 2025[10] and none by the end of 2030. At the end of 2025 there may be only Fiume Santo, a hard coal fired power plant in Sardinia and Czech combined heat and power plants in our portfolio which shall be refurbished to biomass and gas units.

To accelerate energy transition, EP Corporate Group, the parent company of EPH, will create a new division, EP Energy Transition (EPETr), a sister group of EPH. EPETr shall newly hold the predominantly lignite operations in Germany, namely 50% of LEAG and 100% of JTSD (owning MIBRAG mining company and Schkopau lignite power plant). LEAG shall be transferred in 2023 and JTSD by the end of 2025.

EPETr has a clearly defined transition strategy, which covers not only decarbonization, but also employment prospects and support for the regions affected by the energy transition. EPETr also plans to invest around EUR 10 billion into the development of renewable energy projects, batteries, energy from waste projects and highly efficient hydrogen ready power plants.

9 For the purposes of target setting, CO_2 emissions from entities disposed of in 2020 were excluded from the 2020 emissions, thereby creating a comparable basis. The target also does not include emissions of entities acquired after 2020.

10 Except for Fiume Santo hard coal fired power plant in Sardinia and Czech combined heat and power plants (CHPs) which shall be refurbished to gas/biomass units

EPH's Decarbonisation roadmap

EPH's roadmap serves as a guide for reaching our decarbonisation goal of carbon neutrality by 2050. The goal is also fully in line with the EPH's 2030 goal of reducing CO_2 emissions by 60% from existing generating plants.

The Group's current efforts mainly focus on decommissioning of coal power plants and converting individual plants.[11] However, to reach carbon neutrality by 2050, we also introduce new renewable projects gradually, work to eliminate coal as a fuel source, and prepare gas plants for renewable gases so they are ready to serve as "peaking plants." Overall, EPH is committed to continually working towards finding and implementing real solutions, rather than merely offloading our emissions, so that we can continue to provide affordable services.[12, 13]

EPH's emission intensity was 474 tCO_2/GWh in 2022, including proforma gas assets located in the Netherlands and excluding the security of supply generation[14]. To expand that, without the security of supply separation, i.e. only Netherland assets were proformed in 2022, it rises to 543 tCO_2/GWh. And finally, when excluding the Netherlands proforma numbers, the total emission intensity is 570 tCO_2/GWh.

Conversion and decommissioning plans

1. EP Netherlands: a new acquisition
   Tavazzano, Kilroot: New gas projects
   EPH: EP Energy Transition establishment
2. Mehrum: hard coal power plant
   GazelEnergie: coal power plant
3. EP Produziones's CCGT in Ostiglia: New gas projects
   Saale Energie: lignite power plant
   MIBRAG: lignite mining and power generation
   Slovenske elektrarne: share increase
4. EPIF: future planned lignite cogeneration heating plant conversions
   EP Produzione: coal power plant
5. Lynemouth power: biomass power plant

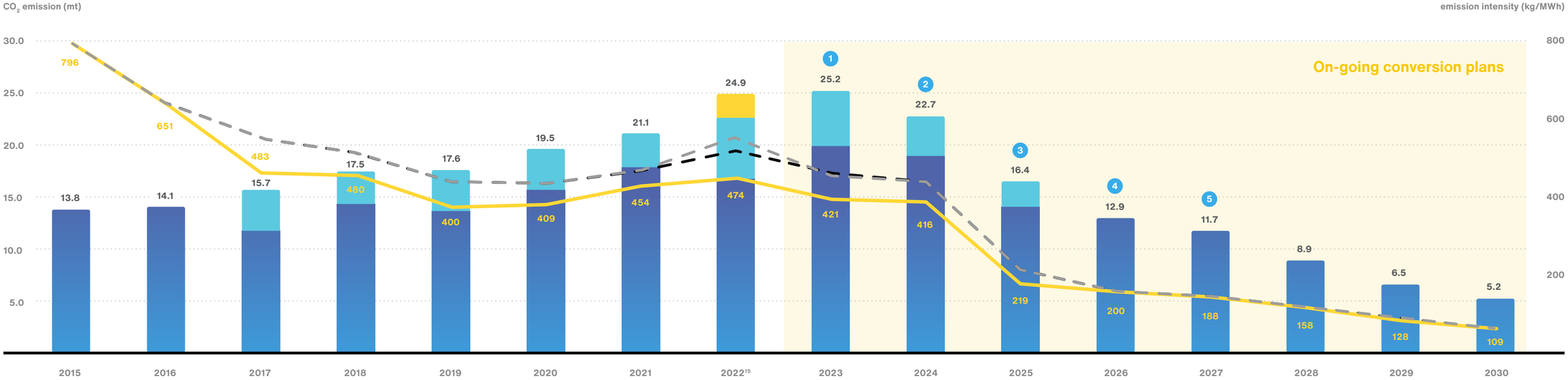


Figure 3: Decarbonisation strategy infographic.

11 Reduction of CO_2 emissions by 60% from generating plants within our fleet as of August 2021 by 2030.
12 Emission projections and future intensities are only indicative and are solely based on management estimates with respect to the Group's activities (decommissioning and conversion of individual plants). This forward-looking information is subject to future management decisions, market developments, as well as other unpredictable risks and events.

13 Potential new builds are not included in the projected figures. However, EPH expects to develop renewable sources in line with its long-term goal of carbon neutrality by 2050.
14 Security of supply assets are represented by the following power plants: Kilroot (must-run regime), Fiume Santo (must-run regime), Emile Huchet 6 (recommissioned at the request of the French government), Mehrum (recommissioned at the request of the German government).

15 The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma fi gures of entities acquired in the Netherlands in the first half of 2023 were included (the black dashed line) and (ii) the impact of coal power plants operating in the security of supply regime (including Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government) were excluded (the orange line).
Without these adjustments the emission intensity in 2022 is 570 tCO_2/GWh (the grey dashed line).

Conversion and decommissioning plans

1 EP Netherlands

new acquisition

EP Netherlands

EPH enters via its subsidiary EP Netherlands the Dutch market by acquiring two gas fired power plants with a net installed capacity of 2.6 GW, which is expected to work as early as 2023.

1 3 Ostiglia, Tavazzano, Kilroot

new gas projects

EP Kilroot

EP PRODUZIONE

New gas projects (Ostiglia, Tavazzano, Kilroot) will be partly hydrogen-ready (to support hydrogen role in the future). The current gas plants portfolio should behave as “peaking plants” until 2030, total production will drop gradually. In the context of EPH’s goal to support its energy infrastructure during the European energy crisis, EPH has planned investment in new projects already underway, including:

1. OCGT in Kilroot (700 MW output) by **2023**.
1. EP Produziones’s CCGT Tavazzano New (800 MW capacity) which is scheduled for **2023** and
3. EP Produziones’s CCGT in Ostiglia (880 MW capacity) which will start operating by **2025**.

The efficiency of the CCGT projects in Italy is 64% for Ostiglia and 62% for Tavazzano, compared to EPH’s old CCGT projects with efficiency averages of 53–54%, which means the projects will use c. 15% less gas consumed for the same output. Efficiency of EPH’s new Kilroot OCGT is 41% compared to EPH’s legacy OCGT in the UK which has 25–33% efficiency. The main purpose of these new OCGT’s is to serve as a backup for renewables capacity.

1 EPH

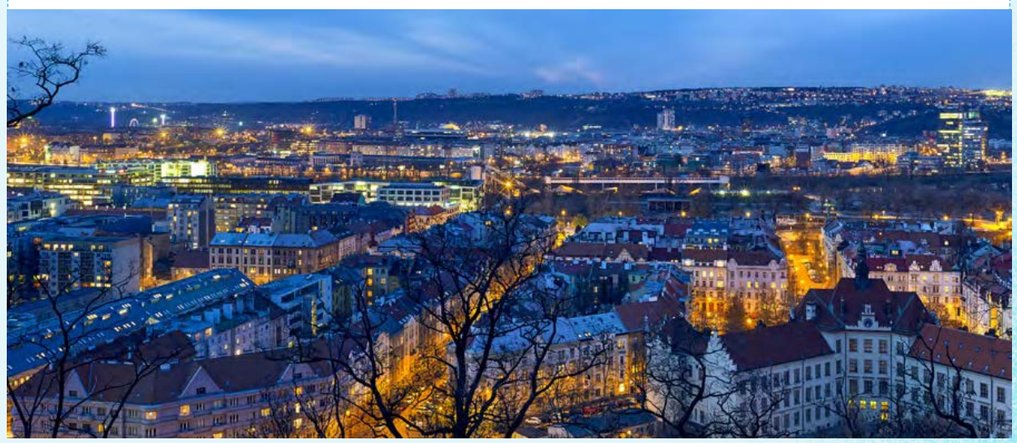
EP Energy Transition establishment

EP Energy Transition

In order to accelerate this transition strategically as much as possible, EPCG, parent company of EPH, announces the creation of a new division, **EP Energy Transition** (“**EPETr**”), a sister group of EPH, i.e. having the same shareholders’ structure as EPH. This newly established company will hold the lignite operations in Germany where the phase out process needs to be closely coordinated with the German government.

EPETr will work constructively with the German government to phase out the power generation from lignite (MIBRAG and Saale Energie). EPETr has a clearly defined strategy for this transition process, with the understanding that this cooperation will include addressing companies‘ transformation, employment, regional support, and development of new infrastructure needed for energy transition, and other important expected economic and social aspects.

As part of the transformation, the EPETr Group has projects in the pipeline that include 7GW+ of installed renewable capacity. This will make EPETr one of the largest renewable developers in Germany and in the EU.



Conversion and decommissioning plans

2 Mehrum
hard coal power plant

The Mehrum power plant was restarted in 2022 after the planned decommissioning date due to switching from Russian gas. In 2022, Mehrum continued to operate in accordance with the request of the German transmission system operator to ensure the stability of the network until further decisions. During 2022 it run approximately one fifth of the year. It is scheduled to be decommissioned at the **end of 2024 the lattest**.

2 GazelEnergie
hard coal power plant

Just like the Mehrum power plant, it was planned that Emile Huchet 6 would also be decommissioned in 2021, however, from 2022 to 2024 the lattest, Emile Huchet 6 will continue its operation date due to a switch from Russian gas. During 2022 it run also one fifth of the year, similarly to Mehrum.

3 Saale Energie
lignite power plant

It is expected that plant Schkopau will have a longer useful life obliged to providing the capacity in the periods when renewable generation and storage capacities do not suffice to cover the power demand. All lignite power plants will be decommissioned by 2038 at the latest, according to the German Coal Exit Law. However, Saale Energie is part of our conversion plans until 2024 only, from 2025 it is transferred to EP Energy Transition.

3 MIBRAG
lignite mining and power generation

Deuben power plant was decommissioned in 2021 based on a successful coal phase-out auction in Germany. Development plans for the subsequent use of this site are being further evolved in cooperation with regional stakeholders. Wahlitz, MIBRAG's second lignite power plant is expected to be in operation until 2035. Wahlitz is projected to deliver 240 GWh of electricity annually, along with 650 TJ of heat in efficient cogeneration mode. However, MIBRAG is part of our conversion plans until 2024 only, from 2025 it is transferred to EP Energy Transition.

3 Slovenské elektrarne
mainly nuclear and hydro power plants

EPH already holds a 33% stake in SE with a put-call option structure for an additional 33% after certain conditions are met. We assume to obtain control in 2025. SE is one of the examples of our focus on low and no-emission assets as it generates power from hydro (1,590 MW of installed capacity) and nuclear (3,250 MW of installed capacity, including EMO3 and EMO4).

Conversion and decommissioning plans

a closer look at EPIF

4 EPIF: Czech Republic

future planned lignite cogeneration heating plant conversions

Replacement of remaining lignite fired units at United Energy

United Energy plan to commission two CCGT units in 2026, which will be complemented by a waste incinerator plant and the existing biomass boiler.

Gradual replacement of the remaining lignite units at Elektrárny Opatovice

Elektrárny Opatovice strive to replace the remaining lignite units with three CCGT units gradually in 2026-2028 if feasible. We aim to develop a waste incinerator plant to enhance our fuel mix diversification.

Gradual replacement of lignite units at Plzeňská teplárenská

By 2028-2029, Plzeňská teplárenská aim to replace the remaining lignite units at both facilities operated by PLTEP with CCGT units, complementing the existing biomass unit and waste incinerator plant.

4 EP Produzione

hard coal power plant

In 2022, Fiume Santo helped reduce Italy's dependence on gas from Russia. In 2025, Italy will go completely coal-free, so there are two possibilities for the Fiume Santo coal power plant – switching to gas or biomass but given the limited time, it will be more likely to be converted to biomass. Biomass production included in our projections will start in 2026, capacity will remain the same.

There is also a possibility that coal production will be prolonged based on Italian government resolution.

5 Lynemouth power

biomass power plant

EPH currently operates multiples biomass sites, the biggest being a 420MW power plant in Lynemouth which has currently a contract-for-difference which allows it to economically operate until March 2027. The majority of biomass is sourced from the US, via a long-term contract. In our conversion plans, the production of energy from biomass will continue also after 2027, when the contract-for-difference ends.

EPH’s approach to sustainability

This is the eighth annual Sustainability Report published by EPH. While the Group continues to align itself with the United Nations 2030 Agenda for Sustainable Development, we are also committed to our decarbonisation and overall GHG emission targets, which aim to guide EPH to achieving carbon neutrality by 2050.

The aim of this Report is to highlight and address the environmental, social, and governance aspects of our operations. It was written in accordance with the Global Reporting Initiative Standards[16] for the period 1st January 2022 – 31st December 2022, while aligning with the United Nations Sustainable Development Goals and the 2030 Agenda. Data and case studies from our operations can also be found in the Sustainability Reports of our subsidiary, the EPIF Group, who has been reporting annually since 2018. This Report allows EPH to provide detailed information regarding our business strategy, operations, and commitments.

We plan to issue our next Sustainability Report for 2023 in 2024.

16 The GRI Universal Standards are in effect for reporting from 1 January 2023.

Materiality assessment

In 2022, EPH followed a new materiality assessment process. The assessment methodology is in accordance with GRI 2021 standards and acknowledges the upcoming requirements discussed in the new European Sustainability Reporting Standards (ESRS) drafts.

We conduct regular reviews of our materiality process to stay updated on the most important sustainability matters and to ensure that our sustainability reporting responds to evolving concerns or new trends.
We understand the importance of the role that our stakeholders play in identifying and prioritising sustainability concerns, please see “Stakeholder engagement” section of the Annex. The materiality assessment requires approval from the highest governance body within the sustainability agenda in EPH. In addition to this materiality assessment, EPH also worked to identify future risks and challenges, as further highlighted in the “Governance” section of this Report.

Different from 2021, the assessment focuses now on the impact assessment where the focus is on how EPH affects the environment, society, and the economy, using an inside-out perspective. We have updated the structure of our 11 material topics from the previous year and implemented in the new impact assessment. Specific impacts related to the material topics of Risk and crisis management and Stakeholder engagement are not included in the analysis due to their management approach character which is relevant to all topics. The materiality assessment methodology used to identify and evaluate the material impacts and group them into material topics can be found in the Annex of this Report.

Impact Assessment

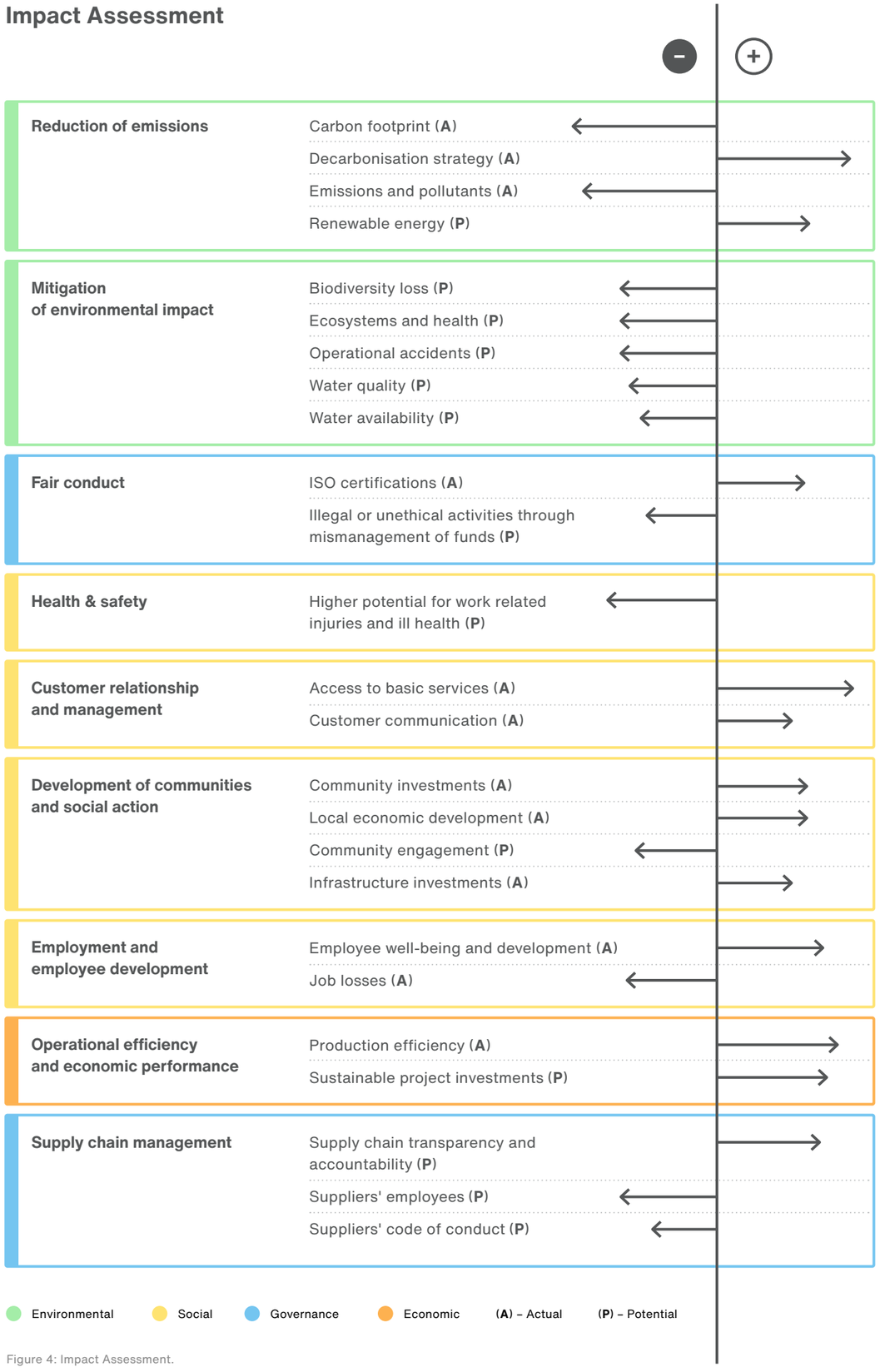


Figure 4: Impact Assessment.

Impact Assessment Results

EPH is committed to being transparent about both positive and negative impacts of our operations. We understand the importance of managing our negative impacts and maximising our positive contributions to achieve sustainable growth. Overall, our most significant impact is our carbon footprint, which is due to GHG emissions from the combustion of fossil fuels and methane leakage, contributing to climate change. We recognise the need to reduce this negative impact, and as a result, we have introduced an active decarbonisation strategy. This strategy aims to reduce our CO_2 emissions by 60% by 2030 and achieve carbon neutrality by 2050. We are investing in sustainable projects and technologies to support this goal.

We recognise the potential for work-related injuries and ill health due to our business activities requiring manual labour. To address this, we have implemented policies to foster healthy environments and promote well-being throughout our Group. We place high importance on the health and safety of our employees and are committed to continuously improving our practices in this area.

Our social contribution is significant in ensuring access to reliable energy and basic services for communities across Europe. We are committed to providing our customers with a stable energy supply and ensuring the security of European energy infrastructure. Our focus on sustainable projects and investments in renewable energy production promote the sustainable development of the energy sector.

ESG ratings

The EPH Group understands that addressing environmental, social and governance matters is vital in being able to achieve overall sound operations. Our commitment to continuously improving within the areas of ESG has consisted of some key activities, including the approval and implementation of Group-wide ESG-related policies, publicly disclosing and committing to a decarbonisation strategy.

In December 2022, this was reflected in a strong ESG rating received from Morningstar Sustainalytics following completion of the annual review, the score was 21.3 (for 2021). The rating was then updated in April 2023 to reflect the latest changes in selected benchmarking indicators of the peer universe and thus the current EPH's rating is 20.7.

Additionally, within the EPH Group, EPIF obtained its first ever ESG rating from Sustainalytics in 2019, which was most recently updated in 2022 with rating of 18.2 (for 2021). The rating was then updated in April 2023 to reflect the latest changes in selected benchmarking indicators of the peer universe and thus the current EPH's rating is 17.8.

In 2020, EPIF became the first company in Central Europe with a publicly disclosed ESG rating report from S&P Global, which was also updated in 2022. The Group's current ESG ratings are highlighted in the table below.

Agency	Group	ESG rating
Sustainalytics	EPH	NEGL 0–10 / LOW 10–20 / **MED 20–30** / HIGH 30–40 / SEVERE 40+ ▼ MED 20.7 (medium risk) a lower score indicates better management of risks; as of 13 April 2023, we held the 14th position out of 96 companies within the multi-utilities sector
Sustainalytics	EP Infrastructure	NEGL 0–10 / **LOW 10–20** ▼ LOW / MED 20–30 / HIGH 30–40 / SEVERE 40+ 17.8 (low risk) a lower score indicates better management of risks; as of 13 April 2023, we held the 4th position out of 94 companies within the multi-utilities sector
S&P Global	EP Infrastructure	63/100 a higher score indicates better ESG performance

Table 1: Current ESG ratings.

Sustainable Development Goals

As part of EPH's sustainability commitment, we report on our alignment with the United Nations Sustainable development goals and the 2030 Agenda. Working across all ESG fields, we strive to contribute to their timely fulfilment. We focus our efforts on strict regulatory compliance, modernisation of our facilities, and robust monitoring. With the help of renowned ESG rating agencies and ESG advisors, we will continue to identify every opportunity to further improve our performance.

To fully support our commitment to the 2030 Agenda, we approved our decarbonisation strategy goals, which include reducing CO_2 emissions from generating plants existing within our fleet as of August 2021 by 60% by 2030 compared to 2020 level and achieving carbon neutrality by 2050. These goals are supported by a specific action plan presented in the section "EPH's decarbonisation roadmap".

At the core of the 2030 Agenda for Sustainable Development are 17 Sustainable development goals (SDGs) that represent a set of globally agreed-upon targets. These targets address the environmental, social, and economic challenges that we face today, and will continue to face in the future.

Because of EPH's energy focus, we have identified several SDGs that are of high relevance to our business and its operations, and to which we believe we could significantly contribute to achieving.

SUSTAINABLE DEVELOPMENT GOALS

SDGs of high relevance

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

EPH actively promotes the transition to a new energy model that is more sustainable and inclusive for the energy and utilities sector. The Group puts significant effort into building renewable energy facilities as well as accelerating our transition to less emission-intensive dispatchable sources of energy (e.g. biomass and natural gas) through the decommissioning and conversion of our assets.

Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

As a major energy provider, EPH contributes significantly to economic growth and fair employment. We pride ourselves on being able to create jobs for individuals and provide energy to families, companies, and other entities, all of which are crucial for a well-functioning society. Through our services, we promote sustainable and inclusive development and support socioeconomic progress.

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

One of EPH's major societal contributions is its operation of reliable, safe, and high-quality energy infrastructure. Notably, EPH continues to be a key driver of innovation for sustainable industrialisation among its competitors. Our recent efforts include increased digitalisation of activities and services and enhanced transparency. Furthermore, we invest in innovative solutions such as hydrogen, enabling future energy systems. We believe hydrogen is more than a low carbon product because it links different energy sectors and thus increases flexibility and resilience of our economies.

Ensure sustainable consumption and production patterns

When providing services, EPH thinks long-term, which is why we aim to promote energy efficiency. It is imperative to ensure quality pipelines and other parts of our distribution and transmission systems. We proudly employ people who are committed to contributing to the conservation of the environment by maintaining the highest level of infrastructure efficiency. We are also dedicated to raising customer awareness on responsible energy consumption and savings.

Take urgent action to combat climate change and its impacts

At EPH, we are strongly committed to focusing our efforts on climate action. This is evident, for example, in our gradual shift to a less emission-intensive energy mix and our aim to reach carbon neutrality by 2050. We are also committed to continuously gathering data and pursuing strategies that have the potential to mitigate the impacts of climate change.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels

At EPH, ethics is at the core of our values. It is important for us to have moral principles at the forefront of all our work, so that we can continuously create inclusive opportunities. We do this, for example, by ensuring trust through inclusive governance, fostering collaborative relationships and addressing social conflict.

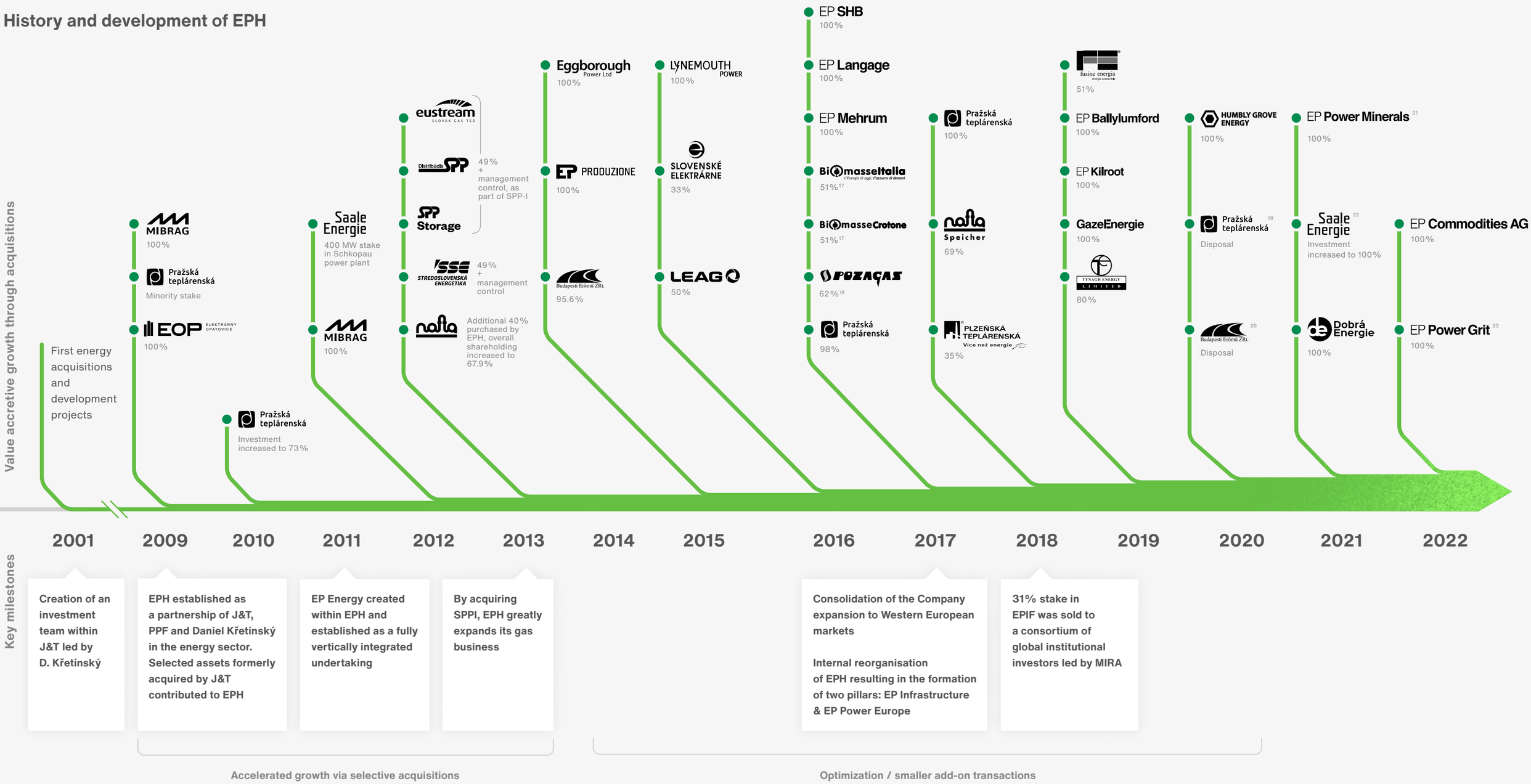
EPH and its Business

EPH is a leading energy company headquartered in Prague, Czech Republic, that operates in multiple European countries.

EPH is a vertically integrated energy company covering the complete value chain in the energy sector, including more than 50 companies operating in electricity and heat production from renewable and conventional sources, electricity and heat distribution, electricity and gas trading and their supply to final customers, gas transmission, gas storage, lignite extraction, and logistics. The Group is an important regional player in the gas industry, operating critical midstream and downstream gas infrastructure. EPH is one of the 5 largest industrial groups based in the Czech Republic in terms of EBITDA.

Timeline

History and development of EPH



Formation of EPH

The core of the current EPH management team began to take shape in 2001 headed by Daniel Křetínský. Shortly after its formation, the team began to focus on corporate investments in the energy business and changed its approach from being a financial investor to being a strategic investor. The formal foundation of EPH took place in 2009, when its original shareholder (J&T) contributed certain assets and cash to the Company in order for EPH to become a platform for strategic investments in the energy and ancillary industries, headed by Daniel Křetínský who at that time had a 20% stake in EPH.

Figure 5: EPH's timeline of development.

* The timeline excludes our logistics group, EPLI. There is a dedicated sustainability report decribing this group in detail.

17 49% share of Biomasse Italia, Biomasse Crotone and Fusine was sold to LEAG in July 2019.
18 EPIF's effective shareholding.
19 Disposal of Pražská teplárenská in November 2020.
20 Disposal of BERT in December 2020.
21 Acquisition of EP Power Minerals GmbH in May 2021, previously STEAG Power Minerals GmbH. This includes the acquisition of a subsidiary MINERALplus GmbH.
22 Acquisition of the remaining approx. 58% share in the Schkopau power plant to become the sole owner in October 2021.
23 Acquisition of EP Power Grit (100% share) and establishment of EP Commodities AG (100% share) in 2022.

EPH Group structure

Key Infrastructure and generation companies

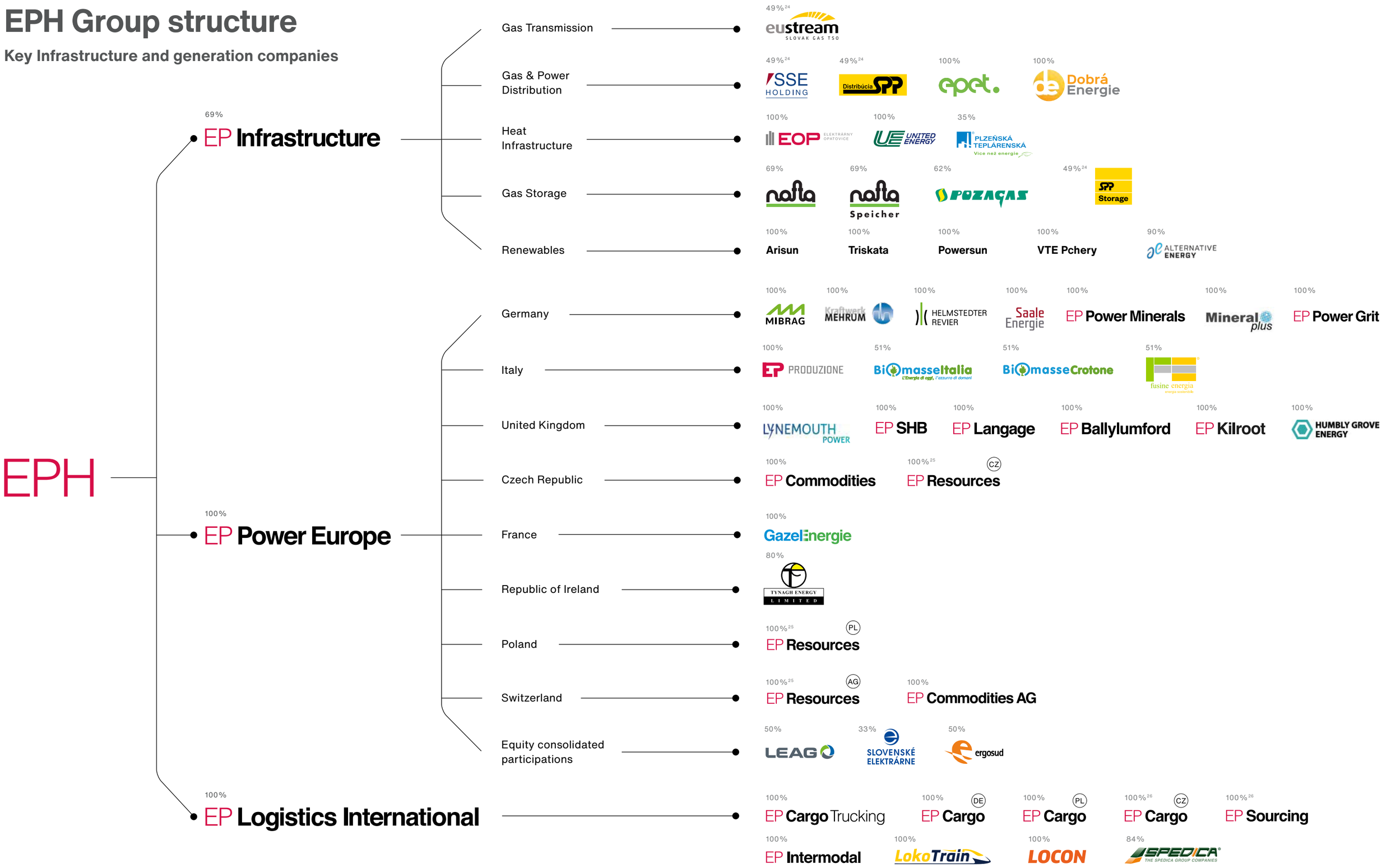


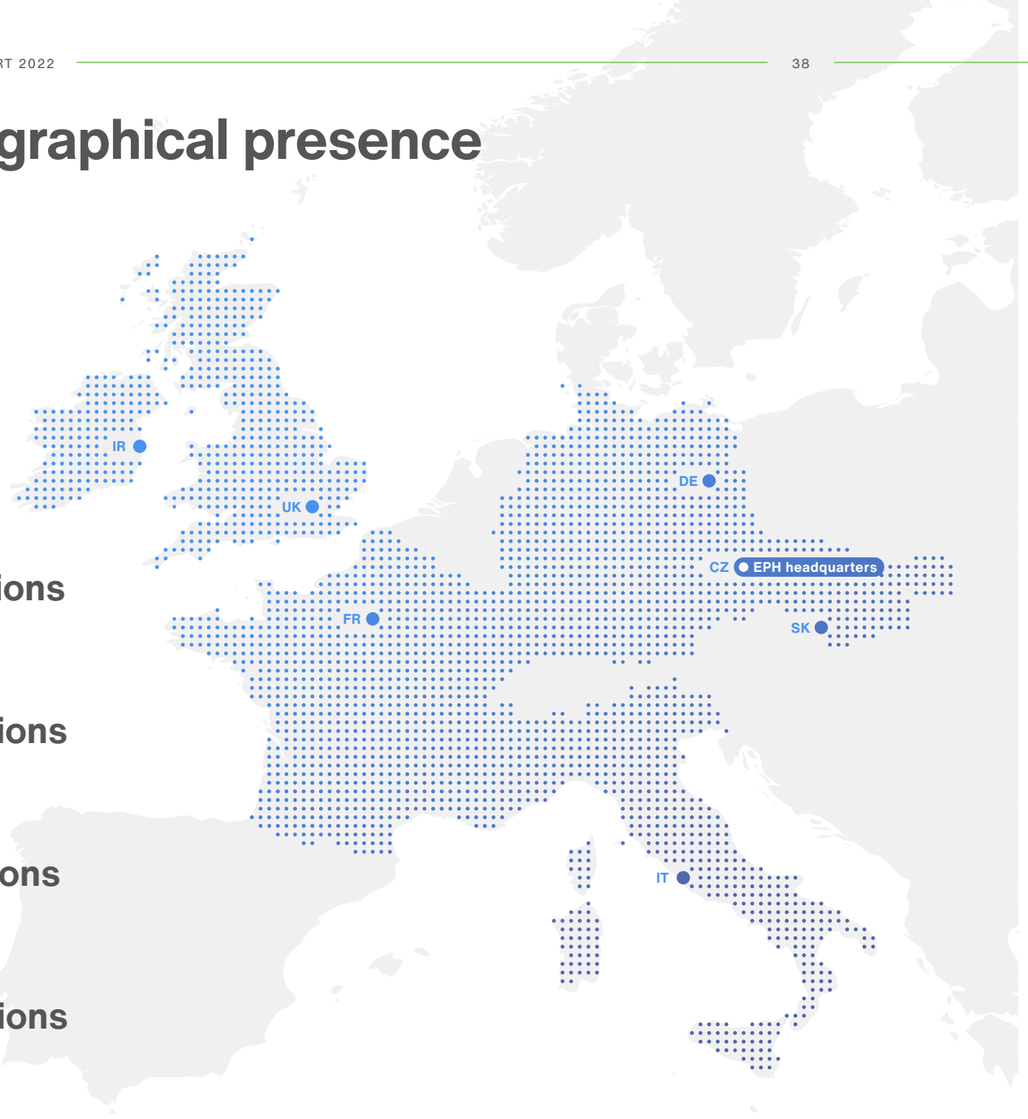
Figure 6: Key infrastructure and generation companies.

24 EP Cargo and EP Sourcing, which fall under the EPIF Group, are categorised as Logistics, representing the management overview.

25 EP Resources CZ, PL and AG, which fell under the EPLI Group in 2020, have been under the management of the EPPE Group since January 2021, as represented in the EPH Group structure.

26 49% including management control.

Our geographical presence



United Kingdom
Total Revenues
€ 7,645 millions

Slovakia
Total Revenues
€ 2,754 millions

Italy
Total Revenues
€ 5,915 millions

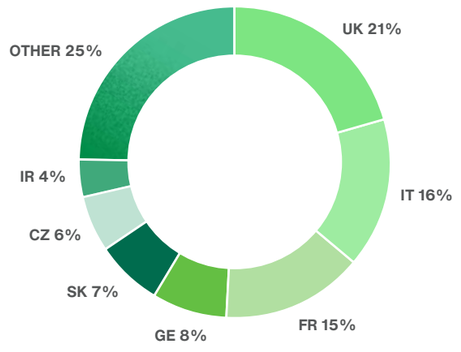
Germany
Total Revenues
€ 2,790 millions

Czech Republic
Total Revenues
€ 2,109 millions

France
Total Revenues
€ 5,405 millions

Republic of Ireland
Total Revenues
€ 1,376 millions

Other revenues
Total Revenues
€ 9,125 millions



€ 37,122 millions[27]
Total revenues in 2022

** This data was verified by the independent auditing firm KPMG.

27 Fully consolidated core companies are listed here as at 2022. SE, LEAG and Ergosud are not included as they are equity consolidated only.

Business segments overview

Gas transmission

Overview

This business segment is operated through eustream, which is the owner and operator of one of the major European gas pipelines and is the only gas transmission system operator in Slovakia. The corridor is uniquely positioned to supply gas to Central European and Southern European gas markets, irrespective of the gas source and flows pattern (connected to all neighboring countries).

Highlights

We focus on the continual modernisation and upgrade of our infrastructure, thereby reducing environmental impacts.

Our subsidiary is one of the largest corridors for gas suppliers to Central, Western and Southern Europe.

We are prepared to play a key role in the hydrogen energy transformation.

eustream SLOVAK GAS TSO

Gas & power distribution

Overview

This business segment consists of the following divisions: gas distribution, power distribution, and their supply. SPP - distribúcia and Stredoslovenská distribučná are the natural gas and power distributors for the Group respectively. The supply of power and natural gas to end-consumers is conducted through EP Energy Trading and Dobrá Energie, with supply throughout the Czech Republic and Slovakia, and Stredoslovenská energetika group, with supply throughout Slovakia.

Highlights

We focus on traditional distribution services that reflect modern trends.

Our subsidiaries are industry leaders:

1. SSE is a major supplier of electricity and gas to end consumers in Slovakia and, through its subsidiary SSD, the second largest regional electricity distribution company.
2. SPPD is the leader in Slovak natural gas distribution.
3. EPET and Dobrá Energie are important suppliers of electricity, natural gas, and related services in the Czech Republic and Slovakia.

SSE HOLDING
Distribúcia SPP
epet.
Dobrá Energie

Business segments overview

Heat Infrastructure

Overview

This business segment focuses on supply and generation facilities relating to heat. Notably, the Group owns and operates heat cogeneration plants including adjacent district heating networks in the Czech Republic. The Group has also become an important power producer and key provider of ancillary services in the Czech Republic, with significant contribution to the transmission network's stability.

Highlights

Our subsidiaries are significant heat distributors and producers in the Czech Republic.

We keep prices affordable for all our customers. Despite the inflationary environment and rising commodity prices, EPIF entities kept heat price increases below 5% for 2023.

Our subsidiaries are involved in major modernisation investment projects that will lead to higher production efficiency and reduced environmental impacts from our operations.

EOP Elektrárny Opatovice

Plzeňská Teplárenská – Více než energie

EP Sourcing

United Energy

EP Cargo

Gas storage

Overview

This business segment consists of subsidiaries that store natural gas under long-term contracts in underground storage (UGS) facilities.
The Group has become a key player of natural gas storage in the Czech Republic, Slovakia and Austria, with significant shares in the German market.

Highlights

We operate the largest gas storage capacities in Central Europe.

We focus on optimising our processes by investing in operational security, modernising storage technology, enhancing automation and utilising our collected information.

Our subsidiaries are industry leaders:

1. Nafta and Pozagas represent the largest storage system operators in Slovakia.
2. Nafta is a leading company in the exploration and production of hydrocarbons.

nafta

nafta Speicher

SPP Storage

POZAGAS

Renewables

Overview

EPH is active in generating energy from renewable sources and investing in projects to further expand this segment of business. The Group owns a portfolio of primarily biomass-fired plants, wind farms and photovoltaics.

Highlights

EPH operates three modern woodchip biomass power plants, two in Calabria and one in Sondrino, Italy, with a total installed capacity of 80 MW and one operating PV plant with a capacity of 1.24 MW. The plants produce about 600 GWh of power annually.

Our subsidiaries are industry leaders:

1. Lynemouth Power underwent a major conversion programme that converted the former coal-fired power station to 100% biomass power generation, powering approximately 450,000 homes.
2. Gazel Energie has a generation portfolio of: (i) six operating onshore wind farms, which represent 82 MW of net installed capacity located in Northern France, and (ii) 2 solar parks in Brigadel and Le Lauzet (South-Eastern France) with a combined net installed capacity of 11 MW.

EP Power Europe

BiomasseItalia – L'Energia di oggi, l'azzurro di domani

Lynemouth Power

BiomasseCrotone

GazelEnergie

fusine energia – energia sostenibile

EP Infrastructure

VTE Pchery

Triskata

Powersun

Arisun

Alternative Energy

Business segments overview

Flexible Power Generation[28]

Overview

Our generation segment is primarily represented by investments in assets that generate electricity in condensation mode and located in active or soon to be active capacity markets. EPH aims to reach carbon neutrality by 2050 the latest. In order to do so, EPH's is converting its power generation fleet to carbon-free and low-carbon fleet.

Highlights

Our subsidiaries are industry leaders:

1. The penetration of renewable energy in the UK will increase the need for fast and flexible generation. EPUKI and its gas plants are ready to cooperate on ensuring grid stability.
2. Through its assets, EP Produzione is one of the most important players in Italy with regards to electricity generation.
3. Gazel Energie is a significant energy producer and supplier of gas and electricity in France. Through their CO_2 emission reductions, they play an important role in France's decarbonisation strategy.
4. Tynagh Energy is the only steam power plant on the Irish market to reliably supply large amounts of electricity to customers.

EP Power Europe

EP Langage · EP SHB · EP Kilroot · EP Ballylumford · Humbly Grove Energy · Tynagh Energy Limited · EP Produzione · Saale Energie · Kraftwerk Mehrum · EP Commodities · EP Commodities AG · MIBRAG · Helmstedter Revier · GazelEnergie

28 MIBRAG and HSR were shifted outside of Flexible Power Generation segment to EPPE Other segment. This new segment will focus on long-term transition projects. For more information please see our Decarbonisation roadmap chapter.

EP Logistics International

Overview

This business segment consists of subsidiaries whose core services support the Group's operations, primarily with regards to their transportation needs. This range of activities includes, but is not limited to, rail freight, freight forwarding, and railway training and staffing.

Highlights

EPLI employs over 600 people, operates 81 of its own or leased locomotives and more than 3,000 railway wagons.

Our subsidiaries are industry leaders:

1. EP Cargo, through its national and international rail services, moved around 4 million tonnes of material in 2022.
2. EP Cargo Trucking CZ has over 100 of its own vehicles that are active in the Czech Republic, Slovakia, Poland, Germany, Hungary, and Austria.
3. Locon keeps around 40 locomotives and hundreds of freight wagons permanently on standby for construction logistics and freight transport. Locon also tests, maintains and repairs its locomotives and wagons in its own workshop.

SPEDICA THE SPEDICA GROUP COMPANIES · EP Intermodal · EP Cargo Invest · LOCON · EP Cargo (DE) · EP Cargo (PL) · LokoTrain · EP Cargo Trucking (CZ) · EP Cargo Trucking (SK) · EP Cargo Trucking (PL)

EPIF financials

EP Infrastructure (EPIF) is a leading European entity with large and diverse infrastructure asset base focused on gas transmission, gas and power distribution, heat infrastructure, and gas storage. The EPIF Group's principal operations are located in the Czech Republic, Slovakia and Germany. Measured by EBITDA, the EPIF Group is among the five largest industrial groups based in the Czech Republic.

EPIF fully endorses the EU's ambition to achieve climate neutrality by 2050, a cornerstone of the European Green Deal and in alignment with the goal of the Paris Agreement to limit global average temperature increase to well below 2°C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5°C. In April 2023, EPIF took a proactive stance by committing to achieve Net Zero operations by 2050, bolstered by medium-term targets, as part of its ongoing efforts towards decarbonisation.

Significantly, in 2022, EPIF further focused on integration of internal policies and governance, which is elaborated upon in the *ESG governance at EPH* section of this Report. The policies can also be accessed from the EPIF Group website.

EPIF 2022
Key operations indicators

Net installed capacity – power
968 MW

Thermal capacity of boilers
3,003 MW

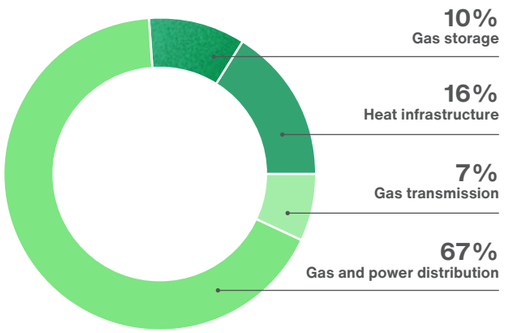
Net production – power
2,578 GWh

Net production – heat
2,463 GWh

Total net energy production
5,041 GWh

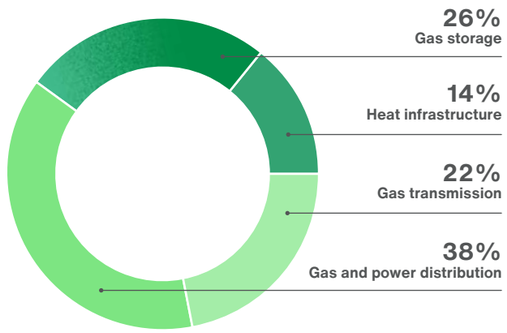
EBITDA and revenues[29]

2022 Revenues: EPIF



€ 4.0 billion
Total revenues in 2022

2022 Adjusted EBITDA: EPIF



€ 1.5 billion
Total Adjusted EBITDA in 2022

Graph 1: EPIF's financial indicators.

29 Amounts after IC eliminations.

2022 Highlights

Gas and electricity distribution

Monopoly gas distributor in Slovakia and sole power distributor in the region of central Slovakia.

Gas transmission

Operates an important gas corridor through Slovakia with connections to all neighbouring countries.

Heating infrastructure

Major operator of district heating infrastructure in the Czech Republic.

Gas storage

Market leader in gas storage in the region covering the Czech Republic, Slovakia, and Austria.

EPPE Group overview

EP Power Europe (EPPE) is a unique energy utility, focusing mainly on power generation from renewable and conventional sources. The company is also active in coal mining and commodity trading. EPPE operates in nine European markets: Germany, Italy, Switzerland, the United Kingdom, the Republic of Ireland, the Czech Republic, France, Slovakia, and Netherlands.

EPPE operates a balanced portfolio of power plants using primarily natural gas, coal, biomass, and other renewables. Through strategic gradual terminations of mining activities, and coal-related operations, as well as massive investments in low-emission, and green alternatives, EPPE aims to actively transform the energy system.

In 2021, EPPE implemented internal policies developed under the EPH Group. This is further elaborated upon in the *ESG governance at EPH* section of this Report. Additionally, the policies can be accessed from the EPPE website.

EPPE 2022
Key operations indicators

Net installed capacity – power
13,404 MW[30]

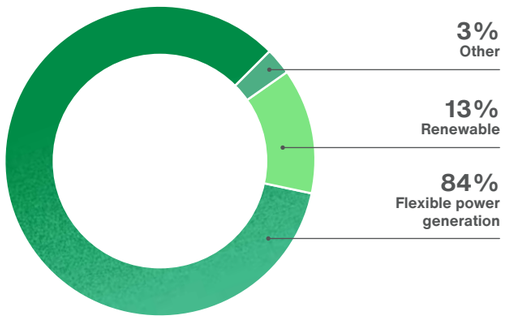
Net production – power
40,602 GWh[30]

Net production – heat
291 GWh

Total net energy production
40,893 GWh[30]

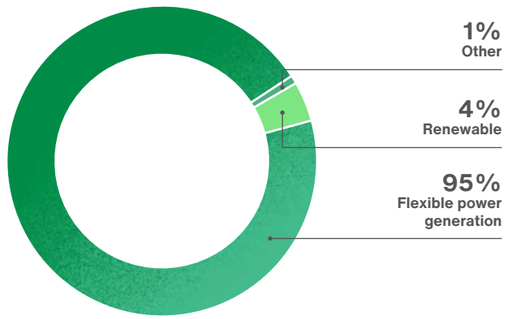
EBITDA and revenues[31]

2022 EBITDA: EPPE



€ 33.8 billion
Total revenues in 2022

2022 Revenues: EPPE



€ 2.9 billion
Total Adjusted EBITDA in 2022

Graph 2: EPPE's financial indicators.

30 The installed capacity and production were proforma adjusted for the Dutch acquisitions closed in H1 2023 (2,551 MW and 6,200 GWh).

31 Amounts after IC eliminations. When calculating indicators, we use EBITDA without considering intercompany transactions.

2022 Highlights

737 MW
We have a total of 737 MW of installed power capacities in renewable energy sources across our various regions of business, with more investments planned.

We operate **the only CCGT plant**
on the Irish market and highly efficient CCGTs with leading positions in the UK merit order.

We are aligned with the German **Energiewende efforts** and are fulfilling our role in the program.

We operate **modern biomass** plants in Italy that use biomass from wood chips and agro-food residuals.

We have a clear **decarbonisation plan** for our hard coal units, making us a decarbonisation leader in France.

We focus on **sustainable power generation,**
which is highlighted by the establishment of EP New Energies, EPH's renewable energy developer.

EPLI Group overview

EP Logistics International (EPLI) was created around EPH's subsidiaries, handling the logistics associated with our business partners' transport needs. Nowadays, our business portfolio is mainly created by third parties (in terms of revenues). Our business focuses on rail, road, and intermodal transport. We additionally provide staffing and employee training, related to railway work, within our services. Overall, EPLI focuses on providing premium logistical services and solutions. Since its inception, EPLI has achieved steady and dynamic growth. To date, it has transformed into a profitable company with a well-established reputation.

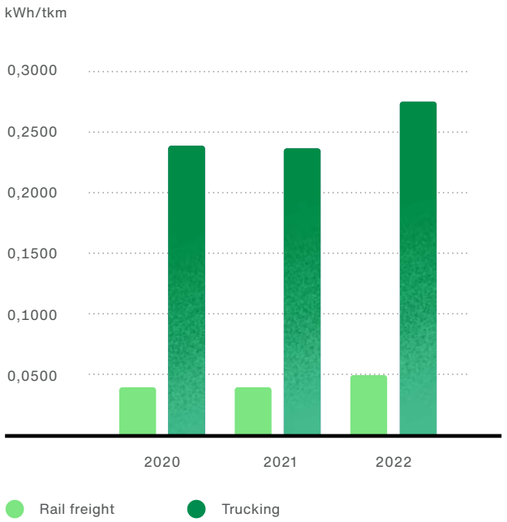
EPLI's geographical coverage is bordering with Baltic, North Sea, Rhineland, Black and Adriatic Sea. At the beginning of 2022, EPLI implemented internal policies developed under the EPH Group. This is further elaborated upon in the *ESG governance at the EPH* section of this Report. Additionally, the policies can be accessed from the EPH website.

In 2022, the EPLI Group experienced an 8% and 16% decrease in efficiency of both rail and trucking segments respectively compared to the previous year despite a 7% decrease in energy consumption. This was a result of disruption of transport routes, a decrease of volumes transported, and a slight increase of empty kilometres driven.

EPLI's new joint ventrue SŽ – Tovorni promet[32] is highly connected to the maritime transport via port of Koper and in 2022 it reached record volumes of transported goods.

In 2022, EPLI issued its first stand-alone sustainability report for 2021 and will continue also in 2023 with the report for 2022. All EPLI's reports could be found here.

Transport efficiency



Graph 3: Transport efficiency.

32 SŽ – Tovorni promet is a joint venture where EPLI has 49% share.
33 2016 was the start of data collection for this indicator.

2022 Highlights

3,000 railway wagons

EPLI operates 81 owned or leased locomotives with more than 3,000 railway wagons.

600 people

EPLI employs over 600 people, with zero road fatalities of drivers or third parties since 2016[33].

21 million tonnes

SŽ – Tovorni promet[32] is a rail cargo incumbent in Slovenia with 21 million tonnes of transported goods and operating a fleet of 155 locomotives and 2,961 wagones.

Vision

EPLI's goal is to become trusted European leader in logistics with interconnected professionals, hardware and service.

Since 2016, we have experienced[33]

no material fines

Equity participations

EPH's key equity participations include Slovenské elektrárne and Lausitz Energie Verwaltungsgesellschaft (LEAG). Even though the data from these companies is not consolidated within this Report, we have integrated basic information to further highlight the alignment of their initiatives with EPH's sustainability goals.

Slovenské elektrárne

EPH completed the first phase of the acquisition of Slovenské elektrárne, the largest power generator in the Slovak Republic, on 28 July 2016. Slovenské elektrárne ("SE") had two shareholders as of 31 December 2021, with the majority shareholder being Slovak Power Holding B.V. ("SPH"), owning a 66% share in the company's registered capital. 50% of the registered capital was owned by EP Slovakia B.V. (a subsidiary of the EPH Group) and the remaining 50% was owned by Enel Produzione S.p.A. (a subsidiary of the Enel Group). The company's minority shareholder was the Slovak Republic, with a 33% share in the registered capital, represented by the Ministry of Economy of the Slovak Republic.

The portfolio of SE represents the critical energy infrastructure in Slovakia and in the Central European region, which also includes the Czech Republic, Hungary and Poland. It accounts for most of the installed capacity and generated power in Slovakia and represents 8% of installed capacity and 7% of generated electricity in this region. EPPE plays a key role in the region given its stakes in the power generation and supply in the Czech Republic and power generation, power and gas distribution and supply in Slovakia.

For further information please visit ↗ SE's website.

LEAG

On 30 September 2016, a Consortium of EPPE and PPF Investments (the "Consortium") completed the acquisition of German mining and generation assets in Saxony and Brandenburg from Vattenfall. Following the acquisition, EPPE now owns a 50% stake in the holding entity Lausitz Energie Verwaltungs GmbH, which is the majority owner of the two key operating subsidiaries – Lausitz Energie Bergbau AG (former Vattenfall Europe Mining AG) and Lausitz Energie Kraftwerke AG (former Vattenfall Europe Generation AG), all together rebranded to LEAG. The portfolio comprises electricity and heat production, mining and refining. In addition, there are the services of the subsidiaries of Lausitz Energie Bergbau AG, among them Transport- und Speditionsgesellschaft Schwarze Pumpe mbH (TSS GmbH) as full-service provider for logistics, material and warehouse management, and the planning and engineering service company GMB GmbH.

LEAG's power plants provide a stable and reliable supply of electricity and heat, with the crucial task of reacting flexibly to the fluctuating feed-in of wind and solar power and ensuring grid stability. As such, these assets represent a significant part of the flexible and dependable capacity in Germany, especially in times of the energy transition ("Energiewende"). As the largest electricity producing company in eastern Germany, LEAG is driving the development from being a mining and power plant operator to becoming a versatile energy, infrastructure and service company. It is expanding its own generation portfolio with future-oriented technologies and solutions contributing to the further transformation of the energy system. This includes the expansion of renewable energies on recultivated mining areas, but also the development of electricity storage capacities in batteries, grid-serving gas-fired capacities, the domestic hydrogen sector and partnerships with local municipalities.

LEAG shall be transferred into EPETr in 2023 to accelerate energy transition.

For further information please visit ↗ LEAG's website. In 2022 LEAG issued its first stand-alone sustainability report covering year 2021, which can be found here.

Operational efficiency and economic performance

We provide reliable and affordable energy services that are delivered with efficiency and safety in mind.

EPH works to ensure that all of the Group's subsidiaries operate in an efficient and failure-free manner. This is important throughout our Group, as our operations directly impact surrounding environments and communities.

Our operational activities are not only driven by our policies and principals, but also by our responsibility to adhere to national energy legislation and local operational regulations, which provide us with further efficiency guidance.

Our contribution to the SDGs:

EPH strives to provide services that are not only affordable and clean, but that also bring real value and opportunity to people and their communities. We do this through our commitment to providing equal work opportunities, and supporting economic growth, sustainable development, and industry innovation.

Business performance

Our 2022 operational results proved that EPH continues to be an industry leader. The reliability of our Group's performance has allowed us to continue to steadily grow our business through our customers.

Operations overview

When discussing our operational data, the following business segments are included in the Group's analysis: gas transmission, gas and power distribution, gas storage, heat infrastructure, flexible power generation, renewables, and others, including logistics.

Energy consumption and efficiency

EPH is focused on continually improving its operational efficiency across the Group and takes various approaches towards advancing its efforts, such as through modernising **existing equipment and effectively utilising innovative technologies**.

Our focus on hydrogen

Our ongoing projects aim to enable hydrogen readiness both midstream and downstream. This will facilitate the transition away from coal and provide security of supply, which goes hand in hand with our goal to achieve carbon neutrality by 2050.

Renewable energy

We are aware of the significant decarbonisation role renewables have in our industry. That is why we are focused on further utilising renewables within our business operations.

2022 **Highlights**

€1.1 billion

In 2022, we continued with new project developments in Italy (Ostiglia, Tavazzano) and Northern Ireland (Kilroot). At these sites, EPH committed Capex of EUR 1.1 billion to develop highly flexible gas-fired power plants with partial readiness for hydrogen combustion.

€80 million

In 2022, the total capital expenditures in our Gas and Power Distribution services exceeded EUR 80 million.

24%

In 2022, EPH continued to increase heat production from renewable sources, by 24% compared to last year.

41%

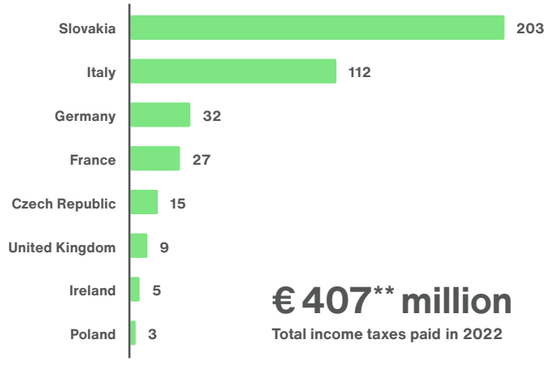
In 2022, EPH achieved an energy generation efficiency of 41%.

EPH's 2022 Business performance

For the year ending in December 2022, the EPH Group recorded total consolidated revenues and an EBITDA of EUR 37.1 billion** and EUR 4.3 billion[34] respectively. EBITDA is defined as profit from operations plus depreciation and amortisation and is further netted for eventual impact of negative goodwill. Apart from this, the EBITDA calculation does not include any further adjustments. It is an important indicator to track because not only does it provide information on our operational profitability, but unlike revenues, standardised EBITDA can also allow for greater data analysis amongst peers and competitors.

For financial year 2022, the Group is contributing a total of EUR 2,253 million in income taxes (of which EUR 919 million is tax cost including windfall taxes) to state budgets and for a consumption of CO_2 allowances. Regarding income taxes, the payment was equal to EUR 407 million** in 2022.

2022 Taxes paid: country share
in EUR million

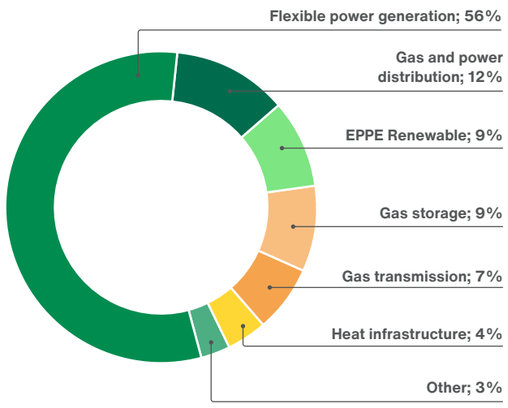


€ 407 million**
Total income taxes paid in 2022

Graph 4: Tax paid.

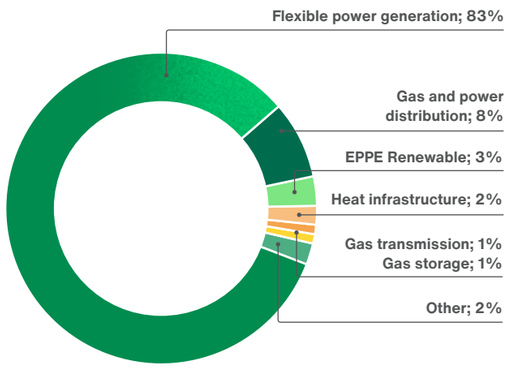
EBITDA and revenues[35]

2022 EBITDA:
business segment share



€ 4.3 billion
Total Adjusted in 2022

2022 Revenues:
business segment share



€ 37.1 billion**
Total revenues in 2022

Graph 5: EPH's 2022 business results.

** This data was verified by the independent auditing firm KPMG.

34 Amounts after IC eliminations. When calculating indicators, we use EBITDA without considering intercompany transactions.
35 Charts do not include holding entities and intersegment-eliminations, but rather focus on the main areas of business.

Transmission, storage and distribution: closer look

Power, gas and heating systems are essential for a country's economic and social development, as well as for facilitating and enriching people's daily lives in the modern world. As a result, the primary goal of the Group is to provide access to these energy systems, and other basic services, to the communities in which we operate. We make it our responsibility to guarantee a continuous and safe energy supply through our business as a transmission system operator, distributor, and storage facilitator.

EPH, in coordination with its partners, continuously works to develop and improve distribution and transmission infrastructure, and overall networks, as this not only ensures the quality of supply but also its reliable and efficient delivery. This continual improvement is represented in our management of distribution networks, thereby reducing the number of leaks, and increasing network security. Additionally, the continued renovations and reconstruction being implemented to the backbone of our electricity distribution network ensures our continued traditional distribution services that reflect today's modern trends.

EPH's gas storage facilities serve as a supporting element; they compensate for fluctuations in the transmission network and, at the same time, serve as an effective tool in supporting trading on the gas market. During low consumption seasons, the storage facilities are used to store natural gas supplied from abroad, and before high consumption seasons, the storage facilities are adequately topped to ensure to meet demand. Overall, EPH works to ensure that there is a supply of natural gas in storage, to continually meet network and market demand. Gas storage is not only important to meet the fluctuations in demand, but it is also important in the case of unexpected emergency situations. In Slovakia, the storage capacity operated by Nafta represents more than half of Slovakia's annual natural gas consumption. The proximity of Nafta's storage facilities to the important gas hub Baumgarten also contributes to the continent's energy security.

Pipeline, its protection and risk evaluation

With a rapid increase in demand, but a decrease in domestic production, the eustream corridor has played a crucial role in supplying Europe with natural gas. Our infrastructure is very well positioned to secure potential transit, storage, and distribution of hydrogen, which we expect to play a key role in storing energy from intermittent renewable sources. Therefore, the Group has embarked on several projects to ensure that its midstream and downstream infrastructure is ready for large-scale transit, distribution and storage of hydrogen.

Also, EPH aims to align itself with the EU and global commitments for GHG reduction, in which methane plays a vital role. We therefore actively work towards managing our most methane-intensive activities, which are concentrated within the Group's gas transit, storage, and distribution infrastructure.

In EPH we take protection and safety operation of our pipelines very seriously. For this reason, we provide an overview of our activities in Nafta and eustream.

Nafta's policies

Nafta has implemented a policy and a chain of processes connected to the evaluation of integrity risks of the gas pipelines. The risk analysis sorts the parts of the pipelines per their threat level and based on that derives frequency of periodical checks. The analytical process assesses over 25 data categories per each pipeline segment. These categories include, for instance, type of isolation, soil, repairs and types of materials used, ground resistance, local pressure, or amount of ground on top of the pipe. Even low-risk segments are checked on foot at least every month. High-risk segments are checked every week to detect possible issues.

Eustream's policies

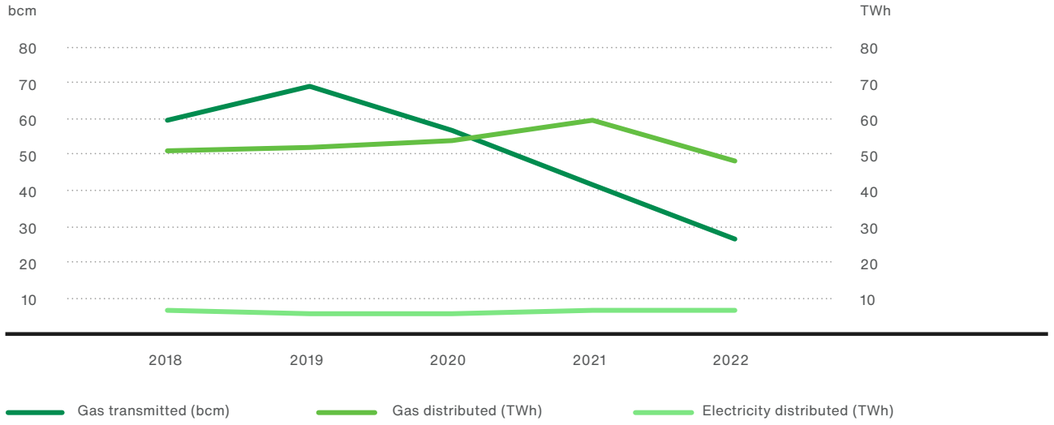
Eustream has a similar approach, where a set of policies exist that govern the protection, risk analysis, and periodicity of the pipeline check-ins. In general, risk analyses consist of evaluating data points regarding the age of the pipe, the type of isolation, aggressivity (toxicity) of the surrounding ground, or the number of repairs on a particular section.

Transmission, storage and distribution: closer look

Tensometric policy	This policy governs the usage and process of analysing the pressure on steel pipes.
Internal check-in	This policy governs the usage of a machine that goes internally through the pipe, so called pigging, where it can assess any possible defects inside of the pipe.
Aerial check-in	The transmission pipeline is also frequently checked by a helicopter to minimise any potential risk by third parties.

Table 2: Examples of policies related to the protection of the pipes.

Distribution and transmission



Graph 6: Distribution and transmission.

From 2015 to 2022, gas transmission, and gas and power distribution saw average volumes of 54 bcm, 52 TWh and 6.1 TWh respectively. In 2022, volume of distributed gas declined due to warmer weather and consumer savings in response to spiking gas prices. Volume of distributed power then remained relatively stable compared to 2021. Volume of gas transmitted declined significantly following the Russian invasion of Ukraine. Yet, eustream remained one of two European gas corridors for Russian gas, through which gas flows have not been fully interrupted.

Electricity distribution losses

As one of the key electricity distributors in Slovakia, through our subsidiary Stredoslovenská distribučná (“SSD”), EPH is conscious of the indirect environmental impact of technical losses caused by network inefficiencies, as these need to be covered by additional electricity generation. Electricity purchased by SSD to cover its network losses comes primarily from zero-emission generation sources which dominate the fuel mix in Slovakia (mainly nuclear and hydro). Furthermore, SSD launched several initiatives to reduce their technical losses. As an example, they identified existing inefficient transformers and replaced them with modern transformers or installed smart metering systems to enable better voltage management. As a result, their combined average loss rate saw a reduction from 5.5% in 2018 to 4.5% in 2022.

SSD		2018	2019	2020	2021	2022
ELECTRICITY INFLOWS	GWh	7,751	7,758	7,542	7,991	7,769
LOSSES	GWh	425	414	421	442	351
LOSSES IN %	%	5.5	5.3	5.6	5.5	4.5

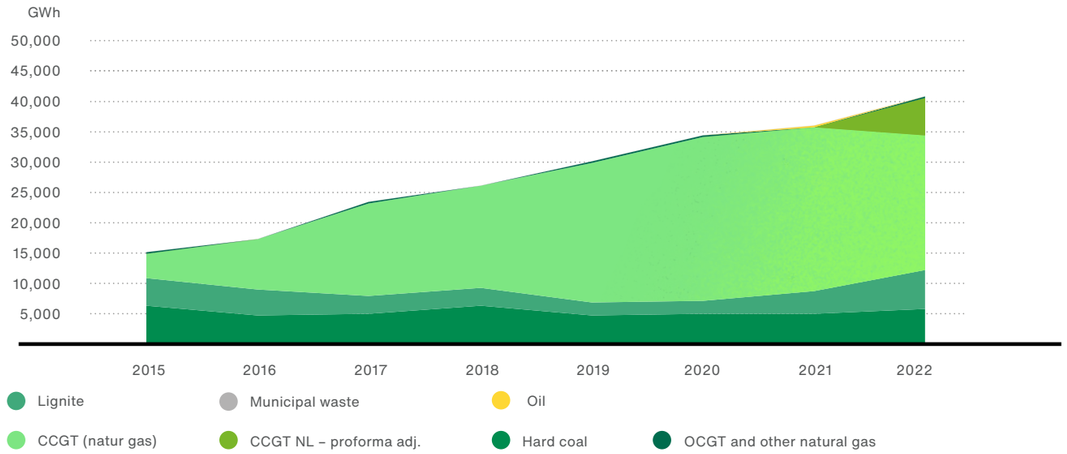
Table 3: Distribution losses.

Power and heat production from conventional sources: closer look[36]

In 2022, EPH experienced a 4% decrease in its power production from conventional sources when compared to the last year. Overall, in 2022, EPH's hard coal consumption for overall net energy production increased by 14% compared to last year. However, this was attributed to the shock to the energy market that occurred within the year caused primarily by lower availability of natural gas in Europe, resulting in high gas price and improving the position of coal and lignite plants on the merit order. In France and Germany, the hard coal power plants operated by EPH had been near their decommissioning process. However, an emergency regulation introduced in 2022 allowed the plants to be reactivated to support security of supply in period of potential disruptions in energy markets.

36 The production was proforma adjusted for the Dutch acquisitions closed in H1 2023 (6,200 GWh).

Net power production: conventional sources[36]

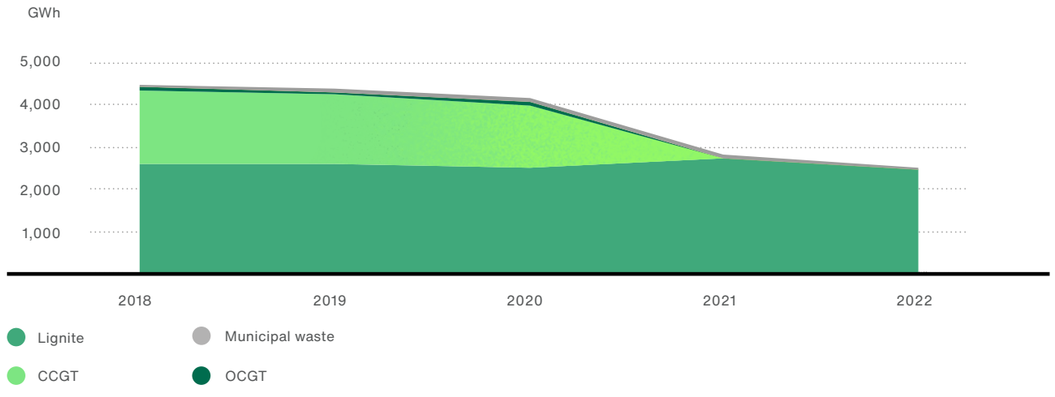


43,180 GWh[36]
Total net power production

40,716 GWh[36]
Conventional sources

Graph 7: Net power production.

Net heat production: conventional sources



2,754 GWh
Total net heat production

2,497 GWh
Conventional sources

Graph 8: Net heat production trend.

Power and heat production from conventional sources: closer look

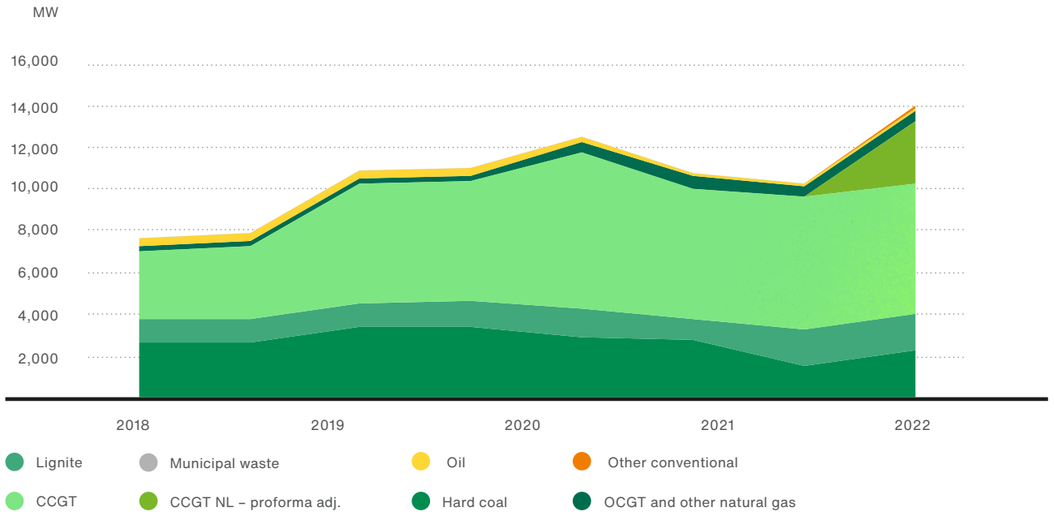
Installed capacity of power and heat from conventional sources[37]

In comparison to last year, we saw an increase by 7% in the Group's installed power capacity and no change in heat capacity for conventional sources. With regards to EPH's installed power capacities, we saw a 45% increase in hard coal capacities when compared to last year, solely driven by reactivation of the Mehrum power plant which had been already shut down and held in a stability reserve mode. Additionally, in 2022, there were no changes in installed lignite power capacities.

Overall, EPH expects that the installed capacities for hard coal and lignite will significantly decrease over the coming years. This is reflected in the Group's decarbonisation roadmap as we aim to decommission our hard coal power plants, while converting existing lignite-fired units to a mix of low-emission generation sources such as combined cycle gas facilities or biomass units. These decommissioning projects can be seen across our Group, such as in Germany, France, Italy, the UK, and the Czech Republic. In France, for example, Gazel Energie closed its Provence 5 operations in 2021 and the MIBRAG Deuben power plant was decommissioned in 2021. Emile Huchet 6 was scheduled to be decommissioned in 2022 as well as Mehrum power plant, and EP Kilroot was scheduled to decommission its power plant in 2023.

However, in order to maintain energy stability in the European region, we have been asked to postpone the decommissioning of the Kraftwerk Mehrum and Émile-Huchet 6 power plants. Our priority is to further increase the sustainability of the EU energy market, despite the short-term negative impact on our carbon footprint due to unforeseen events. For example, to its ETS obligations, the decree includes the obligation for GazelEnergie to offset CO_2 emissions through the voluntary carbon market.

Net installed power capacity: conventional sources[37]



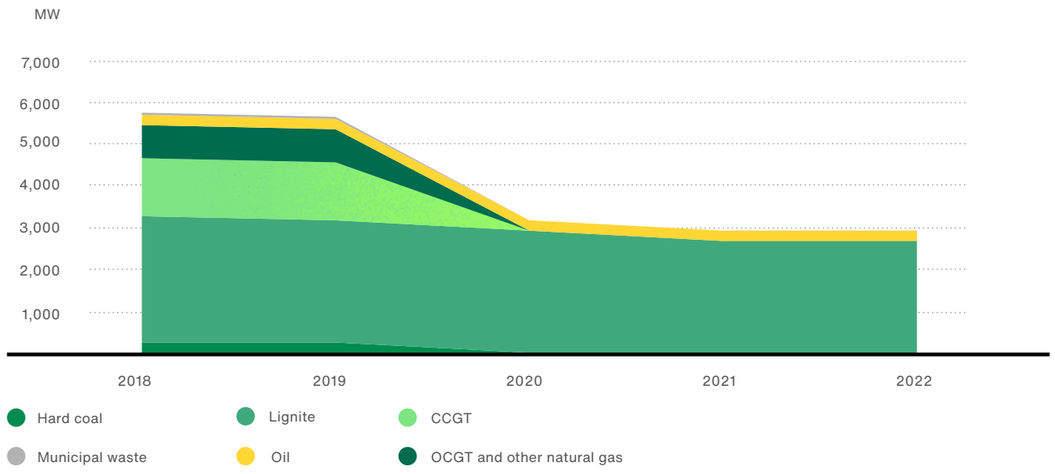
14,787 MW[37]
Total net installed power capacity

13,985 MW[37]
Conventional sources

Graph 9: Net installed power capacity.

37 The installed capacity was proforma adjusted for the Dutch acquisitions closed in H1 2023 (2,551 MW).

Net installed heat capacity: conventional sources



3,083 MW
Total net installed heat capacity

2,948 MW
Conventional sources

Graph 10: Net installed heat capacity.

Renewable energy: closer look

EPH seeks to take an active role in the transition towards a sustainable energy system. This is demonstrated through the various investments we have made throughout our years of operation, such as introducing biomass in 2018 into our heat production. Other examples are our current and future investments, such as the first part of Kilroot Energy Park, the Kilroot OCGT plant with commercial operation date planned for Q4/2023 and capacity contracts awarded for 10 years for 598 MW starting from Oct'23 and Oct'24. Even though the majority of EPH's assets are categorised under the traditional energy segment, we are aware of the important role this area plays and will play in our decarbonisation strategy. Therefore, EPH will continue its efforts in increasing the portfolio of our renewable energy sources.

Our renewable activities in EPPE and EPIF

EPH holds its renewable capacities in EPIF and EPPE, each with their own focus and strategy. EPIF focuses on smaller power capacities and heat production from biomass cogeneration, while EPPE focuses on continually increasing its larger power capacities, especially through wind and biomass sources. EPPE additionally holds more investments in technologies which are vital to support deployment of renewable sources, such as battery storage.

Net installed capacities – electricity	EPH [MW]	EPIF [MW]	EPPE [MW]
Wind	95	6	89
Photovoltaic	28	15	13
Hydro	5	3	2
Biomass	661	37	624
Other	13	3	10
Total	**801**	**64**	**738**

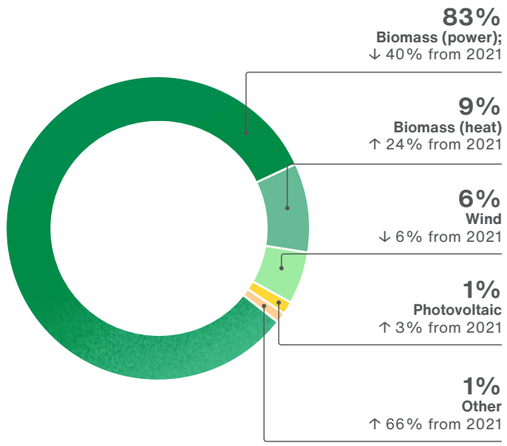
Table 4: Installed capacity of renewables.

Production and installed capacities from renewable sources

In 2022, EPH saw a 38% decrease in power and a 24% increase in heat production from renewable sources when compared to last year (the combined effect for renewable energy was a 35% decrease). EPH saw the largest decrease in its power production from biomass, which decreased by 40% due to several reasons, such us longer than planned outages and high biomass prices. We experienced an overall decrease in power production especially from wind power plants by 6%, which was a result of unfavourable weather conditions. Overall, EPH's installed capacities in renewable sources slightly decreased when compared to last year, however, we expect our capacities and overall production to increase with our upcoming projects.

These projects include the above mentioned Kilroot Energy Park in Northern Ireland, our transition of open-cast mines in Germany into onshore wind farms (the first permits expected in 2023), MIBRAG's photovoltaic projects (installations are planned to be completed in the second quarter of 2023 and the first half of 2024) and wind projects (permit applications for wind farms were submitted in 2022 and are expected to be granted in the first half of 2023), and our overall shift towards the increased use of biomass.

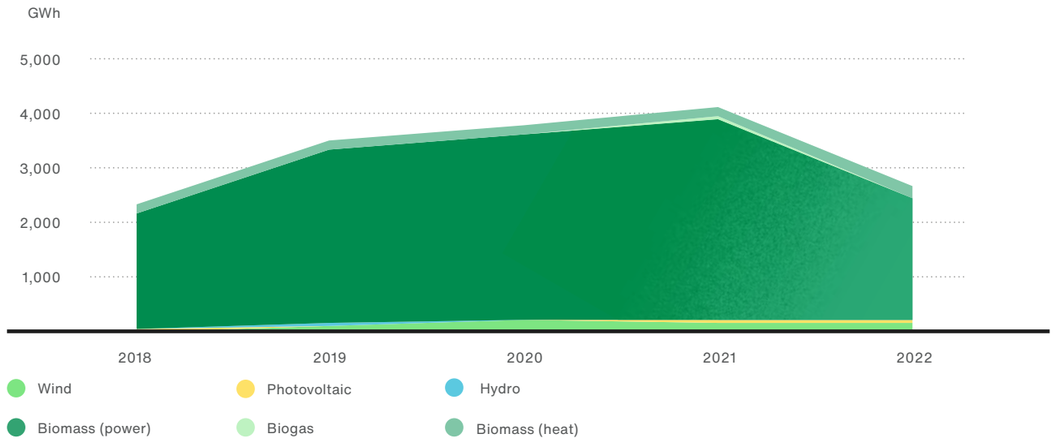
Power and heat production 2022: renewable source share



2,720 GWh
Total net production

Graph 11: 2022 share of power and heat production from renewable sources.

Net power and heat production: renewable sources



43,180 GWh
Total net power production[38]

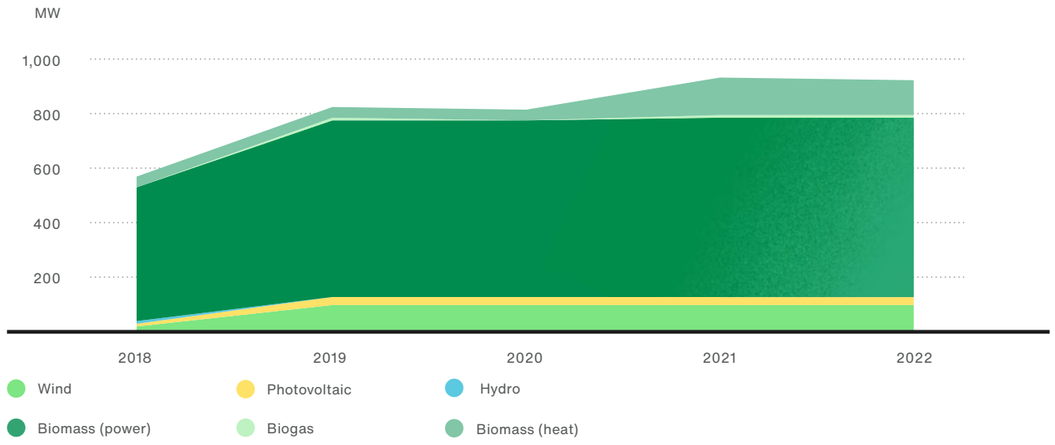
2,464 GWh
Renewable sources for power production

2,754 GWh
Total net heat production

257 GWh
Renewable sources for heat production

Graph 12: Net power and heat production from renewable sources.

Net installed power and heat capacity: renewable sources



14,787 MW
Total net installed power capacity[39]

801 MW
Renewable sources for installed power capacity

3,083 MW
Total net installed heat capacity

135 MW
Renewable sources for installed heat capacity

Graph 13: Installed power and heat capacities of renewables.

38 The production was proforma adjusted for the Dutch acquisitions closed in H1 2023 (6,200 GWh).
39 The installed capacity was proforma adjusted for the Dutch acquisitions closed in H1 2023 (2,551 MW).

Energy consumption and efficiency: closer look

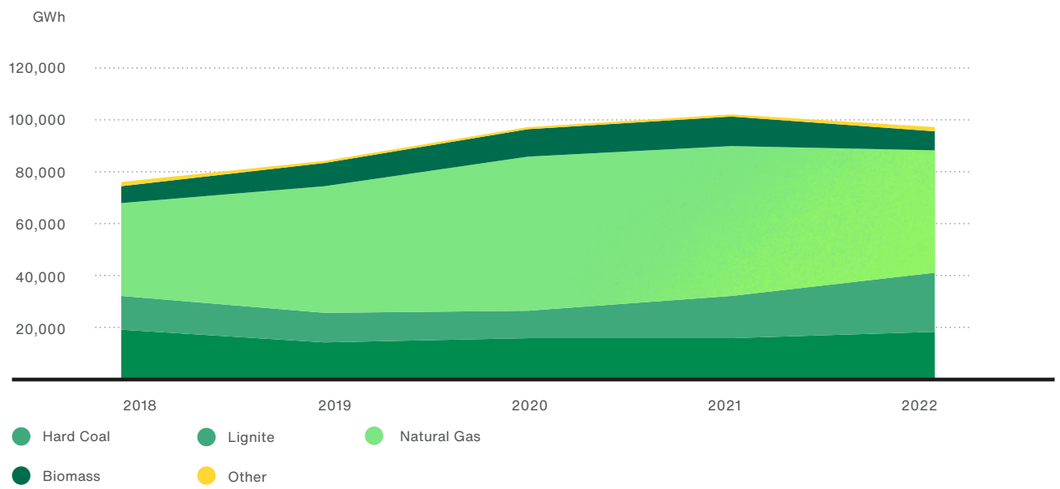
In 2022, EPH's total energy consumption decreased by 5% compared to last year, which corresponds to the overall decrease in energy production. From 2015 to 2022, we saw an average of 32,815 GWh of energy produced and 76,264 GWh of fuel consumed. EPH experienced a slightly lower energy efficiency output of 41% in 2022 as production of efficient CCGT units in Italy was reduced in response to drought conditions affecting local rivers and subsequent lack of cooling water. At EPH, we also strive to modernise our existing units and equipment, and make good use of innovative technologies, while decommissioning anything obsolete.

When further analysing our fuel consumption in 2022, we saw the largest increase in coal at 50%, with a natural gas and biomass consumption decrease by 18% and 34% respectively when compared to last year. The rise in coal consumption was mainly driven by increased reliance on coal-fired power plants in Germany and France in response to the European energy crisis, some of which were reactivated after being taken off merchant market in 2021. However, to support energy stability in the European region, we were asked to keep the Kraftwerk Mehrum and Émile-Huchet power plants operational by the German and French governments until some specific date. Both plants operated only a limited number of hours to ensure the security of supply and stability of the network. Moreover, in relation to these unforeseen events, our carbon footprint increased, influencing our decarbonisation targets. Despite the short-term negative effects on our carbon footprint, our priority is to continue mitigating the potential negative macroeconomic and social impacts and strengthening the resilience of the EU energy market. Biomass consumption decrease was caused by several reasons, such us longer than planned outages and high biomass prices.

In 2022, 49% of EPH's fuel share consisted of natural gas, which has consistently made up the majority of the Group's fuel share since 2016. Overall, with our conversion investments (lignite-fired units to gas-fired units) and further use of CCGT units, EPH expects to continue to see an increase in natural gas and biomass consumption, and a decrease in coal consumption. EPH plans to rebuild the Kilroot source from hard coal and oil to gas, which is expected to be up and running at the latest in 2024. Overall, EPH acknowledges the increased use of coal and has concrete plans in place to decrease the consumption of both lignite and hard coal.

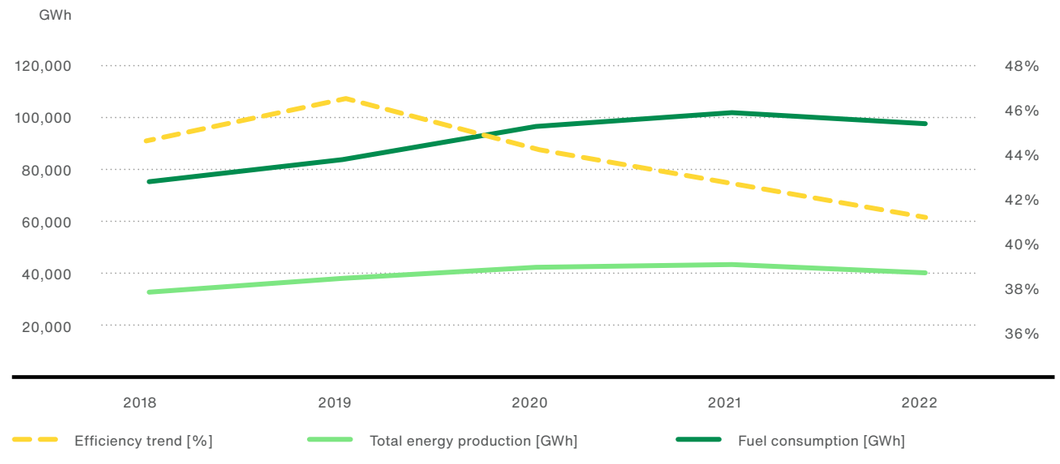
The commitment to improving energy efficiency across our operations not only helps us align the Group with the European climate protection targets adopted under the Paris Agreement at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), but it also makes good business sense. Improving efficiency allows us to decrease our combustion fuel costs, which is one of our main cost drivers, and reduce our GHG emissions for each unit of energy. Additionally, this also helps to reduce the amount of emission allowances that our installations need to buy.

Energy consumption



Graph 14: Total energy consumption.

Energy efficiency[40]



39,734 GWh
Total energy production

41%
Energy efficiency

Graph 15: Energy efficiency.

40 Only includes generating companies.

Addressing security of supply

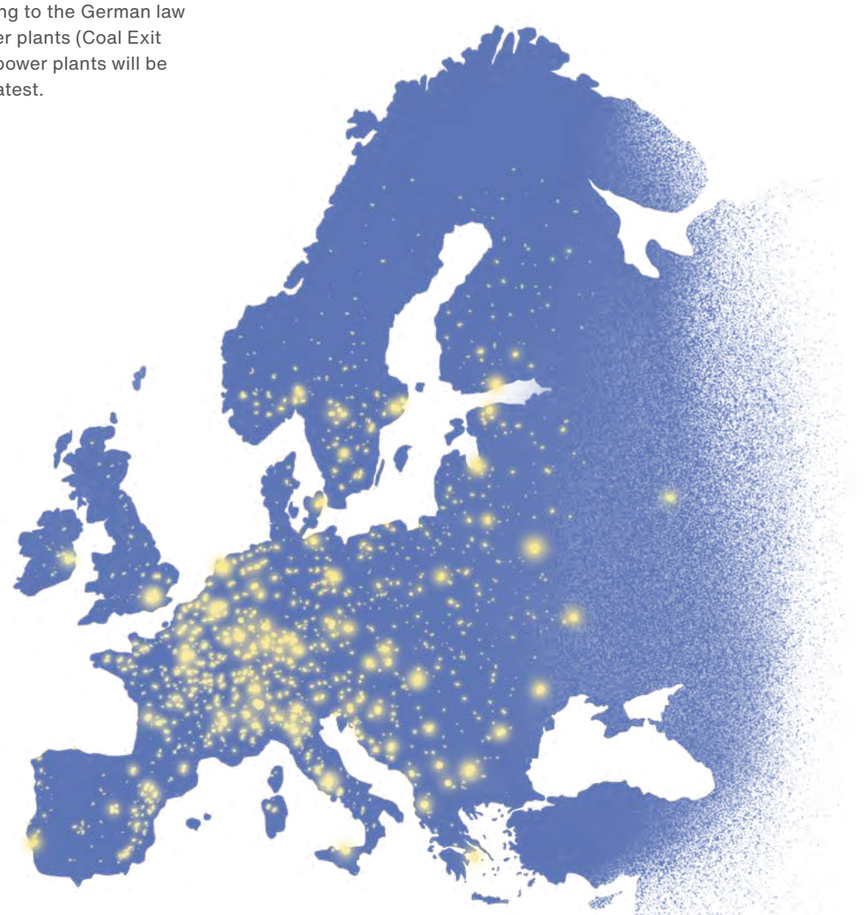
The EPH Group remains committed to providing our customers with a stable energy supply and ensuring the security of European energy infrastructure and supplies during potential gas shortages (especially during the winter starting from 2022/2023) and the connected European energy crisis. This led to a reactivation of coal-fired plants initiated by several European governments (including those operated by the EPH Group) to save gas. We expect that this unprecedented situation will end when gas (and other energetic sources) supplies are secured from providers other than Russia and when we strengthen our position in renewables supported by flexible capacities.

Most of the remaining high-intensive carbon emissions come from our fleet of hard coal and lignite power plants. Whereas hard coal power plants (Mehrum, Emile Huchet 6, Fiume Santo, and Kilroot) are very close to their final decommissioning, the lignite power plants (Schkopau and district heating assets in the Czech Republic) are currently expected to have a longer useful life obliged to provide the capacity when renewable generation and storage capacities do not suffice to cover the power demand. According to the German law on decarbonisation of lignite power plants (Coal Exit Law, adopted in 2020), all lignite power plants will be decommissioned by 2038 at the latest.

To accelerate energy transition, EP Corporate Group, the parent company of EPH, will create a new division, EP Energy Transition, a sister group of EPH. EPETr shall newly hold the predominantly lignite operations in Germany, namely share in LEAG held by EPH and JTSD (owning MIBRAG mining company and Schkopau lignite power plant). LEAG shall be transferred in 2023 and JTSD by the end of 2025.

EPETr has a clearly defined transition strategy, which covers not only decarbonization, but also employment prospects and support for the regions affected by the energy transition. EPETr also plans to invest around EUR 10 billion into the development of renewable energy projects, batteries, energy from waste projects and highly efficient hydrogen ready power plants.

At the same time, EPCG is also committed to supporting the outcomes of the Paris Agreement and the EU's climate goals.



Case Study
Kraftwerk Mehrum: Operating under temporary participation in the German electricity market

As part of the energy transition in Germany, the aim is to convert energy supply from fossil fuels to renewable energy sources in the medium term. One basis for this is the Coal-fired Power Generation Termination Act (KVBG), which came into force in August 2020 and is intended to gradually reduce and end hard coal and lignite power generation in Germany by 2038. Tenders for the decommissioning of hard coal-fired power plants are planned until 2026, and from 2027, decommissioning of remaining hard coal-fired power plants will only be implemented by regulatory law. Kraftwerk Mehrum (KWM) participated in the second round of the auctioning procedure of the Federal Network Agency in January 2021, which it was then awarded in April 2021. After being awarded the contract, the responsible grid operator, Tennet TSO GmbH (TTG), found the plant in Mehrum to be systemically important in July 2021. As a result, an application for the Federal Network Agency Bundesnetzagentur (BnetzA) was submitted to approve the system relevance designation that was carried out, which was then approved in October 2021. Based on this decision, the system relevance began in December 2021.

TTG estimated a period of approximately 9 weeks for the system relevance designation construction work (planned for 2022 on the new Mehrum-Nord substation) with an end date of no later than March 2023. However, until the end of the system relevance directive, the ban on coal-fired power generation under the KVBG was suspended. As a result, the commercial operation of the power plant was discontinued with a marketing ban that entered into force in December 2021.

In 2022, in response to the suspended gas supplies from Russia, the German Federal Government took various legislative initiatives to secure the country's energy supply. As a result, the "Ersatzkraftwerkebereithaltungsgesetz" (EKBG) was implemented in July 2022 for grid reserve power plants to keep operating under a temporary participation in the electricity market.[41] This continued operation is highlighted under Energy Industry Act, the Energiewirtschaftsgesetz (EnWG).[42] Therefore, in accordance with the "Ordinance on the Temporary Expansion of the Electricity Generation Supply by plants from the Grid Reserve" issued by the Federal Government in July 2022, and in conjunction with Sections 50a to 50c of the EnWG, grid reserve power plants must temporarily participate in the electricity market again until the end of March 2024.

In conjunction with the alert level of the "Gas Emergency Plan," implemented by the Federal Ministry for Economic Affairs and Climate Protection (BMWK) in June 2022, KWM declared the earliest possible return of the plant to the electricity market for July 28th 2022.[43] If the alert level persists or the emergency level of the emergency plan is declared, participation in the electricity market is possible until the end of March 2024 (at the latest).

41 Federal Law Gazette I p. 1054.
42 Under § 50b para. 1 of EnWG.
43 Pursuant to § 50a (2) EnWG on July 20th 2022 and resumed operations on July 31st 2022.

Case Study

Kraftwerk Mehrum: Operating under temporary participation in the German electricity market

During the ongoing legislative procedure for the EKBG in June 2022, operators of grid reserve plants were already requested by the BMWK to maintain or make their plants ready for continuous operation on the electricity market and to ensure an adequate supply of fuels. KWM took this as an opportunity to conclude the first supply contracts for the build-up of a corresponding coal reserve as early as June. The challenge, on the one hand, was to replace quantities of coal that were no longer supplied from Russia due to the embargo with other provenances, and on the other hand, to rebuild the entire logistics chain. In addition to seagoing vessel capacities, this included the corresponding loading and unloading facilities in the seaports, including interim storage capacities, as well as the necessary barge logistics. By the end of July, the 145 thousand tonnes stored for TTG had been increased to over 160 thousand tonnes.

At Kraftwerk Mehrum, management and staff succeeded in mastering the very special challenges of the past year. After the plant was expected to be shut down within the following 12 months in the first quarter, the opportunity to contribute to the grid stability arose in the middle of the year to return to the commercial power generation market. With considerable technology, personnel, and fuel supply efforts, it was possible to resume market operations as soon as possible.

Picture 1: Kraftwerk Mehrum.

Case Study

GazelEnergie: Operating under temporary participation in the French electricity market

In December 2019, and in accordance with the November 2019 Energy and Climate Act which aimed to close the country's coal power plants by April 2022, the French Government decreed a new carbon emissions cap of 550g of CO_2/KWh. GazelEnergie's Provence 5 coal power plant was closed at the end of April 2021 and Emile Huchet 6 (EH6) at the end of March 2022. We consequently launched a social plan in September 2020, "plan de sauvegarde de l'emploi," to responsibly close our sites. The plan offers employees impacted by the closures state-financed social measures, such as 12 to 18 months of paid reclassification leave and training to help them secure new employment. At the end of 2022, a little less than 50% of our employees concerned by the social plan left the reclassification leave as they found a new job or became self-employed.

In April 2022, as the Government was anticipating a risk of security on electricity supply for the winters 2022/2023 and 2023/2024, GazelEnergie was asked to prepare to restart EH6, by re-hiring employees, performing maintenance work, and securing coal supply. In 2022, the restart of EH6 was approved by the Government through the Buying Power Law and the published decree in September. The decree included the possibility for EH6 to run 3 thousand hours during the winter 2022/2023 and 1.5 thousand hours during the following winter 2023/2024. In addition to its ETS obligations, the decree includes the obligation for GazelEnergie to offset CO_2 emissions through the voluntary carbon market. Consequently, GazelEnergie will finance carbon offsetting projects.

Case Study
Supporting the transition of the energy system

As a forward-looking company, EPH's long-term strategy is to support the transition of the energy system through all off its business segments. As highlighted by the following case studies, to successfully achieve this transition, EPH must diversify its approaches across the Group through a number of different and innovative projects.

EP Kilroot

The Kilroot Energy Park will deliver new flexible gas generation that will complement the current high-quality level of renewable energy in Northern Ireland's electricity system. This aligns with the strategic ambitions of the Northern Ireland system, which aims to generate almost 70% of its electricity from renewable resources by 2030. Additionally, other various renewable energy solutions are being explored for the development of the Kilroot Energy Park including solar, battery storage, hydrogen and a multi-fuel Combine Heat and Power (CHP) facility. The Energy Park will also provide additional opportunities for investment and employment in data centres, or similar third-party businesses, with high energy demands close to the generation source.

Altogether, these proposals could produce over 750 MW of installed capacity in lower carbon and renewable energy, to power up to 75,000 homes and represent an investment of up to GBP 600 million into the site. It will also have the potential to provide over 200 quality jobs during the project's construction phase and over 150 full time jobs during operational periods. Currently, the Kilroot OCGT plant has the commercial operation date set to Q4/2023.

Picture 2: Conceptual layout of Kilroot Energy Park, representing the project's potential to contribute to the decarbonisation of the Northern Ireland power sector.

MIBRAG

MIBRAG plans to build three PV power plants. The first is planned to be built next to the Zeitz headquarters and is expected to provide electricity to the buildings and facilities of the headquarters. The project is planned to begin feeding electricity into the grid in early 2023. The remaining two photovoltaic power plants are both being planned to be built on the reclaimed site of the United Schleenhain Mine. Installations are being planned to be completed consecutively in the second quarter of 2023 and the first half of 2024.

In addition to the PV power plants, MIBRAG intends to establish and operate two wind farms on parts of the United Schleenhain Mine (Wind Farm Breunsdorf I) and Profen Mine (Wind Farm Profen II) territories. Both wind farms are planned to be erected in areas that either already have been reclaimed or are currently under reclamation. At total of up to 15 and 10 wind turbines can be erected at Breunsdorf I and Profen II respectively. At the beginning of 2022, permit applications for both wind farms were submitted and are expected to be granted in the first half of 2023. These wind turbines are planned to be placed into Special Purpose Vehicles of the entities established under the precautionary principles, Windpark Breunsdorf I GmbH and Windpark Profen II GmbH. Both operations are projected to commence in 2024 or 2025.

Picture 3: MIBRAG Theißen Lawn photovoltaic park.

	PV Power Plant Zeitz	PV Power Plant Peres II	PV Power Plant Peres II	Wind Farm Breunsdorf I	Wind Farm Profen II
Area	1 ha	46 ha	40 ha	275 ha	324 ha
District	Burgenlandkreis, Saxony-Anhalt	Landkreis Leipzig, Saxony	Landkreis Leipzig, Saxony	Landkreis Leipzig, Saxony	Burgenlandkreis, Saxony-Anhalt
Capacity	0.9 MWp	36.8 MWp	50.3 MWp	90.0 MWp	60.0 MWp
Electricity generation per year	approx. 925 MWh	approx. 36.5 GWh	approx. 47.9 GWh	approx. 179 GWh	approx. 146 GWh
Expected completion	2023	2023	2024	2024/2025	2024
Operational time	30 years	28 years	30 years	25 years	25 years
Business case	Own consumption	Own consumption	Own consumption	EEG tender	EEG tender

Table 5: Supporting information for MIBRAG's photovoltaic and wind projects.

Case Study
Supporting the transition of the energy system

EP New Energies

EP New Energies (EPNE) identified potential land for Group-owned projects with a capacity of 14 GW. While 24 projects of 2 GW are in advanced development, 14 projects of 1.4 GW are in the approval process. Potential sources of energy comprise of 41% wind on land and 58% ground-mounted PV, with 21 MW in floating PV and 1 MW in rooftop PV.

Notably, EPNE is also planning Germany's largest floating PV project (Floating PV Cottbuser Ostsee), which will have a peak capacity of 21 MW. This project was approved by the city of Cottbus and the building permit application was submitted. The project represents an important effort by EPNE to increase Germany's renewable energy production. This PV plant should be mathematically sufficient to supply 5,700 households with electricity.

As summarised by the figure below, EPNE has several projects that have been approved and others that are awaiting approval.

Picture 4: Status of the Floating PV Cottbuster Ostsee project.

Picture 5: Landscape view of design for the Floating PV Cottbuster Ostsee project.

Planned date of commission

Project waiting approval

2023 — **Solarpark Böhlen**
expected rated peak power of 17 MW

The project is currently in the public participation phase. Construction is set to start in October 2023 on a planned area of around 31 ha and is located on a landfill with mineral waste and a thin layer of cultivated soil.

2024 — **Energiepark Bohrau**
expected rated peak power of 400 MW

The project is currently in the early public participation phase, where it is planned to cover approximately 400 ha of recultivated post-mining area of the Jänschwalde, which will be used for agricultural purposes.

Project approved

2024 — **Windpark Forst-Briesnig 2**
expected rated power of 102 MW

The application for approval according to the Federal Immission Control Act (Bundes-Immisionsschutzgesetz (BImSchG)) was submitted in July 2021. Receipt of the permit is expected in the second quarter of 2023, where the project is planned to cover 320 ha of the recultivation area of the Jänschwalde open-cast mine.

2025 — **Solar Park Dissen-Striesow**
expected rated peak power of about 200 MW

The project received development approval from the municipality in March 2022.

2025 — **Solar Park Hühnerwasser / Wolkenberg**
expected rated power of 13.2 MW (2 × WTGs)

The project's BimSchG was submitted in August 2022.

2025 — **Energiepark Drebkau**
expected rated peak power of 140 MW

The city council approved the project's planning decision in October 2022, where the project is planned to be located on an area totaling 120 ha in the recultivated area of the Welzow-Süd open pit mine.

2025 — **Windpark Breunsdorf**
expected rated peak power of 90 MW

The application for approval of BImSchG was submitted in February 2022, where it is planned to be located on Kippengelände im ehemaligen Tagebau.

Picture 6: Timeline based on planned commission dates of EPNE's projects that have been approved or are waiting approval.

Case Study
Supporting the transition of the energy system

GazelEnergie

GazelEnergie's vision is to transform and rehabilitate existing coal sites into green energy production platforms that promote circular economy as much as possible, including ash treatment, heat recovery, and waste utilisation for biomass supply optimisation. Local territory pacts signed by GazelEnergie with state and local authorities, "Pactes de Territoire," designate sites affected by the coal exit for the development of decarbonised industries. These projects align with the French Government's decarbonisation strategy outlined in "France Relance." GazelEnergie supports the Government's industrial development strategy by utilising existing brownfields and adhering to a "zero artificialisation" strategy.

In 2022, it was decided that the Ambon and Muzillac windfarms will be repowered. This represents an investment of EUR 35 million in 2023/2024, with an increased capacity of 18.4 MW to 26.4 MW. In addition to the repowering of the Ambon and Muzillac windfarms, GazelEnergie is committed to decommissioning closed power plants at Lucy and Hornaing sites, for which environmental studies have already been completed, and asbestos removal action plans have been defined. GazelEnergie is also preparing for the expected dismantling of the Saint Avold site. This is in response to the environmental studies conducted under the "Plan de Gestion," where the aim is to depollute the site post closure and to develop new projects according to the "Pacte de Territoire." Additionally, fauna and flora studies have been launched to prepare the projects for planned future developments.

The main actions that occurred in 2022, as well as expected future plans for these sites are further highlighted below.

Lucy
Power Plant

- **2022** Environmental study completed
- **2022** Asbestos removal action plan defined
- **2022** Dismantling of unit 2
- **2023** Asbestos removal
- **2023** Dismantling of stack, electrostatic precipitators, and cooling tower of Lucy 3

Hornaing
Power Plant

- **2022** Environmental study completed
- **2022** Asbestos removal action plan defined
- **2022** Cooling tower asbestos encapsulation
- **2023** Asbestos removal

Saint Avold
Power Plant

- **2022** Preparation for dismantling plant
- **2022** Environmental studies undertaken through the "Plan de Gestion"
- **2022** Fauna and flora studies launched to prepare for new project development
- **2023/24** Dismantling of cooling towers for units 3/4/5
- **2023/24** Dismantling of stacks for units 3 and 5
- **2023/24** Dismantling of coal conveyor

Picture 7: Timeline of actions and expected plans for GazelEnergie's power plants.

Case Study
Supporting the transition of the energy system

EP Produzione

In 2021, Fiume Santo requested a permission to build and operate a photovoltaic project, which is aligned with the National Energy and Climate Plan (PNIEC) and Regional Plans for Energy and the Climate (PEARS). Currently, the single License Decree was issued at the end of February 2023 and final investment decision to be prepared.

After engaging with local stakeholders in open dialogues, a consensus was reached on the final configuration of the photovoltaic project. The project is planned to consist of a plant with peak power of 10.2 MW on an area of 25 hectares. The area, formally classified as an industrial site, is located next to the existing Fiume Santo coal-fired power plant.

From a technical point of view, the project is composed of more than 15,500 photovoltaic modules linked to monoaxial tracker systems. Each module is characterised by peak power of 650 W. The installation will be internally separated into four sections that are expected to deliver the power to one electrical substation located inside the conventional power plant.

The production capacity of the photovoltaic project is estimated at 20 GWh/year. The environmental benefits of this project are expected to be directly proportional to its power output. It is estimated that the new asset could save approximately 4,400 tonnes of fuel equivalent and it is expected to decrease emissions per year by approximately 9,600 tonnes of CO_2, 4,200 kilograms of NO_x, and 960 kilograms of SO_2. Based on the Environmental Impact Assessment, impacts from the project are negligible, which, for example, include water consumption. Once the project is approved, the construction phase is expected to last approximately 24 months, during which an environmental plan is to be defined, ensuring the management of all aspects related to the project's execution.

The PNIEC includes the development of a system for energy storage that is expected to reach 6 GW by 2030. To support this development, EP Produzione launched a wide range of projects at almost all sites located in Italy, which are based on the modular and easily adaptable Battery Energy Storage System (BESS). The BESS is based on electrochemical accumulators or batteries, where single cells are interconnected in line and in parallel to build a "module of batteries." These batteries are then assembled inside cases that are designed to meet a specified power output, voltage, and current intensity. The cases are grouped into packages, where they are controlled and monitored by a complex system. This system includes the Battery Management System, the Energy Management System, and Supervisory Control and Data Acquisition (SCADA). This entire management system enables communication with the BESS, and ultimately with the grid. Moreover, the BESS is also equipped with a fire control system. Highlighted below are the currently planned BESS-based projects at EP Produzione.

Floating PV – 40 MW, 30 hectares

In January 2023, EP Produzione presented an EIA application with the competent authorities for the construction of a 40 MW floating off-shore PV plant overlooking the industrial port of Porto Torres. The plant will produce over 50,000 MWh/year of energy and will be directly connected via cable duct to the National Transmission Grid (RTN) through the existing electrical station at the Fiume Santo plant.

Hydrogen – 50 MW, 30 hectares

In February 2023, EP Produzione participated in the tender of the Sardinia region for the "Hydrogen Valley" under the National Recovery and Resilience Plan. The pilot project proposal, which can be integrated with other initiatives in the Sassari-Porto Torres industrial district in the abandoned areas of the plant, envisages the installation of a PEM or alkaline electrolyser to produce green hydrogen of 1 MW with a production capacity of around 18 kg/hour and related auxiliaries and storage and distribution infrastructures.

Fiume Santo Large BESS

The installation is expected to consist of modules with 200 MWh of energy output. The project is waiting for a formal decision from the region, where it is mandatory to obtain the Single Authorisation Decree. The involved area measures 3.2 hectares and corresponds to the exact place where old oil-fired units were once located. After its commencement, the construction is expected to take 16 months. The project is planned to include a mitigation measure, where a vegetation screen will cover the installation at the seaside.

Fiume Santo small BESS

The installation is the second planned installation at Fiume Santo and is expected to consist of modules with an overall capacity of 80 MWh. For this project, the authorisation is at a local level, where all the local permits are being finalised. These permits include landscape authorisation, acoustic evaluation, fire brigade clearance, ensuring no interference with remediation activities, and hydrogeological clearance.

Ferrara power plant BESS

The installation is planned to occupy the demolished area of the Ferrara power plant and is expected to have a capacity of 280 MWh. The authorization process is currently in its final stages, after obtaining the Technical Connection Solution from the Transmission System Operator (TSO).

Trapani power plant BESS

The installation is planned to occupy the area of the Trapani power plant and is expected to have a capacity of 400 MWh. The authorisation process is currently ongoing, where the Transmission System Operator (TSO) procedure for the connection to the grid has been completed and the documents for the Single Authorisation procedure are being prepared for submission. Once installation is approved, construction will take 36 months.

Picture 8: Overview of EP Produzione's currently planned BESS-based projects.

Case Study: Equity participation
Slovenské elektrárne:
Long-term concepts and development projects

At Slovenské elektrárne, the Vojany and Nováky power plants each have planned long-term concepts to further support their development and transformation.

Both plants are planning for:

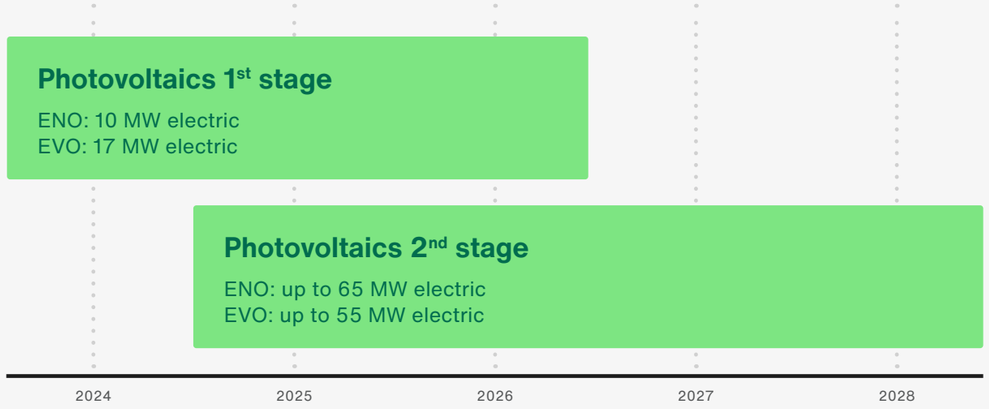
1. An option for hydrogen production by electrolysis of up to 20 MW electricity from renewable energy sources. Implementation is currently pending, which is related to the availability of funding and hydrogen market developments.
2. Brownfield industrial parks.
3. Elimination of environmental risks on main power plant areas.
4. Revitalisation of sludge beds and stabiliser deposits.

The Nováky power plant (ENO) will finish operation by the end of 2023, where two stages of photovoltaic implementation are planned. The Vojany power plant (EVO) is in operation with co-firing of biomass, where two stages of photovoltaic implementation are also planned. Additionally, EVO is also planning for a trans-loading railway terminal regarding logistic exchanges between Ukraine and the EU.

The brownfield industrial parks planned for the Vojany and Nováky power plants are expected to revitalise and change the utilisation of the selected sectors in the existing power plant areas, including their robust infrastructure. The goal is to create industrial parks with real estate to offer potential industrial customers and investors. This is planned to include the renovation and demolition of selected buildings, road modifications, and the relocation of industrial networks. The added business value for owners is expected to be the incoming revenues, mainly from rentals and scrap sales. Currently, discussions with potential investors are ongoing.

The advantage of these areas is the existing industrial infrastructure, narrow (ENO and EVO) and wide gauge railway connections (EVO), natural gas connection (EVO), and water supply from rivers. There are also a variety of connection options to 22 kV (EVO), 110 kV (ENO and EVO), 220 kV (EVO) and 400 kV (EVO) lines. However, a disadvantage for both areas is the lack of connection to a national highway.

Currently, Slovenské elektrárne is seeking to obtain the maximum available co-financing from EU funds, especially from the Just transition Fund and Recovery Plan.



Picture 9: Vojany and Nováky transformation project.

Picture 10: Aerial of the Nováky power plant.

Picture 11: Aerial of the Vojany power plant.

Case Study
Hydrogen's role in the transition of the energy system

Hydrogen adoption is widely recognised as an important step towards a low-carbon economy and may be considered the front runner among renewable and low-emission gases. This fuel of the future could serve as an effective medium for the transportation and storage of renewable energy.

In line with projections of the European Commission and other reputable institutions, we perceive there will be continuous need for gaseous fuels in the EU energy system. Gradual reduction in usage of fossil natural gas will be accompanied by growing production of biomethane, synthetic methane and hydrogen. The EU Impact Assessment Report related to regulation on renewable gases[44] projects the total consumption of gaseous fuels to decline only slightly between now and 2050 (85% of current gas demand is expected), where these fuels will be increasingly dominated by biomethane, synthetic methane and hydrogen, while fossil methane might still play a limited temporary role in a carbon-free economy as its usage might be combined with carbon capture, utilisation, and storage (CCUS) technology. The ongoing initiatives (EU Hydrogen Backbone, Central European Hydrogen Corridor) demonstrate the need to have an adequate infrastructure in place to distribute and store this diverse mix of gases. This should be achieved by refurbishment of existing infrastructure to the largest possible extent to reduce CAPEX requirements and develop a new infrastructure to add the missing links.

The perception of hydrogen has dramatically changed in recent years. Renewable energy power generation is growing considerably, and new ways to store and transport energy are now a key focus. EPH's existing gas transmission, storage, and distribution infrastructure can be retrofitted to support hydrogen. To this end, we have already launched hydrogen-dedicated research and development projects. Our unique, geographically strategic position for future hydrogen transmission further positions EPH to be a key player in hydrogen adoption.

44 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=SWD%3A2021%3A455%3AFIN&qid=1639998727689

EPH's gas storage facilities

New legislation in Germany (within the frame of the "Energiewende") intends to phase out nuclear (until 2022) and coal-fired power plants (until 2038), currently representing approximately 1/5 of the total installed electricity generation capacity.[45]

Near future challenges:

1. Significant reduction of nuclear and coal-fired power plants will lead to an increase of both the volume of consumed gas, and its volatility on the electricity and gas markets. This will drive demand for additional services to balance out this network.

2. The share of renewables (mainly photovoltaics and wind) will increase in the primary energy mix, meaning that there will be a significant increase of the share of intermittent sources of energy.

Our role: Securing supplies.

These trends will naturally lead to an increased demand for gas storage. EPIF gas storage facilities (**6 underground sites, with an overall capacity of 62 TWh**) and EPPE gas storage facility (with a capacity of almost 3 TWh) provide very cost-effective, flexible and reliable energy storage. Inherently, we will be supporting the development of renewable energy sources, leading to an affordable energy mix in the coming decades.

Hydrogen synergies in EPIF

EPIF's ongoing projects aim to enable hydrogen readiness both midstream and downstream. This will facilitate the European transition away from fossil fuels and provide security of supply, which goes hand in hand with EPIF's ambitious decarbonisation goals. Furthermore, complete vertical integration along the gas value chain allows for better demand management of hydrogen.

45 Power plant list; Bundesnetzagentur; accessed on 17 April 2022; source: https://www.bundesnetzagentur.de/EN/Areas/Energy/Companies/SecurityOfSupply/GeneratingCapacity/PowerPlantList/start.html

Case Study
Hydrogen's role in the transition of the energy system

Gas transmission

Competitive advantage

Hydrogen transmission assets are expected to play an important role in the adoption of hydrogen as a scalable fuel source in Europe, connecting hydrogen supply with demand in a cost-efficient way. Eustream's pipeline system consists of four to five parallel pipelines, making it suitable for potential simultaneous transport of natural gas and pure hydrogen in a dedicated line in the future. The system will also soon be ready to transport a blend of natural gas and hydrogen.

Projects and investments

Eustream works on technological readiness for hydrogen in the gas mix within the transmission system. According to EU Regulation on renewable and natural gases and hydrogen, all gas transmission system operators will be required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States. Eustream aims to be ready for 5% hydrogen blend in the second half of 2025. The adjustments should consist primarily of replacing the metering equipment and other network components. In the near future, Slovakia might be ready from a technological standpoint to transport more than 2 bcm of hydrogen per year, putting us in a position that will allow us to accommodate the expected gradual increase in the supply and demand of hydrogen. A pilot project for green hydrogen production will be also launched at the Veľké Kapušany compressor station, where green hydrogen produced on site from solar electricity is planned to be used to drive compressors.

Hydrogen alliances and partnerships

Eustream joined **H2EU+Store**, an international partnership that aims to not only create the necessary capacities for renewable electricity and hydrogen production in Ukraine if not jeopardised by the impacts of the Russian invasion, but also expand storage volumes in Austria and Germany, which will be complemented by adaptations in gas transport to Central Europe.[46]

The Central European Hydrogen Corridor initiative is being promoted by a group of four leading Central European gas transmission infrastructure companies in Ukraine, Slovakia, the Czech Republic, and Germany, working together to create a Central European hydrogen transport infrastructure.[47]

Eustream are also members of the pan-European alliances supporting hydrogen adoption **European Clean Hydrogen Alliance and European Hydrogen Backbone**.

Gas & power distribution

Competitive advantage

Gas distribution networks could be used to deliver hydrogen to end consumers, to be consumed much like natural gas is today. EPIF's SPP-D is expected to be ahead of its European peers in hydrogen readiness due to its unique competitive advantages, namely its modern network consisting of a high share of polyethylene pipes and its integration along the gas value chain, allowing for better hydrogen demand management and lowering the cost to convert the existing network for hydrogen distribution. The polyethylene pipes in the network are resistant to low blends of hydrogen, and their permeability and safety characteristics are superior to steel. SPP-D is well positioned to significantly contribute to the reduction of our society's environmental footprint by combining natural gas with hydrogen, biomethane or synthetic gas.

H2PILOT Project of SPP-D

In 2022, SPP-D successfully completed the H2Pilot project where it blended 10% of H2 into the gas distribution network in a small village in Slovakia and tested interaction of the networks as well as appliances in households and commercial customers (boilers, cookers, etc.). Success of the H2Pilot project could serve as a best practice example for accelerating the hydrogen transformation within the Slovakian distribution network.[48]

Gas storage

Storage synergies

The transition towards low-carbon energy increases the demand for large-scale energy storage. Storing hydrogen is technically and economically more feasible than batteries or pumped storage. In the production of green gases such as hydrogen, biogas, synthetic methane, or blended gas (e.g., hydrogen/methane) underground storage facilities can be employed for renewable energy storage. The production of blue hydrogen demands the storage of captured carbon.

Nafta has already participated in several projects focused on storage innovations. Because of its experience in this field, Nafta has been able to commence internal projects focused on assessing the impact of various concentrations of hydrogen on gas storage facilities. Nafta is working on the assessment of hydrogen impact (2% vol.) on its infrastructure (reservoirs, wells and surface technology). At the national level, Nafta has also been finding success with its **H2-Infrastructure Storage & Distribution** project, which received support as one of the first Important Projects of Common European Interest (IPCEI) in the hydrogen area. The first phase of H2I S&D envisages experts seeking appropriate locations for storing hydrogen mixed with natural gas. The second phase of the project involves constructing a pilot test of the technology to generate hydrogen through water electrolysis to test its interaction with the identified geological formations.

46 OGE (2022). H2EU+Store – Green Hydrogen for Europe. https://oge.net/en/press-releases/2021/h2-eu-store-green-hydrogen-for-europe

47 CEHC (2022). Central European Hydrogen Corridor. https://www.cehc.eu/en/home/

48 https://www.slovgas.sk/aktuality/testovanie-zmesi-zemneho-plynu-s-10-vodika-v-blatnej-na-ostrove-v-ramci-projektu-h2pilot-ma-za-sebou-prvu-uspesnu-polovicu/

Environment

EPH is committed to conducting its business activities in an environmentally safe and responsible manner. Our aim is to continually monitor, identify and address any negative impacts our business may pose on the environment.

EPH understands the importance of managing our environmental risks, as the long-term success of our Group depends on the responsible and efficient use of our natural resources. We are aware that historically our business sector has been labelled as an energy-intensive industry with high carbon emissions. Therefore, we believe it is important to provide a comprehensive overview of our operations and how we aim to focus our efforts on changing the industry standards.

Reduction of emissions

EPH recognises that we have an important role to play in reducing emissions within our industry. We have focused our efforts on internal policies, programmes and energy efficiency within the operations of our Group.

EPH continues to understand the extent to which climate change threatens the wellbeing of people and the environment. The reality of climate change and its impacts has been the leading driver in increasing the intensity of our efforts through reduced emissions and increased operational efficiencies across the Group. Overall, EPH continues to put a strong emphasis on internal policies and programs that aim to address the Group's GHG emission reductions.

The Group follows the global trends relating to climate change, noting that there has been increasing focus on methane emissions and their reduction strategies. Notably, at the 2021 United Nations Climate Change Conference (COP26), over 80 countries committed to reduce methane emissions by 30% by 2030. EPH follows these global trends, as well as those specific to the industry, so as to be able to effectively continue to support our management of methane emissions and related reduction projects.

Our contribution to the SDGs:

EPH is committed to continually learning about the consequences of climate change, especially when it relates to harmful emissions. We believe it is important to work together to reverse the climate crisis, as it not only affects our well – being, but also that of our planet.

Climate change and common goals

We recognise the urgency to address climate change and as a result, commit the Group to participating in the joint efforts of lowering global temperatures through our decarbonisation strategy.

GHG emissions management

We aim to fully understand the direct and indirect impact that our business has through GHG emissions. Through our continual monitoring and modernising of our operations, EPH aims to align the Group with the European decarbonisation goals and GHG emission reduction targets.

Carbon intensity and efficiency

We continually monitor the carbon intensity of our generation assets. Our focus has been on optimising our operational processes, thereby improving the efficiency of our Group's business segments.

Other air pollutants

We carefully monitor the air pollutants associated with our operations and are committed to decreasing these emissions. Our management approach focuses on the continual improvement, modernisation and optimisation of our business processes.

2022 Highlights

We continue to focus on GHG reduction projects.

-3 %

In 2022, NO_x total emissions decreased by 3% compared to last year.

28 %

From 2015 to 2022, EPH improved its total GHG emission intensity by 28%.

-10 %

In 2022, EPH decreased its methane emissions by 10% compared to last year.

-60 %

Since 2015, EPH has decreased its emissions from SO_2, and dust by 60% and 54% respectively.

Reduction of emissions

We believe that the transition process needs to happen gradually, so as to minimise unnecessary risks that would hinder economic development or cause other unpredictable problems that could impact society as a whole (e.g. a long black-out period).

Climate change and common goals

The annual United Nations Conference on Climate Change brings focus to the international urgency in having a global commitment that addresses climate change. Notably, in 2015, the Paris Agreement, adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), jointly committed participating parties to lowering the global temperature increase to well below 2 degrees Celsius, compared to the pre-industrial levels.

The EPH Group welcomes the Paris Agreement and fully supports its goal and as of 2021, we announced long-term ESG targets aimed at reinforcing our ongoing decarbonisation efforts. **We aim to achieve carbon neutrality by 2050**, in line with the official 2050 EU climate-neutrality objective. As laid out in the "EPH's focus on reducing GHG emissions" section of this Report, we support our long-term goal by medium-term and more specific targets:

1. Reduce CO_2 emissions by 60% from existing generating plants by 2030
2. Almost no coal at the end of 2025[49]
2. Zero coal as a primary source of generation by 2030
3. Become a European frontrunner in the transition to a hydrogen future
4. Create a Green Finance Framework for use, where applicable, within EPH Capital Structure Strategy

GHG emissions

EPH recognises that across its business segments, we emit greenhouse gases[50] (GHG) and other air emissions. As a result, EPH is committed to tracking and reducing its emissions as outlined in our decarbonisation roadmap. This will align us with the targets set out by the European decarbonisation goals and our own GHG emission targets.

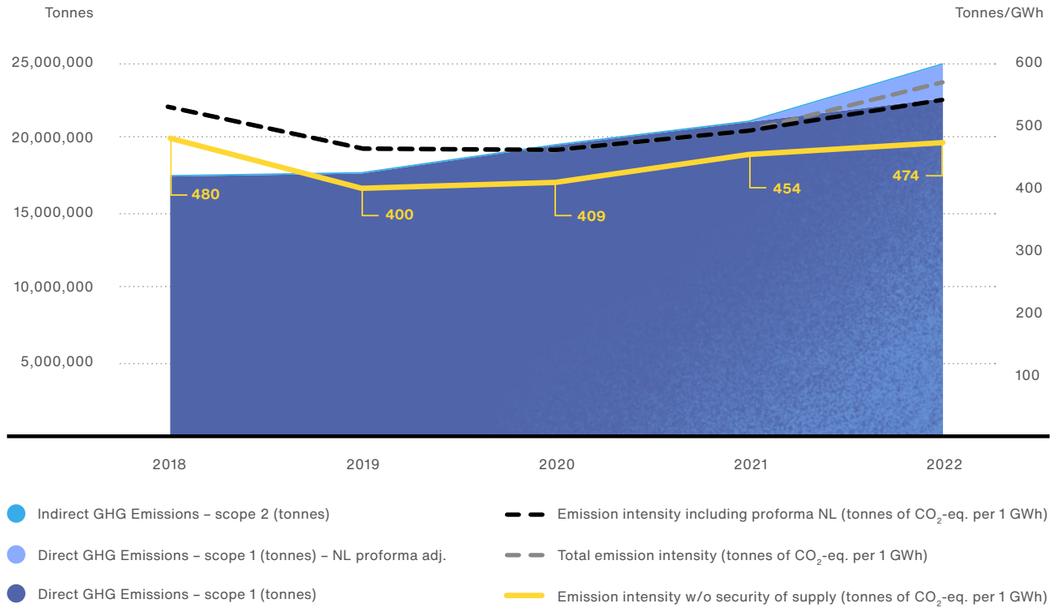
EPH's 2022 direct (Scope 1) emissions saw a slight increase of 7% when compared to last year. The Group was granted, and then additionally procured, 3% and 97% of these Scope 1 emissions respectively. We also saw an increase in our indirect (Scope 2) emissions by 135% compared to last year. EPH remains committed to addressing the intensities from its direct and indirect emissions through its various modernisation and conversion programmes, as highlighted in the "GHG emission reduction programmes" section of this Report.

Due to our scope, EPH has variable impact within its business segments on the environment. Some EPH companies have a relatively small impact on the environment, resource usage and GHG emissions, as they primarily function as an intermediary. Overall, companies with direct energy production are responsible for the biggest share of our GHG emissions, which is why the following section takes a closer look into the environmental impacts and management from the EPIF and EPPE Groups.

49 Except for Fiume Santo hard coal fired power plant in Sardinia and Czech combined heat and power plants (CHPs) which shall be refurbished to gas/biomass units

50 GHGs are those currently defined by the United Nations Framework Convention on Climate Change and the Kyoto Protocol; they include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and fluorinated gases.

Direct and indirect GHG emissions[51]



Graph 16: Direct and indirect emissions, and emission intensity.

51 Emission intensity only includes generating companies. Also, note that indirect emissions are significantly lower than direct emissions, thus visually unrecognizable in the graph.

Reduction of emissions

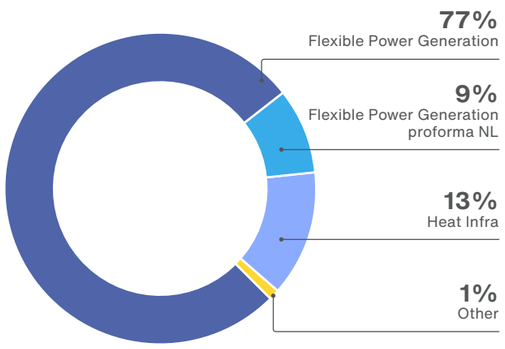
Carbon intensity and efficiency

Due to their improved energy efficiency, cogeneration plants, those that simultaneously produce power and heat, are widely supported by the European Commission. EPH has focused on centralised cogeneration systems within the EPIF Group because we understand the significant environmental advantage that they provide over regular systems, which is notably accomplished without compromising our ability to meet customer demands. Additionally, EPH has overall focused on increasing its production of energy from less emission intensive sources, such as renewables and natural gas, and aims to continue to follow this trend with its decommissioning and conversion strategies. The focus stems from our belief that low-emission dispatchable generation sources are a prerequisite for successful transition to a low carbon economy.

In 2022, EPH saw the largest emission outputs from its Flexible Power Generation and Heat Infrastructure segments, which contributed to 99.5% of EPH's overall emissions. In terms of EBITDA, this significant increase, namely in our Flexible Power Generation business segment, was driven by a potential shortage of gas supply and connected to the energy crisis in Europe, where production was significant in the winters of 2022/2023 to ensure a sufficient supply of electricity. Compared to last year, EPH saw an increase of 7% in the amount of CO_2-eq. emissions produced by the Group. Overall, emissions from EPH's remaining business segments are negligible, however, it should be noted that gas transmission saw a significant decrease in its CO_2-eq. emissions compared to last year, by 85%. This is a result of lower volumes requiring less gas combusted in the compressor stations but also increased reliance on electric compressors. In Heat Infrastructure segment the total emissions remained broadly stable as the positive impact from increased biomass share was offset by lower cogeneration production due to decline in heat offtake.

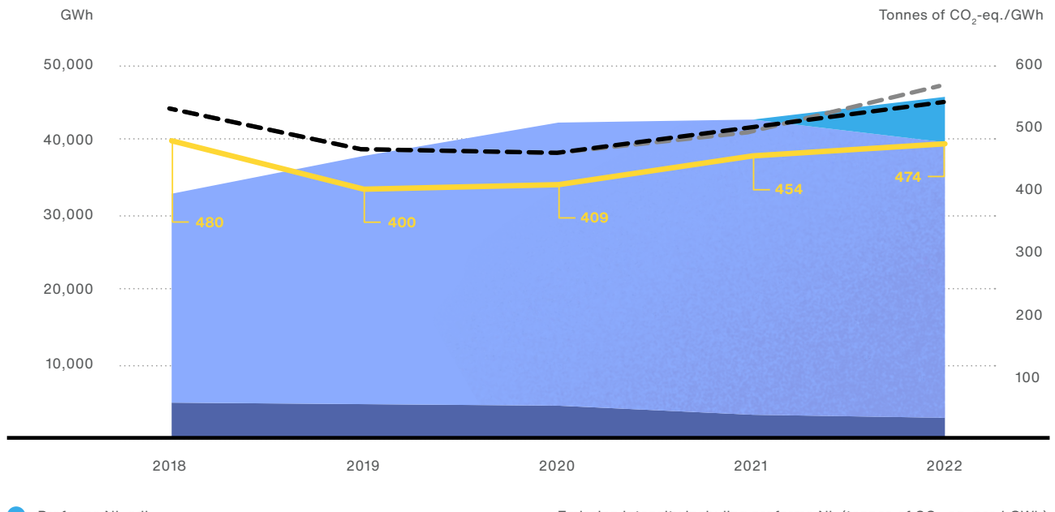
Overall, in 2022, carbon intensity of heat and power generation rose by 6% compared to 2021. This increase in emission intensity is linked to the higher production at our coal plants, due to the energy crisis in Europe and the restart of the Kraftwerk Mehrum and Émile-Huchet 6 power plants. To support energy stability in the European region, we were asked to keep these plants operational by the German and French governments until some specific date. Both plants operated only a limited number of hours to ensure the security of supply and stability of the network. Moreover, in relation to these unforeseen events, our carbon footprint increased, influencing our decarbonisation targets. Despite the short-term negative effects on our carbon footprint, our priority is to continue mitigating the potential negative macroeconomic and social impacts and strengthening the resilience of the EU energy market. On the other hand, production from highly efficient gas power plants in Italy decreased due to the unavailability of cooling water from nearby rivers, which had been affected by a severe drought.

EPH CO_2-eq. emissions 2022:
business segment share



Graph 17: CO_2 emissions by main business segments.

Total net production and its emission intensity[52]



43,180 GWh[53]
Total net power production

2,754 GWh
Total net heat production

474 tonnes of CO_2-eq./GWh[54]
Emission intensity

Graph 18: Emission intensity of the production.

52 Emission intensity only includes generating companies.
53 The production was proforma adjusted for the Dutch acquisitions closed in H1 2023 (6,200 GWh).
54 The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma figures of entities acquired in the Netherlands in the first half of 2023 were included and (ii) the impact of coal power plants operating in the security of supply regime (including Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government) were excluded. Without these adjustments the emission intensity in 2022 is 570 tCO_2/GWh.

Reduction of emissions

EP Infrastructure: closer look

In 2022, GHG emissions from EPIF accounted for 15% of the total EPH's total emissions, where notably, 97% of EPIF's emissions come from its Heat Infrastructure business segment. Compared to last year, EPIF saw an 4% reduction in its direct emissions, with an increase of 4% in its emission intensity.

Overall, EPIF is an environmentally responsible operator, as we are committed to continually seeking opportunities in which we can further decrease our GHG footprint. By 2030, all remaining lignite units will be converted to a balanced mix of CCGT units, biomass units and potential waste incinerator plants, all in line with EPIF commitment to abandon coal as a primary energy source by 2030.

EP Power Europe: closer look

In 2022, GHG emissions from EPPE accounted for 85% of EPH's total emissions, where notably, over 99% of EPPE's emissions came from the Flexible Power Generation business segment. This highlights the importance of EPPE's future strategies and management of the Group's emissions. Compared to last year, EPPE saw a 9% increase in its emissions, and a 18% emission intensity increase.

EPPE's high share of emissions in EPH corresponds with the EPPE's size regarding carbon intensive assets. Furthermore, EPPE's carbon intensity is affected by the lack of viable alternative technologies in some areas that we operate and the time that is required to decommission the carbon intensive assets. As a matter of fact, overall, EPH has only acquired hard coal or lignite-fuelled power plants in markets that are or will physically be unable to secure stable power supplies from alternative sources or with the aim of closing these and converting them into another fuel source when possible. This, for example, is the case in Sardinia, where due to a shortage of power generation capacities, they will operate in a must run mode until Italy's planned coal phase-out in 2025. This demonstrates that at EPPE, we are fully committed to fulfilling European and local emission targets, however, we are also prepared to take on a role that is not so highly viewed, to provide basic services to all of the communities and regions in which we operate. To accompany these assets, we have several low or zero-carbon ones. To put it into perspective, EPPE makes up more that 92% of the installed electricity capacities in renewables within the EPH Group.

Case Study
GHG emission reduction programmes

EP Kilroot

EPH acquired EP Kilroot in June 2019. It is primarily a coal-fired power station, but it also has four distillate fired OCGT units and a battery storage facility. Overall, it plays a critical role in providing a secure and stable power supply to Northern Ireland due to the limited interconnection between the Republic of Ireland and the United Kingdom.

In compliance with the Grid Code obligations, EP Kilroot served a closure notice for its coal-fired units in 2020, thereby confirming its intention to cease all coal operations by the end of September 2023. This was ahead of the UK Government's commitment to phase out coal powered electricity generation by 2025. The coal-fired generation capacity will be replaced by the first phase of the Kilroot Energy Park, which will include a modern gas turbine peaking plant to support the electricity grid in periods of low wind or very high demand. Subsequently, the closure of the coal-fired units will significantly reduce emissions from the system, as highlighted in the table below.

Emission	Average annual reduction
CO_2	over 1 mil. tonnes
NO_x	1.1 thsnd. tonnes
SO_x	1.0 thsnd. tonnes

Table 6: Significant emission reductions.

Picture 12: EP Kilroot power station.

Case Study
MIBRAG

After 85 years in operation, December 2021 marked the end of the Deuben power plant. The complex began operations as an integrated CHP system with a power plant, briquette factory, and carbonisation plant in 1936. A total of about 8,300 MWh of electricity were generated by the plant during its first year of operation. MIBRAG decided to pursue the early closure of the plant for economic reasons and in response to the coal phase-out resolution passed in 2020.

At the end of its operating life, the power plant had five steam boilers and a thermal installed capacity of 300 MW. The dust plant was made up of four tubular dryers, a roller mill and four dust silos; the power and dust plant were supplied with lignite from the Profen mine.

MIBRAG received official notice from the Federal Grid Agency in April 2021 that its bid to decommission Deuben power plant was successful, offering MIBRAG the opportunity to shut it down in a socially responsible manner. Closure of Deuben power plant will save about 494 thousand tonnes of CO_2 in 2022.

Picture 13: Deuben power plant.

Case Study
Further supporting rail transport

Slovenske Železnice – Tovorni promet

In 2022 SŽ-Tovorni Promet (SŽ-TP) reviewed and strengthened the transport of trains composed of individual wagons, which are collected and dropped off in various locations. This specialised type of activity was developed and is provided by SŽ-TP. When it comes to planning and flexibility, this type of transport is much more demanding; however, it is quite competitive against the road transport of full train deliveries.

In 2022, SŽ-TP took on the Single Wood Project, which focused on transporting wood via rail instead of utilising truck transport. This project brought to rail 2,628 wagons with a total of 97,535 tonnes of wood.

Overall, SŽ-TP in 2022 helped take 58 thousand trucks off Slovenian roads, thereby reaching savings in CO_2 emissions by 27,600 XYZ tonnes. In total, 58,626 individual wagon shipments with 2.1 million tonnes of goods from various product groups was transported. On average, this covered a one-way distance of 246 km.

EP Cargo

Due to rampant road construction activity and the lack of required trucks on the market, there was a need to supply an asphalt plant in Ostrava with stone aggregate from the quarry in the municipality of Jakubčovice nad Odrou. EP Cargo offered to transport the stone via rail in October and November 2022.

The transport had a total one-way distance of 50 km. A total of 25 thousand tonnes of aggregate was transported using a 20-wagon train, which ran three times a week. This replaced 833 semi-trailers, which would have been used under other circumstances. As a result of opting for rail transport, reduction of emissions amounted to 40 tonnes of CO_2-eq.

Case Study

EP Resources: Further improving the fleet quality of our cargo ships

At EP Resources (EPR), our freight line of business continuously works to increase the quality of our cargo ship fleet when being renewed. As of December 2022, 40% of our Time Charter Incoming (TCI) fleet consisted of last generation Kamsarmax bulk carriers, some of which were new builds. Overall, our entire freight fleet is on time charter agreements rather than assets. This brings several benefits, including more efficient use and flexible exchange of ships. Additionally, it helps reduce our Scope 1 emissions.

In 2022, EPR made 291 shipments, resulting in a total transport of 21.8 million metric tonnes of material. Of this, 28% was material from non-thermal coal, namely bauxite, fly ash, grains, iron ore, and limestone. When compared to 2021, this represents an increase of 2 percentage points. Overall, there is significant improvement when compared to 2020, where only 20% of shipped material was non-thermal coal.

Case Study

District heating assets in the Czech Republic: Conversion projects

EPIF operates a portfolio of heating plants including adjacent district heating networks, supplying heat to more than 150 thousand consumers in major regional cities. District heating in the Czech Republic has historically relied on lignite as a dominant fuel. EPIF is currently in advanced preparatory stage of the conversion projects which will guide all heating plants away from lignite to a balanced mix of CCGT units, biomass unit, and waste incinerator plants. The technologies summarised below shall constitute the building blocks of the EPIF district heating assets which will be diversified across more fuel sources.

CCGT units

Combined cycle technology represents a highly flexible power generation source which will be needed to support grid stability and security of supply during the ramp-up of intermittent renewable generation sources

Natural gas is perceived as a transitional fuel in the EPIF's decarbonization strategy with envisaged combustion of renewable gases such as hydrogen or biomethane in the long term

EPIF plans to install the following technologies:

- 3× CCGT units at Elektrárny Opatovice
- 2× CCGT units at United Energy
- 1× CCGT unit at facility "Teplárna" and 2× CCGT units at facility "Energetika" operated by PLTEP

Biomass units

Biomass represents a suitable component for lignite. EPIF entities combine a sole biomass combustion in dedicated units as well as co-firing of biomass with lignite

EPIF is able to source sufficient volumes of biomass locally with limited transport distance implying low indirect carbon footprint. EPIF entities recently secured biomass certifications recognized by the voluntary schemes issued by the EU

The following technologies are currently operated by EPIF:

- PLTEP operates a dedicated biomass unit, as well as co-fires biomass along with lignite
- UE combusts biomass in a former lignite boiler which was refurbished in 2021

Waste incinerator plants

Municipal waste in sufficient quantities is produced without further utilization which currently ends up in landfills. There are only 4 waste incinerator plants in the Czech Republic which is significantly below average of other EU countries

EPIF is aware of the potential of waste incinerator plants in the regions where it operates and will continue discussions with local authorities to achieve a successful realization

EPIF envisages the following roles for waste incinerator plants:

- PLTEP has operated a waste incinerator plant since 2019
- UE and EOP aim to develop a waste incinerator plant in their respective regions of operation by 2030

Case Study: Equity participation
Slovenské elektrárne:
2021 and 2022 Climate leader

Slovenské elektrárne is among 300 climate leaders. Based on our decrease of emission intensity, we were the only company from Slovakia and Eastern Europe to be included to the Europe's Climate Leaders List by the Financial Times in 2021 and 2022.

Picture 14: Climate leaders 2022.

EPH's focus on biomass as a sustainable source of renewable energy

Further advancing towards the Group's commitment of carbon neutrality by 2050, various decommissioning, refurbishment and new projects are being implemented and planned. This includes those focused on increasing the Group's share of biomass used for energy production. Therefore, the Group has decided to address more formally what makes biomass a renewable and sustainable energy source in our operations.

At EPH, we define biomass as a renewable source of energy, where we refer to Directive 2009/28/EC "on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC." It is in this directive that biomass is clearly defined as a renewable energy source, with a more detailed explanation of it being a "biodegradable fraction of products, waste and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste."[55]

However, even if biomass is defined as a renewable source of energy, we must also consider whether it is a sustainable source of energy. The answer, however, is not quite straightforward and depends on several factors. These may include the proximity of the biomass to its end use (with regards to distance and type of transportation required), and the source of supply and its management (e.g. forestry management). As a result, throughout the Group, we pay special attention to all these aspects to ensure that we handle our biomass in the most sustainable manner that is possible within our operations.

55 In Directive 2009/28/EC, renewable energy is further explained, where "energy from renewable sources means energy from renewable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases."

The EU Commission is aware of the importance of being able to classify sustainably sourced biomass. This has resulted in the implementation of a voluntary schemes under the revised Renewable Energy Directive. The Commission has so far formally recognised 15 voluntary and national certification schemes. Overall, this could influence the future of biomass sourcing, where, for example biomass may not be made available on the market for large combustion, or alternatively, it may be specifically cultivated for this purpose.

On the Group level, combined EPIF and EPPE, approx. 70% of the biomass used is covered by approved certification schemes by the EC, expecting continuous trend for the upcoming years. The ambitious renewable energy project, Lynemouth power plant which underwent a major conversion programme, uses robust and independently audited certification systems for sustainable biomass across the whole supply chain from production and harvesting to transportation and use. These include SBP (Sustainable Biomass Partnership) and GGL (Green Gold Label) schemes.

EPH's biomass implementation in the Group: highlighted through case studies

Case study
GazelEnergie: Bringing Provence 4 biomass plant online

The year 2021 was marked by significant disruptions due to strikes that were related to the social climate posed on our sites. These strikes were mainly linked to the government's decision to close coal-fired power plants. Despite these challenges, in 2022, the Provence 4 biomass unit was able to operate successfully and run for 3,002 hours. During this time, 305 thousand tonnes of biomass was burned, representing 987 GWh of consumed energy. As a result, in 2022, the unit produced a total of 378 GWh of energy. Overall, the plant continues to contribute to taking CO_2 off the grid.

The biomass used in the Provence 4 unit has been certified by PEFC (Program for the Endorsement of Forest Certification), a voluntary scheme applicant waiting for the approval by the European Commission. This certification is in accordance with the Renewable Energy Directive II (RED II) and demonstrates the unit's commitment to sustainability and environmentally friendly practices.

Case study
EP New Energy Italia: sustainably sourcing biomass

At EPNEI, woody biomass from silvicultural interventions is utilised. This is an efficient way of using resources and is part of the cascade principle under the proposed Renewable Energy Directive III. Cascading maximises resource efficiency by using biomass in products that create the most economic value over multiple lifetimes. For these reasons, EPNEI ensures that biomass supplied for energy production is in full compliance with the cascade principle and that biomass that could not find other markets is given preference.

In recent years, the Italian territory has been devastated by both abiotic and biotic factors. Abiotic factors include the Vaia storm in the north-east and forest fires in the Vesuvio areas. Biotic factors include the attack of olive groves in Puglia by bacterium Xylella fastidiosa, damaged stone pines due to the Toumeyella parvicornis in Lazio, and the loss of large areas of fir and pine due to bark beetles and Tomicus. Therefore, by sourcing biomass from phytosanitary and clearcutting, Biomasse Italia, Biomasse Crotone, and Fusine Energia have been helping to address these factors.

Picture 15: Regrowth of the Vesuvio area after forest harvesting was implemented to address the effects of a forest fire.

Case study
EPIF heating plants: certified biomass reduces our reliance on lignite

At EPIF, PLTEP and UE obtained an approved biomass certification of KZR INiG system in 2022 and March 2023 respectively. For more information, please see ↗ EPIF's 2022 Sustainability Report.

Case study
MIBRAG: update of wood driers for biomass combustion

The gas motor-based Combine Heat and Power (CHP) plant in the Profen Village is a very flexible low-emission plant that is expected to have an electrical output of 15 MW and is planned to be connected to MIBRAG's own 30 kV grid. As a result of the decommissioning of the Deuben power plant in 2021, MIBRAG's internal future demand for electricity is to be achieved with this plant, together with the Wählitz power plant. In connection with the CHP plant, a 32 meter-long dryer has recently been delivered. It is planned to use exhaust heat from the plant to dry chips of different natural wood qualities for use in various applications. Woodchips are planned to be used for co-burning at the Wählitz power plant, where they could substitute up to 31 thousand tonnes of raw lignite and significantly reduce CO_2 emissions, creating a basis for the further development of a climate-neutral industrial site at the Profen Village. The dryer is planned to be taken into operation in September 2023 and initially is operated using heat supplied by the district heating system. A site with a capacity of 90 thousand cubic meters has been prepared for the storage of woodchips, where raw wood is to be gradually delivered out of three Central German states and stored here. The CHP plant and wood dryer are elements of the EMIR[56] project, which represent the first steps toward a potential fuel switch at the Wählitz power plant.

Picture 16: Stack of logwood from Thuringia at MIBRAG's storage site and wood chips for combustion.

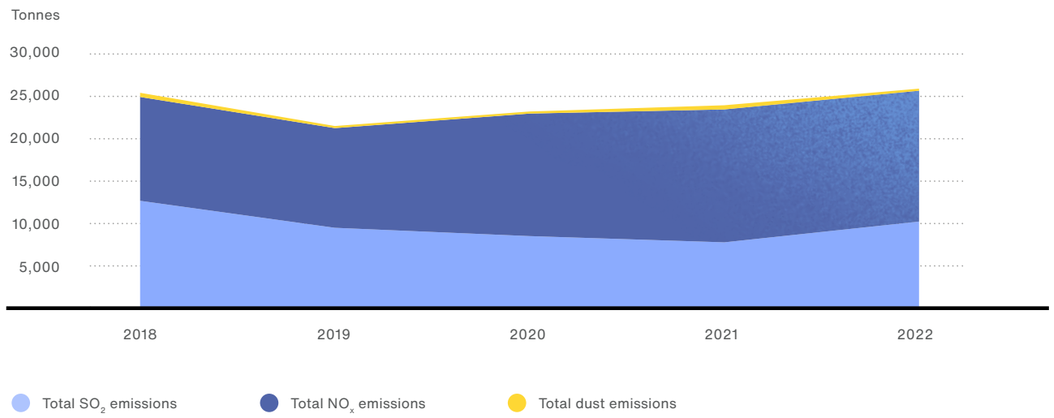
56 EMIR is a German abbreviation meaning "transformation of MIBRAG in the local region."

Other air pollutants

The most significant atmospheric pollutants associated with our activities are sulphur dioxide (SO_2), nitrogen oxides (NO_x) and dust. Overall, EPH saw a slight increase in dust emissions, by 3% when compared to last year. In 2022, sulphur dioxide emissions increased by 32% compared to last year. However, EPH managed to reduce NO_x emissions from the last year by 3%. This increase of dust emissions and SO_2 emissions is mainly linked to higher production from coal in Germany and France, where coal-fired power plants have played a significant role in ensuring security of electricity supply. Even though there was an increase in these emissions within the Group, overall, since 2015, EPH has managed to decrease SO_2 emissions by 60% and dust emissions by 54%. A specific breakdown and management approach to these specific emissions is highlighted in the following table.

Moreover, the following other air emission intensities measured in tonnes per 1 GWh of energy produced were recorded: 42% increase in SO_2 intensity, 5% increase in NO_x intensity, and 11% increase in dust intensity in 2022 compared to 2021. However, compared to 2015, EPH experienced 83% improvement in SO_2 intensity, 58% NO_x intensity and 80% dust intensity.

EPH's total air emissions



10,272 tonnes
Total SO_2 emissions

15,251 tonnes
Total NO_x emissions

354 tonnes
Total dust emissions

Graph 19: Air emissions.

Emission source	% 2015–2022 change	% 2021–2022 change	EPIF's management approach
SO_2 emissions	60 % ↓	32 % ↑	The combustion of sulphurous coal is the primary source of our SO_2 emissions. EPH addresses its SO_2 emissions through the improved desulphurisation of our equipment. We are also focusing our efforts on increasing the proportion of natural gas in our energy mix.
NO_x emissions	0 %	3 % ↓	Nitrogen oxide (NO_x) is mainly generated by the combustion of nitrogen contained in the air at high temperatures. EPH addresses these emissions through the continued monitoring and analyses of stacks in our large power plants. We ensure the same type of commitment to stacks in our small plants, but on a more periodic basis, as we also rely on statistical parameters for analyses.
Dust emissions	54 % ↓	3 % ↑	Dust particles are primarily emitted through our coal-fired power plants. EPH manages these emissions through highly sophisticated filters.

Table 7: Air emissions management approach.

Case Study

EP Produzione: Complying with best available technologies at Fiume Santo

Following the provisions of current legislation, the Fiume Santo plant must comply with best available technologies (BAT). This was established by the decision (EU) 2017/1442 of the EU Commission of July 2017 in accordance with the provisions of Directive 2010/75/EU of European Parliament and the Council for large combustion plants. By law, plant BAT compliance projects must be authorised by the Competent Authority and implemented by plant operators within 4 years of BAT publication, which for Fiume Santo should have been August 2021. However, the plant obtained an extension of the deadline, where the timeline for the works was accordingly set for May to September 2021 for Unit 4 and November 2021 to March 2022 for Unit 3.

At Fiume Santo, the implementations required to comply with BAT will reach an investment of approximately EUR 17 million and will consist of:

1. Replacing boiler burners;
2. Catalyst replacement within the $DeNO_x$ process;
3. Revamping electrostatic precipitators;
4. Other minor interventions in $DeSO_x$.

The table below highlights the air emission improvements that would result after the implementation of BAT at the Fiume Santo power plant.

Emission	Current monthly average [mg/Nm³]	New daily average [mg/Nm³]	New annual average [mg/Nm³]
SO_2	200	130	120
NO_x	200	150	140
Dust	20	14	10

Table 8: Air emission improvements at Fiume Santo as a result of implementing BAT.

Picture 17: Fiume Santo.

Mitigation of environmental impact

EPH continually monitors its impact on the natural environment and targets its efforts accordingly. Within the core of our business, we focus on reducing the discharge of water pollutants, disposing of our waste responsibly, thoroughly cleaning any of our contaminated sites, and supporting the biodiversity surrounding our operations.

EPH works to understand the direct and indirect impact that its activities have on the natural environment surrounding its business operations. This is important, as the majority of our impacts can be proactively addressed and managed.

Our environmental focus is not only guided by relevant legislation and regulations, but also by our internal policies. Notably, the *Environmental Policy* (introduced in 2020 and updated in 2021), *Biodiversity Policy* and the *Asset Integrity Management Policy* (introduced in 2021). We believe it is important to go beyond the local and national requirements, as this allows us to look past the standard thresholds and truly understand the potential our Group has in mitigating its environmental impact.

Our contribution to the SDGs:

EPH works to promote and protect the environment through sustainable production patterns. Overall, our aim is to protect and restore our surrounding environment, rather than hinder its existence.

Water

We view water efficiency as a top priority across all our operations, as we understand the increasing concern for water scarcity. Our aim is to continually find processes and systems by which we can consume less water, while reliably meeting our demand. Most notably, we ensure to discharge water at the same or better quality compared to when it was withdrawn.

Effluents and waste

The main principle underlying our approach to waste management can be summarised as ‘avoidance, recovery and disposal’. Where we work to avoid excessive waste creation, recover waste with further purpose, and responsibly dispose of any remaining waste, with a focus on recycling when possible.

Biodiversity and reclamation

EPH focuses on protecting local ecosystems and biodiversity surrounding our operations by monitoring and addressing the impacts of our activities. Our aim is to actively engage in projects that support and restore our surrounding environment, especially the areas impacted by mining activities.

Environmental management and monitoring

Our environmental management system is strategically developed to ensure that all our entities across the Group protect the environment by proactively identifying potential risks and meeting legal requirements. EPH is committed to maintaining standards equal to those at international levels.

2022 Highlights

-31 %

In 2022, EPH was successful in decreasing hazardous waste production in line with the trend of previous years.Compared to last year it is by 31% lower, and it is 50% less than 5 years ago. In 2022, EPH recycled 36% of its produced hazardous waste.

322 hectars

Since 2018, we recultivated 322 hectars of land, out of which almost 60% accounted for forest reclamation.

In 2022, we faced several penalties, which are not connected to any environmental issue, but it is mainly related to lower-than-expected consumed fuel volume due to a power production drop. For more information, please see our AR.

LIFE project

In 2022, EPH’s subsidiary SSD participated in the LIFE project titled “Restoration of Wetlands and Protection of Birds in Protected Bird Areas in Slovakia.” This showcases our continued support for biodiversity protection initiatives throughout the Group.

Water

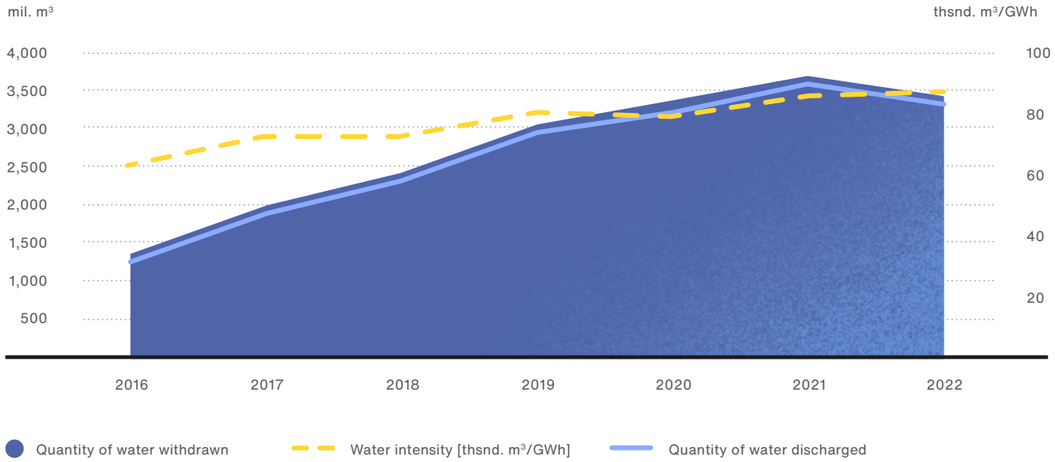
EPH understands the crucial role that access to clean water plays in our environment and society, be it on the global or local scale. Therefore, we have recognised that there is significant importance in protecting aquatic habitats and other ecosystems throughout our operations. For EPH, water is extremely important to our energy production, heat distribution and coal mining activities.

Ultimately, the efficient use of water is a top priority for all EPH's operations. Our aim is to optimise our water consumption throughout our business, as we recognise that climate change will continue to pose a serious threat to water scarcity.

The majority of water that EPH withdraws is from surface water, with minimal amounts sourced from groundwater and municipalities. For example, water is used in the cooling process during energy generation. At EPPE, surface and underground water are also withdrawn at MIBRAG's opencast mines. Notably, through the water purification programmes at MIBRAG, water is extensively recovered and released into neighbouring water systems.

Compared to last year, in 2022, EPH's water withdrawal and discharge saw a decrease of 7% and 7% respectively. Our water intensity remained the same as last year at 86 ths. m^3/GWh.

Water withdrawal and discharge



3,431 mil. m^3
Total water withdrawn

86 thsnd. m^3/GWh
Water intensity

3,332 mil. m^3
Total water discharged

12 GWh/mil. m^3
Water efficiency

Graph 20: Water withdrawal and discharge.

Our water management

At EPH, we have focused on several methods to help in our water footprint reduction efforts. These efforts include a more intensive use of pumped water from open-cast mines and collected rainwater, and further recovering, reusing, and recycling processed water from our operations. Additionally, we have focused our efforts on internal wastewater treatment and continuous monitoring of the process, as we have found that this eliminates any potential for water contamination.

In 2021, we began analysing and assessing the water-related risks of our operations, where areas with high risk were identified through the Water exploitation index plus (WEI+) for river basin districts. According to the European Environment Agency, the WEI+ aims to illustrate the threat posed for renewable freshwater sources of a defined territory (country, river basin, sub-basin etc.) during a specified period (e.g. seasonal, annual), as a result of water use for supporting human-related activities.

In 2022, we wanted to continue with WEI+ to extend our analysis for the last available data, however, at the time of completion of this report the detailed data for water stress in different locations (for 2019) were not available. Thus, we have decided to swich to World Resources Institute's Aqueduct Water Risk Atlas[57] where detailed data for 2019 are available. Newly, also plants cooled by seawater are included in the risk assessment. The Aqueduct Water Risk Atlas uses open-source, peer reviewed data to map and analyse current and future water risks such as floods, droughts, and stress across locations. We have conducted our analyses for 2022 data with over 97% of water withdrawal covered. The analysis included assets with the highest water withdrawal: EP Produzione, some assets from the the UK and our cogeneration plants located in the Czech Republic. The conclusion is that our plants mostly operate in the low to medium water risk locations. In the previous analyses we have included also MIBRAG, however, in 2022 it represented only 2% of total water withdrawal.

Overall, at EPH, we ensure that we provide verifiable compliance with the statutory threshold values, as this ensures that we not only adhere to the local standards in which we operate, but that we also avoid any potential for negative impacts on our surrounding communities and natural habitats.

Identification of water-stressed areas with regards to our water withdrawal[58]

Country	Water source	Water withdrawal and WEI+	Plant type	Risk*
Italy	Seawater	712 mil. m^3	Coal	Low – Medium
	Rivers	946 mil. m^3	Gas (CCGT)	Major basin name: Po: Low – Medium Major basin name: Mediterranean Sea Islands: High
	Total analysed	**1,658 mil. m^3**	**Mix**	**Low – Medium mostly**
UK	Seawater	1,183 mil. m^3	Mix (CCGT, biomass, coal)	Low – Medium
	Rivers	395 mil. m^3	CCGT	Low – Medium
	Total analysed	**1,579 mil. m^3**	**Mix**	**Low – Medium mostly**
Czech Republic	Rivers	94 mil. m^3	Mix: lignite, biomass, waste	Major basin name: Elbe – Low mostly
	Water withdrawal analysed	**3,330**	**Mix**	**Low – Medium**
	Total water withdrawal	**3,431**		
	% Analysed	**97.1%**		

*Methodology change to Aqueduct Water Risk Atlas (wri.org)

Table 9: Identification of water-stressed areas with regards to our water withdrawal.

57 Aqueduct, a tool of World Resources Institute, data accessed on 15 April 2023 at https://www.wri.org/aqueduct 8

58 The Water Exploitation Index is provided by the European Environment Agency (EEA). The data for the index was collected from 1990–2019 and is made available at: https://www.eea.europa.eu/data-and-maps/indicators/use-of-freshwater-resources-3/assessment-4

Case studies
Water efficiency programmes

Tynagh Energy

Tynagh operates a Combined Cycle Gas Turbine (CCGT) power plant on part of the old Tynagh Mine site at Derryfrench, Loughrea, Co. Galway. The plant has a nominal output capacity of 400 MW and generates electricity for export to the national grid. The plant operates using natural gas as fuel, with gasoil as a backup in the event of gas supply failure. The Large Combustion Plant Directive (2001/80/EC) applies to this installation.

Process emissions that enter the water consist mainly of effluents from wastewater treatment plants, which are discharged into the quarry after settling. Tynagh holds an Integrated Pollution Prevention and Control Licence (IPPCL) overseen by the Environmental Protection Agency (EPA), which guarantees full compliance with water discharge limits and environmental permits. EPA inspectors have previously commended the site for a "high level of environmental management on-site."

Tynagh's power plant discharges water into the Shannon region fisheries and fully complies with the strict limits in the area's discharge licence. There is also a full-time designated on-site water technician. To ensure the quality of the process and surface water discharge, it is all tested in the site's laboratory (with continuous monitoring – 24 hours a day, 7 days a week), and includes weekly internal and external certified analyses. Measures such as water flow, pH, temperature, electrical conductivity, and dissolved oxygen are continuously monitored by the Distributed Control System (DCS). Groundwater samples are tested from 3 wells every 6 months, where non-compliance has not been identified for many years. Water discharge is monitored by operations as part of the route log and tested daily. Overall, Tynagh holds an ISO 14001 certification from the National Standards Authority of Ireland.

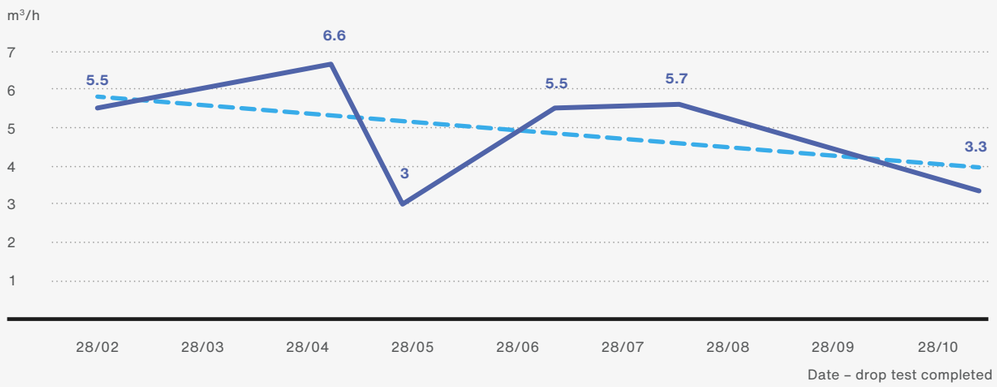
Tynagh continuously reports raw water consumption, where a water drop test is used to measure water consumption per hour of operation. Water use is reported in annual environmental reports submitted to the EPA. Each year, Tynagh's water reduction team develops a water reduction plan, where opportunities to reduce water consumption are identified. Overall, the team focuses on addressing water management, setting targets when solutions can be implemented, and monitoring the progress of the plans put into place.

Tynagh's operations team checks the power station daily during on-site walk-downs. A site maintenance management system is used to report any leaks that lead to equipment repairs, as well as other areas that may require maintenance. For example, based on the team's water reduction plan, heat recovery steam generator (HRSG) boiler valves were replaced and repaired, which led to a decrease in water consumption from 6.3 m^3/h in 2019 to 2.8 m^3/h in 2021. Water and wastewater management are key aspects of the site's Annual Environmental Improvement Plan. The entire team undergoes site-specific training that covers environmental awareness and wastewater management, with an annual refresher on the training.

Sample Process Wastewater (treated)	**Sample Process Wastewater (treated) Discharge**
Composite samples are collected every 24 hours and sent off-site for analysis. Laboratory tests are carried out weekly.	Monitored by operations as part of a daily route log.
Sample Surface Water Waste	**Sample Surface Water Waste Discharge**
Grab samples are carried out from the surface discharge pit and tested weekly. Samples are sent for oil/ hydrocarbon and Chemical Oxygen Demand (COD) analyses.	Monitored by operations as part of a daily route log.

Picture 18: Supporting information about Tynagh's process for testing water samples.

2020 Water Drop Tests



Graph 21: Example of water drop test results, where these represent the data collected in 2020.

Case studies
Water efficiency programmes

Plzeňská teplárenská

oth heating plants operated by PLTEP fully rely on circular cooling through cooling towers, where water is sourced from the Mže River. Offtake is only required to compensate for the loss of water through evaporation within the circular cooling system and is therefore limited. The key measure to reducing offtake of surface water is further utilisation of discarded concentrated water from the circular system, as a cooling medium in other technological processes, rather than direct disposal. Concentrated water that is disposed of is cleaned and discharged back into the river, where there is constant control and appropriate parameterisation of the processes associated with the treatment and use of water.

United Energy

Similarly to PLTEP, cooling in the heating plant Komořany is ensured through a set of cooling towers, which is regularly replenished from the Ohře River.

United Energy continuously works towards managing water more efficiently throughout its operational processes, which additionally helps to address the increasing cost of water withdrawal and charges for wastewater discharge. Because technology and consumption are already defined within our processes, further improvement is expected through the planned decarbonisation of United Energy's facilities.

EP Produzione

In the summer of 2022, Northern Italy experienced one of the driest seasons in the last century. The drought was a result of a mild winter with little snow in the mountains and scarce precipitation in spring. These natural factors alongside natural river run-off caused a decrease in the volume of water in large reservoirs, such as Lake of Como and Lake Maggiore. The effect of these conditions was evident when there was an insufficient inflow of cooling water to the Ostiglia and Tavazzano power plants from the Po River and the Muzza Canal.

At Ostiglia, the effects of the drought were severe, where the Po River reached a record minimum level, which was approximately 6 times less than the average for the same period. Several power plants along the river and its tributaries had to be partially or completely shut down. The Ostiglia power plant progressively shut down its units until they came to a complete stop, as the low river levels prevented the cooling pumps from operating. Additionally, the plant's demineralisation unit was also impacted by the lack of water availability, which altered water quality. As a result, the parameters of the water at the inlet of the demi plant severely stressed the treatment capacity of the unit, and consequently the supply of the demineralised water to the power plant.

A new CCGT power plant is under development on the Ostiglia site, which is expected to be more suitable for addressing drought conditions, as it will be equipped with an air-cooled condenser. This technology is planned to be independent of surface water availability to cool the cycle.

During the summer, Tavazzano, in agreement with local authorities, reduced water withdrawal at the power plant. This limitation was intended to guarantee water resources for agricultural purposes. As a result of the decrease in water withdrawal at the power plant, one unit was shut down to divert available water flow to more efficient units. Currently, a new CCGT power plant is under development on the existing Tavazzano site, where water will be withdrawn from the Muzza Canal for cooling. To address the risk of future water scarcity, new technologies are under evaluation for this planned project.

MIBRAG

MIBRAG works to ensure the economic, safe, and proper operation of its mines, which produce about 15 million tons of lignite per year. To ensure this, nearly 100 million m^3 of ground and surface water are pumped out of two large open-pit mines in the south of Leipzig in Saxony, Germany. As part of the dewatering process, most of the water is treated in special plants before being returned to the natural water cycle; however, MIBRAG additionally uses large wetlands to purify water, a process that is proving to be an effective and more sustainable approach to mine water treatment. This method removes sediments and high ion loads using low and continuous discharge rates to aquifers with low pH values, where some of the mine-specific ions are trapped along with settled soil particles and growing plants. As a result, this process consists of similar principles to that of a mine treatment plant; however, wetlands have a very low, close to zero, energy input while decreasing loads of ions and increasing pH values through the liming process. This enhances the quality of surface and ground water recharge, leading to class A surface water. This makes the quality of the water comparable to fresh water in small creeks close to the Schleenhain Mine and lake Großstolpen.

Picture 19: Wetland and liming areas at the Schleenhain Mine.

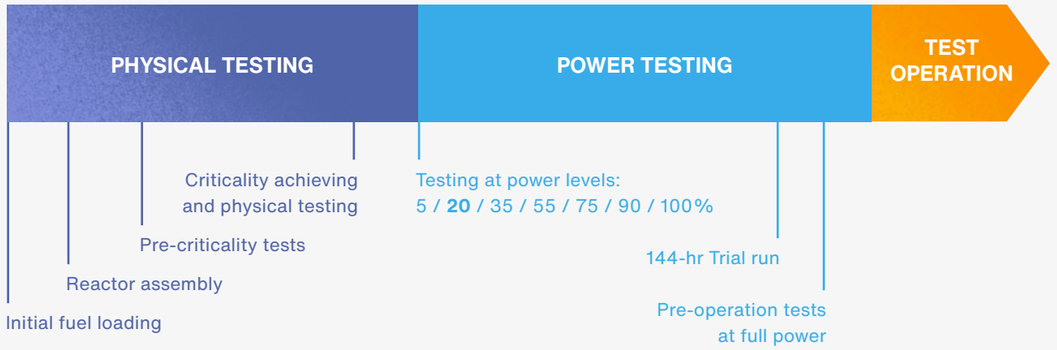
Case Study: Equity participation

Slovenské elektrárne: Commissioning pressurised water reactor units at Mochovce Nuclear Power Plant

Mochovce Nuclear Power Plant comprises of 4 pressurised water reactor units of the VVER 440/V-213 type. Two units have been in operation since 1998 and 2000, while units 3 and 4 (MO34) are in the final stages of completion. These units will make a significant contribution to meeting Slovakia's and the EU's commitments to achieving carbon neutrality by 2050. The electric power of each new unit will be 471 MW and will cover 13% of the electricity demand in Slovakia. Compared to coal and gas power plants, Mochovce units 3 and 4 will prevent the release of at least 5 million tons of CO_2 emissions annually.

Construction of the new units was the largest private investment in Slovakian history, where Slovak and renowned foreign companies worked in cooperation. Mochovce 3 and 4 represent one of the largest and most important projects. They have created a number of jobs in Slovakia, where nearly 7 thousand workers were on site during the peak of the project. Altogether, Mochovce has created 15 thousand direct, indirect and induced jobs. Occupational safety at the construction site is top priority, where over 110 million manhours have been worked and injury statistics have been recorded as half of the EU's construction industry average.

Picture 20: First fuel assembly loading in the Mochovce Unit 3 on 9 September 2022



Picture 21: Expected stages of active testing.

In August 2022, the Slovak Nuclear Regulatory Authority issued the final authorisation for commissioning unit 3 at Mochovce. The physical start-up occurred in September when the first fuel assembly was loaded into the reactor. By October, the controlled fission chain reaction was underway in the reactor, even though the reactor power was still very close to zero.

The physical start-up will consist of dozens of scheduled mandatory tests. This will include pressure tests of the containment, carrying out primary circuit and steam generators, verifying the functionality ofthereactor control and protection systems, andcarrying out complex tests to verify all the core characteristics of the reactor. Thiswill first be conducted without the controlled fission reaction, then later at the minimum power of 10-7 to 2% of the nominal power.

Following physical start-up, stages of active testing are planned to follow, which are highlighted in the graphic below.

The next commissioning stage is power start-up, where the reactor power is planned to be increased to 5% in the first step, with further tests to be carried. Tests are to be simulated to assess scenarios that the plant is unlikely to ever experience in normal operation. The power level is planned to be increased step-by step until 100% of the nominal power is reached, where only tests approved by the Nuclear Regulatory Authority of the Slovak Republic will be carried out at each power level.

Once reactor power is increased to 20% and the steam generators produce sufficient steam, turbine-generators connected to the Slovak electricity system can produce the first megawatt-hours of low-carbon electricity flow into the grid. The full functionality of unit 3 and the achievement of the design parameters will be confirmed by successful completion of the 144 hour proof run at full power.

Overall, seven out of ten Slovaks support nuclear energy. Up to 60% think it is safe to generate electricity in a nuclear power plant. This is reflected by results of public opinion poll conducted by the company ACRC for the Slovak Society for Foreign Policy (SFPA) and Slovenské elektrárne in June–July 2022.

Effluents and waste

In 2022, EPH increased its total waste production by 1% compared to last year, where non-hazardous saw a minor increase of 1% and hazardous waste saw a decrease of 31%

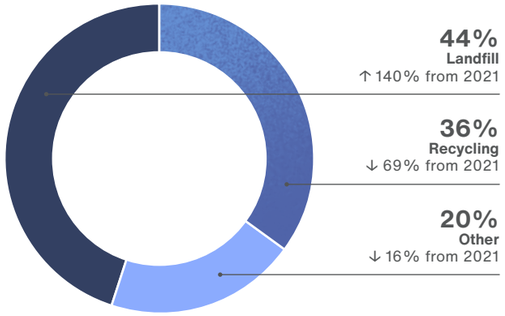
The significant decrease in hazardous waste production was related to the decreased disposal of decommissioned technology in the mining areas and power plants compared to 2021. Notably, in 2022, EPH recycled 36% of its hazardous waste.

Our waste management

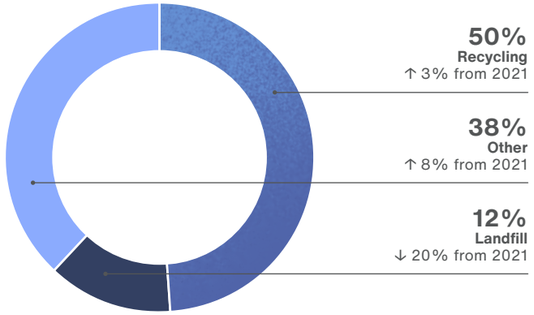
EPH aims to generate the least amount of waste possible, while further investing in decommissioning and conversion strategies. As a result, we have been focusing our efforts on the recovery of our waste and appropriately reusing or disposing of it based on its composition. It should be noted that we do not disclose by-products as part of our generated waste because the majority of our by-products have a lifecycle beyond our operations.

Overall, EPH saw an 12% waste intensity increase in 2022 when compared to last year. However, compared to 2018 our waste intesity decreased by 35%, through the above-mentioned methods, EPH aims to decrease its waste intensity, as further depicted by the selected case studies within this Report. In addition to our waste disposal through recycling and use of the landfill, EPH also disposes of its waste through third parties and suppliers (e.g. construction services), where we are limited in tracking the final destination or further use of waste, marked as “contractors” in the graphs below. However, through our binding contracts, we ensure that suppliers always follow the Group’s best practices relating to waste disposal. This is further highlighted within the SPP-D case study within the “Waste management programmes” section of this Report. Overall, EPH always tries to opt for the most appropriate means of waste disposal.

Total disposed hazardous waste



Total disposed non-hazardous waste



3,242tonnes

↓ 36%

Hazardous waste by means of disposal

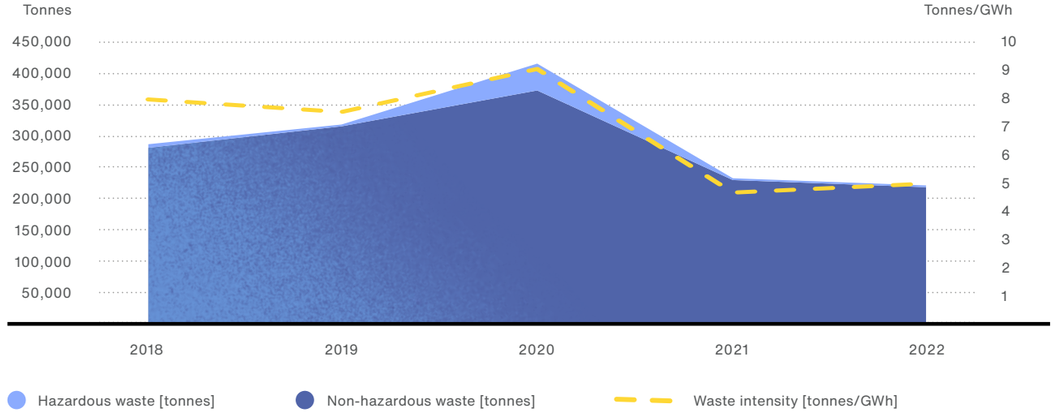
229,666 tonnes

↑ 1%

Non-hazardous waste by means of disposal

Graph 22: Waste disposal by type.

Total waste production and intensity[59]



233,949 tonnes

Total produced waste

3,503 tonnes

Hazardous waste

230,447 tonnes

Non-hazardous waste

5.2 tonnes/GWh

Waste intensity

Graph 23: Waste production and intensity.

59 Waste intensity only includes generating companies.

Case Study
Waste management programmes

Plzeňská teplárenská

At Plzeňská teplárenská, we invest in metal separation, having increased the volume of separated iron from slag by 25% compared to 2021. This investment also supports the continual research for being able to separate non-ferrous metal in the future (e.g. copper and aluminium).

The proposed ferromagnetic materials separation occurs in two stages. The first stage separates the coarse metal waste and in the second stage, the remaining slag passes through a permanent magnet, where finer metal particles are separated.

SPP-distribúcia

As the largest contributor of waste produced by the EPIF Group (39% in 2022), SPP-D implements measures to not only reduce its waste, but to also maximise the share of waste that gets reused or recycled. The waste is mainly linked to the extension and modernisation of the gas distribution network, and it primarily consists of stone and soil. As we further develop our network, thereby work to ensure a reliable supply for all, construction waste will be unavoidable. Therefore, we concentrate our efforts on maximising the reusing and recycling of waste. As most of our construction waste is disposed of by our suppliers, who provide the construction services to our network, we include a binding condition in our supplier contracts. It emphasises a supplier's duty to always follow EPIF's waste disposal hierarchy and, whenever feasible, to first dispose of waste through methods of reusing and recycling over landfilling.

A successful certification audit in December 2021 confirmed that SPP - distribúcia met the requirements of ISO 9001, ISO 14001, and ISO 45001 standards.

Elektrárny Opatovice & United Energy

At our heating plants in Opatovice nad Labem and Komořany, we are preparing for the development of projects that will replace the current coal fuel base with other sources. One of the planned alternatives is to partially replace coal with waste as the energy required for power and heat production.

In connection with the European Union's so-called circular economy package, the Czech legislation has adopted changes in waste management led by the new Waste Act No. 541/2020 Coll. Going forward, ca 65% of waste is planned to be recycled, while up to 25% of the remaining waste will be used as a renewable energy source.

EP UK Investments

The South Humber Bank Energy Centre (SHBEC) will consume approximately 640 thousand tonnes of waste a year to deliver 80 MW of electric output energy from the waste plant adjacent to the South Humber Bank CCGT. Approximately 50% of the electrical output will be from renewable sources and the remaining 50% will be from waste that would have otherwise been landfilled.

Currently, the project has obtained all required consent; however, the final investment decision is on hold. This was caused by a number of major contractors that entered into liquidation, alongside a highly volatile market that followed the pandemic and the war in Ukraine.

If the project proceeds, construction is expected to take approximately 3 years, with the plant expected to commence operation in 2025/2026. The total investment will be approximately GBP 300 million and once in operation, the plant will create about 80 full time jobs.

Picture 22: The expected layout of the South Humber Bank Energy Centre.

Case Study
Waste management programmes

MIBRAG

MIBRAG pays special attention to the potential reuse of mining equipment and its components, such as electric motors, belt drums, and gearboxes. The aim is to extend the lifespan of these components and, where possible, reuse them in various other applications and at different mine sites. Therefore, once mining equipment is taken out of production, their components are technically evaluated and reconditioned based on their degree of wear. The same approach is applied to machines and technology at MIBRAG, such as excavators, trucks, and pickup trucks. Once reconditioned, they are either internally reused or externally sold to specialised dealers and service shops; however, if reuse is not possible, MIBRAG ensures that the waste is collected and appropriately recycled.

United Energy

A waste collection company in the Ústí nad Labem region, AVE, currently supports United Energy with our waste management. They do not own end facilities, such as landfills, therefore they are dependent on other entities for the management of our waste. As a result, United Energy's ability to influence who handles our waste, and how it is handled, is quite limited, if not eliminated. However, principles of circular economy and sustainability are becoming increasingly relevant, which will have a major impact on all areas of our industry, and others in the years to come. European legislation is adapting to this very quickly, where the aim is to make the most economical use of limited European resources, and thus reduce dependence on imported resources. However, the gaps are large. For example, in construction projects, there should be more pressure on suppliers to use recyclates and other materials from waste. At the same time, it is proposed to develop a sophisticated waste management system in cooperation with AVE, especially if there will be a ZEVO facility (waste-to-energy) in the Czech Republic. An important step for United Energy is to actively engage in the use of waste, for example, in its internal reuse or even actively participating on portals designed for their trading.

Case Study: Equity participation
Slovenské elektrárne:
Control and maintenance of effluents and waste

Vojany power plant (EVO)

The by-product of brown coal combustion is ash, which has been gradually deposited on sludge beds of the Nováky power plant since the start of its operation. Among the used sludge beds was the Temporary Sludge Bed, which is currently being rehabilitated and a landfill for inert waste, a stabilisate, which has been built on it.

A detailed geological survey carried out between 2009 and 2011 confirmed the pollution of groundwater by arsenic, boron and molybdenum, and identified the site as an environmental burden. Due to the high levels of pollutants, there is a permanent subsidisation of groundwater with pollutants from the pond. For this reason, and above all to the fact that the sludge bed is located in close proximity to the Chalmová spa, it was necessary to prevent the penetration of heavily contaminated waters from the sludge bed into the surroundings. It was determined that partial isolation of the territory using a reaction barrier would serve as a remediation measure.

In order to optimise the efficiency and effectiveness of the reaction barrier, a pilot project with a barrier length of 60m was implemented in the first step, which occurred in 2015 to 2016. The pilot experiment verified the high efficiency of the chosen remediation method, with up to 97%.

For the above reasons, the management of Slovenské elektrárne decided that the remediation would continue and a barrier was completed to the entire planned length of about 200m. Iron sawdust was used as the optimal material for the reaction barrier, thereby ensuring the required reduction in the concentration of the monitored indicators. The construction of a full-length reaction barrier ensured high efficiency in the removal of arsenic from groundwater.

Currently, regular groundwater monitoring is carried out on site, ensuring the replacement of reaction charges at such intervals that the target groundwater remediation values for arsenic are reached. By building a reaction barrier, the company has made a significant contribution to improving groundwater quality.

Picture 23: Construction of a reaction barrier.

Case Study: Equity participation
Slovenské elektrárne:
Control and maintenance of effluents and waste

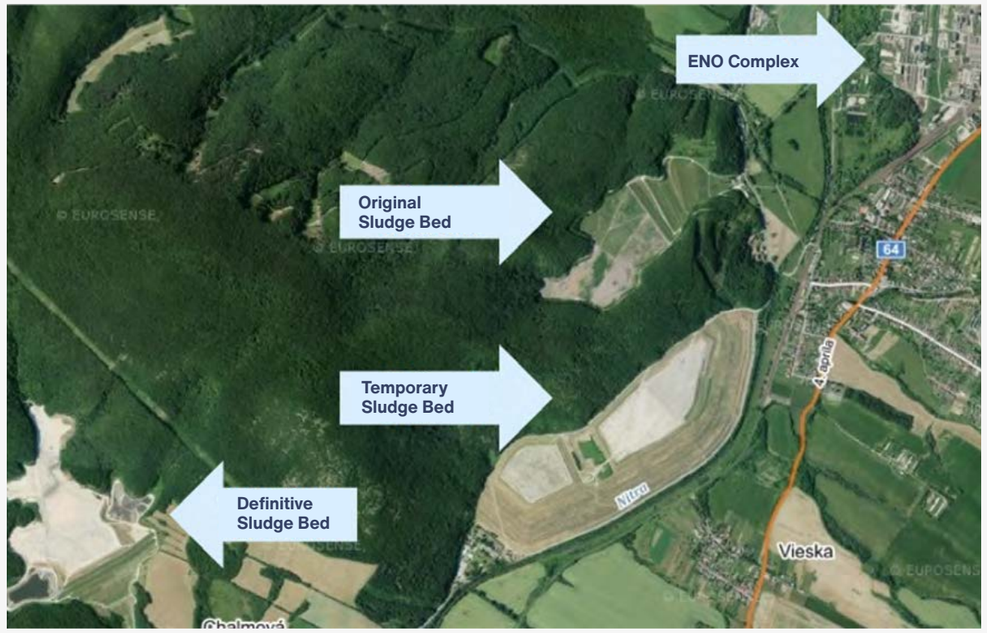
Nováky power plant (ENO)

With the current production of electricity and heat, coal combustion produces several types of waste (ash, cinder blocks, etc.) that are currently deposited on sludge beds. In the past, Original and Temporary Sludge Beds were used, which are already closed and reclaimed, while a Definitive Sludge Bed is currently in operation.

Wastewater (leachate, drainage) flows out of the ENO ponds, which are transported by a pipeline system to the pumping station and then used in the production process as process water. Wastewater from drainage systems on sludge beds represents a volume of approximately 13 m^3/hour.

The chemical composition of these waters exceeds the limit values of predominantly arsenic. During ENO operation, the values do not pose a problem, as they are reused in the production process. The change is expected to occur after 2023, when the production of electricity and heat by burning coal is planned to be discontinued, and thus the deposition of ash on sludge beds stopped. Drainage waters will need to continue to be drained from existing tailings, but it is planned that they will not be returned to the production process. Therefore, it is necessary to ensure appropriate management for these waters is applied. Slovenské elektrárne has decided to build its own facility for the treatment of drainage water from existing sludge beds and then discharge these waters into the Nitra surface stream.

This facility is planned to treat drainage water from existing sludge beds, which have long been considered and defined as significant environmental burdens on the site. Purification of these waters before discharge into the Nitra river are expected to reduce the level of permissible pollution, including arsenic, and thus gradually reduce the load on the area and its surroundings. Therefore, this is expected to have a positive impact on all environmental components, especially surface water. In 2022, construction preparation for the treatment plant was conducted, with expected completion in 2023.



Picture 24: Sludge beds at the Nováky power plant.

Picture 25: Temporary sludge bed at the Nováky power plant.

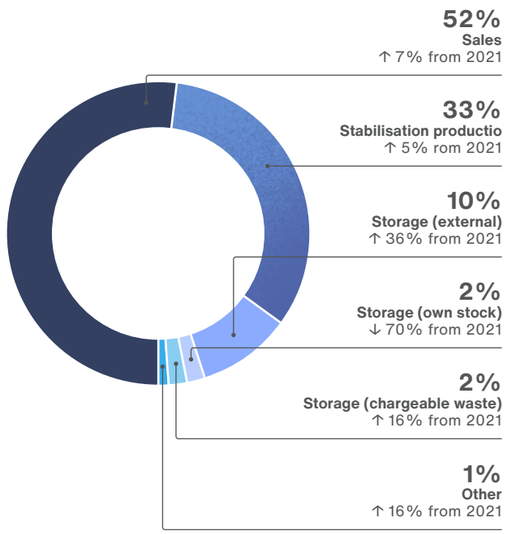
By-products

At EPH, by-products are an inevitable part of our business operations, which is why we availably sell them for further commercial use. This allows us to reduce the by-product waste that we would have otherwise sent to the landfill. Furthermore, it allows us to provide an option for purchasing these products outside of their direct extraction. This not only eases the process for our stakeholders, but it provides them with further value. We have found that the majority of our by-products are sought out by the construction industry, but ultimately, they can be used by various other business segments. As an example, gypsum can be used as a fertilizer, but it can also be used as a retarder in cement. Overall, EPH saw an increase of 16% in its by-product generation from operations when compared to last year. This was a result of the increased share of lignite within the Group's fuel mix. In 2022, the total production of by-products was 2.5 million tonnes, of which 45% was ash.

By-product management

EPH's by-products are all subject to regular certification and third-party authorisation. This is important in ensuring that our by-products do not contain dangerous elements, such as heavy metals. As a result, we have historically complied with the market requirements relating to the sale of our by-products.

By-products 2022: total means of disposal



2,467,748 tonnes
Total means of disposal

Graph 24: 2022 share of by-products by disposal.

Utilisation of secondary energy products

Our heat and power generation assets generate fly ash, slag, and gypsum from the combustion of coal as secondary energy products, which are further used towards reclamation and the adjustment of terrains, or it is sold particularly for construction purposes. This is a common practice amongst our companies in the Heat Infra and Flexible Power Generation segments.

Our companies ensure that all secondary energy products are certified before they continue to explore other options for their use. As mentioned above, by-products are sold for further use, however, they do not always get completely bought out. However, the trend is positive, and a higher portion of fly ash mixture is sold than stored.

Ash

used mainly by construction companies for production of concrete, cement or bricks. Utilisation of coal ash in the construction industry saves the primary materials which would be used instead (limestone, clay, sand). The major customers sourcing ash from our companies include concrete plants and cement plants. The ash from pure biomass combustion is also used by farmers as a fertilizer. In the Czech Republic and Slovakia our fly ash has the ČSN-EN-450 standard, which indicates the fineness of fly ash grain size and is considered one of the best.

Slag

primarily used for production of bricks and underlayment of roads. Slag is used as a substitute for gravel which would have to be extracted instead, it also serves as road grit for winter maintenance. Key customers comprise of brick plants and road construction companies.

Gypsum

used to produce plasterboards and aerated concrete blocks or as a gypsum agricultural fertilizer (reduces gypsum volumes which need to be mined). It is also an integral part in the production of cement, where it is used as a setting stabiliser. It can also be used to produce anhydrite screeds.

Case Study
By-product programmes

EP United Kingdom Investments

The Gale Common Ash Extraction project is to extract up to 1 million tonnes per year of pulverised fuel ash (PFA) from the landfill site that was used by both Eggborough and Ferrybridge coal-fired power stations for nearly 50 years. In total, the site holds 50 million tonnes of PFA, making it the largest in the UK, of which 25 million tonnes is available for extraction. If all of the accessible PFA is used in cementitious applications, it will result in approximately 20 million tonnes of carbon savings for the cement industry.

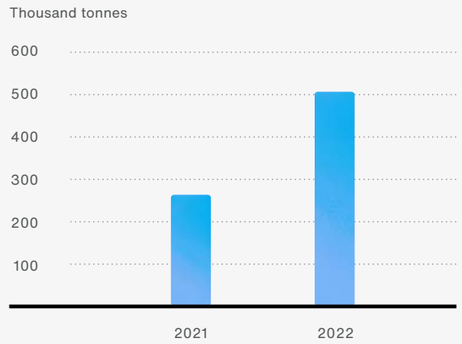
The project is at the final stage of the approval process with the extraction expected to commence towards the end of 2023 and create approximately 40 full time jobs. Gale Common is EPPE's ash disposal site located in North Yorkshire, UK. This ash, known as pulverised fuel ash can be used to replace primary aggregates, such as sand and clay, and reduce the carbon footprint of construction materials.

GazelEnergie

GazelEnergie's subsidiary Surschiste developed its activities on the evaluation of ashes produced from its coal and biomass power plants for public works companies. Currently, EPH is exploring opportunities to develop synergies with other subsidiaries to further enhance ash management and valuation services.

In 2022, Surschiste succeeded in evaluating 508 thousand tonnes of ash, which is a significant 94% increase when compared to 2021.

Considered to be inert or not dangerous, the ashes are used to replace products that consume large amounts of energy and emissions, or to replace natural products from quarries. In addition, the exploitation of the deposits and therefore the massive destocking contributes to the reconquest of the sites. Given their lightness and their density in place, they also allow savings in transport. Finally, bringing durability to the structures, they often lead to a general saving over time.



Graph 25: Annual comparison in evaluated ash.

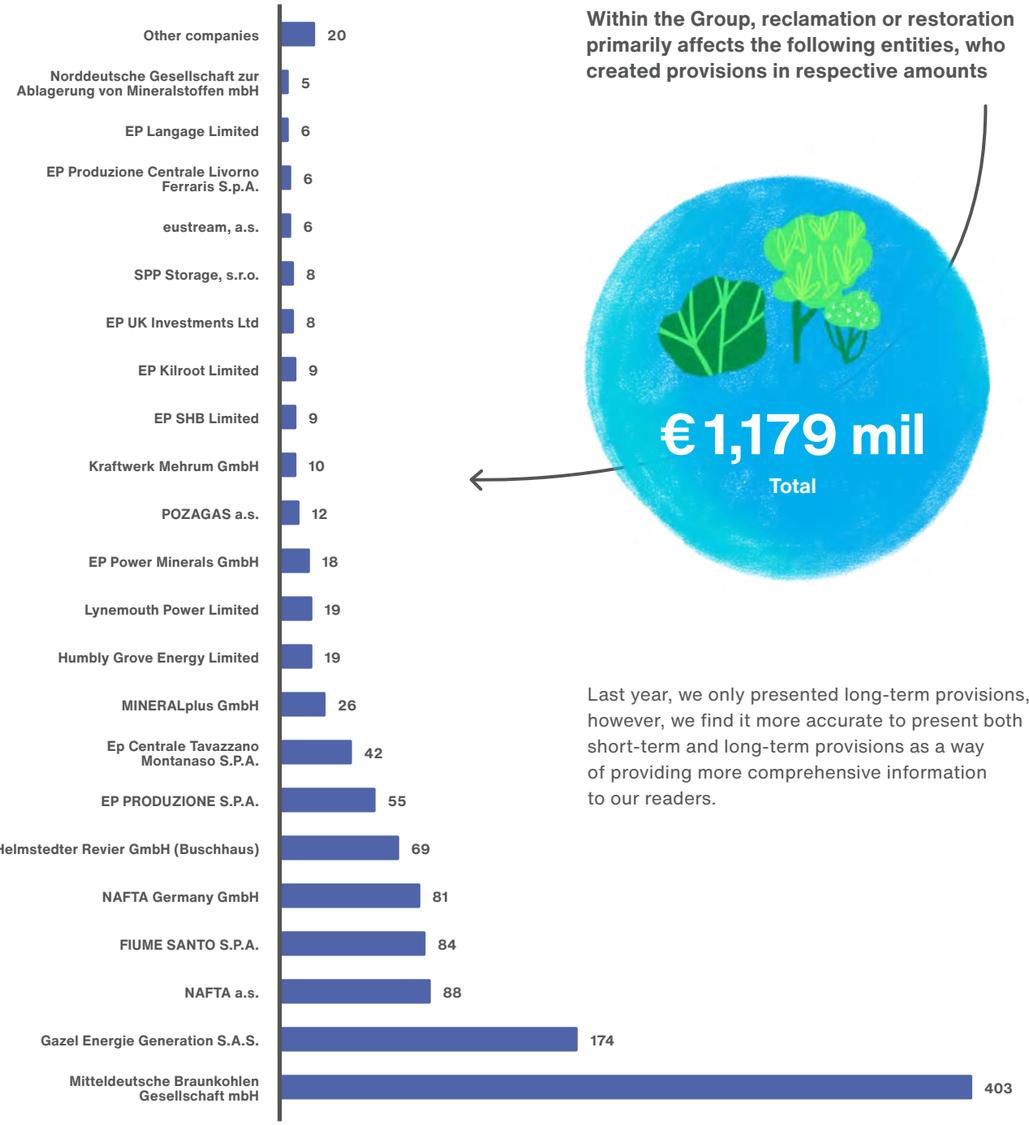
Biodiversity and reclamation

EPH is well aware of the importance of protecting biodiversity, as we understand the value of ecosystems and the environmental benefits that they provide. Therefore, the direct and indirect impact of our activities on local ecosystems and biodiversity is monitored and evaluated. This process is complemented by expert consultations, allowing us to proactively identify and address the potential risks we pose. In addition to minimising our negative impacts on biodiversity, EPH aims to actively support and protect ecosystems and endangered species. These commitments are highlighted in EPH's Environmental Policy and newly implemented Biodiversity policy.

EPH considers reclamation at all stages of its operations, from mining and drilling to a power plant's decommissioning, we ensure to restore sites to their original state. As a result, EPH created specific reclamation measures that are applied across the Group; all entities must have updated plans and contingencies for site closures and other rehabilitation activities.

Activities within the Group's reclamation process might potentially include:

1. restoration and reclamation of affected areas, incl. soil preparation and treatment for subsequent agricultural and forest use;
2. dismantling and removing structures;
3. dismantling operating facilities;
4. closing plant and waste sites.



Within the Group, reclamation or restoration primarily affects the following entities, who created provisions in respective amounts

Last year, we only presented long-term provisions, however, we find it more accurate to present both short-term and long-term provisions as a way of providing more comprehensive information to our readers.

Graph 26: Reclamation provisions in 2022.[60]

60 Entities with provisions below EUR 5 mil threshold were omitted.

Case Study
Biodiversity programmes and initiatives

SSD

With regards to nature conservation, SSD has had a positive impact for many years. We support important European LIFE projects aimed at biodiversity protection, where in 2021, the LIFE Energy project won the LIFE Award within the nature protection project category (SSD is an unofficial partner of the project). In 2022, we participated in the LIFE15 NAT/SK/000861 project “Restoration of Wetlands and Protection of Birds in Protected Bird Areas in Slovakia,” which is supported by the European Commission and the Ministry of the Environment of the Slovak Republic. Through this project, we helped to eliminate bird mortality by installing various technical elements within our distribution network, thereby reducing exposure to high-voltage power lines.

Every year, SSD treats several kilometers of sections that can potentially pose a risk to birds. As part of the LIFE Energy project, systematic monitoring (from 2014–2016) was carried out on a range of 6,235 km on distribution lines of 22 kV and 110 kV.

Additionally, in cooperation with the State Nature Conservation of the Slovak Republic, SSD regularly takes part in activities that help assess and prevent serious bird injuries that often occur along distribution networks. Moreover, in cooperation with both the State Nature Conservation and municipal authorities, SSD is able to safely relocate stork nests out of our distribution network, but still within the area of the respective municipality.

Every year, SSD updates the boundaries of our power lines that cross protected areas in the Slovak Republic. The data obtained is used to further plan and design the distribution network, especially where it meets protected areas. In line with EPIF’s Group policy, SSD has established binding technical standards for the elements used to eliminate environmental risks posed by our distribution network.

In 2022, the following security features were installed in our distribution network:

Picture 26: Relocation of a stork nest.

Electric equipment protectors

829 pieces

Flight diverters

268 pieces

Nesting barrier

16 pieces

Nesting barrier

12 pieces

Picture 27: Security features.

Plzeňská teplárenská

Supporting the bee population

Plzeňská teplárenská has taken a proactive role in supporting the rapidly and continually declining bee population. In 2021, the company placed two beehives on the roof of the ZEVO Plzeň incinerator as a way of creating an environment in which the bees can thrive, and as a result boost their surrounding ecosystems.

In the course of 2022, 40kg of honey was collected from these hives. Overall, the honey is not only healthy, but from the quality tests conducted, it can be compared to honey of the highest quality. Beekeeper Pavel Mach states that the “tests show that honey from the roof of the incinerator is no different than honey from other locations. According to the results, the honey does not deviate from any tested values. It contains all the beneficial vitamins and substances.”

Our bees are continuously monitored using several cameras that are located on the roof, as well as inside the hives. If you would like to take a closer look at our bees, please visit the PLTEP website.

Picture 28: Honey sourced from the beehives on the roof of the ZEVO Plzeň incinerator.

Supporting the nesting of peregrine falcons

The peregrine falcon has regularly chosen to nest on the chimney of the Pilsen heating plant. This time, a pair of falcons nested on the chimney of the Energetika plant (premises of the former Škoda factory in Bory) to hatch chicks.

This is a critically endangered bird species that a few decades ago became extinct across Europe. However, thanks to nature protection and conservation, these falcons are gradually returning to their historical nesting sites. At Plzeňská teplárenská, we have supported this conservation through our cooperation with the Nature Conservation of Pilsen. As a result of this cooperation, nesting boxes were placed on the chimneys of the Bory and Doubravka heating plants. “Presently, approximately twenty-day-old falcons are thriving in one of our nesting boxes that, with the financial support of Plzeňská teplárenská, we had installed,” stated David Melichar, a representative for Pilsen ornithologists, in the summer 2022. This booth, at a height of about 100 meters, became the home of a peregrine falcon family.

Václav Pašek, CEO of Plzeňská teplárenská, expressed his joy for this year’s young falcons, stating that “we are very pleased that the chimney of our heating plant has proved to be a suitable place for nesting peregrine falcons, which have successfully been hatching young in our country for several years. At the same time, we are delighted that Plzeňská teplárenská can thus contribute to the rescue of a critically endangered species.”

Case Study
Biodiversity programmes and initiatives

EP Produzione

In June 2020, EP Produzione's Fiume Santo power station completed the removal of coal from the seabed near its unloading jetty. The complex endeavour began in April 2017 when the coal was discovered following an inspection of the submarine concrete structures of the jetty. The presence of the coal probably dates back to the early years of coal operations at the plant. Current procedures minimise the risk of coal falling into the sea while ships unload. The finding was immediately communicated to environmental authorities and local authorities in order to properly manage the findings. After several meetings with all competent bodies and authorities involved, it was decided that the coal would be removed and the area checked for contamination. The power plant was not authorised to reutilise and burn the recovered coal. Given the seabed depth of 18 meters and the impossibility of performing removal activities when the docking station was in operation, the intervention was complicated. To work under favourable weather conditions and optimise the availability of the jetty for coal unloading operations, the removal was carried out in the following phases:

Phase 1 May 2020	Phase 2 October 2020	Phase 3 June 2021	Closing meeting November 2021
Extraction began using a submergible pump operated remotely from the jetty. This method proved to be inadequate due to the unevenness of the seabed.	Extraction continued only using divers.	Divers completed the extraction activities.	Environmental Authority approved the results of the environmental analysis and characterisation of seabed.

Picture 29: Removal of coal from the seabed near EP Produzione's unloading jetty (Fiume Santo power station).

In all, about 500 m^3 of coal was recovered. The environmental analysis and characterisations confirmed that the presence of coal did not contaminate the seabed, water or aquatic fauna. Local stakeholders and media appreciated the company's commitment to solving a problem that had caused apprehension in the local community, which could have damaged the image of the power plant.

MIBRAG and EP New Energies

Stewardship of the natural environment is central to the process of designing any EPH site. In addition to understanding the needs of local wildlife, we consider various local vegetation objectives and agricultural uses in order to develop measures that comply with local legislation, such as those relating to the Nature Conservation Act (BNatSchG) in Germany when examining the photovoltaic projects in the table below related to MIBRAG and EP New Energies. The measures taken at these photovoltaic parks provides an example of the care given to supporting biodiversity around all of the Group's and external sites (in the case of EP New Energies).

Site[61]	Measures taken for flora	Measures taken for fauna
Altes Kraftwerk EP New Energies	Planting 82 linden, sweet chestnut and mountain ash trees.	Designating permanent open land beside project areas to avoid habitat loss for house martins, bats, nesting birds and other animal species. Designing landscape so that it respects the hunting needs of swallows.
Theißen Lawn MIBRAG	Planting a 140 m hedge structure. Planting 5 trees to replace those that fell on site.	Creating 4 sand lizard habitats.
Energiepark Bohrau EP New Energies	Embedding existing groups of trees into the planned layout. Coordinating the site's planting objectives with local agricultural uses.	Coordinating with local hunting tenants to avoid existing big game corridors when positioning fences.

Table 10: Measures taken by EP New Energies and MIBRAG, as it relates to supporting their surrounding biodiversity.

61 Not all sites mentioned in this table are owned by EPH Group. Namely EP New Energies realizes projects also outside of the Group.

Environmental management and monitoring

At EPH, environmental management is governed by our Environmental policy, Biodiversity policy and our principles.

Certifications and standards depend on the scope of each business segment; however, ISO 14001 is the main certification used across the Group. As an example, the trading and supply companies EPET and EP Sourcing have no physical operations, therefore they do not require any environmental certifications. Overall, in 2022, 72% of EPH's EBITDA were covered by ISO 14001[62].

In 2022, all entities in the Group were fully compliant with current legislation and regulations in their respective countries of operation. Additionally, compliance with all licensing regulations was ensured across our operations. Our entities also comply with our energy management systems and energy audits.

62 Coverage calculation is based on EBITDA which provides more adequate measure of financial contribution of individual companies as compared to revenues which are distorted by significant turnover from trading and supply activities. In 2022, companies covered by ISO 14001 comprised 69% of EPH consolidated revenues.

Key certifications overview

Certification standards	EPIF Group companies	EPPE Group companies	EPLI Group companies
ISO 14001 Environment	eustream SLOVAK GAS TSO nafta Distribúcia SPP FOZAÇAS SSE HOLDING EOP ELEKTRÁRNY OPATOVICE	TYNAGH ENERGY LIMITED EP Ballylumford EP PRODUZIONE LYNEMOUTH POWER Biomasse Italia BiomasseCrotone Mineral plus EP Langage Saale Energie EP SHB EP Kilroot EP Power Minerals	
ISO 50001 Energy management	eustream SLOVAK GAS TSO	MIBRAG Mineral plus GazelEnergie LYNEMOUTH POWER Saale Energie EP Power Minerals	
IS0 9001 Quality management	eustream SLOVAK GAS TSO nafta FOZAÇAS PLZEŇSKÁ TEPLÁRENSKÁ epet. SSE HOLDING Distribúcia SPP	TYNAGH ENERGY LIMITED Mineral plus GazelEnergie Biomasse Italia BiomasseCrotone EP Power Minerals	LOCON SPEDICA EP Cargo Trucking[63]
ISO 45001[64] Health & safety	eustream SLOVAK GAS TSO EOP ELEKTRÁRNY OPATOVICE nafta SSE HOLDING Distribúcia SPP FOZAÇAS	TYNAGH ENERGY LIMITED MIBRAG EP PRODUZIONE fusine energia LYNEMOUTH POWER Saale Energie EP Langage EP Kilroot EP SHB EP Ballylumford GazelEnergie Biomasse Italia BiomasseCrotone	

63 EP Cargo Trucking represents both CZ and SK branches.

64 Despite not currently having the ISO 45001 certification, Plzeňská teplárenská defended the prestigious "Safe Enterprise" designation, which is guaranteed by the State Labor Inspection Office. Under this program, the company is under close supervision of occupational safety inspectors.

Governance

Our well-established corporate policies and governance bring greater focus to ESG matters and prove the commitment of the EPH Group.

Governance is a crucial pillar for corporate sustainability. By developing business principles that are aligned with our long-term strategy and supported by our internal policies, we are able to effortlessly transpose our everyday business activities with our long-term strategy. In 2020 and 2021, EPH introduced sustainability-related corporate policies and centralised ESG matters at the Group level.

Corporate governance structure

EPH management

The governance of EPH and its sub-holdings is based on a two-tier management structure consisting of the Board of Directors and the Supervisory Board. The Board of Directors represents the EPH Group in all matters and is responsible for its day-to-day business management, while the Supervisory Board is responsible for the supervision of the EPH Group's activities and of the Board of Directors in its management of EPH and in such matters as defined by the Czech Corporations Act and the Articles of Association. Under the Czech Corporations Act, the Supervisory Board may not make management decisions. However, certain matters, defined below, are subject to the approval of the Supervisory Board. The EPH Group has a Risk Committee, Investment Committee and Compliance Committee.

To emphasise risk management within EPH, the Group has created a centralised Risk Management role, which supervises all activities within the portfolio of EPH from a Group risk perspective.

Aside from the ESG Officer function, to supervise the ESG agenda more efficiently, EPH has centralised the responsibilities at the subsidiary level by establishing the EPIF and EPPE Health, Safety, and Environmental Committees.

EPH shareholder structure

At the end of 2020, EP Corporate Group (EPCG) became an umbrella company owning all strategic shareholdings of Daniel Křetínský and his top management team, including EPH.

The current EPH shares of top management in the Group are divided by a 10.7% share in EPCG; the remaining 89.3% share remains in Daniel Křetínský's ownership. The EPCG Board of Directors continues to be represented by the current EPH Board of Directors.

EPH Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Marek Spurný
Member of the Board of Directors

Pavel Horský
Member of the Board of Directors

Jan Špringl
Member of the Board of Directors

EPH Supervisory Board

Petr Sekanina
Chairman of the Supervisory Board

Tereza Štefunková
Member of the Supervisory Board

Martin Fedor
Member of the Supervisory Board

Figure 7: Governance.

EPPE Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Jan Špringl
Vice Chairman of the Board of Directors

Jiří Feist
Member of the Board of Directors

Pavel Horský
Vice Chairman of the Board of Directors

Tomáš David
Vice Chairman of the Board of Directors

Tomáš Novotný
Member of the Board of Directors

Marek Spurný
Vice Chairman of the Board of Directors

Leif Timmermann
Member of the Board of Directors

Miroslav Haško
Member of the Board of Directors

Filip Bělák
Member of the Board of Directors

Gary Mazzotti
Member of the Board of Directors

Peter Černák
Member of the Board of Directors

EPPE Supervisory Board

Ivan Jakabovič
Member of the Supervisory Board

Martin Fedor
Member of the Supervisory Board

Miloš Badida
Member of the Supervisory Board

EPIF Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Gary Mazzotti
Vice Chairman of the Board of Directors

William David George Price
Member of the Board of Directors

Pavel Horský
Member of the Board of Directors

Stéphane Brimont
Vice Chairman of the Board of Directors

Milan Jalový
Member of the Board of Directors

Marek Spurný
Member of the Board of Directors

EPIF Supervisory Board

Jan Špringl
Chairman of the Supervisory Board

Jan Stříteský
Member of the Supervisory Board

Petr Sekanina
Member of the Supervisory board

Martin Gebauer
Vice Chairman of the Supervisory Board

Rosa Maria Villalobos Rodriguez
Member of the Supervisory Board

Jiří Feist
Member of the Supervisory board

Figure 7: Governance (continued).

Governance

EPH Board of Directors

- The Board of Directors has four members, where the Chairman of the Board of Directors serves simultaneously as the Group CEO.
- The Board of Directors is the EPH Group's statutory body, which directs operations and acts on behalf of the Group.

EPPE Board of Directors

- Has twelve members. A Vice Chairman of the Board of Directors, Jan Špringl, serves simultaneously as the Group CEO.
- Directs operations and represents EPPE in all matters related to daily business management.

EPIF Board of Directors

- Has seven members. A Vice Chairman of the Board of Directors, Gary Mazzoti, serves simultaneously as the Group CEO.
- Directs operations and acts on its behalf, represents EPIF in all matters related to daily business management.
- Approves EPIF's sustainability commitment, top ESG challenges and annual sustainability reports.
- Approves sustainability policies, corporate strategy and monitors progress to achieving targets.

EPPE Supervisory Board

- Has three members elected by the General Meeting of Shareholders.
- Responsible for revising the activities of the Group and of the Board of Directors in its management of the Group.
- Has the power to inquire into all documents concerning financial matters and reviews year-end financial statements, including profit allocation proposals.

EPIF Supervisory Board

- Has six members elected by the General Meeting of Shareholders.
- Responsible for revising the activities of the Group and of the Board of Directors in its management of the Group.
- Has the power to inquire into all documents concerning financial matters and reviews year-end financial statements, including profit allocation proposals.

Health, Safety and Environmental Committee
EPPE level

Health, Safety and Environmental Committee
EPIF level

EPH Supervisory Board

- The Supervisory Board of EPH has three members elected by the General Meeting of Shareholders.
- Responsible for revising the activities of the Group and of the Board of Directors in its management of the Group, as well as resolving matters defined in the Czech Corporations Act and the Articles of Association.
- Has the power to inquire into all documents concerned with the activities of companies within the EPH Group, including inquiries into their financial matters, review of the year-end financial statements, including profit allocation proposals.

Compliance Committee
EPH level

- Focuses on ensuring compliance with new legislation, especially GDPR and the Market Abuse Regulation.
- Reviews existing Group policies and identifies new areas that should be covered by policies (tax governance policy, discussing how to further advance whistleblower protection on the Group level, etc.).
- Addresses issues of non-compliance reported by the Group's operational companies and provides support regarding these incidents.

Figure 7: Governance (continued).

Key people

Daniel Křetínský

Chairman of the Board of Directors and Chief Executive Officer at EPH

Chairman of the Board at EP Infrastructure

Chairman of the Board of Directors at EP Power Europe

Mr. Křetínský's professional career has been closely connected with Energetický a průmyslový holding, a.s. (EPH). He is the majority shareholder, Chairman of the Board of Directors (executive position) and CEO of the company. At EPH, Mr. Křetínský is responsible for strategy, key human resource issues and negotiation processes, including top M&A transactions. He represents the companies in several statutory and supervisory boards.

Mr. Křetínský also holds a majority stake in Vesa Equity Investment. Vesa's portfolio includes stakes in J. Sainsbury, Royal Mail, PostNL, French retailer Casino and U.S. retailer Foot Locker, among others. EP Global Commerce, also under Mr. Křetínský's leadership, is the largest shareholder in German wholesaler Metro AG.

Mr. Křetínský is also Chairman of the Board of Directors at Czech Media Invest a.s., a holding company that focuses on acquisitions and management of media assets in Central and Western Europe. He is a significant shareholder and Chairman of the Board of the football club AC Sparta Prague and holds a stake in the English club West Ham United F.C.

Until 2009, Mr. Křetínský worked for Czechoslovak investment group J&T (a former shareholder of EPH) which he joined in 1999 as a lawyer and soon took over responsibility for projects in asset management and became head lawyer of the corporate finance department. In 2003 Mr. Křetínský became a partner of J&T Group responsible for the corporate finance department in the Czech Republic and the energy sector in general.

Mr. Křetínský earned a bachelor's degree in political science from the Faculty of Philosophy of Masaryk University in Brno in 1997. He graduated in 1998 from the Faculty of Law of Masaryk University, where he also obtained a doctorate in 1999. Mr. Křetínský participated in several study programs and training courses abroad, including one semester at the Faculty of Law of the Université de Bourgogne in Dijon, France.

Jan Špringl

Member of the Board of Directors of EPH

Chairman of the Supervisory Board at EP Infrastructure

Vice Chairman of the Board of Directors and Chief Executive Officer at EP Power Europe

Mr. Špringl is Vice Chairman of the Board of Directors of EP Energy and is also Chairman of the Board of Directors of Nafta. Prior to joining the company, Mr. Špringl served in various management and supervisory board positions at other affiliated companies.

Mr. Špringl holds a master's degree from the Faculty of Business Administration of the University of Economics in Prague.

Pavel Horský

Member of the Board of Directors and Chief Financial Officer at EPH

Member of the Board of Directors at EP Infrastructure

Vice Chairman of the Board of Directors at EP Power Europe

Mr. Horský has been working for EPH Group since 2009. He holds the position of Chief Financial Officer of the Group, with main responsibilities in the areas of financing, treasury, tax, risk management and co-ordination, and management of Group companies. Mr. Horský is also a member of the Management Boards of parent company Energetický a průmyslový holding, a.s., EP Infrastructure, a.s. and EP Power Europe, a.s. as well several subsidiaries of the Group. Prior to joining EPH, Mr. Horský held a position in market risks advisory at RBS. Mr. Horský is a member of the Board of Directors of the English football club West Ham United.

Mr. Horský holds a master's degree in mathematics and physics from Masaryk University in Brno.

Marek Spurný

Member of the Board of Directors and Chief Legal Counsel at EPH

Member of the Management Board at EP Infrastructure

Vice Chairman of the Board of Directors at EP Power Europe

Mr. Spurný has been working for EPH and its legal predecessors since 2004. With a legal background, he holds the position of Chief Legal Counsel of the Group, making him mainly responsible for transaction execution, negotiations and implementation of merger and acquisition transactions, restructurings, and legal support in general. Within EP Energy, he also chairs the Compliance Committee. On the parent holding level, Mr. Spurný holds several positions in the corporate bodies of the Group companies (member of the Board of Directors of EPH, EP Energy, member of Supervisory Board of EPIF, as well as the subsidiaries of the Group, including EPIF subsidiaries). Before joining the Group, Mr. Spurný worked for five years for the Czech Securities Commission, the former capital markets regulatory authority in the Czech Republic.

Mr. Spurný holds a law degree from Palacky University in Olomouc.

Fair conduct

We have built our business on moral principles and values, and we continue to ensure that they are effectively promoted throughout the Group. It is imperative that we unify our business approach across the Group, which is why we support this with a shared culture, internal policies and strong governance.

EPH's approach to fair conduct encompasses the implementation of strong principles and values, transparency throughout our business activities, and compliance with local laws and regulations. We reinforce this approach with preventive mechanisms, internal governance and policies.

We embed these high standards of business behaviour in the day-to-day activities of all our employees, as they create the foundation on which the Group's performance and reputation are built. We have found this to be key in successfully implementing fair conduct throughout the Group.

Our contribution to the SDGs:

EPH works to enhance its commitment to ethics through various mechanisms, such as effective governance, specialised committees and internal policies. Our aim is to promote strong institutions throughout our Group by means of inclusivity, accountability and justice.

Compliance

We always ensure that we act in accordance with the local legislation under which we operate and readily cooperate with regulators. We believe it is important to go beyond mere compliance, so we have created and largely implemented internal Group policies that ensure responsible business and activities throughout EPH.

Principles and business ethics

We are committed to upholding the highest standards of business ethics throughout the Group as set out by our principles. We take our commitment very seriously, as it ensures not only good business practices but also good relationships with all our stakeholders.

ESG governance

In 2020 and 2021, the EPH Board approved a set of Group policies, which were largely implemented in 2021. We ensure compliance with these policies through various committees, specifically by our HSE Committee. The implementation is ultimately overseen by the ESG Officer, Gary Mazzotti.

Lobbying and political engagement

We ensure that our funding is transparently managed, that it does not support any illegal or unethical activities, and that it is aligned with our sustainability commitments. We consider ourselves responsible investors, as we do not support political parties, neither directly nor through the funding of other Groups' activities. We also actively participate in discussions with governments and organisations regarding the development of proposed legislation and regulations that affect our business.

Investigations, litigation and sanctions

To our knowledge, all companies are fully compliant with the current legislation and regulations in their respective countries of operation. Currently, there are no open material cases of investigation, litigation, or sanction. For further details, including fines, please refer to the EPH Annual report 2022.

2022 **Highlights**

As we continue to further develop our sustainability commitment, in 2022, EPH largely completed implementation process of the new set of policies that were introduced in 2020 and 2021.

Assets integrity management policy

Whistle-blower policy

Biodiversity policy

IT Cybersecurity policy

Diversity policy

Our principles and business ethics

EPH is committed to its behavioural standards, which bring practical value to our day-to-day business. These standards set employee expectations, which are reflected in the performance and reputation of the Group and ensure that we maintain good relationships with all our stakeholders.

EPH is committed to its behavioural standards, which bring practical value to our day-to-day business. These standards set employee expectations, which are reflected in the performance and reputation of the Group and ensure that we maintain good relationships with all our stakeholders.

EPH maintains high ethical standards throughout its operations and supply chain, and we do not tolerate corruption or inappropriate behaviour; breaches could cause serious reputational damage for the Group. We perform regular bribery and corruption risk assessments, which are overseen by the Compliance Committee, and we adjust our internal processes accordingly. Adjustments may relate to bookkeeping guidelines, supplier approval procedures and monitoring systems, and whistleblower programmes. We ensure that principles embedded in our policies are regularly shared with employees across the Group.

These commitments and standards were approved in 2020, with updates and additional policies largely implemented at the Group level throughout 2021/2022.

Most of our subsidiaries already uphold these standards individually. They all have their own Codes of Conduct in place, which have been translated into their local languages. The new *ESG Master Policy* and *EPH Code of Conduct* are not designed to replace these, but rather to bring general concepts to the Group level, to present them in English, and to make them available on one convenient and accessible platform.

The Group is committed to conducting business activities in a transparent and operationally excellent manner. To continue developing and improving our internal and external interactions, we commit to following our principles, which are the foundation on which we build relationships with our partners, employees and society.

Environment

- Environmental protection
- Mitigating climate change
- Quality standards and certifications
- Sustainable operations and products
- Efficient use of resources
- Environmental education

Society

- Value creation
- Respecting human rights
- Economic and social development
- Access to basic services
- Stakeholder dialogue
- Sustainable development principles
- Equal opportunities
- Transparent communication and accountability
- Health and safety

Governance

- Promoting ethics
- Economic sustainability
- Risk management
- Progress on goals and commitments
- Responsible finance
- Responsible funding
- Regulatory compliance
- Efficient management

Figure 8: EPH ESG principles.

ESG governance

In 2020, the EPH Board approved a comprehensive set of Group-wide policies, namely the *ESG Master Policy*, *Code of Conduct*, *Environmental Policy*, *Operational Policy* and *Procurement Policy*. After their official approval, all subsidiaries had six months to fully implement the policies, subject to their local legislation.

In EPPE, the same scope of polices were approved in 2021 by the Board of Directors[65].

In 2021, the existing policies were updated, while the EPH Board approved additional policies, which were created over the course of 2020, namely the *Asset integrity management policy*, *IT Cybersecurity policy*, *KYC Directive*, *Whistleblower policy*, *Diversity policy* and *Biodiversity policy*. In 2021/2022, the EPH Group largely completed the implementation process the Group-wide set of policies which are now fully integrated into EPH's operations.

To highlight the importance of ESG topics and to show our commitment, Gary Mazzotti, a member of the EPPE Board of Directors and EPIF CEO and Vice Chairman of the Board of Directors, took on the role of ESG Officer, allocating responsibility to sustainability and the Group's ESG-related agenda.

The Board of Directors is regularly updated on ESG matters by the ESG officer who is a board member of both, EP Infrastructure and EP Power Europe.

The EPIF and EPPE HSE Committees, and ESG Officer supervise compliance with our values and principles laid out in all EPH policies.

At EPPE, the HSE Committee was established in 2021 by the Board of Directors, who elected the following members:

- **Leif Timmermann (Chair)**
- **Gary Mazzotti**
- **Filip Bělák**
- **Alan Beeston**
- **Giorgio Chizzolini**

65 EP Logistics and some other companies remain uncovered, as they have their own internal documents.

Policy	Policy description
ESG Master Policy	The document sets out a comprehensive policy framework and basic guidelines for the EPH Group as well as defining the core principles for sustainability related policies within the EPH Group and its subsidiaries. Specific policies described below act as add-ins to this Master policy.
Environmental Policy	The policy describes basic principles we follow in terms of the climate change and carbon footprint reduction, protection of biodiversity, Environmental Management System, environmental impacts of the product portfolio, customer efficiency, regulatory compliance, renewable and clean energy promotion, resource and energy efficiency, waste management and end cycle management.
Biodiversity Policy	Protecting biodiversity in the areas where the EPH Group operates is among the top goals of the EPIF Group. The purpose of the policy is to provide a comprehensive and consistent framework of commitments and underlying principles in the area of biodiversity.
Operational Policy	The policy covers the basic principles we follow in matters of the access to basic services, health and safety management, environmentally safe operation of facilities, social impacts of our products, innovation and modernisation, emergency management, stakeholder engagement and responsible marketing.
Procurement Policy	The policy is focused especially on the monitoring of our supply chain and encouraging that our suppliers, as well as our customers, are compliant with local regulations and with our internal policies related to human rights, employees, and environmental matters.
IT Cyber security Policy	The EPH Group companies follow as minimum the key group cybersecurity principles (security governance, access control management, malware protection, network security, cyber resilience, ICS, remote workplace, etc.) and are responsible for a selection and implementation of specific security measures to meet these principles.
Code of Conduct	The EPH Group Code of Conduct contains standards of behavior to be upheld by all employees and is designed to ensure good relationships with all stakeholders.
Tax Governance Policy	The purpose of the policy is to ensure compliance with tax rules in various countries and territories in which the Group operates, prevention and reduction of significant tax risks and strengthening of the relationships with tax authorities.
Equality, diversity and inclusion Policy	The purpose of this policy is to provide equality, fairness and respect for all in our employment and to oppose and avoid all forms of unlawful discrimination.
Whistleblower Policy	The purpose of this policy is to provide EPH employees with the means of reporting compliance concerns and compliance violations without fear of retaliation or retribution.
Asset integrity management Policy	The policy outlines the principles and practices that govern decisions on asset management at EPH to ensure that EPH responsibly manages asset integrity risks across all facilities that we design, construct or operate.
Anti-corruption and anti-bribery Policy	Acceptance of gifts and donations including charitable donations is regulated. Receipt or payment of bribes including facilitation payments is strictly prohibited.
Anti-money laundering Policy	The so called four-eyes principle is applicable for business transactions, and cash payments above a predefined cash limit.
Sanctions Policy	We do not establish or maintain business relations with persons, entities or countries that are subject to economic or financial sanctions, trade embargoes or other restrictive measures imposed by the European Union, the United Nations, the United States of America, or the United Kingdom.
Anti-trust Policy	All employees and directors are obliged to observe anti-trust laws and are aware of serious consequences that any infringement of anti-trust laws may have.

Figure 9: EPH ESG policies.

Case Study
MIBRAG: Code of Conduct

MIBRAG's Code of Conduct enforces a strict Human Resources (HR) Policy that emphasises equal treatment of all and anti-discrimination practices. This policy is supported and monitored by independent representatives, where employees have the means to contact these representatives in a trustworthy manner. For example, MIBRAG has a complaint office where an inclusion representative professionally addresses all discrimination issues. There is also a representative body for employees with disabilities, where they support affected persons, such as in their dealings with authorities. Further company support is provided by the general representative body for employees, namely the Works Council, which by law is required to guarantee equal treatment for all employees. Through these representative bodies, a high level of acceptance is ensured at MIBRAG, resulting in minimal complaint submissions.

Supply chain management

We continuously reflect on our long-term targets so that we may create and maintain meaningful partnerships within our supply chain. We have determined that regular monitoring and close management of our end-to-end processes will only benefit our business value.

EPH's procurement goals consider the social and environmental aspects of our individual subsidiaries and how decisions at a Group level can affect their business practices.

The procurement function is centralised and managed by **EPH Group Procurement**, whose key role is to develop and apply best practices across the supply chain of the entire Group. Their aim is to minimise the total cost of ownership of external purchases within our individual subsidiaries, thereby facilitating strategic procurement.

Our contribution to the SDGs:

EPH promotes sustainable and inclusive economic growth while ensuring access to basic services. We accomplish this by managing the equality, justice and ethical conduct of our Group's supply chain, thereby creating inclusive institutions.

Procurement practices

In 2020, we introduced, approved and implemented an extended *Procurement Policy* in an effort to improve our previous policies and processes, as we understand the risk associated with a mismanaged supply chain.

To ensure full alignment with our business approaches, we thoroughly screen all our potential suppliers. Screening includes our commitments to laws and regulations, ethical business conduct, human rights and working conditions, health and safety, and environmental protection.

In 2021, EPH implemented a *KYC Directive*, which provides acceptance guidelines for all business partners, including suppliers.

2022 **Highlights**

In 2022, EPH continued to experience the benefits of the Group-wide KYC Directive, which was implemented in 2021. It effectively verifies and validates the identity and suitability of business partners, mitigates financial and reputational risk, and ensures regulatory compliance.

Key tenders from across the EPH Group are publicly disclosed on the EPH web page, which has led to increased supplier participation and transparency.

What do we expect from our suppliers?

In 2022, there were no significant changes to EPH's supply chain. Additionally, there were no reported environmental incidents this year.

Case Study
United Energy: Procurement Policy for a sustainable supply chain

In 2020, United Energy Group companies adopted the EPIF Purchasing Policy through the implementation of the internal regulation RO-UE-2007 “EPIF Group Code of Conduct.” Most suppliers are from the Czech Republic, and therefore conduct their business in accordance with national laws and regulations. Working contracts are concluded with verified suppliers, most of which have experience upholding our Purchasing Policy. Large multinational corporations that supply through their subsidiaries in the Czech Republic implement similar rules, which are disclosed in their ESG reports. For foreign suppliers with whom we do not have business experience, we check the possibility of purchasing through their representative offices in the Czech Republic. We look to ensure compliance with Czech legislation, as well as compliance with the EPIF Purchasing Policy. If this information cannot be obtained on a foreign supplier, or any supplier, then we do not engage in any transactions.

Case Study
EP New Energy Italia: Biomass supply chain in Italy

EP New Energy Italia (EPNEI) uses woody biomass as a source for renewable energy. Because EPNEI’s power plants at Biomasse Italia, Biomasse Crotone and Fusine Energia are located in different parts of Italy, we have a supply chain that covers the country’s entire territory.

Picture 30: Consumption and flow of biomass in Italy’s supply chain.

Case Study
EP New Energy Italia:
Biomass supply chain in Italy

Because of EPNEI's business scope, the biomass used in operations cannot solely be transported by truck, but rather it must also be supported by maritime transport. Depending on the consumption of diesel fuel, this transportation method accounts for about 4-5% of the energy content of EPNEI's transported biomass. On average, the production of biomass transported to the port quay or directly to the plant is equal to about 10% of the energy content of the biomass itself.

Transport of woodchips accounts for the consumption of 2% of the energy content. The entire chain of production and transportation of wood chips consumes a certain percentage of the energy contained in the chips themselves. This Cumulative Energy Demand (CED) is approximately 16–17% of the total energy consumption.

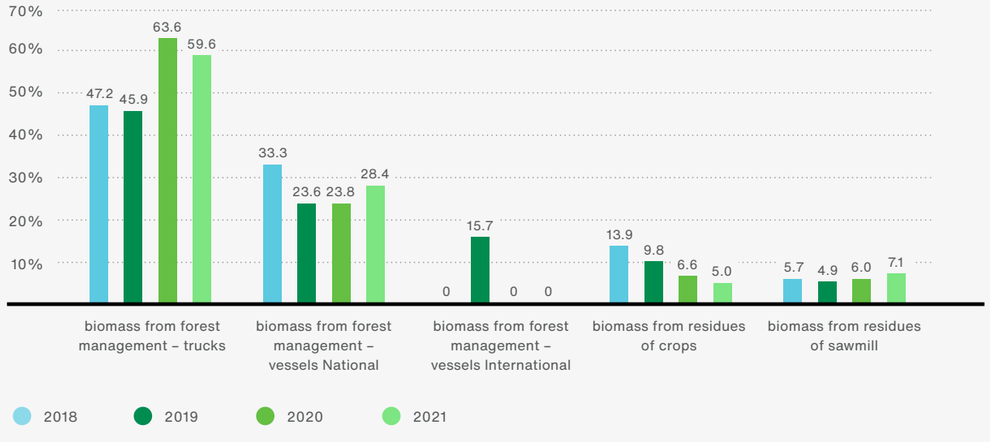
Picture 31: Flow chart of biomass production.

The use of wood chips can guide EPNEI to further focus on renewable energy. Notably, Fusine Energia, EPNEI's smallest power plant, has a supply chain that sources enough wood chips from the Valtellina Valley to meet the demand of the power station.

Overall, EPNEI pays particular attention to supply chain planning, as it relates to the origin of wood chips. This is further supported through a traceability system, the application of a cascade principle, the reuse of resources and the application of circular economy processes, logistics, and impacts on both the energy balance and ecological footprint. Ensuring full compliance with the principles of sustainability, the same level of consideration is given to social, environmental and economic repercussions.

More specifically at EPNEI, Biomasse Italia and Biomasse Crotone have a complex supply chain, both in terms of biomass origin and type. This is further showcased in the graph below.

Origins of Biomass (2018–2021)



Graph 27: Biomass by origin, type and logistics (2018–2021).

Case Study
Supply chain management

EP Produzione

In accordance with National Law, EP Produzione is expected to manage the environmental, social and governance areas of its contractors.

With regards to social requirements, each contracted worker is examined based on identity, fit for the job, regularity of employment, and pension taxation. As a result, social risks, such as forced labour, unethical working hours, and child labour, are excluded and not applicable.

With regards to environmental requirements, purchasing orders are assessed for environmental risks and impacts. Activities identified as high risk require contractors to establish a Plan of Environmental Operational (POA) in which all environmental impacts are managed and mitigated. Furthermore, an Environmental Monitoring Plan could be requested to measure the environmental impact of work performed. The POA and Environmental Monitoring Plan are periodically audited by EP Produzione's Health Safety and Environment (HSE) technicians who evaluate the level of implementation, and when necessary, implement appropriate measures.

Overall, these plans are currently being implemented for the construction of the new projects at Tavazzano and Ostiglia plants, as well as for demolition activities.

EP Resources

At EP Resources, supply chain management is an increasingly relevant topic; we continue to focus on better managing the selection, onboarding, and monitoring processes of our suppliers. As a result, in 2022, several suppliers did not meet EPR's rigorous onboarding process or criteria.

Our suppliers must undergo a strict approval process, which resulted in 262 approved suppliers by the end of 2022. Suppliers are classified according to the products and services they offer, between freight and commodity desks. Additionally, all potential suppliers are evaluated against the EPH Group-wide KYC procedure, and assessed for credit, performance and reputational risk by the central risk team. Significant suppliers and contracts are assessed and approved by the EPH Risk Committee.

In 2022, to further increase the quality of our supply chain, EP Resources added Australian sanctions to daily controls. This is in addition to all the previously included sanctions listed, as published by the United Kingdom, United States, Swiss Confederation and European Union authorities. Therefore, any supplier that wishes to work with EPR is evaluated against these listed sanctions. As a result of this process, in 2022, EPR identified a supplier in a sanctions list and therefore stopped transactions in a timely manner.

MIBRAG

Compliance with environmental, social and governance requirements is an integral part of MIBRAG's supply chain management. This includes ensuring that technical requirements, economic efficiency, quality, and other key aspects are simultaneously ensured within the appropriate legal frameworks. As a result, supplier portfolios are continuously being developed. An essential prerequisite for MIBRAG suppliers is adherence to integrity, compliance, occupational safety, and environmental protection, all of which are binding through contractual agreements. Notably, a large share of MIBRAG's purchasing volume is realised with regional suppliers. Overall, many capital goods and services are tendered in close cooperation with EPH's Group-wide purchasing department.

EPH's focus on protecting information and cybersecurity

EPH Group is committed to conducting its business activities with a strong focus on protecting information, technology, and digital services to respond to new security threats and regulatory requirements.

As EPH's companies and subsidiaries become more digital and adopt new technologies, it brings new efficiencies, but also new risks. The growing size and complexity of information technology (IT) makes companies vulnerable to constantly evolving cyber-threats, data breaches, and information system disruptions that may result in accidents, shutdowns, or service interruptions.

Companies in the Group have a significant number of assets and systems that are critical for the national infrastructure of several countries. Major incidents, such as cyber-attacks, can result in widespread supply outages with severe consequences. These companies follow requirements defined by individual national legislations (originating from EU NIS Directive 2016/1148) and are audited by National Security Bureaus.

IT Security Coordinator

Each EPH company is fully responsible for managing cybersecurity risk, but a Group approach is crucial. As a result, the role of a Group IT Security Coordinator was established to facilitate a coherent security vision and strategy across the EPH Group. EPH management has an overview of the IT security maturity of individual companies within the Group and understands their actual resilience and potential business risk. Repeated security maturity assessments conducted at key EPH companies show a positive trend in strengthening their security. The Group also helps individual companies with monitoring of security trends, identifying relevant threats, and vulnerabilities.

EPH's Cybersecurity Principles

In January 2021, EPH issued the "Group Cybersecurity Principles" as guidance for individual EPH companies. They implement these principles into their own policies, standards and procedures in a way that is appropriate for each company's specific business functions, physical and IT environment, and specific regulatory obligations. The EPH companies follow as minimum these key Group cybersecurity principles when selecting and implementing specific security measures. The principles also encourage the use of security knowledge and experience from other EPH companies whenever possible.

EPH has not yet experienced significant data security breaches or cyber-attacks with information system disruptions.

The focus and environment of many EPH companies requires specific security processes and measures for Industrial Control Systems (ICS) that address the complex and diverse nature of ICS and differences in comparison with the conventional Information and Communication Technologies (ICT) world.

Based on our experience with the most common security threats, the Group organises regular simulated cyber-attacks to increase the awareness of employees and their practical readiness to recognise suspicious features of fraudulent e-mails. Recently, the focus has been on strengthening security in the context of the war in Ukraine.

EPH's main steps to ensuring resilience against cyber threats

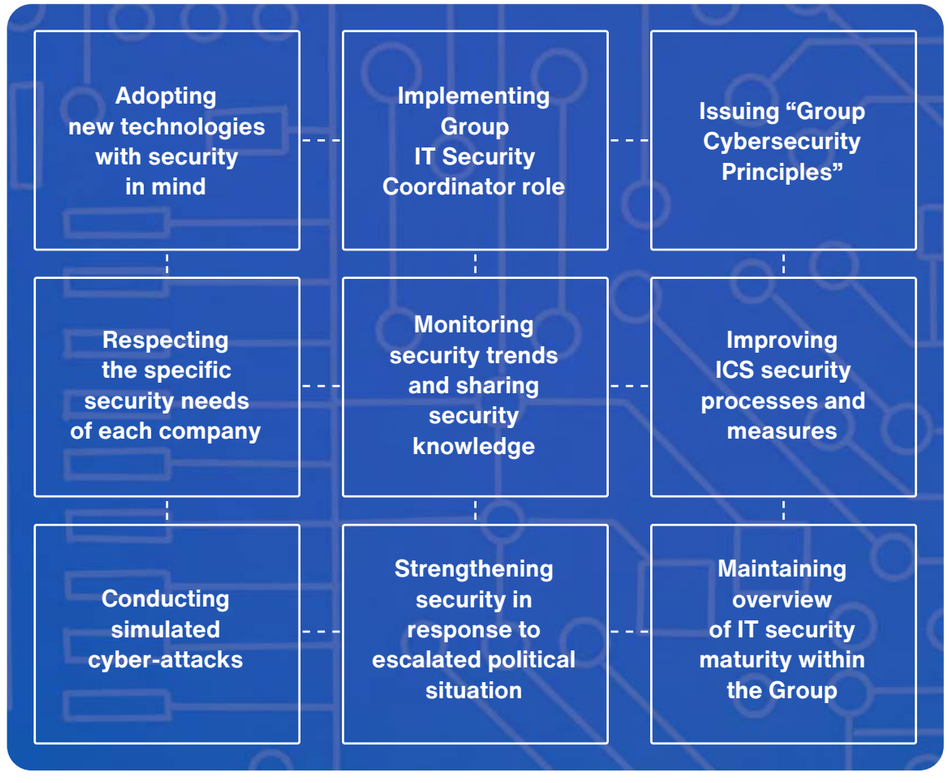


Figure 10: Steps to ensuring resilience against cyber threats.

Risk and crisis management

Strong mechanisms for evaluating risks and coordinating an effective response help to enhance the resilience of business activities and communities, and create a foundation for sustainable development. Effective risk and crisis management practices are expected by the Group's investors, as well as local communities and municipalities.

EPH takes risks associated with its operations very seriously. Apart from our activities in reducing environmental impacts and subsequent risks, we analyse and mitigate financial, operational and strategic risks.

Response to the military invasion of Ukraine

In February 2022, following the military invasion of Ukraine, EPIF Group promptly implemented measures to support the EPIF's liquidity position. EPIF also continuously assessed all sanctions imposed on Russian Federation to ensure compliance while conducting transactions with our counterparties.

Our contribution to the SDGs:

Enhancing the resilience of business activities and communities, and creating a standard for sustainable development through strong risk evaluation and response mechanisms.

Risk Committee

The Committee helps to develop a culture of enterprise risk management, integrate risk management into the organisation's goals and create a corporate culture in which people at all levels manage risks rather than reflexively avoid or heedlessly take them.

Financial risks

The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, interest rate risk, commodity price risk, foreign exchange risk and concentration risk. To minimise its exposure, the Group concludes derivatives contracts to mitigate or manage the risks associated with individual transactions and overall exposures, using instruments available on the market.

Operational risks

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all activities and is faced by all business organisations. Operational risk also includes legal risk.

Strategic risks

The Group's business is exposed to various risks arising from political, economic and social developments in countries where it operates. We monitor and evaluate risks associated with employees and customers and do our best to ensure ongoing competitiveness.

Climate change related risks

We identified two types of climate related risks: physical and transitional risk. Physical risk arises from extreme weather events, which may lead to infrastructure damage and supply interruptions. Transitional risk poses a threat of increasing operating costs of not being ready to transition to a new energy system.

2022 Highlights

Strategies

Senior management at EPH analyse the possible risks posed to the Group and our business through various lenses. The aim is to proactively consider and address possible scenarios before their realisation, allowing for the preparation of contingency strategies and plans.

Information

We understand it is our obligation to provide information to our stakeholders regarding the safety risks of our power plants and industrial sites, emergency plans, gas safety of network operations, and electrical safety.

Group culture

EPH's, EPIF's and EPPE's Committees work to develop a Group culture in which all the risks we face are fully integrated into the management of our business. The goal is to ensure that we manage risks rather than avoid them.

On-going monitoring

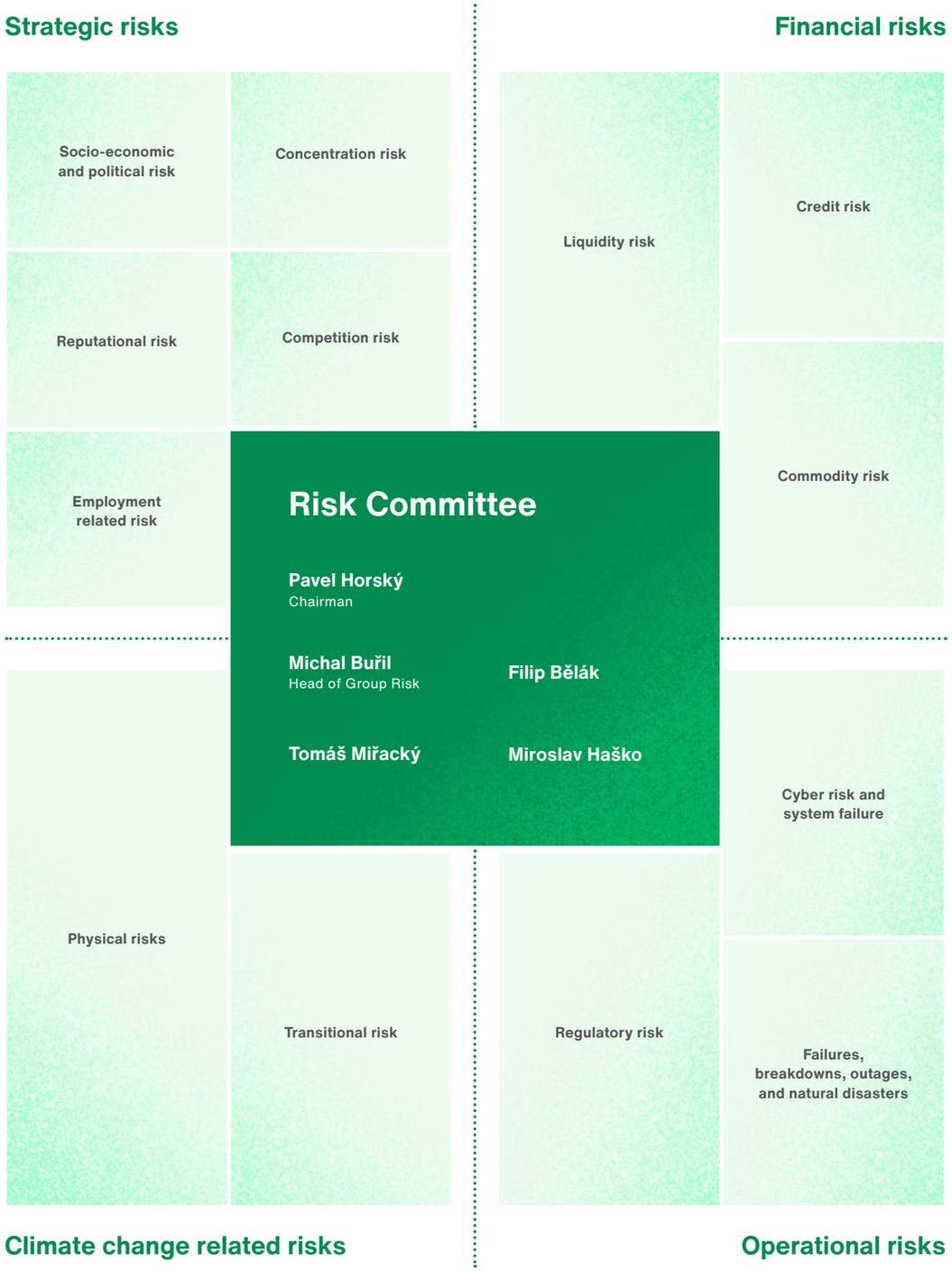


Figure 11: Risk matrix.

Financial risks

Management approach to risk mitigation

Credit risk
The primary exposure to credit risk arises from conducting business with unreliable counterparts.

- The Group has established a *Credit policy*.
- Each new customer requesting products/services over a certain limit (which is based on the size and nature of the business) is analysed individually for creditworthiness.
- The Group uses credit databases for analysis of creditworthiness of new customers, who are also subject to Risk Committee approval.

Liquidity risk
Lack of liquid financial resources poses great risk on everyday activities of the Group, including the ability to pay suppliers and employees.

- The Group's management focuses on methods used by financial institutions, i.e. diversification of sources of funds.
- This diversification makes the Group flexible and limits our dependency on one financing source.
- Various methods of managing liquidity risk are used by individual companies in the Group.

Commodity risk
The Group's primary exposure to commodity price risk arises from the nature of its physical assets, namely power plants.

- In the case of favourable power prices, the Group manages the natural commodity risk connected with its electricity generation by selling the power it expects to produce in the power plants and in ancillary services on an up to two-year forward basis.
- In the case of low power prices, instead of entering into forward contracts, the Group uses the flexibility of its own power generating capacities to react to current power prices. It aims to achieve a more favourable average selling price.

Operational risks

Management approach to risk mitigation

Failures, breakdowns, outages and natural disasters
Delays or interruptions in our supply can increase capital expenditures, negatively impact the Group's business and reputation, or cause significant harm to the environment.

- Predictive maintenance processes are in place, allowing us to proactively identify and respond to vulnerable areas of our networks.
- In the case of a network breakdown, we have emergency plans in place to ensure the continuity of supplies.
- We ensure that our key infrastructure is adequately insured.

Cyber risk and system failure
As part of our critical infrastructure, information systems must have proper security measures in place that are aligned with regulation, while maintaining the highest degree of industry standards.

- The Group's cyber security is adopted with regular reviews of risks and selection of corresponding measures for the most effective protection.
- The Group's companies follow the requirements of several information security standards and frameworks, as well as laws, e.g. the GDPR (General Data Protection Regulation) or EU NIS Regulations (Network and Information Systems Regulations 2018).
- EPH's security of 'critical infrastructure assets' is managed according to relevant legislation and regulation. This prevents damage or destruction caused by natural disasters or threats posed by terrorism and criminal activities that may result in nationwide consequences.

Regulatory risk
Apart from the regulated tariffs, risks also arise from changes in European energy legislation, which affects the scope and market price of the European Emission Allowance and Green Deal package.

- Trusted and open relationships with regulatory bodies.
- Active participation in dialogues with regulators regarding tariff structure.
- Geographic focus on countries with stable and established regulatory regimes.

Table 11: Risk management overview.

Strategic risks	Management approach to risk mitigation
Socio-economic and political risk The Group's business is exposed to political, economic and social developments in Slovakia, the Czech Republic, Central and Eastern Europe regions, and elsewhere.	▪ Open dialogue with local communities and authorities, with timely communication of our business intentions.
Concentration risk A large part of our gas transmission, gas and power distribution, and gas storage revenues are concentrated on a small number of customers.	▪ Strict control of counterparty credit risk. ▪ We have a *Know Your Customer ("KYC") Directive* in place to ensure that all potential business partners are thoroughly checked prior to committing to a business relationship or transaction.
Reputational risk Reputational damage may arise from miscommunication, lack of communication or low transparency with stakeholders.	▪ We only present information about our business that is based on facts, and we do so in a clear and reliable manner. ▪ We constantly monitor public media so that we may warn our stakeholders in a timely manner about any false information related to EPH and the Group that was released. ▪ We promote a responsible marketing approach, making all information regarding our business, such as our services and their possible risks, available and factual.
Competition risk Many of the markets in which the Group's business operates are increasingly competitive and as such, the Group is exposed to the risk of not being able to compete effectively on an ongoing basis.	▪ We focus on transmission, distribution and storage of key commodities where the existing infrastructure cannot be easily replicated by competitors. ▪ Within the power generation business, we primarily operate conventional power plants which are vital for stability of local grids and not easily replaceable. At the same time, we transition towards renewable generation sources to be on track with development of European energy mix. ▪ Within the heat infrastructure segment of our business, we keep prices of heat affordable to attract and retain customers. At the same time, we emphasise environmental benefits of district heating compared to decentralised local boilers.
Employment related risk The Group's ability to maintain its competitive position and to implement its business strategy is largely dependent on its ability to attract and retain qualified personnel, such as managers and senior executives.	▪ Regular dialogue with employees and union representatives (84% of our employees are covered by collective bargaining agreements). ▪ We delegate main responsibilities across multiple executives to reduce the amount of risk managed by one position. ▪ Engagement with schools, universities and talent recruitment programmes at our subsidiaries and with our union representatives.

Table 11: Risk management overview (continue).

Climate change related risks	Management approach to risk mitigation
Physical risks More frequent and extreme weather events are a risk as they can damage our infrastructure assets and lead to interruptions in the supply of vital commodities. In some of our operating regions, the offtake of cooling water may be reduced, which could affect our heat and power generation capacities.	▪ Guided by our *Asset Integrity Policy*, we ensure that the decisions we make consider all life-cycle stages of our assets, recognising the interconnectedness of the systems. ▪ Our short-term investment decisions are always based on the rigorous analysis of long-term projections of investment needs. ▪ We have established predictive maintenance processes to identify points in our network where maintenance should be preferentially performed. ▪ We adequately insure key infrastructure. ▪ We continuously monitor the water offtake at our individual sites and consult with local water authorities. ▪ We continuously implement measures to reduce our water offtake and limit our reliance on flow-based cooling.
Transition risks Substitution of lower emission alternatives for existing products and technologies. Rising operating costs due to pricing pressures on emission allowances.	▪ We aim to focus pilot projects on testing the compatibility of our infrastructure with green gases (gas transmission, distribution and storage) to support integration of new renewable capacities. ▪ Regular update and public announcements relating to our plant conversion plans.

Table 11: Risk management overview (continue).

Social

We recognise the value in all of our relationships, with great emphasis on those which we hold with our employees, customers and communities. Our social goal is to continue to build strong relationships so that we may achieve not only transformational energy development, but lasting sustainable development as a whole.

The Group focuses on protecting its employees' rights by maintaining a good standing relationship with its trade and labour unions. Additionally, we work to respect our employees' human rights through the implementation of non-discriminatory guidelines. EPH commits itself to creating a work environment that is not only friendly but also safe, and which promotes the well-being of our employees. This is achieved through the quality of our health and safety management. We also make sure to play an active role in supporting and developing the communities in which we operate by providing access to basic services and by creating and implementing impactful social initiatives.

Health & safety

We make the health and safety of our stakeholders top priority by constantly learning, sharing and improving our approach to embedding a “health and safety first” culture throughout the Group.

EPH understands that safety can only be achieved if well-being is firstly addressed. That is why we have strong commitments for both the well-being and safety of our stakeholders, which include providing training, and ensuring that regular improvements are made to our governance and internal policies.

We continuously work to improve and monitor the health and safety mechanisms within our Group, as we understand the risk associated with their mismanagement. As a result, we are highly focused on identifying, mitigating and preventing such risks.

Our contribution to the SDGs:

EPH ensures that the health, safety and well-being of not just our employees, but all of our stakeholders, is at the core of all of our business activities.

Health & safety management

We have implemented high standards for the health and safety management of our stakeholders, and we constantly seek to improve our attention to wellness and level of safety within the Group. We also understand the possible risks associated with mismanagement, such as those arising from poorly managed equipment or avoidable human errors.

We continuously work to improve our management of H&S. Our largest focus within EPH subsidiaries’ operations remains on our plants, as they pose a greater risk to our stakeholders’ health and safety.

We ensure that our employees are provided with the training required to meet the expectations of our H&S policies and governance. We strive to implement management that is complemented by appropriate measures and guidance.

Health & safety certifications

The Group is compliant with the certification standards and legislative requirements for health and safety within the countries in which we operate. These requirements may differ among the Group’s entities, but our commitment to meet best practices and legal expectations is consistent throughout.

We ensure that our employees are properly informed about the laws and regulations relating to the H&S of their business activities. This ensures compliance with legal requirements, even though they vary across the entities of our Group.

Overall, we are committed to creating and maintaining healthy and safe working conditions that go beyond mere regulation.

2022 Highlights

ISO 45001 certifications highlight the health and safety management systems in place within the Group. In 2022, 76% of EPH’s employees were covered by these certifications.[66]

EPH works to continuously uphold a safe working environment for our stakeholders. This is accomplished by ensuring all personnel have a clear understanding of the Group’s policies and undergo the internal trainings related to occupational health and safety.

2022: Employees covered by ISO 45001

7,954	10,420	76%
Total employees covered	Total FTEs	Covered employees

1% increase of total covered employees from 2021

Injuries overview

2022	Employees	Contractors
Total worked hours	17 mil. 1% decrease from 2021	3 mil. 8% increase from 2021
Registered injuries	54 14% decrease from 2021	10 62% decrease from 2021
Fatal injuries	1 increased by 1 from 2021	0 no change from 2021
Injury freq. rate	3.27 0.44 point decrease from 2021	3.27 5.93 point decrease from 2021

Figure 12: Injury data within the Group for employees and contractors.

66 This does not mean that the rest of our employees work in unsafe and unhealthy environments. In reality, this certification is simply irrelevant to some of our entities with no or very limited physical operations.

Health and safety management

We are committed to maintaining a "**zero harm**" environment throughout all our business activities. Because of the extensive scope of our Group, this is not an easy feat, but we strive to ensure a safe environment for all our stakeholders and in all aspects of our business. EPH also strives continuously to educate contractors on H&S issues and ensures their compliance with any relevant regulations and our own Group standards when working on our premises.

The health of our employees is as important to us as their safety. That is why we are committed to implementing policies that foster healthy environments, promoting well-being throughout our Group, and at some of our entities, even offering medical examinations.

These commitments are embedded within our *Code of Conduct*, thereby further aligning us with our ultimate H&S goals. We also continue to support our entities, such as by reinforcing strong governance, enacting effective H&S protocols, sharing best practices, and eliminating unsafe and unhealthy work behaviour.

At EPH, we pride ourselves on the fact that our top priority is the health and safety of our employees. Regrettably, in April 2022, a fatal injury occurred at SSE involving own employee who was hit by an electric shock during maintenance works at the distribution network. In response to the incident, SSE hired an external consultant to perform a thorough assessment of the health & safety policies and procedures in the company as described further below.

8 Pillars of health & safety management

Commitment from top management	At EPH, reporting on H&S issues is taken very seriously; top management is actively involved in H&S issues and ensures that they are carefully considered in every decision-making process. This level of commitment is expected from all of our entities. Additionally, semi-annual and annual reports on H&S are presented directly to the Board of Directors.
H&S integration into our remuneration system	We integrate H&S into our incentive schemes, such as within our employee performance assessments. We believe that this invites greater insights from employees on approaches for maintaining a safe and healthy working environment. It also allows us to identify any gaps in our H&S training and policies.
Prevention	As a Group, we aim not only to reduce the incidence of accidents, but also to prevent them from ever occurring. As a result, several of our entities focus their preventive approaches on keeping detailed records of all accidents and "near-misses" and defining the remedial actions taken to prevent similar reoccurrences. We also focus on reducing near-misses and incidents through monitoring and analysis, which help prevent severe or even fatal accidents.
Risk control and reduction	Our H&S management requires regular on-site risk assessments and inspections. Work-related risk assessments, including those performed by contractors and subcontractors, are a common practice at our subsidiaries. Most of our operations also receive third party safety inspections of the H&S of projects and technological processes involved.
Focus on behaviour	Studies show that 80–90% of accidents are caused by human error[67]. At the same time, changing unsafe behaviours is one of the most difficult challenges a company faces when trying to achieve a goal of "zero harm." Behaviour Based Safety (BBS) can reinforce corrective action that an organisation's management can take to address unsafe work behaviour.
Training and communication	The EPH Group recognises that H&S training and communication are important channels for distributing relevant knowledge, awareness and expectations amongst our employees and contractors. The Group provides general training programmes on employee safety; periodic retraining is also facilitated. When selecting or assessing potential suppliers, the Group also considers their approaches and attitudes toward safety issues.
Emergency response and fire protection procedures	The Group's entities have dedicated fire protection and emergency response plans. We work to continuously improve our preparation for these situations, such as through regular drills and training sessions. As an example, the HSEQ departments at eustream and Nafta regularly perform controlled emergency drills in collaboration with the dispatch department and fire safety brigades.
Health protection	EPH's subsidiaries have various initiatives that aim to promote the health and well-being of its employees while at work. Most of our subsidiaries regularly provide medical examinations for their employees.

Table 12: Pillars of health and safety management within the Group.

67 Heinrich, H. W., Peterson, D. and Roos, N. (1980) Industrial Accident Prevention. 5th Edition, McGraw Hill, New York.

Case Study
Health and safety programmes

Stredoslovenská distribučná

At EPIF, safety of our employees and contractors is undoubtedly our top priority; however, the security and number of reported incidents varies across our subsidiaries. We have observed that our subsidiary Stredoslovenská distribučná (SSD) has the most frequently reported incidents. The greater frequency of incidents is mainly linked to the higher proportion of technical field technical work required, as well as work involving high voltage facilities. SSD is aware of the possible dangers associated with performing such work, which is why SSD places great emphasis on monitoring and analysing work performances.

Regrettably, despite all the safety measures in place, SSD reported a fatal accident in April 2022, where one of our employees suffered an electric shock when performing network maintenance. In response to the accident, SSD engaged an external consultant to perform an extensive independent review of the organisation's health and safety management. Based on the findings and recommendations from the review, SSD aims to further upgrade existing routines that are aligned with the concept of an independent safety culture.

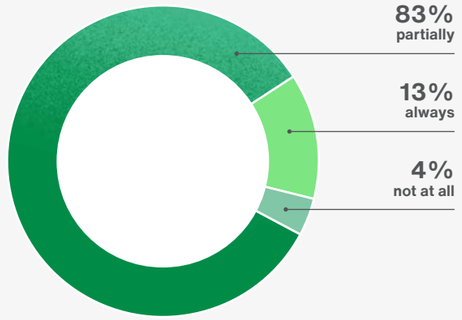
SSD closely follows indicators, such as SIFp (serious injuries or fatalities potential), which refers to an incident exposure that has a credible potential to result in a fatality, illness, life-threatening or life altering injury, regardless of the outcome. Operating vehicles, falls from heights, and working with electrical facilities, are among the most frequent work-related activities connected with serious injuries. SSD acts to minimise SIF (serious injuries or fatalities) and SIFp. This includes the implementation of high-quality safety procedures, standards, and rules that are frequently updated. Furthermore, SSD complies with ISO 45001:2018 standards, and sets clear leadership intent and commitment across the board to improve safety performance. Over the past years, SSD has increased its safety budget, including the upgrade of personal protective equipment, and hiring two extra technicians to expand field reach and establish a closer engagement with field workers. Finally, SSD updated and added new communication on safety, and actively works to engage employees at different levels using videos and a new online platform.

EP Logistics International

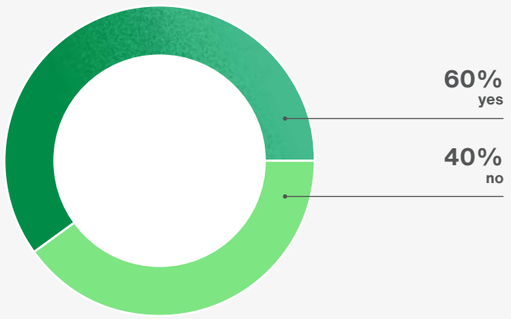
Given EPLI's international freight transport business, the Group's services are systemically important. Therefore, key employees such as train drivers, shunting attendants and wagon inspectors were expected to continue working despite the COVID-19 pandemic. However, this could only be guaranteed if the administrative tasks of the commercial employees continued to be fulfilled. Ensuring continuous functioning of the control centre in particular was considered vital; if COVID-19 were to spread among employees, the constant monitoring and processing of trains could not be guaranteed.

For the health and safety of employees, the EPLI's board decided that the majority of its commercial workforce should work from home, despite initial concerns that home office would negatively affect the quality and reliability of our transport. As we now look back, we can proudly confirm that no train stood still and we managed to maintain our operations at the same level. Furthermore, a survey of EPLI employees showed that the majority of them saw home office as a benefit. For this reason, EPLI will continue to enable its employees to work from home in the future.

Would you utilise home office if made available in the future?



Has your quality of life improved since home office was intorduced?



Graph 28: Internal questionnaire on home office in EPLI group.

Employment and employee development

EPH believes that diversity within our talent makes our work stronger. We recognise that our people are at the core of what we do. We encourage openness and honesty amongst our employees, so that we may understand how to best support them in reaching their full potential within the Group.

At EPH, we approach employment practices and procedures with inclusion and equal opportunity in mind. It is important that we hire the best talent, but also the right talent, regardless of personal differences and backgrounds.

We understand that a healthy work environment is essential for the development of talent, increased productivity and the overall sustainable growth of human capital. That is why we work hard to create an environment in which our employees feel supported in their ongoing professional growth and development.

Our contribution to the SDGs:

EPH commits to inclusive and fair employment, coupled with unparalleled learning opportunities for all. We ensure our employment decisions and behaviour towards employees is fair and just across the entire Group.

Our employees

We believe that effective management of employees is essential to the successful operation of our Group. EPH promotes meaningful employee engagement at an entity level and ensures that it is adequately supported by corporate policies. This is important for maintaining the same high standard of business behaviour that we expect across our Group.

As a result, EPH's human resources are decentralised at an entity level. This is essential, as our operations differ quite substantially, especially when it comes to location, size and the needs of our talent.

Training and development

We are aware of the ever-growing competition for top talent across the markets in which we operate. It is therefore important that EPH focus on creating and maintaining an attractive working environment in which all our employees can develop and grow, in the most appropriate roles, across the organisation.

EPH recognises that its employees are the Group's top asset, and as a result, we place great emphasis on their development. Due to the extensive scope of our Group, EPH uses a decentralised approach to human resources. Within this section, we highlight the experiences, processes and activities of some of our major subsidiaries. Our hope is to highlight the importance of our most precious asset – our people.

2022 Highlights

306 persons

EPH does not discriminate within its employment process, and as a result, we proudly employ 306 persons with various disabilities. We commit to fully understanding their working needs so that we may provide the most appropriate support for their day-to-day activities.

84 %

84% of EPH employees are covered by various collective bargaining agreements.

10,420 professionals

In 2022, EPH employed 10,420 professionals across 10 countries, 6% of whom held positions in top or middle management.

257,000 hours

In 2022, EPH provided its employees with 257 thsnd. hours of training.

EPH employment and employee standards

EPH committed to upholding fair employment and treatment of its employees through the implementation of the Equality, Diversity and Inclusion Policy. Its implementation throughout the entire Group was completed in 2021.

We offer equal and fair employment and ensure to treat all of our employees with respect and inclusion. Our commitments are highlighted in our *Code of Conduct* and *Equality*, *Diversity and Inclusion Policy*, and echo the expectations set out by the International Labour Organisation's *Declaration on Fundamental Principles and Rights at Work*. These commitments include avoiding unlawful discrimination based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex and sexual orientation.

In addition to our internal policies, EPH aligns itself with relevant labour codes and legal regulations in its employment processes. This ensures that we promote employment, and recruit and treat talent on the sole basis of their qualifications, thereby avoiding discrimination of any kind. Our employment practices and procedures are reviewed at least once a year and updated to include any internal changes or those imposed by new legislation.

As committed as we are to equal employment in our talent, we still see a disproportionate number of women to men in our Group. This is currently the norm in energy-focused fields. In this particular industry, most positions are typically occupied by men, especially within management. This is further represented in the rates experienced by our peers[68], with roughly 27% and 18% of women in non-executive, and top and middle management respectively. In 2022, this was represented by a 20% and 16% breakdown within EPH, with an overall ratio of 4:1 of men to women within the Group. At EPH, we continually encourage our female employees to take on leadership roles while supporting their personal and professional growth.

Headcount by country

Slovakia
4,328 employees

Germany
2,387 employees

Czech Republic
2,103 employees

Italy
590 employees

UK
554 employees

France
394 employees

Poland
39 employees

Switzerland
16 employees

Ireland
7 employees

Netherlands
2 employees

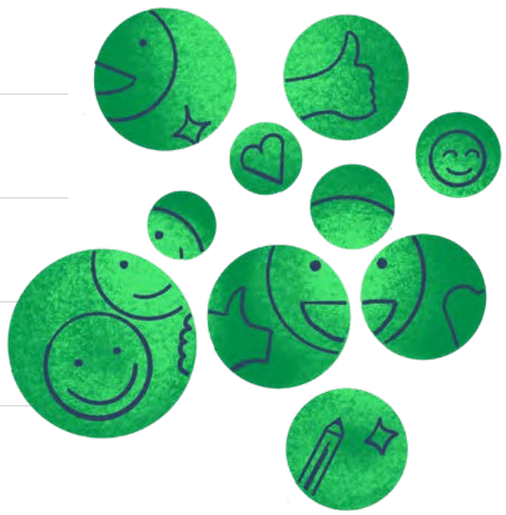


Figure 13: Headcount by country.

68 Based on the analysis of 5 main comparable energy groups in Europe (based on 2021 report analysis).

Employee data by gender

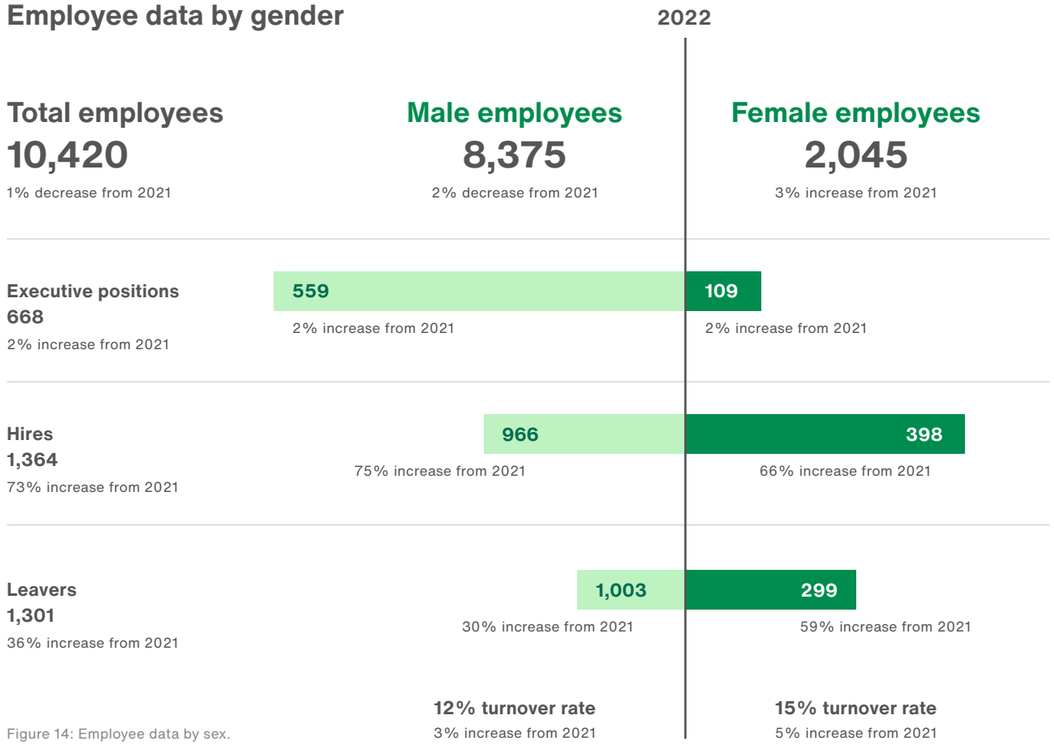


Figure 14: Employee data by sex.

2022 Total employees by age group

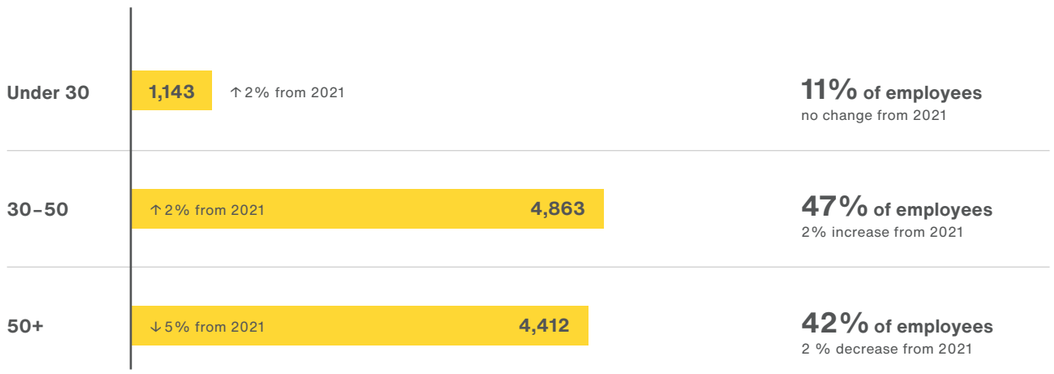


Figure 15: Employee data by age groups.

Employee development

At EPH, we also support freedom of association throughout the Group. This is not only for compliance with European and national regulations, but because we see value in allowing employees to coordinate and negotiate with their employers. The Group respects its employees' rights to participate and engage with trade unions and we do not tolerate any type of retaliation or hostile action towards employees who choose to do so.

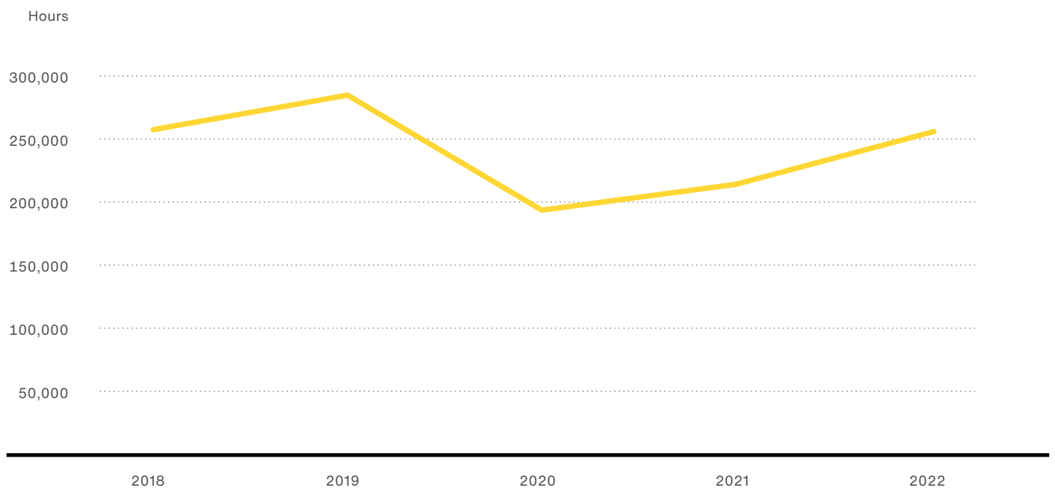
We are committed to providing the right tools and environment for our employees to grow and develop professionally. In an effort to better understand the strengths of our employees, we perform regular work assessments and evaluations. This not only allows us to improve the allocation of talent within the Group, but it allows us to understand where our employees could benefit from further support.

In 2022, we saw an increase of 20% in the total amount of employee training hours when compared to last year. This increasing trend can be attributed to the easing up of COVID-19 restrictions. Even though the majority of our training sessions were transferred to online platforms during the pandemic, the majority of the technical trainings could not be provided without physical attendance.

257 thsnd. hrs.
of employee training
↑ 20% from 2021

24.7
training hrs. / employee
↑ 21% from 2021

Total employee training



Graph 29: Employee training hours.

Case Study
Employee and employment programmes

Stredoslovenská distribučná (SSE subsidiary)

in 2022, we continued to support the professional development of our employees through internal trainings, including:

1. Vocational training focused on safe work procedures for employees working with electrical equipment or within maintenance, such as electricians, maintenance technicians and foreman.
2. Training focused on working under electricity voltage for employees that operate or perform maintenance of electrical equipment or those involved in construction assembly activities.
3. Online GDPR training called "News in GDPR," which was designed for employees who work with personnel data.
4. E-learning training on cyber security for employees working on assigned personal laptops or desktop computers.

The following initiatives are used to fill vacancies in the company:

1. Trainee programme recruitment of university students to selected positions with subsequent recruitment of the student to the workplace. The trainee is then employed with the student with the subsequent recruitment. There is a contract between SSD, a.s. and the University of Žilina on cooperation and promotion within the framework of filling jobs with students of Electrical Engineering.
2. Cooperation with apprenticeships – programme of recruiting students of electrical engineering apprenticeships for professional practice with subsequent coverage of the company's needs in electrical engineering positions. SSD, a.s. cooperates with 6 apprenticeships on the basis of a Cooperation Agreement.
3. Dispatcher Training Program – a program to recruit electrical engineering high school students to cover the company's needs in the Dispatching section.

In 2022, the following programmes have been prepared to meet the shortfall in manpower due to impending retirements:

1. Preparation of a workforce renewal concept for the increasing number of retiring employees. In the event of the number of retirements by 2030 – setting up programs to support the filling of positions with internal employees and external candidates in all divisions in SSD.
2. Preparation of a dual training programme.
3. Preparation of training programmes for specific positions of the company.
4. Preparation and continuation of the implementation of the New Manager programme.

Case Study
Employee and employment programmes

LOCON AG

The company operates in the field of construction logistics throughout Germany. When providing our services, we always keep our employees in mind, as qualified and motivated staff are the most important assets of a successful company. Our personnel management focuses on enabling our employees achieve the maximum balance between work and personal life. Therefore, our employees, and their families, also receive high bonuses when asked to work in difficult conditions.

SPP - distribúcia

At SPP-D, we have been focusing on the education and development of our employees, as well as students. In March 2022, SPP-D launched a series of development programmes.

Another year of the Full Gas career programme commenced, where the programme aims to further develop key employees in managerial and expert positions and maintain valuable specific know-how in the company. We also launched a new Gas Academy programme, which aims to create a staff reserve to fill the positions of foremen or technicians. Both programmes started with two-day teambuilding activities in Terchová.

Additionally, at SPP-D, we continuously look to strengthen our teams with young professionals through the Young Gasworker and Graduate Development programmes. The Young Gasworker programme occurs in cooperation with high schools. This programme is for students who participate in the project as part of their elektrostudies, where after successfully graduating, they can join our company.
The Graduate Development programme is dedicated to university graduates. Those that fulfil the conditions of the programme can participate in rotational work within SPP-D. This is beneficial to the personal development of graduates, as they are exposed to a wider know-how of our key business activities.

EP Produzione

With widespread use of smart working within companies and increasingly sophisticated cyberattack techniques, many companies face the risk of human error leading to a system-wide cyberattack. In February 2021, EP Produzione launched a multi-year cyber security training programme that provides employees and collaborators with the necessary tools to avoid becoming victims of online cyberattacks. To make the programme more effective and engaging, EP Produzione collaborated with the Cyber Guru company to develop an innovative gamified version of the training course.
As a result, the course was transposed into a healthy competition amongst colleagues, where the creation of a tournament evolved called the “EP Cyber Cup.” Overall, the training aims to increase awareness, perception of danger and readiness to react in the face of risks in the digital sphere.

As training participants complete the 12 topic-based learning modules (one for each month), which include topics related to phishing, privacy, and web browsing, they earn points while competing in the virtual championship both individually and in office-wide teams. To encourage participation, several prize-giving ceremonies are held throughout the course for the players with the highest scores. The tournament, “EP Cyber Cup,” attracted high engagement in the training course, with a reach of more than 86% (533 employees) involved during the first year of the programme.

The training course is complemented by the “Cyber Guru Channel,” which periodically releases videos of real-life situations that help viewers understand possible cyber threats to individuals and organisations.

The training will continue to take place on the Cyber Guru Awareness platform until 2023.

Case Study
Employee and employment programmes

Plzeňská teplárenská

In November 2022, Ing. Václav Pašek, PhD. (CEO of Plzeňská teplárenská) and Ing. Jaroslav Černý (Director of the Secondary Vocational School of Electrical Engineering in Pilsen) signed a Memorandum of Cooperation. By signing the Memorandum, both parties agreed to create favourable conditions in which students could practically implement and practice their studies.

The Director of Production of Plzeňská teplárenská, Jan Skřivánek, specified that “we will begin tailoring the education of our experts, especially in the field of Mechanics for plumbing and electrotechnical equipment, Electromechanics for equipment and devices, and Electricians for high current.” The Director further explains that “for the next school year (September 2023), we are preparing to open a new training centre for students in these fields, where the centre will be created by modifying the existing heat exchanger station on Komenského street.”

Fully equipped facilities will be built for the students in the existing heat exchanger station, which will include a classroom, workshops, and a locker room. Additionally, it is planned to install a fully functional model of the heat exchanger station and for the roof of the building to be fitted with photovoltaics. Additionally, the installation of a charging electric station is being considered.

PLTEP plans to host interesting student lectures that are planned to be led by heating experts. The aim is to provide practical information to students in relevant fields of study. Excursions at Plzeňská teplárenská should also commence for the students and teachers of the secondary vocational school.

Plzeňská teplárenská has thus reaffirmed its position as a stable employer in the city of Pilsen.

Picture 32: From left to right, Director of the Secondary Vocational School of Electrical Engineering in Pilsen, Ing. Jaroslav Černý, and CEO of PLTEP, Ing. Václav Pašek, PhD.

EP UK Investments

Lynemouth Power focuses on recruiting and further developing local talent. The aim is to preserve and continuously embed different levels of experience and knowledge across sites. As a result, Lynemouth Power received approval to recruit apprentices, thereby establishing an Apprentice Assessment Day.

In 2022, sixteen candidates participated in Apprentice Assessment Day. These candidates partook in activities designed to measure various skills, including those focused in areas of analytics, teamwork, and communication. To better understand EPUKI and its business, candidates also participated in presentations, information-sharing sessions, and a site tour. As a result, six successful candidates were chosen to join the site and commence their Level 3 Maintenance and Operations Engineering Technician Apprenticeship Standard. These are the first apprentices hired by Lynemouth Power since 2013 and reflects EPUKI’s investment in the future of the site. Additionally, across EP Langage and EP South Humber Bank, there are a total of five apprentices and one graduate trainee.

At all EPUKI’s sites, employees are encouraged to take ownership and responsibility for their continuous development. Currently across our gas assets, three employees are in the process of completing company-supported degrees. Many other employees are obtaining finance qualifications, health and safety qualifications, and Higher National Certificates (HNCs).

Case Study
Employee and employment programmes

MIBRAG

In 2022, MIBRAG received the “TOP Training Company” award from the Dessau-Hall Chamber of Industry and Commerce, making it the 5th time that the company has been awarded this title (other years were 2012, 2014, 2016, and 2018). The award was established to recognise companies with strong commitments to dual vocational training, exhibited through continuity, special initiatives, and creativity.

This award reinforces MIBRAG’s reputation as an excellent vocational training provider. We have been training young professionals since 1995, where we have been cooperating with regional partner companies since 2014. To date, 1,176 young men and women have completed training programmes in one of currently seven professions. Starting in 2023, we plan to extend trainings to two additional IT specialist professions, namely application development and systems integration.

Experienced instructors help prepare young MIBRAG professionals for their roles in a future-oriented and practical manner. Training focuses on technical content, as well as social skills that can be transferred to projects.

Picture 33: MIBRAG's Profen Training Center, where classes for young professionals are hosted.

The following statements have been made by MIBRAG trainees in response to receiving this award:

MIBRAG is Top Training Company 2022 because there is a pleasant working atmosphere and good cooperation between instructors and trainees. Our specialised practical training includes versatile projects in which all skills required for the individual professions are practiced and tested accordingly.

Alexander Dietrich
Trainee as Industrial Mechanic

MIBRAG is Top Training Company 2022 because we, as trainees, have the opportunity to gain practical experience in all areas and thus strengthen our knowledge. Our instructors are also happy to hear our suggestions and ideas for improvement, which is why you feel very well looked after. I am happy to start my working life with a training program at MIBRAG.

Melanie Gerth
Trainee as Management Assistant for Office Management

MIBRAG is Top Training Company 2022 because occupational safety comes first, the instructors make sure that we really learn something, that we, as trainees, work together and help each other. Also, our instructors are competent and understanding and it is no problem, if we make mistakes.

Alan Shekhani
Trainee as Machine and Plant Operator

Picture 34: Statements from MIBRAG trainees.

How the coal exit plan affects MIBRAG’s employees:

The following actions will help to stabilise the situation in MIBRAG due to the coal exit strategy. The above-mentioned shift of MIBRAG to EPCG does not change that.

1. People older than 58: receive an early pension / treatment as if they had worked until the regular retirement age.
2. Younger employees will receive some other benefits such as retraining / compensation of possible lower wages for a period of 4 years, etc.

In Germany it is called “Anpassungsgeld”, that is precisely defined conditions of departure.

Customer relationship management

We understand our leading role in the supply and distribution of power, gas and heat. We work hard to ensure that we reliably meet customer demand with quality products and services.

EPH not only ensures compliance with regulations, but we aim to go beyond the imposed standards. We do this by taking the time to understand our customers' demands and provide affordable access to basic services accordingly.

The Group is committed to regularly implementing and improving our products and services. Our goal is to offer a viable option for all.

Our contribution to the SDGs:

EPH strives to ensure affordable access to modern energy, uphold sustainable consumption patterns and promote inclusive societies. This is accomplished through our continuous interactions with customers.

Customer and product approach

Energy is essential for a country's economic and social development, as well as for facilitating and enriching people's daily lives in the modern world. We focus on using new technologies and implementing projects that will help provide access to basic services to the communities in which we operate. In compliance with state regulations, we always offer our customers reasonable prices. In Slovakia, we offer better prices to vulnerable and disadvantaged customers in line with the country's regulations.

Communication

Though most companies in the Group already had an Ethics Manual or *Code of Conduct*, we implemented the EPH Group *Code of Conduct*, in 2020 and 2021, superseding local policies. It outlines Group-level expectations for ethical and transparent business conduct with our customers.

We have created clear and easily accessible communication channels for our customers because we place great importance on providing exceptional service.

Access to basic services and responsible marketing

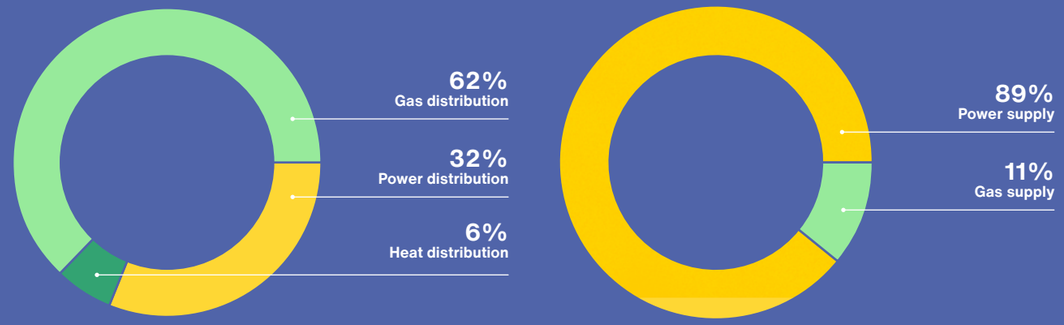
As operators of key infrastructure for transmission, storage and distribution of gas, and distribution of electricity and heat, we are aware of our duty to ensure reliable supply of basic commodities. Most particularly in our distribution segments, through which we deliver to more than 2 million end consumers.

Through our subsidiaries EP Energy Trading and Stredoslovenská energetika, we supply electricity and gas to more than 700 thousand customers in Slovakia and the Czech Republic. We strongly refuse to engage in any aggressive sales techniques to enhance customer retention or acquire new customers.

2022 Highlights

Our customer service is not exclusively limited to the supply or distribution of our commodities (gas, power and heat). We understand that it is equally important to provide sustainable products along with energy savings in order to achieve EPH's decarbonisation goals.

2022 scope of our customer relationships



2,458 thsnd.
Number of connection points

868 thsnd.
Number of customer accounts (supply)

Customer programmes are an effective way for the Group to strengthen its ties with surrounding communities. The positive response to these programmes reinforces EPH's commitments to their further development and implementation.

Case Study
EP UK Investments:
Asset participation in the Capacity Market

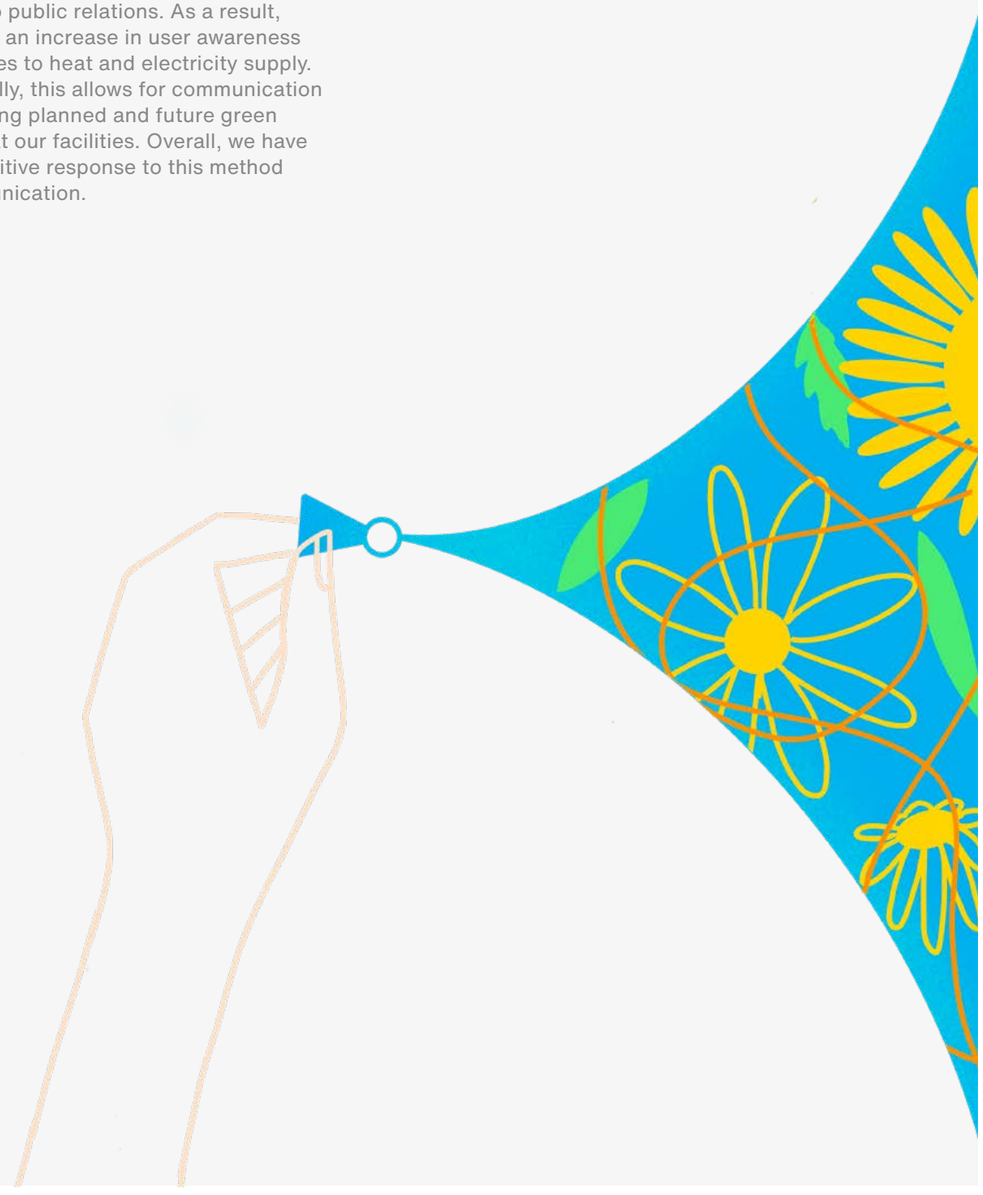
As part of the UK Government's Electricity Market Reform package, the Capacity Market was introduced to ensure the security of electricity supply in Great Britain by providing a payment for reliable sources of generation alongside electricity market revenues. EP South Humber Bank and EP Langage have participated in the Capacity Market every year since it launched in 2017 and contribute to around 4% of the overall capacity requirement. As flexible CCGT assets, the participation of both EP South Humber Bank and EP Langage is becoming increasingly important, as flexible generation plays a crucial role in balancing the supply of power from large scale renewables with variable output.

In the all-Ireland electricity market, the Capacity Market plays a similarly important role, ensuring the security of supply in an ever increasingly renewable energy landscape. The market in Ireland differs from Great Britain, being more tightly balanced with a higher proportion of renewable generation and some significant locational transmission constraints. As a result, the Capacity Market focuses on the ability to respond to system-wide specific stress events and ongoing participation in local constraints. In Northern Ireland, EP Kilroot and EP Ballylumford make up approximately 55% of the installed dispatchable generation capacity, meaning that without Capacity Market contracts, which ensure the economic viability of assets, there would be a significant security of supply issue. In the Republic of Ireland, although Tynagh Energy makes up a much lower proportion of the overall installed capacity, it plays a vital role in securing supplies due to its key location.

Picture 35: Langage power plant in the United Kingdom.

Case Study
United Energy:
Communication with local communities

Through our corporate communications, which include social media and the publication of a magasine, we are in touch with our customers and the communities that surround our business operations. Recently, United Energy invested money, time, and effort into public relations. As a result, there was an increase in user awareness as it relates to heat and electricity supply. Additionally, this allows for communication surrounding planned and future green projects at our facilities. Overall, we have had a positive response to this method of communication.



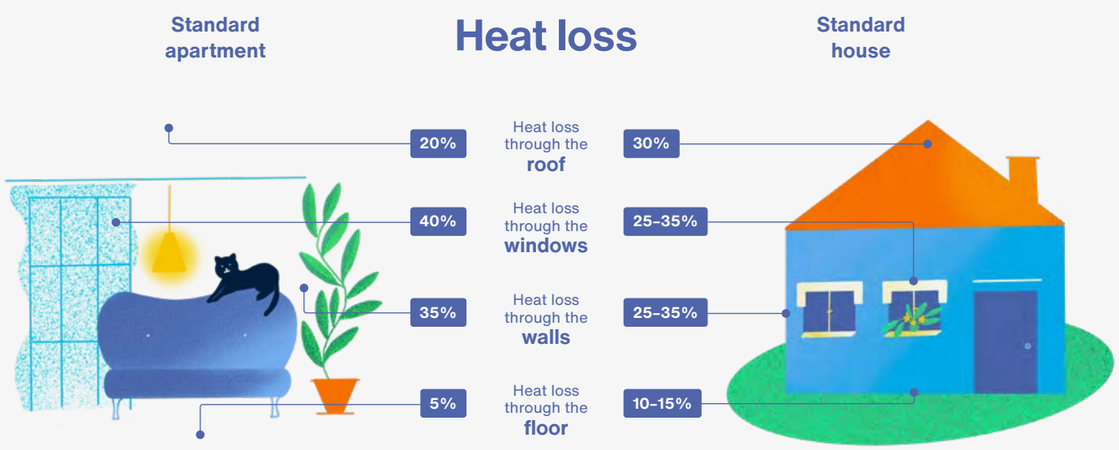
Case Study
Customer energy efficiency programmes

Stredoslovenská energetika

At Stredoslovenská energetika, we are dedicated to building our online communication through our *Hints and Tips* webpage. This page provides our customers and communities with energy efficiency and energy-related advice.

On our webpage, customers receive practical advice on how to reduce energy consumption quickly and effectively within their homes. They can also learn about other household energy tips, such as the most affordable rates for their homes, how much their electrical appliances consume and the difference between modern LEDs and classical incandescent bulbs.

Our online programme is enriched with SEO content series. They include various article topics, such as the advantages and disadvantages of electrical and gas hobs in Slovakian homes or methods on how to responsibly prepare for the heating season. Overall, we find that our customers show greater interest in renewable sources, along with tips on how to further reduce electricity and gas consumption.



Picture 36: Heat loss infographic for Stredoslovenská energetika.

In addition to further educating households in Slovakia about the path to practical and easy achieve energy efficiency, Stredoslovenská energetika offers certified “green energy” to customers. This relates to electricity that is guaranteed to have been produced free from emissions and adverse environmental impacts, as it is sourced from renewable energy such as water, wind, solar or biomass.

By purchasing “green energy” from Stredoslovenská energetika, customers will:

1. make a significant contribution to protecting the environment,
2. contribute to reducing the negative impact on the global climate,
3. support the development of green power plants in Slovakia,
4. reduce CO_2 emissions by 81.9 kg[69] for each megawatt-hour of electricity,
5. create for themselves a green household, and
6. receive a certificate guaranteeing the origin of electricity from renewable sources.

Plzeňská teplárenská

At Plzeňská teplárenská, we continuously work on extending the portfolio of services we offer our customers.

We currently provide a monitoring service that collects data relating to energy consumption; it also serves as an alert system in the case of energy failures or accidents. This service allows customers to optimise their energy consumption and reduce energy costs.

As an example, this service is available in several buildings in the Pilsen region. At the end of 2021, energy consumption monitoring devices were installed in three more kindergartens in the city of Pilsen. The trial run for this project began in January 2022 and from February the project ran in full operation mode. In the first months of full operation, one of the devices detected that a large amount of cold water was leaking. Additionally, since 2018, we offer monitoring of energy consumption to schools that fall under the administration of the Pilsen region. In total, five subjects, representing 10 buildings, were equipped with these energy consumption monitoring devices.

The project “Monitoring of energy consumption in kindergartens” was awarded the Crystal Chimney prize by the Association for District Heating of the Czech Republic in 2019 during the District Heating and Energy Days.

69 Source: SEE (2023). Emisie CO_2. https://www.seas.sk/o-nas/zivotne-prostredie/ochrana-ovzdusia/emisie-co2/

Development of communities and social action

We recognise the opportunities associated with inclusive and strong community partnerships. Not only do they provide a platform on which we can support each other's growth, but it also aligns us in our efforts to achieving sustainable development.

EPH is proactive in its community partnership efforts. Through our EPH Foundation, we promote initiatives, such as grant and community partnership programmes.

It is important for us to be a valued member of the communities in which we operate. That is why we continuously seek to create and implement initiatives where we believe we can actively help communities grow and ultimately thrive.

Our contribution to the SDGs:

EPH works to support community development through social action and partnerships. These partnerships are important in being able to contribute to, and ultimately achieving, sustainable development.

Community development programmes and initiatives

As a key stakeholder, we believe it is important to support and develop the communities in which we operate. Because children are our future, we put greater emphasis on investing in resources that work towards educating our youth, especially with regards to energy efficiency.

EPH Foundation

The EPH Foundation is the main facilitator of all the Group's community activities, such as those relating to the support of local charities, social initiatives and community development programmes.

EP Corporate Group Foundation

The EP Corporate Group Foundation (EPCG) mainly focuses on helping individuals in difficult and unexpected life situations, especially ones they did not influence.

Response to 2022 global events

In 2022, the Group continued in our efforts to help those affected by the war in Ukraine. **Slovenské elektrárne** established a shelter for 150 refugees in the former administrative building of the Vojany power plant (EVO). This facility was achieved through our cooperation with Asociácia Samaritánov Slovenskej Republiky. SSE/SSD employees collected supplies, such as food, to help stock a refugee camp in Žilina, which had the capacity to accommodate around 150 people. Nafta purchased additional supplies for Ukraine, as well as collected food for refugees in the village of Kúty. The **EPH Foundation** (Slovakia) organised purchases of medicine intended to treat traumatic conditions including their transport to Ukraine. Other holding companies, such as **Czech News Center**, were lending their support through the media space, focusing on combatting distribution of false information. The **EPH Foundation** and **EPCG Foundation** contributed EUR 2 million to planned help for Ukrainian people impacted by the war.

2022 **Highlights**

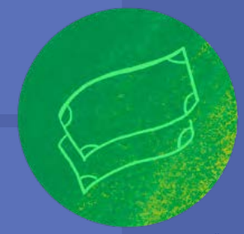
In 2022, EPH funded several social programmes and projects, where:

EPH Foundation distributed

€ 1.9 million

EP Corporate Group Foundation distributed

€ 4.0 million



In 2022, EPH continued to support those impacted by the war in Ukraine, where:

EPH Foundation distributed € 92 thousand to help organisations deliver materials to aid those impacted by the war.

EP Corporate Group Foundation distributed approximately CZK 38 million to Ukrainian refugees who were not registered in the Czech Republic, where the Foundation overall aimed to improve refugee living conditions and integration into Czech society.

EPH employees contributed funds collected by EPCG to be able to increase the amount of assistance provided to Ukraine in 2022.

EPH Foundation

The Slovak EPH Foundation was established in 2014 and has been actively involved in solving social issues since 2016. All projects and initiatives of the EPH Foundation are driven by mercy and understanding of disadvantaged people.

This mindset creates an enormous wave of solidarity towards those groups of people. The Foundation stands on solid fundamentals in a form of strict values, such as preserving traditions, natural and cultural heritage, promoting regional and community development, supporting education and innovations, sports, scientific development, human health and rights, environmental protection, and countless other humanitarian causes.

The EPH Foundation distributes help in the following main areas:

1. Education and innovation
2. Culture
3. Health and sport
4. Disadvantaged groups
5. Environment
6. Regional development

Nadácia EPH

In 2022, the EPH Foundation supported the following programmes:

Programme	Amount granted
Support point	€ 150,000
From life	€ 80,000
In my surroundings	€ 133,000
Individual aid for people in need	€ 389,000
Municipalities	€ 280,000
Ukraine	€ 92,000
Partnership projects	€ 746,000
Total	**€ 1,870,000**

Table 13: Amount granted by EPH Foundation.

Programme descriptions

Support point
(Oporný bod)

This programme is mainly aimed at supporting institutions to address COVID-19 related problems. Applicants for this support are either non-state children's homes, crisis centers, non-governmental organisations, civic associations, churches, or social assistance providers.

From life
(Zo života)

The grant programme "Zo života" mainly focuses on supporting organisations that provide hospice and palliative care in a way that fully facilitates someone's peaceful passing. Additional services are provide based on individual needs.

In my surroundings
(V mojom okolí)

In today's hectic times, it is crucial to stop for a while and do something good for our health; therefore, the EPH Foundation supports projects aimed at supporting healthy lifestyles, sport activities, relaxation, culture, and education. In 2022, several sport and relaxing facilities were built thanks to this project.

Individual aid for people in need

In 2022, through this programme, the EPH Foundation in cooperation with the Slovak catholic charity, supported people in need with direct material and food. This programme differs from the rest, as people who are supported do not gain any financial contribution. Instead, they are supported in the form of material or food, which is sometimes more important.

The Foundation also helped economically disadvantaged families afford rehabilitation or psychological treatment and offers assistance to parents whose children have been diagnosed with terminal diseases.

Municipalities

As part of the programme, the EPH Foundation collaborated with Nafta a.s. and SPP – distribution a.s. to support public benefit activities in municipalities involved in strategic and energy projects in the country. The EPH Foundation aimed to express solidarity with the municipalities and their inhabitants by addressing daily challenges that were within their means.

Ukraine

The EPH Foundation supported organisations delivering material assistance to residents of Ukraine affected by the Russian military invasion, both to those who remained on Ukrainian territory and to those seeking refuge in other countries.

Partnership programmes

The EPH Foundation additionally cooperates with different partner organisations with similar visions, goals and focus. Because of these organisations, the EPH Foundation can support even more people and projects throughout Slovakia.

Partnership programmes

Project	Activities and project goals	Contribution
Patient advisory (Pacientske poradne)	Through this partnership programme, former cancer patients, who have experienced the disease and its treatment first-hand, volunteer to provide support to current patients and their loved ones. As a result, patients are provided with valuable advice, as well as useful and practical information. This, for example, includes preparation for coping with the treatment and information on entitlements to social and medical compensation. Above all, patients are provided with psychological support and encouragement.	€ 20,000
With aid we can manage at home (S pomôckami to zvládneme doma)	This project aims to improve the quality of life for elderly people who want to stay at home, rather than in a retirement home. This is supported through the purchase of health-care equipment.	€ 5,000
The biggest wish of dying – we finally want to go home (Najväčšie želanie umierajúcich – chcem už ísť domov)	This project enables children, who have tried all hospital-based treatment options, to be hospitalised at home. Parents can use the services of a children's mobile hospice, where a team regularly visits children in their home environment, so that they may receive 24-hour palliative care, 7 days a week.	€ 5,000
Learning in the nature (Učíme v prírode)	This project is aimed at building classrooms that will be used for experiential learning. Gradually, the open space where students learn is being transformed. Students learn how to sort waste, grow plants, approach mathematics with practical examples, as well as other subjects. Students may also use the space to focus on hobbies that are independent from the classroom.	€ 2,000

Table 14: Additional information on a few selected partnership programme projects in 2021.

EP Corporate Group Foundation

In life, we are sometimes faced with situations and challenges that can very rarely be overcome without help. Based on this concept, the EP Corporate Group Foundation started operating at the end of 2021, where resources are utilised to the extent possible to help those who need it.

The main motive for the Foundation is to help those who find themselves in difficult life situations, especially when they had no influence on the outcomes. They approached life responsibly but were nevertheless met with a lot of unpredictable challenges and life pressures. We believe that without help, these individuals could be met with more distress and damaging life situations.

EP Corporate Group Foundation is founded on two main pillars:

1. support for families with children that lost one or both parents, and
2. help for the elderly, especially those living on their own.

While in the first pillar we aim to implement aid primarily with our own resources, in the second pillar, we are indirectly delivering support through partner non-profit organisations who provide direct care for the elderly in need. In addition to these two main pillars, the Foundation has two more pillars of support:

1. providing aid in emergency situations, and
2. advocating for the above-mentioned target groups.

Nadace
EP Corporate Group

4 pillars of support under the EP Corporate Group Foundation:

Supporting families after the loss of one or both parents

Supporting elderly people in need

Providing aid in emergency situations

e.g. natural disasters or situations causing negative impact on the Czech society

Advocating for the above-mentioned target groups

Successful and current projects

Initiative called “We can do it” (To zvládneme)

As a part of the “We Can Do It” grant, the Board of Directors of the EP Corporate Group Foundation approved a total financial contribution of EUR 1.4 million, which will support 53 families. This initiative is intended to help families who have lost at least 40% of their family income due to the loss of a beloved family member. The EP Corporate Group Foundation will financially support these families for two years.

Initiative called “Home is home” (Doma je doma)

The Board of Directors of the EP Corporate Group Foundation decided to support 28 non-profit organisations who provide care for the elderly in difficult life situations. The Board approved a total financial contribution of EUR 1 million for these organisations. The Foundation supports organisations that offer various care services to seniors. The granted resources will primarily be spent on the purchase of compensatory aid (e.g. wheelchairs, reclining beds, and walkers). Furthermore, the funds will be used to support the expansion of available and offered services, which will lead to the creation of several new jobs or the preservation of jobs, including personal assistants, care givers, social workers, psychotherapists, and occupational therapists.

Initiative called “Public Consulting Centres in Mobile Hospices” (Veřejné poradny pro pozůstalé rodiny v mobilních hospicích)

The Board of Directors of the EP Corporate Group Foundation approved a total financial contribution of EUR 145 thousand for 13 mobile hospices. Public Consulting Centres in these mobile hospices will provide psychosocial care to families that were affected by the expected or sudden death of one or both parents.

Providing aid to Ukrainian refugees

Throughout 2022, the EP Corporate Group Foundation distributed nearly EUR 1.6 million to help Ukrainian refugees. This aid was provided through 29 organisations that provide direct and indirect assistance to refugees. The aid was primarily aimed to support the stability of housing, childcare, teaching the Czech language, and integrating refugees into the Czech labour market so that they can live a full-fledged life independent of state benefits.

Additionally, one of the Group’s companies, EP Properties, was involved in helping refugees by promptly reconstructing and fully equipping units in Prague’s Holešovice district. These were offered to Ukrainian families for minimal rent, for which the EP Corporate Group Foundation provided support. Applicants for financial aid could also apply to cover basic necessities, such as food and medicine. The Foundation distributed a total of EUR 62 thousand to 23 families.

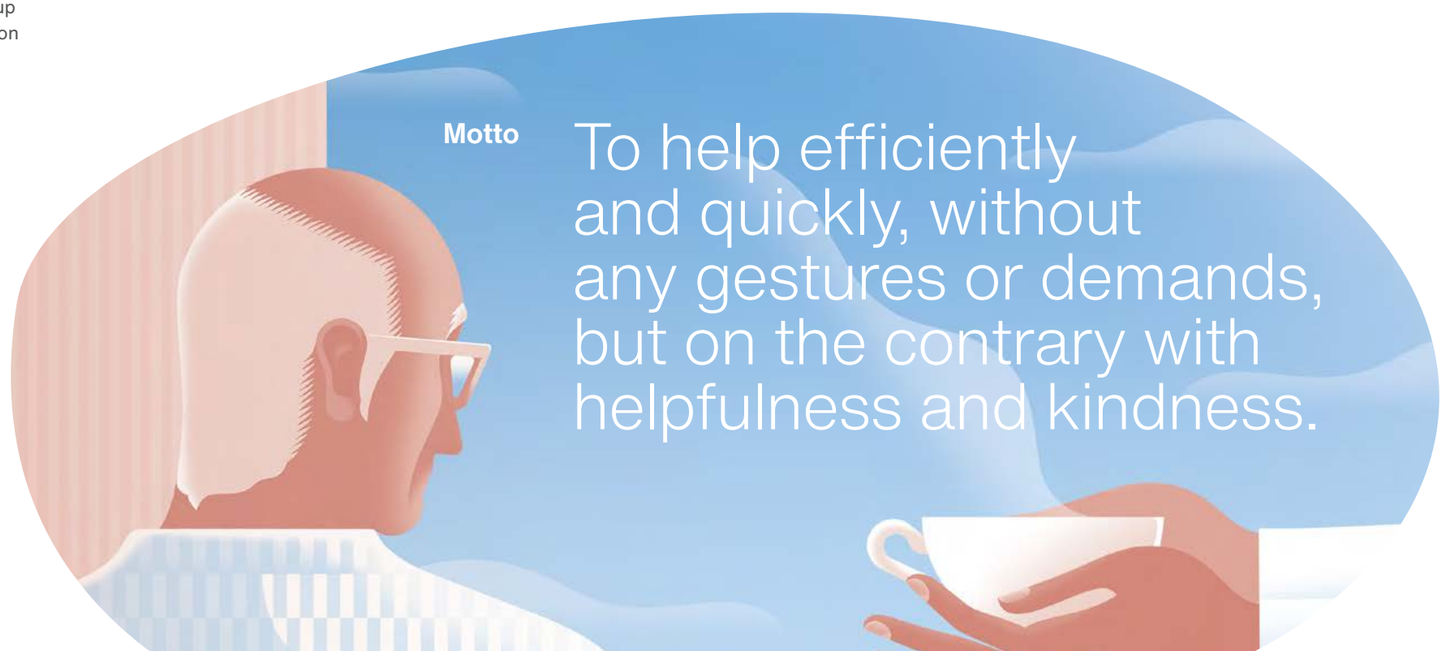
Support for the Group’s staff helping Ukrainian refugees

In addition to the already mentioned aid provided to Ukrainian refugees, the Foundation supported EPH staff who volunteered to accommodate war refugees. The support was in the form of reimbursement for part of the subsequent accommodation costs, where the Board of Directors of the EP Corporate Group Foundation approved a total financial contribution of EUR 17 thousand for 7 employees.

Pillars of support	Programme	Amount granted (EUR million)
Families after losing one or both parents	We can do it “To zvládneme”	1.4
	Public consultations	0.1
Elderly people in need	Home is home “Doma je doma”	1.0
Board of Trustees Emergency Fund	Second home “Druhý domov”[70]	1.4
	EP Real Estate[71]	0.1
	Sum of all programmes	**EUR 4.0 million**

Table 15: Amount granted by EP Corporate Group Foundation.

70 Helping resettle Ukrainian refugees within the Czech
71 Helping Ukrainian women with children find housing.



Case Study
Community programmes and initiatives

EP Cargo Trucking CZ

In continuing to respond to the war in Ukraine, EP Cargo Trucking has supported the humanitarian aid initiatives of the Group. We provided a truck that transported 13 pallets of essential items, such as medical material, diesel power generators, food, sleeping bags, and heaters to Eastern/ Central Ukraine. In Ukraine, the material was then distributed from the warehouse in Uzhhorod to Kyiv, where it was most needed. During this time, the professionalism of our transporters was highlighted.

Picture 37: Cargo heading to Uzhhorod.

EP Produzione

Throughout 2022, EP Produzione implemented social initiatives that focused on supporting our employees internally and communities externally. These initiatives are further highlighted below.

Attracting young professionals

To attract young employees, EP Produzione joined the “Tutored” platform, which focuses on the recruitment and attraction of junior talent. We also participated in Rome University Career Day.

The Tavazzano e Montanaso power plant, in partnership with a local high school, realised an educational project on safety topics. This further showcases EP Produzione’s commitment to promoting the culture of safety among young people, and our attention to the territory and the local communities where we operate.

Helping the people of Ukraine

In March 2022, EP Produzione launched a fundraising initiative to support the people of Ukraine. We collected approximately EUR 10,000 from employees, which was matched by the company. A total amount of EUR 20,000 was donated in equal parts to “Save the Children” and to “Red Cross,” who are supporting those impacted by the war.

Supporting our employees

EP Produzione is fully compliant with relevant national law, where in Italy, our companies employ 27 people with disabilities[72]. Job assignments range from energy management operators to accountants.

At EP Produzione, an ESG course was held, in which all management levels and a select group of employees partook.

Even during 2022, EP Produzione continued strict cooperation with Trade Unions relating to the management of impacts due to the COVID-19 pandemic. This cooperation includes local and national bipartite committees, which also include Health and Safety Executive (HSE) worker representatives.

Working with local Non-Governmental Organisations

At a local level, EP Produzione’s power plants are donated to local Non-Governmental Organisations (NGOs) and other various associations, who implement projects and initiatives that support territorial communities. For example, at the Tavazzano e Montanaso power plant, we contributed to the installation of a new defibrillator in the municipality of Tavazzano, while at Fiume Santo, we contributed to the purchase of a new motorised chair for the local Associazione Volontari Italiani del Sangue (AVIS). This showcases EP Produzione’s commitment to working with local NGOs to further promote health and safety in the communities that we operate.

72 Referring to law no. 68 of March 1999 “Regulations on the right to employment for persons with disabilities.”

Picture 38: Examples of EP Produzione’s internal and external social initiatives in 2022.

Case Study
Community programmes and initiatives

Biomasse Italia

Biomasse Italia is proud to support the community through its sponsorship under the “We care” programme, which in 2022 included the festivities for the local patron saint’s day, Christmas decorations, contribution to the Pro Loco of Strongoli, sponsorship ASD Academy Strongoli football and accessible sheltered walkways for people with disabilities to enjoy the beach in summertime.

However, the most important contribution from Biomasse Italia continues to be the royalties paid every year to the local municipality, which is based on the quantity of produced electricity. In 2022, Biomasse Italia paid about EUR 190 thousand, which will help authorities cover increased expenses and allow for investments into projects that will benefit the local community.

EP UK Investments

EP Kilroot and EP Ballylumford have a strong charity committee. Over the year they supported several events, including fund-raising events for the Cancer Fund for Children, which was internally nominated as the 2022 charity for the year.

In September 2022, the Kilroot operations team held a “Macmillan Coffee Morning.” Additionally, the Health and Safety team organised a group to take part in the “Cancer Focus Northern Ireland Moonlight Walk,” which took place in May 2022 and raised approximately GBP 600.

In support of World Environment Day 2022, EP Langage participated in a beach cleanup and helped the local community in a “Clean Our Patch” initiative, which resulted in over 50 hours of volunteer work. Furthermore, at EP South Humber Bank, employees participated in a tree planting initiative. Overall, both EP South Humber Bank and EP Langage proactively work with local schools, offering work experience through internships where possible.

Picture 39: Participants from the “Cancer Focus Northern Ireland Moonlight Walk” event.

Case Study
Community development programmes and initiatives

Public waste-to-energy plant tours

At Plzeňská teplárenská, we organise regular excursions for schools and the general public. These excursions are accompanied by educational programmes (additionally made available in English).

The educational programme is aimed at highlighting **waste as an important secondary source for heat and power production**, with a potential to save primary non-renewable sources.

Educating our youth on energy efficiency

The SSE education programme has established itself as one of Slovakia's most influential energy-related educational activities. The energy efficiency education contest, which is further raising awareness among young professionals about energy efficiency, reaches an average of **100 schools a year**. We have found that this has increased the interest in sustainable energy practices among thousands of young students in Slovakia.

Green City of Pilsen

The project "Green city" aims to improve the quality of life for Pilsen residents. Particular goals of the project are to have **clean air, clean water, green transport, responsible and environmentally friendly waste management, and a greener city centre**.

This intention united **7 entities**: the city of Pilsen, Pilsen region, company Plzeňské městské dopravní podniky a.s., company Vodárna Plzeň, a.s., company **Plzeňská teplárenská, a.s.**, company Škoda Transportion, a.s., and company Plzeňský Prazdroj, a. s. All of these entities strive to minimise their impact on the environment, while supporting environmental protection.

The ambition of the association is not only to open up the discussion about this topic, but to also expand the association with other entities that could further help **implement the measures for meeting the Green City goals**.

Picture 40: Community programmes and initiatives within the Group.

Assurance

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Agreed-Upon Procedures Report

Board of Directors
Energetický a průmyslový holding, a.s.
Pařížská 130/26, 110 00
IC: 02 413 507
Prague 1

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Based on the engagement letter dated 12 January 2023 we have been engaged to perform agreed upon procedures relating to below defined indicators included in the Energetický a průmyslový holding, a.s. group sustainability report for the year 2022 (hereinafter "the Report") to assist Board of Directors in indicators testing. Our engagement with Energetický a průmyslový holding, a.s. (hereinafter "the Company", or in aggregate with its subsidiaries referred as "the Group") was conducted in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements ISRS 4400.

Our procedures were limited in nature and scope to those defined by you as those are most fitting to your current information needs, and as such may not necessarily identify all significant matters relating to the Company or detect any errors or deviations from the norm in the supporting materials.

Our report is solely for the purpose set forth in the first paragraph of this report. Our report is not to be used for any other purpose or to be distributed to any other parties except for inclusion in the sustainability report for the year 2022 of the Company. This report relates only to Specified Indicators defined above and does not extend to any financial statements of the Company.

Responsibilities of the Engaging Party

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

The sufficiency of the procedures is solely the responsibility of the Company Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which our report is being prepared or for any other purpose.

Responsibility for the sufficiency of the performed procedures rests exclusively with the recipients of this report. The procedures that we have carried out are designed to satisfy the Company's information needs.

Practitioner's Responsibilities and Professional Ethics and Quality Control

Our engagement to apply agreed-upon procedures has been performed in accordance with the International Standard on Related Services (ISRS) 4400 – Engagements to Perform Agreed-Upon Procedures Regarding Financial Information as well as with the Code of Ethics for Professional Accountants issued the International Ethics Standards Board for Accountants.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on financial statements of the Company.

Had we performed additional procedures or had we performed an audit or review of the Company's statutory financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Procedures and Findings

Procedures:

We understand that you required us to carry out the procedures on below specified indicators for Czech Republic, Slovakia, Great Britain or at group combined basis (further "Specified Indicators"):

- Total Energy consumption based on GRI standard 302-1, on page 278 of the Report,
- Total Quantity of water withdrawal based on GRI standard 303-3, on page 295 of the Report,
- Total Quantity of water discharged based on GRI standard 303-4, on page 296 of the Report,
- Total Registered injuries – Employees based on GRI standard 403-9 on page 309 of the Report.

Our procedures are defined as follows:

1. Recalculation of Specified Indicators as included in Group support source data file (test of mathematical accuracy of the data collected from individual entities and summarized in the Report).

2. Comparison of the methodology used for calculating the Specified Indicators presented in the Report to relevant guidance of GRI Sustainability Reporting Standards as defined for such indicators including the GRI reporting limitations stated in the Report on page 243.

3. On sample basis, defined at minimum one company from Czech Republic, Slovakia and Great Britain, compare that data provided by individual companies of the Group were properly transferred to the Group support source data file and compare the values reported by the companies to the underlying documentation.

4. For entities based in the Czech Republic except for those covered under procedure 3. (hereinafter "other CZ entities") compare that data provided by these companies were properly transferred to the Group support source data file.

5. For economic and financial data that consist of Total Sales and Income tax paid as of 31 December 2022 and for the year then ended as presented on the pages 1, 38 and 54 in the Report, marked with ("**") (hereinafter "Selected Financial data") reconcile to the Company`s consolidated financial statements as of 31 December 2022 that form part of the Company`s 2022 Annual Report.

Findings:

1. We recalculated data for the Specified Indicators. Calculation was provided to us by the Company in the form of Group support source data file. We recalculated amounts included in the file and then traced the amounts of Specified Indicators from Group support source data file to respected pages of the Report.

   We did not note any differences.

2. We compared the methodology used by the Group for calculation of Specified Indicators to relevant paragraph of GRI Sustainability Reporting Standards methodology including the limitations disclosed in the Report on page 243. The Group methodology is defined in the calculation questionnaire. Calculation questionnaire is provided to all companies of the Group.

   The methodology used by the Group for calculation of Specified Indicators, as included in the calculation questionnaire, is in line with the definitions of GRI Sustainability Reporting Standards No. 302-1, 303-3, 303-4, 403-9, including disclosed limitations in the Report on page 243.

3. Based on the table "EPH reporting scope entities" included in the Report on the pages no. 243, 244, 245, 246 and 247 and minimum scope requirement as described above, the following entities were selected for the testing: Eustream, a.s. (Slovakia), Elektrárny Opatovice, a.s. (Czech Republic), Plzeňská teplárenská a.s. (Czech Republic) and Lynemouth (Great Britain) hereinafter "the Entities ".

We compared data reported by the Entities to the Group in respect of Specified Indicators to the Group support source data file. We did not note any differences.

We compared data relevant to Specified Indicators as reported in questionnaires prepared by the Entities to the relevant supporting documentation available at the Entities. Relevant supporting documentation included protocols or minutes from measuring signed by relevant persons responsible for the measuring, invoices from energy or water supplier, details from HR system and reports from internal systems.

We did not note any differences.

4. For other CZ entities we compared data reported by each individual entity to the Group with respect to Specified Indicators to the Group support source data file.

   We did not note any differences.

5. We reconciled Selected Financial data presented in the Report to Company`s consolidated financial statements as of 31 December 2022, as included in the 2022 Annual report, with no difference noted expect effect of rounding, if applicable.

Prague, 28 June 2023

KPMG Česká republika Audit, s.r.o.

EU Taxonomy assessment

EU Taxonomy assessment

In July 2020, the European Commission adopted the Taxonomy Regulation ("EU Taxonomy" or "Regulation"), a classification system establishing a list of environmentally sustainable economic activities which is supposed to direct investments towards sustainable projects. The EU Taxonomy establishes six environmental objectives:

1. **Climate change mitigation**
2. **Climate change adaptation**
3. **The sustainable use and protection of water and marine resources**
4. **The transition to a circular economy**
5. **Pollution prevention and control**
6. **The protection and restoration of biodiversity and ecosystems**

The list with individual environmentally sustainable activities including detailed technical screening criteria was subsequently published in the first Climate Delegated Act and is applicable from January 2022. Decision on classification of gas and nuclear power and heat generation was postponed until March 2022, when the Complementary Climate Delegated Act was adopted by the European Commission, giving gas and nuclear generation a status of transitional activities. The complementary delegated act applies from January 2023 and is expected to accelerate the shift from emission-intensive fossil fuels.

The EU Taxonomy requires companies to disclose share of their turnover, operating expenditures ("Opex") and capital expenditures ("Capex") which are associated with environmentally sustainable activities as defined in the EU Taxonomy and the delegated acts. The disclosure for the previous financial year 2021 was simplified and only included an assessment of taxonomy eligibility, a criterium which is fulfilled if the activity is listed and described in the delegated acts irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts. For the financial year 2022, companies are required to perform an assessment of the full taxonomy alignment, which is fulfilled only when the activity meets all substantial contribution criteria, all do no significant harm ("DNSH") criteria and complies with the minimum social safeguards stated in article 18 of the Regulation.

EPH fully supports the goals of the EU Taxonomy which provides definitions which economic activities can be considered as environmentally sustainable and protect private investors from greenwashing. The increased clarity shall enable private sector to direct investments to sectors with largest contribution to sustainable development.

Application by EPH

In its first disclosure for the financial year 2021, EPH used the option to report only on the taxonomy-eligibility and not on the taxonomy-alignment of its economic activities. For the 2022 disclosure, as required by the EU Taxonomy, EPH has performed a full assessment of the taxonomy-alignment of its activities. As a first step, taxonomy-eligible economic activities were identified across the EPH Group, based on their inclusion in the delegated acts. The second step included an assessment if any portion of the activity contributes to any of the two environmental objectives which are currently described by the EU Taxonomy – climate change mitigation and climate change adaptation. For this purpose, the substantial contribution criteria in the Annex 1 and Annex 2 of the delegated acts were assessed. The third step was to ensure that the activity does no significant harm to other environmental objectives based on assessment of the DNSH criteria. The last step was to assess compliance of the activity with minimum safeguards. Assessment of compliance with minimum safeguards has been performed for all activities at once as EPH Group standards are implemented across the entire Group.

The following economic activities were identified by EPIF as taxonomy-eligible and subsequently assessed for taxonomy-alignment:

Activity code	Taxonomy-eligible activity
4.1	Electricity generation using solar photovoltaic technology
4.3	Electricity generation from wind power
4.5	Electricity generation from hydropower
4.8	Electricity generation from bioenergy
4.9	Transmission and distribution of electricity
4.14	Transmission and distribution networks for renewable and low-carbon gases
4.15	District heating/cooling distribution
4.20	Cogeneration of heat/cool and power from bioenergy
4.29	Electricity generation from fossil gaseous fuels
6.2	Freight rail transport
6.6	Freight transport services by road

It should be noted that EPH is not involved in producing combined heat and power from natural gas at present. However, EPH has initiated projects to convert its lignite heating plants in the Czech Republic to gas-fired units, with capital expenditures set to begin in 2023. As a result, the activity 4.30 "*High-efficiency co-generation of heat/cool and power from fossil gaseous fuels*" will be evaluated as part of the assessment for the financial year 2023.

Minimum safeguards

The EU Taxonomy includes a set of minimum safeguards, providing guidelines to ensure that companies classifying their activities as sustainable and taxonomy-aligned meet certain standards related to human rights, bribery, corruption, taxation, and fair competition. The standards serve as a protection layer to prevent companies engaged in green investments from being viewed as sustainable if they violate human rights or are involved in corruption practices or other unethical conduct. EPH has policies and procedures in place across the Group to ensure that high ethical standards are maintained, and no corruption or inappropriate behaviour of any sort is tolerated. In April 2021, after recognising the need to formalize our ESG efforts in a comprehensive set of policies, the scope of polices was extended to cover areas such as asset integrity management, cybersecurity, workforce diversity, whistleblowing, or biodiversity. The underlying principles in EPH policies are built upon the Ten Principles of the United Nations Global Compact or eight fundamental Conventions of the International Labour Organization. The policies are publicly available on EPH website https://www.epholding.cz/en/polices-connected-to-esg-area/. There have been no instances of breaches of any of the defined standards based on regular communication and reporting from EPH subsidiaries. EPH ensures that principles embedded in our policies are regularly shared with employees across the Group. Therefore, EPH believes that its activities comply with the minimum safeguards. When assessing eligible activities, we have agreed that all activities meeting the DNSH criteria fulfil also minimum safeguards.

4.1. Electricity generation using solar photovoltaic technology; 4.3. Electricity generation from wind power; and 4.5. Electricity generation from hydropower

EPH operates a portfolio of renewable generation sources in France, Germany, the Czech Republic, and Slovakia with total installed capacity of 127 MWe.

Application by EPH

They comprise solar parks, wind farms, and run-of-the-river hydroelectric plants. Full revenues, Opex and Capex related to these activities were further considered for taxonomy alignment as these activities correspond with definitions in the substantial contribution criteria, specifically "*The activity generates electricity using solar PV technology*", "*The activity generates electricity from wind power*", and "*The electricity generation facility is a run-of-river plant and does not have an artificial reservoir*".

The operations of renewable generation sources have been assessed in respect of the following do no significant harm ("DNSH") criteria:

- **Climate change adaptation** – All renewable generation facilities are considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.
- **Water** – None of the facilities have been identified in breach of any of the provisions of the criteria.
- **Circular economy** – The photovoltaic and wind facilities represent durable assets which are recycled once they reach the end of their useful lives. This practice is commonly mandated by relevant laws, and companies are obligated to allocate funds for the associated decommissioning costs.
- **Biodiversity** – Biodiversity considerations including the Environmental Impact Assessment are commonly a vital part of the permitting procedures, preventing the facilities from being located near biodiversity-sensitive areas.

As a result of the assessment above, the full revenues, Opex and Capex reported by renewable generation sources were classified as taxonomy-aligned.

4.8. Electricity generation from bioenergy

EPH operates biomass power plants in the United Kingdom, France, and Italy. While the power plants in the UK and Italy rely exclusively on biomass and are therefore considered as taxonomy-eligible, the plant in France incorporates a certain amount of coal in its biomass units, rendering the activity as non-eligible. The plants in the UK and Italy were assessed further for taxonomy alignment.

The Lynemouth power plant in the UK underwent a transformation from a previous coal-fired power station. With a net installed capacity of 407 MWe, it can provide electricity to around 450,000 households. To fuel its operations, the plant relies on sustainably sourced, renewable wood pellets derived from forest residues and industrial wood processing residues. These pellets primarily come from the US, Canada, and Europe, and are transported to the UK via sea routes. Lynemouth power plant maintains a stringent focus on sustainability throughout its entire supply chain, implementing robust certification systems. The Sustainable Biomass Partnership (SBP) and Green Gold Label (GGL) schemes play crucial roles in independently auditing the plant's biomass production, harvesting, transportation, and usage processes. However, despite these efforts, the overall carbon emissions associated with the transportation distance and indirect factors prevent the plant from achieving greenhouse gas emission savings of at least 80% when compared to the relevant fossil fuel counterpart. Consequently, the activity has been classified as non-aligned, as it falls short of meeting the criteria outlined in Annex VI to Directive (EU) 2018/2001.

The fleet of three biomass plants operated in Italy with total installed electrical capacity of 80 MWe is deemed taxonomy-eligible due to their exclusive utilization of biomass for power generation. However, these plants fail to meet one of the substantial contribution criteria since their electrical efficiency falls below the threshold of 36%. This threshold is required for installations with a higher thermal input than 100 MW. The activity is therefore not considered as taxonomy-aligned.

4.9. Transmission and distribution of electricity

EPH operates the electricity distribution network in central Slovakia via its subsidiary Stredoslovenská distribučná a.s. ("SSD"). This activity is associated with NACE code D35.13 (Distribution of electricity). In line with the treatment in the previous financial year 2021, the full revenues, Opex and Capex reported from this activity were classified as taxonomy-eligible as the activity falls within the eligibility criteria in Annex I, specifically "*Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems*".

Operation of SSD's electricity distribution network was further considered for taxonomy alignment as it meets one of the three criteria in Annex I, specifically "*the system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems*". The sustainability aspect of this operation is further supported by the significant presence of low-carbon sources connected to the network. Over the past five years, 88% of the newly connected capacity have been renewable energy sources, such as solar and hydroelectric facilities. The remaining connected technologies mainly consist of gas-fired plants. By facilitating the expansion of renewable power generation sources, SSD plays a vital role in helping the EU achieve its decarbonization goals. In addition, the overall emission intensity of the power generation sources in Slovakia (113 kg/MWh in 2021) is significantly below the average intensity of the EU countries (275 kg/MWh in 2021). The fuel mix in Slovakia is dominated by nuclear plants and run-of-the-river hydroelectric power stations. Share of emission-free electricity is expected to further increase after planned closures of remaining coal power plants.

The activity of SSD has been assessed in respect of the following do no significant harm ("DNSH") criteria:

- **Climate change adaptation** – SSD recognises the potential adverse impacts of more extreme weather events (storms, winds, wildfires) induced by changing climate on its infrastructure. SSD performs regular monitoring of adjacent areas to identify potential risks, mainly in forest areas. SSD identifies the most vulnerable locations where it preferentially replaces overhead lines with underground cables. When expanding the network into new areas, resilience to weather impacts is a primary factor considered and the technical solution is designed accordingly.
- **Circular economy** – SSD adheres to the laws and regulations in Slovakia which are harmonized with EU regulation. SSD has dedicated internal guidelines in place on treatment of hazardous and non-hazardous waste. The produced waste results largely from maintenance and reconstruction works at the distribution network which is vital to ensure reliable operation and security of supply. It includes construction waste (concrete, soil), ferrous and non-ferrous metals, and hazardous waste such as electrical waste or oil-polluted parts. In line with internal directives, SSD always follows the waste hierarchy, preferring recycling over landfilling where it is safe and possible. In 2022, 81% of the non-hazardous waste produced by SSD was recycled. Disposal of hazardous waste is performed through certified third parties.
- **Pollution prevention** – Robustness of environmental protection is demonstrated by the environmental management system ("EMS") which is certified to ISO 14001. The EMS is subject to annual external audit, where no misalignment of SSD's system with ISO 14001 has been identified to date. SSD's internal policies are also aligned with EPH group-wide Environmental Policy. In line with the EU regulation, SSD has replaced all technology which was contaminated with polychlorinated biphenyls ("PCBs") which were widely used within the industry as coolants in electrical equipment.
- **Biodiversity** – The distribution network operated by SSD might pose a danger for wildlife, especially birds as the network cannot entirely avoid areas with higher prevalence of vulnerable species. In cooperation with the State Nature Conservation of the Slovak Republic, SSD regularly takes part in activities that help assess and prevent serious bird injuries that often occur along distribution networks. As a result, SSD installed protective and diverting elements to reduce exposure to high-voltage power lines. Additionally, in cooperation with both the nature conservation and municipal authorities, SSD was able to relocate stork nests within our distribution network to areas within southern Slovakia. As an unofficial partner of the LIFE Energy project, SSD took part in the installation of 154 pieces of diverters throughout the protected bird area of Poiplie, spanning a length of five kilometres. In 2021, the LIFE Energy project won the LIFE Award within the nature protection project category, where the awards recognise projects that are innovative and inspirational in life.

As a result of the assessment above, the full revenues and Opex reported by SSD were classified as taxonomy-aligned. In respect of Capex, the EU Taxonomy does not allow the investments in non-smart metering equipment to be treated as taxonomy-aligned. This Capex portion was therefore classified as non-aligned.

4.14. Transmission and distribution networks for renewable and low-carbon gases

EPH operates critical gas transit and distribution infrastructure in Slovakia via its subsidiaries eustream, a.s. ("EUS") and SPP - distribúcia, a.s. ("SPPD"). These activities are primarily associated with NACE codes D35.22 (Distribution of gaseous fuels through mains) or H49.50 (Transport via pipeline). Based on these NACE codes, the full turnover, Opex and Capex reported from these activities was classified as Taxonomy-eligible. The infrastructure operated by EUS and SPPD is well positioned to accommodate renewable and low-carbon gases once these are deployed on a commercial scale. Similar to electricity grids which are not dedicated to power produced from a particular source, the gas networks can already accommodate

Application by EPH

biomethane or synthetic methane, i.e. gases with the same characteristics as natural gas. EUS and SPPD have already commenced number of projects to assess the readiness of its gas infrastructure for large scale transit and distribution of hydrogen.

According to EU Regulation on renewable and natural gases and hydrogen, all gas transmission system operators will be required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States. Eustream aims to be ready for 5% hydrogen blend in the second half of 2025. The adjustments should primarily consist of replacing the metering equipment and other network components. Eustream's pipeline system is well positioned for transit of pure hydrogen as it consists of four to five parallel pipelines, making it suitable for potential simultaneous transport of natural gas and pure hydrogen in a dedicated line in the future.

SPPD successfully completed a pilot project in 2022 where it blended 10% of hydrogen into the gas distribution network in a small village in Slovakia and tested interaction of the networks as well as appliances at households and commercial customers (boilers, cookers). The network of SPPD is relatively modern and a high share of polyethylene pipes (57% of local networks) with superior permeability characteristics makes the network ideally positioned to accommodate hydrogen in the future.

Despite numerous projects and initiatives in the hydrogen area at eustream and SPPD, the revenues and Opex of both entities were classified as taxonomy-non-aligned. This will be reconsidered once necessary adjustments to the networks have been made including successful testing of increased blends of hydrogen with natural gas.

In respect of Capex, we have quantified investments which make the networks ready for future accommodation of hydrogen and which comply with the substantial contribution criteria, specifically "*retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system*". In case of SPPD, all newly laid pipelines at local networks are made of polyethylene which is proven to be compatible with 100% hydrogen. In case of eustream, the hydrogen related Capex mainly comprised replacement of metering equipment. Both SPPD and eustream have distribution and transit of purely renewable gases as a cornerstone of their long-term transition strategy. In the transitional period, the networks are expected to be used for transport of natural gas, while all necessary adjustments to the networks and blending trials are performed, with the ultimate goal to dedicate the pipelines to 100% renewable gases in the future.

The Regulation requires that Capex aimed to convert non-aligned-activities to Taxonomy-aligned activities needs to be supported by a "Capex plan". As presented in the section "*Results of Taxonomy assessment*" below, Capex of EUR 26m was spent on hydrogen-aligned activities in 2022, of which practically the entire portion was related to replacement of steel pipes with polyethylene pipes by SPPD. Similar annual amounts have been spent in the last few years, leading to replacement of approximately 130–140 km of pipes every year. Going forward, as approved by the local management, SPPD anticipates the rate of pipe replacements to be approximately 200 km/year until 2030 and approximately 300 km/year after 2030. The level of Capex designated for these replacements is planned to be increased accordingly and be broadly proportionate to the length of the pipeline replaced. We note that the conversion of the entire pipeline to a hydrogen-ready pipeline is expected to take beyond 2050. However, it is not necessary to convert the entire pipeline to enable hydrogen distribution. SPPD anticipates that the initial hydrogen demand will be concentrated in industrial clusters. In these clusters, a section of the pipeline can be allocated to hydrogen distribution to connect the backbone hydrogen transit system to hydrogen off-takers. As a result, the timeline for SPPD's engagement in a taxonomy-aligned activity is not contingent on the full conversion of its network into hydrogen-ready pipelines. Instead, it will largely depend on the development of the hydrogen market and the rate at which hydrogen is adopted by various sectors.

Based on the assessment above indicating that the identified hydrogen-compatible Capex is part of a long-term transition plan, the Capex was further considered for taxonomy-alignment, subject to the assessment of DNSH criteria below. We also note that the hydrogen-compatible Capex identified at eustream was rather immaterial.

The Capex incurred as part of the transmission and distribution network operations has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – Both networks are considered as being at low risk of direct damage from more extreme weather events resulting from the climate change as the gas pipelines are to a large extent laid down under the ground.

- **Water** – Operation of existing gas transmission and distribution networks does not pose direct risk for any water bodies and both entities have complied with local regulation and internal environmental policies. At the gas transmission network, each compressor station has a preventive plan to avoid discharge of pollutants into the environment in line with Act no. 364/2004 Coll., on Waters. The expansion of the networks leading to potential harm to waters during the construction phase is relatively limited. The exception was a construction of the Poland-Slovakia gas interconnector completed by EUS in October 2022, for which an Environmental Impact Assessment (EIA) has been carried out and the environmental permit has been issued by the competent authority. At the gas distribution network, SPPD has implemented an Integrated Management System, which integrates occupational health and safety, environment, and quality processes. Additionally, the Methodological Guideline for Environmental Management contains specific guidelines in the area of water pollution prevention. All individuals involved in the transportation of hazardous goods undergo regular training, and their activities are monitored. At locations where handling of more than 1000 litres of dangerous substances occurs, emergency plans are developed and approved, and emergency drills are conducted annually.

- **Pollution prevention** – EUS and SPPD are certified as compliant with the requirements of ISO 14001 (environmental management). Both entities further hold the certification ISO 3834-2 (welding quality), while EUS also holds certification ISO 50001 (energy management) and SPPD holds certification ISO 55001 (asset management). EUS and SPPD ensure compliance with EU requirements regarding efficiency and other parameters in the technology used (such as compressors operated by EUS and regulation stations operated by SPPD) through their procurement process.

- **Biodiversity** – The pipelines of EUS and SPPD in Slovakia cross several wetland areas which are protected by the international Ramsar Convention on Wetlands. For all development and reconstruction works which were performed in the respective areas, all required permits were obtained. Impact on biodiversity is a primary consideration in the decision-making process on the development and subsequent operation of the networks. In line with its biodiversity policy, SPPD generally strives not to interfere with areas of the highest biological diversity through its activities. SPPD continues its efforts to preserve biodiversity after the construction of a facility, both during operation and when decommissioning facilities. The goal of SPPD is to restore the landscape affected by its activities to a state that is as natural as possible for the given locality, creating viable habitats for original species in that area.

As a result of the assessment above, the identified hydrogen-compatible Capex reported by SPPD and EUS was classified as taxonomy-aligned.

4.15. District heating/cooling distribution

EPH operates district heating networks in major regional cities in the Czech Republic, associated with NACE code D35.30 (Steam and air conditioning supply). In line with the treatment in the previous financial year 2021, the full turnover, Opex and Capex reported from this activity was classified as Taxonomy-eligible as the activity falls within the eligibility criteria in Annex I, specifically "*Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger*".

Operation of EPH's district heating networks has been further considered for full taxonomy alignment as it meets one of the two criteria in Annex I, specifically "*the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU*". This criterium requires the district heating or cooling system to use at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat. EPH operations are aligned with the requirement as the heat distributed through its network is produced solely in cogeneration mode by the adjacent cogeneration heating plants which are also in ownership of EPH. The exceptions are occasional periods with peak heat demand which needs to be partly covered by back-up hot water boilers.

The district heating operations have been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The distribution networks are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change. The pipes are to a large extent laid down under the ground. The lines located above the ground might be partly

Application by EPH

located in forest areas and exposed to falling trees. However, the network mainly consists of large-diameter pipes with a wall thickness of 10mm, and no damage has been historically caused by falling trees on the pipeline. Moreover, a protective zone of 2.5 meters from the edge of the pipeline is maintained along the route.

- **Water** – The district heating networks represent closed systems where water is circulated from the main heat exchanger at the heat generation source to the heat exchange station in the proximity of the end consumers and subsequently returned to the heat generation source for re-heating. Water in the network is regularly resupplied to compensate for water lost through evaporation. However, no water is discharged to the water bodies.

- **Pollution prevention** – the EU efficiency requirements for the compressors used across the networks are binding already for manufacturers of this technology, from whom EPH entities source the equipment.

- **Biodiversity** – None of our district heating systems have been identified to be located near biodiversity-sensitive areas.

As a result of the assessment above, the full third-party revenues, Opex and Capex related to operation and maintenance of district heating networks were classified as taxonomy-aligned. Where the entities operating heating networks also own and operate the adjacent heating plants, the financials of these entities were split into the generation business and distribution business mainly based on internal cost centres.

4.20. Cogeneration of heat/cool and power from bioenergy

EPH combusts biomass in some of its heating plants which operate in cogeneration mode. Biomass is combusted in dedicated biomass units as well as co-combusted with lignite. The EU Taxonomy considers only heat and power generation exclusively from biomass as taxonomy-eligible, specifically "*Construction and operation of installations used for cogeneration of heat/cool and power exclusively from biomass, biogas or bioliquids, and excluding cogeneration from blending of renewable fuels with biogas or bioliquids*". Therefore, we have classified only a dedicated biomass cogeneration unit operated by Plzeňská teplárenská, a.s. („PLTEP") as taxonomy-eligible.

Operation of the biomass unit has been further considered for taxonomy alignment as it meets the substantial contribution criteria in Annex I related to the source of biomass and the transport distance:

Biomass combusted by PLTEP is sourced locally within the Czech Republic, predominantly from the Plzeň Region. Owing to the limited transport distance (< 500km), the saving of greenhouse gases compared to a fossil fuel alternative exceeds the threshold required by the Taxonomy Regulation of 80% (based on the typical values of greenhouse gas savings as indicated in Annex VI to Directive (EU) 2018/2001). In addition, when approaching potential supplier of biomass, PLTEP strongly prefers railway transport over road transport where feasible.

Taxonomy regulation allows forest and agricultural biomass to be considered as taxonomy-aligned provided that some conditions are fulfilled such as legality of harvesting, forest regeneration of harvested areas and other criteria ensuring sustainability of biomass production. This is ensured through certification which is required by PLTEP from each supplier including declaration that the biomass complies with the Czech regulation specifying criteria on sustainability and greenhouse gas savings. The suppliers are also obliged to provide evidence that they are entitled to harvest wood from the land based on direct ownership or the agreement with the landowner.

The cogeneration of heat and power from biomass by PLTEP has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The biomass unit is currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.

- **Water** – Based on the integrated permit, the heating plant is allowed to withdraw cooling water from the adjacent river and discharge it back. The amount of water discharged from our plants is not materially different from amount of water withdrawn, i.e. vast majority of water is returned back to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same or better quality and similar temperature, at which it was withdrawn from the source.

- **Pollution prevention** – after major refurbishments aimed at reduction of dust particles, PLTEP is in compliance with the best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants.

- **Biodiversity** – The plant is not located near any biodiversity-sensitive area.

As a result of the assessment above, the full revenues, Opex and Capex related to operation and maintenance of the biomass unit were classified as taxonomy-aligned. The financials of the biomass unit were derived based on internal cost centres used by PLTEP.

4.29. Electricity generation from fossil gaseous fuels

EPH operates a significant fleet of gas-fired power plants comprising combined cycle gas units and open cycle gas units. By the end of the year 2022, the installed capacity stood at 6.8 GW, and EPH expanded it further in the first half of 2023 by acquiring four power plants in the Netherlands, adding 2.6 GW. Additionally, EPH has multiple development projects underway and aims to establish an additional 4.4 GW of CCGT/OCGT plants in Italy, the United Kingdom, and Ireland. This positions EPH as one of the most proactive developers of low carbon dispatchable power generation sources, which we consider essential for accommodating the increased deployment of renewable generation sources. All newly constructed gas-fired power plants are designed to readily accept certain blends of hydrogen and are envisioned to fully combust renewable gases in the future. EPH prioritizes the readiness for hydrogen to ensure the compatibility of these plants with a carbon-free energy system and to prevent locked-in emissions from prolonged use of natural gas.

In March 2022, the Complementary Climate Delegated Act to accelerate decarbonisation was adopted, giving gas and nuclear power generation a status of transitional activities. As a result, the operation of gas-fired plants by EPH falls under the category of taxonomy-eligible activities, specifically described as the "*Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels*." To be fully aligned with the Taxonomy Regulation, certain substantial contribution criteria must be met, provided that the construction permit is granted by 31 December 2030. These criteria encompass an emission intensity threshold, emission savings in comparison to a high emission source that will be replaced, and a timeline for transitioning to the complete combustion of renewable gases. Furthermore, the Regulation requires that the gas-fired plant replaces an existing high-emission generation source and demonstrates that the power cannot be substituted by renewable energy sources. Some of these criteria also necessitate verification by an independent third party to ensure compliance with the Taxonomy. While we recognize the importance of these plants in supporting the EU's decarbonization objectives and their potential to utilize renewable gases, we believe it is prudent to observe market practices in assessing this activity before considering these plants for full taxonomy alignment. This approach allows us to evaluate the practical implications and industry standards surrounding the inclusion of such assets in the Taxonomy.

Therefore, the Revenue, Opex, and Capex associated with gas-fired power plants were treated as taxonomy-eligible but not as taxonomy-aligned.

6.2. Freight rail transport

Through its subsidiaries in Germany, the Czech Republic and Poland, EPH operates a fleet of locomotives and wagons transporting a variety of materials, including fuels, energy by-products, or chemical substances. As the activity corresponds to the taxonomy definition "*Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads*", we have classified full revenues and Opex as taxonomy-eligible. The taxonomy-aligned revenues and Opex were then calculated by excluding fleet dedicated to transport of fossil fuels and operation of diesel locomotives. The share of diesel and electric locomotives on total transport was estimated based on respective shares of diesel and electricity on total energy consumption of the locomotives. These data are regularly collected by the EPH Group for the purpose of its sustainability report.

The freight rail transport activity has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The assets needed for the activity are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.

- **Circular economy** – Decommissioning of obsolete technology is followed by recycling of materials where technologically feasible.

- **Pollution prevention** – Only electrical locomotives were considered for taxonomy alignment.

Application by EPH

6.6. Freight transport services by road

EPH is engaged in road freight transport both with our own fleet of vehicles and using forwarding services. Our specific service is the transport of loose bulk materials in silo trucks, tipping semi-trailers, or on sliding floors. We have identified part of the fleet meeting the taxonomy eligibility criterium "*Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road*". As majority of the vehicles operated comply with the EURO VI emission norm, significant portion of Revenues and Opex was classified as taxonomy-eligible. The activity was not further considered for full taxonomy alignment as the fleet does not meet emission criteria to be considered as 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of Regulation (EU) 2019/1242.

Non-eligible activities

Non-eligible activities of EPH are mainly represented by:

- **Generation of power** from hard coal and lignite, cogeneration of heat and power from lignite or municipal waste.
- **Gas storage** – this activity will be continuously evaluated in the future to determine its potential taxonomy eligibility or full alignment. Further research and trials need to be carried out to have improved visibility on the steps needed to convert existing gas storage facilities to accommodate hydrogen.
- **Supply and trading of power and gas** – this activity is not addressed by the Taxonomy Regulation. As the supply and trading business reports relatively high turnover from resale of power and gas, the percentage share of the Taxonomy-eligible activities for the entire Group is distorted by this segment which is relatively minor in terms of operating profit contribution.

Disclosure According to Annex 12 of Regulation 2021/2178

The EU Taxonomy imposes an additional obligation to report on newly classified eligible activities – nuclear and natural gas energy. To meet this obligation, EPH is presenting an overview and quantification of revenues, Opex and Capex from activities related to generation from nuclear and natural gas. The only activity identified within the EPH Group is Electricity generation from fossil gaseous fuels (EU Taxonomy code 4.29).

Revenues:

Activity	Code	Revenues (EURm)	% share on EPH
Electricity generation from fossil gaseous fuels	4,29	7,507	20.2%
Total revenues from gas + nuclear activities		**7,507**	**20.2%**

Opex:

Activity	Code	Opex (EURm)	% share on EPH
Electricity generation from fossil gaseous fuels	4,29	46	22.3%
Total revenues from gas + nuclear activities		**46**	**22.3%**

Capex:

Activity	Code	Capex (EURm)	% share on EPH
Electricity generation from fossil gaseous fuels	4,29	406	54.0%
Total revenues from gas + nuclear activities		**406**	**54.0%**

Results of Taxonomy assessment

The KPIs to assess taxonomy-eligibility and taxonomy-alignment are calculated as a portion of turnover, Opex and Capex associated with the taxonomy-eligible and taxonomy-aligned activities listed above (numerator) divided by the total EPH Group turnover, Opex and Capex (denominator).

In the determination of turnover, Opex and Capex according to the Taxonomy Regulation, the same accounting and valuation methods have been applied as in the notes to EPH Group Consolidated Financial Statements as of and for the year ended; see Note 7 – Revenues, Note 15 – Property, plant and equipment and Note 16 – Intangible assets (including goodwill).

Turnover, Opex and Capex were sourced from the same sets of financial data used for the Group consolidation process. Underlying data included consolidated financial data after intercompany eliminations as well as stand alone financial data of individual companies before intercompany eliminations. The stand alone financial data before intercompany eliminations were used in instances where revenues from a taxonomy-aligned activity are realized via another subsidiary with taxonomy-non-aligned activities. This included (i) delivery of power produced by an aligned entity to the energy exchange through a non-aligned trading entity which only serves as an intermediary and (ii) revenues from electricity distribution which are realized through a non-aligned Group entity which operates as a supplier of electricity and the distribution tariffs are ultimately charged by this supplier. As one of the entities was always treated as taxonomy-non-aligned, there was no risk of double counting.

Turnover

Numerator: Total revenues that were assigned to taxonomy-eligible or taxonomy-aligned activities listed above

Denominator: *Revenues* as presented in the Consolidated statement of comprehensive income in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2022.

Contextual information: Revenues mainly comprise fees for booked capacities in the gas transit network and the gas storage facilities, fees for distribution of electricity and gas, revenues from sales of power and heat produced by power and heating plants, revenues from supply and trading of power and gas and logistics activities.

Operating expenses (Opex)

Numerator: Total Opex that was assigned to taxonomy-eligible or taxonomy-aligned activities listed above

Denominator: the following items included in line item Services in the Consolidated statement of comprehensive income in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2022 were included:

- **Repairs and maintenance**
- **Rent expenses**

Contextual information: The Opex is mainly related to maintenance of own infrastructure comprising of gas transmission and distribution networks, gas storage facilities, a power distribution network, power plants and district heating assets. We note that in our taxonomy disclosure for the year 2021, the assessed Opex included more categories. For 2022, the Opex categories were limited to Repairs and maintenance and Rent expenses which are explicitly listed in the taxonomy.

Capital expenditure (Capex)

Numerator: Total Capex that was assigned to taxonomy-eligible or taxonomy-aligned activities listed above:

Denominator: Acquisition of property, plant and equipment, investment property and intangible assets as presented in the Consolidated statement of cash flows in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2022

Contextual information: The Capex is mainly related to reconstruction and development of own infrastructure comprising of gas transmission and distribution networks, gas storage facilities, a power distribution, power plants and district heating assets.

The results of the assessment are presented in the following tables:

Results of Taxonomy assessment

Turnover

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Codes (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover, year N (18)**	**Taxonomy-aligned proportion of turnover, year N-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	12	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Electricity generation from wind power	4.3.	22	0.1%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.1%			
Electricity generation from hydropower	4.5.	1	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Transmission and distribution of electricity	4.9.	322	0.9%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.9%		E	
District heating/cooling distribution	4.15.	152	0.4%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.4%			
Cogeneration of heat/cool and power from bioenergy	4.20.	18	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Freight rail transport	6.2.	68	0.2%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.2%			T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**595**	**2%**	**100%**	**0%**												**2%**			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Electricity generation from bioenergy	4.8.	1,017	2.7%																	
Transmission and distribution networks for renewable and low-carbon gases	4.14.	833	21%																	
Electricity generation from fossil gaseous fuels	4.29.	7,507	20.2%																	T
Freight rail transport	6.2.	12	0%																	T
Freight transport services by road	6.6.	26	0.1%																	T
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**9,434**	**25%**																	
Total (A.1 + A.2)		**10,029**	**27%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		27,093	73%																	
Total (A+B)		**37,122**	**100%**																	

Results of Taxonomy assessment

Opex

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	**Codes (2)**	**Absolute Opex (3)**	**Proportion of Opex (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of Opex, year N (18)**	**Taxonomy-aligned proportion of Opex, year N-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	0	0.1%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.1%			
Electricity generation from wind power	4.3.	3	1.3%	100%	0%					Y	Y	Y	Y	Y	Y	Y	1.3%			
Electricity generation from hydropower	4.5.	0	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Transmission and distribution of electricity	4.9.	3	1.6%	100%	0%					Y	Y	Y	Y	Y	Y	Y	1.6%		E	
District heating/cooling distribution	4.15.	1	0.7%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.7%			
Cogeneration of heat/cool and power from bioenergy	4.20.	0	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Freight rail transport	6.2.	10	4.9%	100%	0%					Y	Y	Y	Y	Y	Y	Y	4.9%			T
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**18**	**9%**	**100%**	**0%**												**9%**			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Electricity generation from bioenergy	4.8.	19	9.3%																	
Transmission and distribution networks for renewable and low-carbon gases	4.14.	9	4.5%																	
Electricity generation from fossil gaseous fuels	4.29.	46	22.3%																	T
Freight rail transport	6.2.	9	4.5%																	T
Freight transport services by road	6.6.	1	0.6%																	T
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**85**	**41%**																	
Total (A.1 + A.2)		**102**	**50%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of Taxonomy-non-eligible activities (B)		103	50%																	
Total (A+B)		**205**	**100%**																	

Results of Taxonomy assessment

Capex

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Codes (2)**	**Absolute Capex (3)**	**Proportion of Capex (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of Capex, year N (18)**	**Taxonomy-aligned proportion of Capex, year N-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	0	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Electricity generation from wind power	4.3.	5	0.7%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.7%			
Electricity generation from hydropower	4.5.	0	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			
Transmission and distribution of electricity	4.9.	51	6.8%	100%	0%					Y	Y	Y	Y	Y	Y	Y	6.8%		E	
Transmission and distribution networks for renewable and low-carbon gases	4.14.	26	3.4%	100%	0%					Y	Y	Y	Y	Y	Y	Y	3.4%			
District heating/cooling distribution	4.15.	16	2.2%	100%	0%					Y	Y	Y	Y	Y	Y	Y	2.2%			
Cogeneration of heat/cool and power from bioenergy	4.20.	2	0.2%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.2%			
Freight rail transport	6.2.	0	0.0%	100%	0%					Y	Y	Y	Y	Y	Y	Y	0.0%			T
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**100**	**13%**	**100%**	**0%**												**13%**			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																				
Electricity generation from bioenergy	4.8.	48	6.4%																	
Transmission and distribution of electricity	4.9.	1	0.2%																	
Transmission and distribution networks for renewable and low-carbon gases	4.14.	41	5.4%																	
Electricity generation from fossil gaseous fuels	4.29.	406	54.0%																	T
Freight rail transport	6.2.	0	0.0%																	T
Freight transport services by road	6.6.	0	0.0%																	T
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**496**	**66%**																	
Total (A.1 + A.2)		**597**	**79%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities (B)		155	21%																	
Total (A+B)		**752**	**100%**																	

Note: In the tables above, 100% of the taxonomy-aligned Turnover, Opex and Capex is related to the Climate change mitigation. Therefore, 100% share is presented in the column "Climate change mitigation (5)". As no activities were identified as having substantial contribution to multiple criteria, the principle of no double counting was upheld.

Annex

Abbreviations

AA1000	Accountability Stakeholder Engagement Standards
ACRC	Analysis Consulting Research Communication
AIFOS	Association of Italian Occupational Safety Trainers
AVIS	Associazione Volontari Italiani del Sangue
BAT	Best Available Technologies
BEE	Bundesverband Erneuerbare Energie e.V. (German Renewable Energy Federation)
BESS	Battery Energy Storage System
BBS	Behaviour Based Safety
BERT	Budapesti Erőmű Zrt.
BImSchG	Bundes-Immisionsschutzgesetz (Federal Immission Control Act)
BMWK	Federal Ministry for Economic Affairs and Climate Protection
BNatSchG	Nature conservation act in Germany
BnetzA	Bundesnetzagentur (Federal Network Agency)
bnBm	besonderes netztechnisches Betriebsmittel (special grid-related operating resource)
BREF	Reference Document on Best Available Techniques
CCGT	Combined Cycle Gas Turbine
CE	Demand Central Europe: represents a region of the Czech Republic, Slovakia and Austria
CED	Cumulative Energy
CH_4	Methane
CHP	Cogeneration
CO_2	Carbon dioxide
COD	Chemical Oxygen Demand
COP	Conference of the Parties
CS	Compressor station
CZK	Czech koruna
DCS	Distributed Control System
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EBO	Bohunice nuclear power plant
EC	European Commission
EEA	European Environment Agency
EEG	Renewable Energy Resources Act
EH6	Emile Huchet 6
EIA	Environmental Impact Assessment
EKBG	Ersatzkraftwerkebereithaltungsgesetz (new German law to provide backup power plants)
EMIR	European Market Infrastructure Regulation
EMS	Environmental Management System
EMAS	EU Eco-Management and Audit Scheme
EMO	Mochovce nuclear power plant
ENO	The Nováky power plant
EnWG	Energiewirtschaftsgesetz (Energy Industry Act)
EOP	Elektrárny Opatovice a.s.
EPA	Environmental Protection Agency
EPC	EP Commodities a.s.
EPC	EP Cargo a.s.
EPCG	EP Corporate Group
EPCI	EP Cargo Invest a.s.
EPCP	EP Cargo Polska S.A.
EPET	EP Energy Trading a.s.
EPH	Energetický a průmyslový holding, a.s. (Parent company)
EPIF	EP Infrastructure a.s.
EPLI	EP Logistics International a.s.
EPNE	EP New Energies
EPNEI	EP New Energy Italia
EPP	EP Produzione S.p.A.
EPPE	EP Power Europe a.s.
EPR	EP Resources
EPRE	EP Real Estate
EPUKI	EP UK Investments
ENO	Nováky lignite power plant
EVO	Vojany coal power plant
ESG	Environment Social Governance
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EU	European Union
EUR	Euro currency
FCL	Full Container Load
FSA	Feed Safety Assurance
GBP	British pound sterling
GDPR	General Data Protection Regulation
GHG	Greenhouse gases are those currently required by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. These GHGs are currently: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3)
GRI	Global Reporting Initiative
H&S	Health and safety
HAACP	Hazard Analysis and Critical Control Points
HFCs	Hydrofluorocarbons
HNC	Higher National Certificates
HR	Human Resources
HRSG	Heat Recovery Steam Generator
HSE	Health, Safety and Environment
HSEQ	Health, Safety, Environment, and Quality
HRSG	Heat Recovery Steam Generator
IAEA	International Atomic Energy Agency
IBBF	Institut für Betriebliche Bildungsforschung (Institute for Business Education)
ICT	Information and Communication Technologies
ICS	Industrial Control Systems
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
IPCEI	Important Projects of Common European Interest
IPPCL	Integrated Pollution Prevention and Control Licence
ISRS 4400	International Standard on Related Services, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information
ISO 9001	Certification of Quality management system
ISO 14001	Certification of Environmental management system
IT	information technology
JAVYS	Jadrová a vyraďovacia spoločnosť, a. s.
J&T	J&T Finance Group SE
KPI	Key Performance Indicator
KYC	“Know your customer” is the process of a business, identifying and verifying the identity of its customers
KVBG	Kohleverstromungsbeendigungsgesetz (Coal-fired Power Generation Termination Act)
KWM	Kraftwerk Mehrum
LCL	Less Container Load
LCP	Large Combustion Plants
LEAG	Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG
LOI	Letters of Interest
LPL	Lynemouth Power Limited
M&A	Mergers and acquisitions
MAR	Market Abuse Regulation
MIBRAG	Mitteldeutsche Braunkohlengesellschaft mbH
MIFID	Markets in Financial Instruments Directive
MIRA	Macquarie Infrastructure and Real Assets
N_2O	Nitrous oxide
NAFTA	NAFTA a.s.
NF_3	Nitrogen trifluoride
NG	Natural gas
NGOs	Non-governmental organisations
NI	Nuclear Institute
NO_x	Nitrogen oxide emissions
NPP	Nuclear power plant
OCGT	Open-cycle gas turbine
O&M	Operation & Maintenance
P2P	Peer-to-peer
PEARS	Regional Plans for Energy and the Climate
PEM	Proton exchange membrane (electrolysis)
PFA	Pulverised fuel ash
PFCs	Perfluorocarbons
PLTEP	Plzeňská teplárenská a.s.
PNIEC	National Energy and Climate Plan
POA	Plan of Environmental Operational
PV	Photovoltaic
QLEE	Qualifizierungsverbund in der Lausitz für Erneuerbare Energien (Lusatian Qualification Network for Renewable Energies)

REMIT	Wholesale Energy Market Integrity and Transparency
RES	Renewable Energy Sources
SAF	Solid alternative fuel
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory Control and Data Acquisition
SDGs	Sustainable development goals
SEO	Search engine optimization
SF_6	Sulphur hexafluoride
SFPA	Slovak Society for Foreign Policy
SHBEC	South Humber Bank Energy Centre
SIF	Serious injuries or fatalities potential
SNCR	Selective non-catalytic reduction
SO_2	Sulphur dioxide
SPH	Slovak Power Holding BV
SPP	Slovenský plynárenský priemysel, a.s.
SPP-D	SPP - distribúcia, a.s.
SPV	Special Purpose Vehicle
SSE	Stredoslovenská energetika, a.s.
SSE-D	Stredoslovenská energetika – Distribúcia, a.s. (before renaming to SSD)
SSD	Stredoslovenská distribučná, a.s.
SŽ-TP	SŽ-Tovorni Promet
TCI	Time Charter Incoming
TEU	The twenty-foot equivalent unit
TSO	Transmission System Operator
TSS GmbH	Transport- und Speditionsgesellschaft Schwarze Pumpe mbH
TTG	Tennet TSO GmbH
UCF	Unit capability factor
UE	United Energy a.s.
UJD	Úrad jadrového dozoru Slovenskej republiky
UK	United Kingdom
UGS	Underground gas storage
VVER	Water-water energetic reactor
WEI+	Water exploitation index plus
WTG	Wind Turbine Generator
ZEVO	Mechanism for energy waste utilisation

Units

#	number
%	percentage
p.p.	percentage point
bcm	billion cubic meters
CO_2-eq.	carbon dioxide equivalent
GW	gigawatts
GWh	gigawatt-hour
ha	hectare
k	thousand
km	kilometer
m	million
m^3	cubic meter
m^3/h	cubic meter per hour
mcm	cubic meter
mil. tonnes	million tonnes
MW	megawatt
MWh	megawatt hour
PJ	petajoule
TJ	terajoule
tkm	tonne-kilometre
TWh	terawatt hour

List of graphs, tables and figures

Restatements of information in SR 2022

1. Mibrag restated SO_x, NO_x, dust emissions in 2020
2. Methane leakage at SPPD and entities in the Gas storage segment restated retrospectively for all years
3. Gazel KPI “thereof – Cooling water – discharge” restated data for 2020

Methodology notes

Reporting process

EPH reports on operational data and information that has been collected throughout the 2022 calendar year (same as the fiscal year). Comparative analyses are performed using data from previous calendar years.

Financial and non-financial information is presented within this Report. The information acquired follows the logic of IFRS consolidated financial statements. Therefore, a company acquired on June 30th will be included in the financial performance data that is presented in the period from 1st July to 31st December.

The Report content includes all of our operations in the Czech Republic, Slovakia, Germany, the United Kingdom, Italy, France, Ireland, Poland and Switzerland. For more information on our countries of operation and legal entities, please refer to the “EPH and its business” section of this Report.

Changes in reporting

Last year we disclosed information based on the GRI standards 2016, this year, we firstly applied the new GRI 2021 standards. What is important to highlight is the impact assessment approach carried out. We identify impacts and assess their significance, prioritise the most significant impacts for reporting and based on this process, we determine material topics for reporting. For more information, refer to the section Materiality Assessment. Additionally, we incorporated more infographics and relevant case studies to further engage our readers and aid in the comprehension of the information presented within the Report.

Further information regarding our reporting process can be found in the graphic below.

Reporting process

Figure 16: Reporting process.

Reporting standards

This Report has been prepared in accordance with the GRI Standards[73]. It was created with **GRI's reporting principles for the quality and proper presentation of the reported information** in mind. This year, we voluntarily applied some of the concepts presented in European Sustainability Reporting Standards (ESRS). Further information regarding our materiality assessment and stakeholder engagement approach can be found in the following sections of the Annex.

Principles for report content

	Stakeholder inclusiveness	Sustainability context	Materiality	Completeness
EPH Group approach	Mapping stakeholders at a local and global level. Assessing stakeholder relevance and engagement. Analysing stakeholder concerns and expectations.	Analysing sustainability frameworks at a global, European and country level. Studying trends in the utility and energy sector, and benchmarking with peers and competitors. Defining future risks and challenges at a local and global level.	Analysing the impacts and material topics at all major entities in the scope of our operations. Conducting impact assessment according to GRI G3. Applying the dynamic materiality principle (updating material topics).	Conducting a detailed analysis of the data provided by all major entities under management control. Including information on newly acquired companies.

Principles for report quality

	Balance	Comparability & Accuracy	Timeliness	Clarity & Verifiability
EPH Group approach	Identifying the strengths and weaknesses of our operations based on 2022 assessments and long-term goals.	If possible, presenting 2018–2022 trends for KPIs. As well as providing comments on changes made to the scope of the report and any further restatements. Conducting an internal quantitative analysis of identified material topics. Providing evidence and methods used.	Issuing the 2022 Sustainability Report as soon as possible and around the same time as the 2022 Annual Report.	Confirming the accuracy of collected data with entities that closely interact with stakeholders. Engaging with external assurance providers.

Figure 17: GRI reporting principles for content and quality.

73 GRI Standards applicable from 1 January 2023: Universal Standards (2021), Topic Standards (2018, 2016), and Sectoral standards 2022.

Report boundaries

The Report boundaries are based on operational control and are applied to all GRI Indicators except GRI 200 Economic and GRI 400 Social data. To align the financial data within this Report and the EPH 2022 Annual Report, the data was reported using financial control. As a result, EPH collected consolidated data from all controlled entities that were deemed material for the purposes of this Report. The list of entities covered by this Report can be found in in the table below.

This Report focuses on topics that are most material to our business and stakeholders. These topics are addressed in different sections of this Report, with supporting information in the GRI Content Index, which can be found in the Annex. Further detail on our stakeholder analysis and engagement approaches are provided in the "Stakeholder engagement" section of the Annex.

Organisational boundaries

The table below identifies all entities within EPH's portfolio that were deemed material for this Report. For a complete list of entities, please refer to our 2022 consolidated Annual Report. According to the EPH reporting approach, data from newly acquired entities are included in the consolidated report only if they were acquired within the first two quarters of the reporting period.

EPH Core	Subholding	Country	Ownership Share	Financial Control	Operational Control
Gas storage					
NAFTA a.s.	EPIF	SK	69.0%	Yes	Yes
NAFTA Speicher GmbH & Co. KG	EPIF	DE	69.0%	Yes	Yes
POZAGAS a. s.	EPIF	SK	62.0%	Yes	Yes
SPP Storage, s.r.o.	EPIF	SK	49.0%	Yes	Yes
Gas transmission					
eustream, a.s.	EPIF	SK	49.0%	Yes	Yes
Gas and Power Distribution					
EP Energy Trading, a.s.	EPIF	CZ	100.0%	Yes	Yes
Dobrá Energie, s.r.o.		CZ	100.0%	Yes	Yes
SPP - distribúcia, a.s.	EPIF	SK	49.0%	Yes	Yes
Stredoslovenská energetika a.s.	EPIF	SK	49.0%	Yes	Yes

Table 16: EPH reporting scope entities.

EPH Core	Subholding	Country	Ownership Share	Financial Control	Operational Control
Heat Infra					
Elektrárny Opatovice, a.s.	EPIF	CZ	100.0%	Yes	Yes
Plzeňská teplárenská a.s.	EPIF	CZ	35.0%	Yes	Yes
United Energy, a.s.	EPIF	CZ	100.0%	Yes	Yes
Renewables					
Alternative Energy, s.r.o.	EPIF	SK	90.0%	Yes	Yes
ARISUN, s.r.o.	EPIF	SK	100.0%	Yes	Yes
POWERSUN a.s.	EPIF	CZ	100.0%	Yes	Yes
Triskata, s.r.o.	EPIF	CZ	100.0%	Yes	Yes
VTE Pchery, s.r.o.	EPIF	CZ	100.0%	Yes	Yes
Biomasse Crotone SpA	EPPE	IT	51.0%	Yes	Yes
Biomasse Italia SpA	EPPE	IT	51.0%	Yes	Yes
Fusine Energia S.r.l.	EPPE	IT	51.0%	Yes	Yes
Lynemouth Power Limited	EPPE	UK	100.0%	Yes	Yes

Table 16: EPH reporting scope entities (continue).

EPH Core	Subholding	Country	Ownership Share	Financial Control	Operational Control
Flexible Power Generation					
Eggborough Power Ltd[74]	EPPE	UK	100.0%	Yes	Yes
EP Ballylumford Limited	EPPE	UK	100.0%	Yes	Yes
EP Commodities, a.s.	EPPE	CZ	100.0%	Yes	Yes
EP France S.A.S	EPPE	FR	100.0%	Yes	Yes
Gazel Energie	EPPE	FR	100.0%	Yes	Yes
EP Kilroot Limited	EPPE	UK	100.0%	Yes	Yes
EP Langage Limited	EPPE	UK	100.0%	Yes	Yes
EP Power Minerals GmbH	EPPE	DE	100.0%	Yes	Yes
MINERALplus GmbH	EPPE	DE	100.0%	Yes	Yes
EP Power Grit GmbH	EPPE	DE	100.0%	Yes	Yes
EP Produzione S.p.A.	EPPE	IT	100.0%	Yes	Yes
EP SHB Limited	EPPE	UK	100.0%	Yes	Yes
Helmstedter Revier GmbH	EPPE	DE	100.0%	Yes	Yes
Humbly Grove Energy Limited	EPPE	UK	100.0%	Yes	Yes
Kraftwerk Mehrum GmbH	EPPE	DE	100.0%	Yes	Yes
Mitteldeutsche Braunkohlengesellschaft mbH	EPPE	DE	100.0%	Yes	Yes
Saale Energie GmbH	EPPE	DE	100.0%	Yes	Yes
Tynagh Energy Limited	EPPE	IR	80.0%	Yes	Yes

Table 16: EPH reporting scope entities (continue).

74 Closed operations in 2019, but still sell by-products.

Logistics Core	Subholding	Country	Ownership Share	Financial Control	Operational Control	Joint Control
Heat Infra						
EP Cargo a.s.	EPIF	CZ	100%	Yes	Yes	
EP Sourcing a.s.	EPIF	CZ	100%	Yes	Yes	
Other						
LokoTrain s.r.o.	EPLI	CZ	100.0%	Yes	Yes	
LOCON Logistik & Consulting AG	EPLI	DE	100.0%	Yes	Yes	
EP Cargo Deutschland GmbH	EPLI	DE	100%	Yes	Yes	
EP Cargo Polska S.A.	EPLI	PL	100%	Yes	Yes	
SPEDICA GROUP COMPANIES, s.r.o.	EPLI	CZ	83.6%	Yes	Yes	
EP Resources CZ[75]	EPLI	CZ	100.0%	Yes	Yes	
EP Cargo Trucking CZ s.r.o.[76]	EPH	CZ	100%	Yes	Yes	

Note: EPH Core and Logistics Core include material companies consolidated according to IFRS and for which consolidated sustainability indicators are reported.

Table 16: EPH reporting scope entities (continue).

75 Previously operated under the name EP Coal Trading a.s.
76 Previously operated under the name EOP & HOKA s.r.o.

Share participations	Subholding	Country	Ownership Share	Financial Control	Operational Control	Joint Control
Flexible Power Generation						
Ergosud S.p.A.	EPPE	IT	50.0%	No	No	Yes
Lausitz Energie Kraftwerke AG	EPPE	DE	50.0%	No	No	Yes
Lausitz Energie Bergbau AG	EPPE	DE	50.0%	No	No	Yes
Other						
Slovenské elektrárne, a.s.	EPPE	SK	33.0%	No	No	Yes
Logistic						
SŽ EP Logistika d.o.o.	EPLI	SI	49%	No	No	Yes

Note: Sustainability information on share participations is reported in a separate chapter. The company Slovenské elektrárne and Lausitz Energie Bergbau AG remain, for now, legally out of the EPPE scope. Nevertheless, from the management perspective and also in this Report, these assets are included within EPPE, but its KPIs are reported separately in the section Share participations as it relates to an equity consolidated group.

Table 16: EPH reporting scope entities (continue).

Operational boundaries

For subsidiaries, we set the boundary as the core business operations relating to environmental indicators. This means that we excluded some data from administrative and other non-core facilities, such as electricity for administrative buildings, as we deemed these immaterial. In some circumstances, this information was included, as it could not be separated from underlying data. Additionally, boundaries for environmental indicators are restricted to the physical locations of core operations. Therefore, we excluded data from facilities not located in the physical location of their main operation and whose environmental impact was not deemed material compared to the impact of the main operation.

For our future reporting, we will consider these issues as an area in which we can improve our approach.

Assurance

External assurance was obtained for the material information included in this Report. Additionally, financial information regarding our energy consumption, water withdrawal and discharge, and injury data relating to our facilities located in the Czech Republic, Slovakia and the United Kingdom were assured by an independent auditor in accordance with the ISRS 4400 (Agreed-Upon Procedures Engagements). Supplementary assurance statements can be found in the Annex of this Report.

Materiality Assessment

First, we collect data and information from various sources, including quantitative and qualitative data from our operations, stakeholder engagement, peer analysis, best practice benchmarking, analysis of reporting standards, and global and local sustainability initiatives. After the information is collected it is organised into relevant impacts and prepared for evaluation. Before the evaluation, impacts are grouped according to their nature into actual and potential, and negative and positive. The impacts from each of these categories are evaluated by experts based on the specific attributes including scale, scope, irremediability (for negative), and the likelihood of occurrence (for potential). A common risk assessment scale was applied. This process generates a prioritised list of identified impacts which is then communicated to relevant stakeholders and responsible management bodies. EPH applies the concept of dynamic materiality which requires frequent revisits of the materiality assessment and reprioritisation of identified impacts.

Material topic	Impact Name	Impact description
Reduction of emissions	Carbon footprint	GHG emissions from combustion of fossil fuels and methane leakage contribute to the climate change.
Reduction of emissions	Decarbonisation strategy	Implementing a decarbonisation strategy with a CO_2 emission reduction target (60% by 2030) and carbon neutrality target (by 2050).
Customer relationship and management	Access to basic services	Access to reliable energy and basic services through our commitment to ensuring a stable energy supply for customers.
Reduction of emissions	Emissions and pollutants	Contributing to other air pollutants (within the limits set by applicable regulations and standards), such as sulphur dioxide (SO_2), nitrogen oxides (NO_x), particulate matter (PM), and carbon monoxide (CO) which are linked to the Group's main business activities.
Operational efficiency and economic performance	Production efficiency	Increasing production efficiency by implementing new innovative and modernised technologies.
Mitigation of environmental impact	Biodiversity loss	Biodiversity loss can occur as a result of large power transmission lines that pose a danger to birds who may collide and suffer injury or death, as well as from mining operations that often involve clearing large areas of land and result in habitat loss and wildlife displacement.
Health & safety	OHS	Higher potential for work related injuries and ill health due to our main business activities requiring manual labour.
Operational efficiency and economic performance	Sustainable project investments	Greater focus on sustainable projects through further allocation of financial resources (creation of a Green Finance Framework for use, where applicable, within the EPH Capital Structure Strategy).
Employment and employee development	Employee well-being and development	Providing a healthy and attractive work environment, promoting individual growth through decentralised human resources practices, and enabling the acquisition of relevant skillsets to meet the demands of the energy industry.

Table 17: EPH's impact assessment results sorted from the most significant to the least significant impacts.

Material topic	Impact Name	Impact description
Supply chain management	Supply chain transparency and accountability	Improved visibility into the environmental and social practices of suppliers results in improved performance in those areas. This increased visibility also provides the company with greater understanding of the environmental and social risks and opportunities in the supply chain, enabling more informed decision-making and proactive measures to address these issues.
Mitigation of environmental impact	Water availability	Mining and generation (power and heat), which are part of our main business activities, rely on water. Therefore, they have a potential to impact water availability for local communities and other sectors, especially those in water stress areas.
Supply chain management	Suppliers' employees	Potential exposure to unfavourable working conditions for outsourced workers including a potential impact on the occupational health and safety of outsourced workers.
Mitigation of environmental impact	Ecosystems and health	Our main business activities (primarily mining, renewables, and conventional power plants), impact the landscapes where they occur. This has a potential to negatively impact local ecosystems, as well as human health.
Mitigation of environmental impact	Operational accidents	Operational accidents have the potential to contaminate ecosystems with harmful materials.
Employment and employee development	Job losses	Job losses due to the decommissioning of plants and mines.
Mitigation of environmental impact	Promoting biodiversity	Promoting biodiversity by actively partaking in restoration initiatives.
Reduction of emissions	Renewable energy	Supporting clean and renewable energy through continued investments (e.g. EP New Energies).
Fair conduct	Certifications	Increased improved operational efficiency through ISO certifications.

Table 17: EPH's impact assessment results sorted from the most significant to the least significant impacts (continue).

Material topic	Impact Name	Impact description
Development of communities and social action	Community investments	The Group supports local charities, social initiatives, and community development programs, and also builds strong ties with communities through customer programs, facilitated by the EPH Foundation and other local initiatives.
Development of communities and social action	Local economic development	Supporting local economies through local employment, procurement and tax contribution.
Mitigation of environmental impact	Water quality	Our main business activities have a potential to impact the water quality on which local ecosystems and communities rely.
Development of communities and social action	Community engagement	Potential for conflict if negative impacts caused by main business activities are not addressed.
Development of communities and social action	Infrastructure investments	Improving local infrastructure through investment projects.
Customer relationship and management	Customer communication	Open and transparent communication with customers through access to clear and easily accessible channels.
Fair conduct	Fund management	Potential to support illegal or unethical activities through mismanagement of funds.
Supply chain management	Suppliers' code of conduct	Potential for misalignment with suppliers, as it relates to ethical business code of conduct.
Mitigation of environmental impact	Overburden	Large production of overburden from mining.

Table 17: EPH's impact assessment results sorted from the most significant to the least significant impacts (continue).

Stakeholder engagement

EPH considers open and transparent stakeholder dialogue to be an important part of the Group's business activities, as it ensures that we fully understand and effectively address stakeholder concerns.

We are committed to continuously monitoring our stakeholders throughout the year and we ensure to regularly engage with them through a range of channels, as summarised in the table below. The stakeholder analysis performed by EPH on the Group level is based on input from local stakeholders. In consultation with relevant companies and Group subsidiaries, the main expectations and concerns raised by local stakeholders have been identified.

Stakeholder group	Description	Means of communication	Main expectations
Investors and lenders	These stakeholders are predominantly banks, bond holders and financial institutions whose capital is crucial for EPH's successful development. Their interest in EPH's sustainability performance is demonstrated at both the EPH level and local level, depending on their involvement in financing within the Group.	• Investor relations • Annual reports • Presentations	• Transparent communication (financial and non-financial reporting) • Risk management • Environmental management
Customers	These stakeholders are very important for EPH's business, as their decisions determine the Group's success.	• Customer service • Satisfaction surveys • EPH website	• Efficient heat, gas and power distribution • Secure business supply
Suppliers and contractors	These stakeholders can have both a local and global reach (social and economic performance), which can affect EPH at the Group or subsidiary level. This holds especially true for contractors who are engaged in centralised processes (e.g. large tenders, IT procurement and pipeline work).	• Technical briefings • EPIF website • Informative training	• Procurement requirements (environmental and social) • Fair and transparent procurement practices
Labour and trade unions	These stakeholders have a relatively moderate interest in the economic and environmental performance of EPH's entities. They have a greater interest in EPH's social performance, both at a local and global level. Strategies that EPH defines for its labour relations (e.g. employment), involve all entities, therefore they are expressed at the Group level.	• Dedicated meetings	• Open dialogue and collaboration • Policies relating to human resources • Legislative compliance
Local communities and municipalities	These stakeholders have varying interests in EPH's sustainability activities based on their origins. EPH often interacts with these stakeholders during local consultation, as their concerns tend to be legislation-based (e.g. building permits and EIA). The location of these stakeholders determines the level of their interest in EPH's sustainability activities.	• Focus groups • Consultations with opinion makers	• Transparency with regards to business activities and their impacts • Local community involvement (active participation) • Crisis risk management
Media	These stakeholders are active at both a local and global level (particularly in the Czech Republic, where EPH is headquartered).	• Press releases • Press conferences • EPH website	• Information transparency • Quick inquiry responses
NGOs	These stakeholders are predominantly Environmental NGOs, therefore is significant emphasis on environmental activities at both a local and global level. These stakeholders provide valuable information regarding the concerns and expectations of the general public.	• Brochures • Bulletins • Conferences	• Accountability and transparency • Safety and security of facilities • Environmental management • Reduction of emissions • Fair business practices
Competitors	These stakeholders are concerned with EPH's economic performance and business environment. Their interest depends on their size and business focus.	• Conferences • Sharing of best practices	• Compliance and anti-competitive behaviour • Fair business practices • Exchange of best practices
Government and regulators	These stakeholders consist of various national and transnational institutions, making their interest in EPH's sustainability commitments quite broad. Therefore, both policy decisions and social change strongly influence EPH's business activities. For example, local groups are concerned with the performance of individual EPH entities, while European institutions are concerned with EPH's business from a transverse perspective.	• Letters to institutions • Direct meetings • Annual reports	• Access to services (continuity of supply) • Regulatory compliance • Transparency and independence
Employees	These stakeholders are engaged in day-to-day business activities. Employees are essential to the operations and growth of our business.	• Internal communication • Training	• Safe and stable work environment • Equal opportunity • Work-life balance • Professional development • Freedom of association

Table 18: Stakeholder engagement overview.

Table 18: Stakeholder engagement overview (continue).

GRI Content Index

General disclosures

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	336	
	2-2 Entities included in the organization's sustainability reporting	243–247	
	2-3 Reporting period, frequency and contact point	24, 336	
	2-4 Restatements of information	240	
	2-5 External assurance	210–213	
	2-6 Activities, value chain and other business relationships	38–43	
	2-7 Employees	176–187	
	2-8 Workers who are not employees	332	
	2-9 Governance structure and composition	138–143	
	2-10 Nomination and selection of the highest governance body		Unavailable
	2-11 Chair of the highest governance body	140	
	2-12 Role of the highest governance body in overseeing the management of impacts		Unavailable
	2-13 Delegation of responsibility for managing impacts	142–143	
	2-14 Role of the highest governance body in sustainability reporting	142	
	2-15 Conflicts of interest	Anti-Corruption and Anti-Bribery Policy	
	2-16 Communication of critical concerns	143	
	2-17 Collective knowledge of the highest governance body	149	
	2-18 Evaluation of the performance of the highest governance body		Unavailable
	2-19 Remuneration policies	x	Confidential
	2-20 Process to determine remuneration	x	Confidential
	2-21 Annual total compensation ratio	x	Confidential
	2-22 Statement on sustainable development strategy	12–23	
	2-23 Policy commitments	149–150	
	2-24 Embedding policy commitments	x	Unavailable
	2-25 Processes to remediate negative impacts	26–27, 249	
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblower Policy	
	2-27 Compliance with laws and regulations	142–143	
	2-28 Membership associations	Annual Report 2022	
	2-29 Approach to stakeholder engagement	252–253	
	2-30 Collective bargaining agreements	177	

Material topics

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26–27	
	3-2 List of material topics	27	

Economic performance

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	26–27	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Year in review, Annual Report 2022	
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2022	
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2022	
	201-4 Financial assistance received from government	Annual Report 2022	

Market presence

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	26–27	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	x	Unavailable
	202-2 Proportion of senior management hired from the local community	x	Unavailable

Indirect economic impacts

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	26–27	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	4–7	
	203-2 Significant indirect economic impacts	x	Unavailable

Procurement practices

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	152	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	152–159	

Anti-corruption

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	149	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	146, 148	
	205-2 Communication and training about anti-corruption policies and procedures	146, 148	
	205-3 Confirmed incidents of corruption and actions taken	x	Not applicable

Anti-competitive behavior

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	149	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	146, 148	

Tax

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	149	
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report 2022	
	207-2 Tax governance, control, and risk management	Tax Governance Policy	
	207-3 Stakeholder engagement and management of concerns related to tax	x	Unavailable
	207-4 Country-by-country reporting	54	

Energy

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	52	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64–65	
	302-2 Energy consumption outside of the organization	x	Unavailable
	302-3 Energy intensity	65	
	302-4 Reduction of energy consumption	64–65	
	302-5 Reductions in energy requirements of products and services	64–65	

Water and effluents

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	111	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	110–117	
	303-2 Management of water discharge-related impacts	111	
	303-3 Water withdrawal	110	
	303-4 Water discharge	110	
	303-5 Water consumption	110	

Biodiversity

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	130	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	130–135	
	304-2 Significant impacts of activities, products and services on biodiversity	130–135	
	304-3 Habitats protected or restored	135	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	x	Not applicable

Emissions

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	88	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	88–89	
	305-2 Energy indirect (Scope 2) GHG emissions	88–89	
	305-3 Other indirect (Scope 3) GHG emissions		Data not collected due to high complexity
	305-4 GHG emissions intensity	88–89	
	305-5 Reduction of GHG emissions	88–98	
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	104–107	

Waste

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	118	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	118–125	
	306-2 Management of significant waste-related impacts	118	
	306-3 Waste generated	119	
	306-4 Waste diverted from disposal	126–129	
	306-5 Waste directed to disposal	118	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	x	Not applicable

Employment

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	176	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	179	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	x	Unavailable
	401-3 Parental leave	x	Unavailable

Labor/management relations

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	x	Unavailable
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	x	Unavailable

Occupational health and safety

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	170	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	172	
	403-2 Hazard identification, risk assessment, and incident investigation	170–174	
	403-3 Occupational health services	170–174	
	403-4 Worker participation, consultation, and communication on occupational health and safety	170–174	
	403-5 Worker training on occupational health and safety	170–174	
	403-6 Promotion of worker health	170–174	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	172–173	
	403-8 Workers covered by an occupational health and safety management system	171	
	403-9 Work-related injuries	171	
	403-10 Work-related ill health	171	

Training and education

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	176	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	180	
	404-2 Programs for upgrading employee skills and transition assistance programs	180–187	
	404-3 Percentage of employees receiving regular performance and career development reviews	x	Unavailable

Diversity and equal opportunity

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	146	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	176–177	
	405-2 Ratio of basic salary and remuneration of women to men	x	Unavailable

Non-discrimination

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	146	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	148–151, 158–159	

Freedom of association and collective bargaining

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	176	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	177	

Child labor

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	146	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	148–151, 158–159	

Forced or compulsory labor

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	146	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	148–151	

Local communities

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	194	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	191, 194–207	
	413-2 Operations with significant actual and potential negative impacts on local communities	186–187	Unavailable

Public policy

GRI Standard / Other Source	Disclosure	Location	Omission Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	146	
GRI 415: Public Policy 2016	415-1 Political contributions	146	

Performance indicators

Data reported for the whole year or from date of acquisition of particular plant excluding share participations. For more information please refer to section Organisational boundaries, pages 243–247.

EPH and its business

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Total**								
	EP Infrastructure								
	Czech Republic	MW	900	900	900	1,031	1,031	–	0%
	Slovakia	MW	68	68	68	68	67	(0)	0%
	Hungary	MW	–	–	–	396	396	–	
	Total – EP Infrastructure	**MW**	**968**	968	**968**	**1,495**	**1,494**	**(0)**	**0%**
	EP Power Europe								
	France	MW	837	837	1,432	2,262	–	0	0%
	Germany	MW	1,628	938	795	1,147	1,147	690	74%
	UK	MW	4,014	4,014	4,025	4,025	4,637	(0)	0%
	Ireland	MW	384	384	384	384	–	–	0%
	Italy	MW	3,989	3,989	3,989	3,989	4,284	(0)	0%
	Total – EP Power Europe	**MW**	**10,853**	**10,163**	**10,626**	**11,807**	**10,067**	**690**	**7%**
	Total – EPH	**MW**	**11,821**	**11,131**	**11,594**	**13,302**	**11,561**	**690**	**6%**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Conventional sources**								
	EP Infrastructure								
	Czech Republic	MW	854	854	878	1,008	1,008	–	0%
	Slovakia	MW	50	50	50	50	50	–	0%
	Hungary	MW	–	–	–	396	396	–	
	Total – EP Infrastructure	**MW**	**904**	**904**	**928**	**1,454**	**1,454**	**–**	**0%**
	EP Power Europe								
	France	MW	595	595	1,190	2,018	–	–	0%
	Germany	MW	1,621	931	788	1,140	1,140	690	74%
	UK	MW	3,609	3,609	3,608	3,608	4,230	(0)	0%
	Ireland	MW	384	384	384	384	–	–	0%
	Italy	MW	3,907	3,907	3 907	3,907	4,207	(0)	0%
	Total – EP Power Europe	**MW**	**10,116**	**9,426**	**9 877**	**11,057**	**9,577**	**690**	**7%**
	Total – EPH	**MW**	**11,019**	**10,329**	**10,804**	**12,511**	**11,031**	**690**	**7%**

Note: UK excludes Eggborough power plant (1,960 MW) from 2019 as it was decommissioned in 2018. This site was sold in February 2019.

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Renewable sources**								
	EP Infrastructure								
	Czech Republic	MW	47	47	23	23	23	–	–
	Slovakia	MW	18	18	18	18	17	(0)	(0%)
	Germany	MW	–	–	–	–	–	–	
	Hungary	MW	–	–	–	–	–	–	
	Total – EP Infrastructure	**MW**	**64**	**64**	**40**	**40**	**40**	**(0)**	**(0%)**
	EP Power Europe								
	France	MW	242	242	242	244	–	0	0%
	Germany	MW	7	7	7	7	7	–	–
	UK	MW	405	405	417	417	407	–	–
	Ireland	MW	–	–	–	–	–	–	
	Italy	MW	83	83	83	83	77	0	0%
	Total – EP Power Europe	**MW**	**737**	**737**	**749**	**751**	**491**	**0**	**0%**
	Total – EPH	**MW**	**801**	**801**	**789**	**791**	**531**	**0**	**0%**

Note: Lynemouth biomass conversion project was in progress from 2016. Production from biomass started in 2018.

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Heat**								
	EP Infrastructure								
	Czech Republic	MW	3,003	3,015	3,085	4,136	4,223	(12)	0%
	Hungary	MW	–	–	–	1,401	1,401	–	
	Total – EP Infrastructure	**MW**	**3,003**	**3,015**	**3,085**	**5,537**	**5,624**	**(12)**	**0%**
	EP Power Europe								
	Germany	MW	80	80	156	156	156	–	0%
	Total – EP Power Europe	**MW**	**80**	**80**	**156**	**156**	**156**	**–**	**0%**
	Total – EPH	**MW**	**3,083**	**3,095**	**3,241**	**5,693**	**5,780**	**(12)**	**0%**

EPH and its business

For the year ended 31 December 2022

Fuel

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Total**								
	EP Infrastructure								
	Conventional sources	MW	904	904	928	1,454	1,454	–	0%
	Renewable sources	MW	64	64	40	40	40	(0)	0%
	Total – EP Infrastructure	**MW**	**968**	**968**	**968**	**1,495**	**1,494**	**(0)**	**0%**
	EP Power Europe								
	Conventional sources	MW	10,116	9,426	9,877	11,057	9,577	690	7%
	Renewable sources	MW	737	737	749	751	491	0	0%
	Total – EP Power Europe	**MW**	**10,853**	**10,163**	**10,626**	**11,807**	**10,067**	**690**	**7%**
	Total – EPH	**MW**	**11,821**	**11,131**	**11,594**	**13,302**	**11,561**	**690**	**6%**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Conventional sources**								
	EP Infrastructure								
	Hard coal	MW	–	–	–	110	110	–	
	Lignite	MW	824	824	848	848	848	–	0%
	CCGT	MW	–	–	–	396	396	–	
	OCGT and other NG	MW	50	50	50	71	71	–	0%
	Oil	MW	20	20	20	20	20	–	0%
	Other	MW	11	11	11	11	11	–	0%
	Total – EP Infrastructure	**MW**	**904**	**904**	**928**	**1 454**	**1 454**	**–**	**0%**
	EP Power Europe								
	Hard coal	MW	2,234	1,544	2,829	2,829	3,249	690	45%
	Lignite	MW	931	931	98	450	450	–	0%
	CCGT	MW	6,303	6,303	6,303	7,131	5,352	(0)	0%
	OCGT and other NG	MW	471	471	471	470	213	0	0%
	Oil	MW	164	164	164	164	300	–	0%
	Other	MW	13	13	13	13	13	–	0%
	Total – EP Power Europe	**MW**	**10,116**	**9,426**	**9,877**	**11,057**	**9,577**	**690**	**7%**
	Total – EPH	**MW**	**11,019**	**10,329**	**10,804**	**12,511**	**11,031**	**690**	**7%**

Note: Hard coal in EPPE excludes Eggborough power plant (1.960 MW) from 2019 as it was decommissioned in 2018. This site was sold in February 2019.
Note: Change in oil capacity in EPPE in 2019 is connected to EP Produzione, where the capacity is not suitable for operation, so it is newly exceluded.

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Electricity – Renewable sources**								
	EP Infrastructure								
	Wind	MW	6	6	6	6	6	–	0%
	Photovoltaic	MW	15	15	15	15	15	(0)	0%
	Hydro	MW	3	3	3	3	3	–	0%
	Biomass	MW	37	37	14	14	14	–	0%
	Other	MW	3	3	3	3	3	–	0%
	Total – EP Infrastructure	**MW**	**64**	**64**	**40**	**40**	**40**	**(0)**	**0%**
	EP Power Europe								
	Wind	MW	89	89	89	90	7	0	0%
	Photovoltaic	MW	13	13	13	13	2	–	0%
	Hydro	MW	2	2	2	2	2	–	0%
	Biomass	MW	624	624	636	636	480	0	0%
	Other	MW	10	10	10	10	–	–	0%
	Total – EP Power Europe	**MW**	**737**	**737**	**749**	**751**	**491**	**0**	**0%**
	Total – EPH	**MW**	**801**	**801**	**789**	**791**	**531**	**0**	**0%**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net installed capacity – Heat**								
	EP Infrastructure								
	Hard coal	MW	–	–	–	242	242	–	
	Lignite	MW	2,590	2,600	2,767	2,767	2,872	(10)	0%
	CCGT	MW	–	–	–	1,401	1,401	–	
	OCGT and other NG	MW	18	18	18	822	804	–	0%
	Oil	MW	229	229	229	234	234	–	0%
	Biomass	MW	135	136	39	39	39	(1)	(1%)
	Other	MW	32	32	32	32	32	–	0%
	Total – EP Infrastructure	**MW**	**3,003**	**3,015**	**3,085**	**5,537**	**5,624**	**(12)**	**0%**
	EP Power Europe								
	Lignite	MW	80	80	156	156	156	–	0%
	Total – EP Power Europe	**MW**	**80**	**80**	**156**	**156**	**156**	**–**	**0%**
	Total – EPH	**MW**	**3,083**	**3,095**	**3,241**	**5,693**	**5,780**	**(12)**	**0%**

EPH and its business

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Total**								
	EP Infrastructure								
	Czech Republic	TWh	2.5	2.5	2.0	1.9	2.6	0.0	1%
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(14%)
	Hungary	TWh	–	–	1.3	1.4	1.2	–	
	Total – EP Infrastructure	**TWh**	**2.6**	**2.6**	**3.3**	**3.4**	**3.9**	**0.0**	**0%**
	EP Power Europe								
	France	TWh	1.5	0.8	1.7	2.4	–	0.7	83%
	Germany	TWh	5.2	2.5	1.3	1.4	3.2	2.6	104%
	UK	TWh	11.4	15.2	15.1	11.0	7.9	(3.8)	(25%)
	Ireland	TWh	1.6	1.9	1.7	0.3	–	(0.3)	(16%)
	Italy	TWh	14.7	16.8	14.9	15.0	13.3	(2.1)	(13%)
	Total – EP Power Europe	**TWh**	**34.4**	**37.3**	**34.7**	**30.1**	**24.4**	**(2.9)**	**(8%)**
	Total – EPH	**TWh**	**37.0**	**39.8**	**38.1**	**33.4**	**28.3**	**(2.9)**	**(7%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Conventional sources**								
	EP Infrastructure								
	Czech Republic	TWh	–	2.3	1.8	1.8	2.5	(2.3)	(100%)
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	0.0	1%
	Hungary	TWh	–	–	1.3	1.4	1.2	–	
	Total – EP Infrastructure	**TWh**	**0.0**	**2.3**	**3.1**	**3.2**	**3.7**	**(2.3)**	**(100%)**
	EP Power Europe								
	France	TWh	1.0	0.6	1.5	2.2	–	0.4	64%
	Germany	TWh	5.2	2.5	1.3	1.4	3.2	2.6	105%
	UK	TWh	10.4	12.3	12.4	8.6	6.5	(2.0)	(16%)
	Ireland	TWh	1.6	1.9	1.7	0.3	–	(0.3)	(16%)
	Italy	TWh	14.1	16.2	14.3	14.4	12.7	(2.1)	(13%)
	Total – EP Power Europe	**TWh**	**32.3**	**33.6**	**31.3**	**26.9**	**22.4**	**(1.3)**	**(4%)**
	Total – EPH	**TWh**	**32.3**	**35.9**	**34.4**	**30.0**	**26.1**	**(3.6)**	**(10%)**

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Renewable sources**								
	EP Infrastructure								
	Czech Republic	GWh	300	256	174	155	176	44.0	17%
	Slovakia	GWh	28	32	31	30	28	(4.6)	(14%)
	Total – EP Infrastructure	**GWh**	**328**	**288**	**205**	**184**	**204**	**39.4**	**14%**
	EP Power Europe								
	France	GWh	475	198	194	150	–	277.7	140%
	Germany	GWh	14	12	14	14	12	1.2	10%
	UK	GWh	1,039	2,829	2,627	2,441	1,391	(1,790.0)	(63%)
	Italy	GWh	608	632	627	598	590	(23.8)	(4%)
	Total – EP Power Europe	**GWh**	**2,136**	**3,671**	**3,462**	**3,203**	**1,993**	**(1,535.0)**	**(42%)**
	Total – EPH	**GWh**	**2,464**	**3,959**	**3,668**	**3,388**	**2,198**	**(1,495.5)**	**(38%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net heat production**								
	EP Infrastructure								
	Czech Republic	TWh	2.5	2.7	2.6	2.6	2.6	(0.3)	(10%)
	Hungary	TWh	–	–	1.5	1.7	1.7	–	
	Total – EP Infrastructure	**TWh**	**2.5**	**2.7**	**4.0**	**4.3**	**4.3**	**(0.3)**	**(10%)**
	EP Power Europe								
	Germany	TWh	0.3	0.3	0.3	0.3	0.3	(0.0)	(3%)
	Total – EP Power Europe	**TWh**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**(0.0)**	**(3%)**
	Total – EPH	**TWh**	**2.8**	**3.0**	**4.3**	**4.5**	**4.6**	**(0.3)**	**(9%)**

Fuel

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Total**								
	EP Infrastructure								
	Conventional sources	TWh	2.2	2.3	3.1	3.2	3.7	(0.0)	(1%)
	Renewable sources	TWh	0.3	0.3	0.2	0.2	0.2	0.0	14%
	Total – EP Infrastructure	**TWh**	**2.6**	**2.6**	**3.3**	**3.4**	**3.9**	**0.0**	**0%**
	EP Power Europe								
	Conventional sources	TWh	32.3	33.6	31.3	26.9	22.4	(1.3)	(4%)
	Renewable sources	TWh	2.1	3.7	3.5	3.2	2.0	(1.5)	(42%)
	Total – EP Power Europe	**TWh**	**34.4**	**37.3**	**34.7**	**30.1**	**24.4**	**(2.9)**	**(8%)**
	Total – EPH	**TWh**	**37.0**	**39.8**	**38.1**	**33.4**	**28.3**	**(2.9)**	**(7%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Conventional sources**								
	EP Infrastructure								
	Lignite	TWh	2.2	2.2	1.8	1.7	2.4	(0.0)	(1%)
	CCGT	TWh	–	–	1.3	1.4	1.2	–	
	OCGT and other NG	TWh	0.0	0.0	0.0	0.0	0.0	0.0	1%
	Oil	TWh	–	–	–	(0.0)	(0.0)	–	
	Other	TWh	0.0	0.0	0.0	0.0	0.0	0.0	4%
	Total – EP Infrastructure	**TWh**	**2.2**	**2.3**	**3.1**	**3.2**	**3.7**	**(0.0)**	**(1%)**
	EP Power Europe								
	Hard coal	TWh	5.8	5.1	5.0	4.6	6.3	0.7	14%
	Lignite	TWh	4.1	1.6	0.4	0.6	0.6	2.5	164%
	CCGT	TWh	22.3	26.7	25.7	21.6	15.5	(4.5)	(17%)
	OCGT and other NG	TWh	0.0	0.2	0.1	0.0	0.0	(0.2)	(83%)
	Oil	TWh	0.0	0.0	0.0	0.0	–	0.0	20%
	Other	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(5%)
	Total – EP Power Europe	**TWh**	**32.3**	**33.6**	**31.3**	**26.9**	**22.4**	**(1.3)**	**(4%)**
	Total – EPH	**TWh**	**34.5**	**35.9**	**34.4**	**30.0**	**26.1**	**(1.4)**	**(4%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net power production – Renewable sources**								
	EP Infrastructure								
	Wind	GWh	5	5	8	9	7	(1)	(14%)
	Photovoltaic	GWh	17	17	17	16	17	0	2%
	Hydro	GWh	4	6	7	6	5	(2)	(38%)
	Biomass	GWh	292	247	162	142	166	45	18%
	Other	GWh	10	13	11	10	10	(2)	(19%)
	Total – EP Infrastructure	**GWh**	**328**	**288**	**205**	**184**	**204**	**39**	**14%**
	EP Power Europe								
	Wind	GWh	151	160	192	92	12	(9)	(5%)
	Photovoltaic	GWh	19	19	19	11	3	1	3%
	Hydro	GWh	2	4	4	2	2	(2)	(61%)
	Biomass	GWh	1,964	3,488	3,248	3,099	1,976	(1,524)	(44%)
	Total – EP Power Europe	**GWh**	**2,136**	**3,671**	**3,462**	**3,203**	**1,993**	**(1,535)**	**(42%)**
	Total – EPH	**GWh**	**2,464**	**3,959**	**3,668**	**3,388**	**2,198**	**(1,496)**	**(38%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Net heat production**								
	EP Infrastructure								
	Lignite	TWh	2.2	2.5	2.3	2.3	2.3	(0.3)	(12%)
	CCGT	TWh	–	–	1.5	1.7	1.7	–	
	OCGT and other NG	TWh	0.0	0.0	0.1	0.0	0.1	(0.0)	(81%)
	Oil	TWh	0.0	0.0	0.0	0.0	0.0	0.0	354%
	Biomass	TWh	0.3	0.2	0.2	0.2	0.2	0.0	24%
	Other	TWh	0.0	0.1	0.1	0.1	0.1	(0.0)	(40%)
	Total – EP Infrastructure	**TWh**	**2.5**	**2.7**	**4.0**	**4.3**	**4.3**	**(0.3)**	**(10%)**
	EP Power Europe								
	Lignite	TWh	0.3	0.3	0.3	0.3	0.3	(0.0)	(3%)
	Oil	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(9%)
	Total – EP Power Europe	**TWh**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**(0.0)**	**(3%)**
	Total – EPH	**TWh**	**2.8**	**3.0**	**4.3**	**4.5**	**4.6**	**(0.3)**	**(9%)**

EPH and its business

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Total net energy production**								
	EP Infrastructure								
	Czech Republic	TWh	5.0	5.3	4.6	4.5	5.2	(0.2)	(5%)
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(14%)
	Hungary	TWh	–	–	2.8	3.1	2.9	–	
	Total – EP Infrastructure	**TWh**	**5.0**	**5.3**	**7.4**	**7.6**	**8.2**	**(0.3)**	**(5%)**
	EP Power Europe								
	France	TWh	1.5	0.8	1.7	2.4	–	0.7	83%
	Germany	TWh	5.5	2.8	1.6	1.6	3.5	2.6	93%
	UK	TWh	11.4	15.2	15.1	11.0	7.9	(3.8)	(25%)
	Ireland	TWh	1.6	1.9	1.7	0.3	–	(0.3)	(16%)
	Italy	TWh	14.7	16.8	14.9	15.0	13.3	(2.1)	(13%)
	Total – EP Power Europe	**TWh**	**34.7**	**37.6**	**35.0**	**30.3**	**24.7**	**(2.9)**	**(8%)**
	Total – EPH	**TWh**	**39.7**	**42.9**	**42.4**	**37.9**	**32.9**	**(3.1)**	**(7%)**

Note: Includes electric energy and heat production.

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Heat supplied**								
	EP Infrastructure								
	Czech Republic	PJ	7.4	8.4	13.9	16.5	16.5	(0.9)	(11%)
	Hungary	PJ	–	–	5.6	6.0	6.2	–	
	Total – EP Infrastructure	**PJ**	**7.4**	**8.4**	**19.4**	**22.5**	**22.7**	**(0.9)**	**(11%)**
	EP Power Europe								
	Germany	PJ	0.4	0.4	0.4	0.4	0.4	0.0	7%
	Total – EP Power Europe	**PJ**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**7%**
	Total – EPH	**PJ**	**7.9**	**8.8**	**19.8**	**22.9**	**23.1**	**(0.9)**	**(10%)**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Number of connection points**								
	Gas distribution								
	Residential	#	1,447,516	1,451,567	1,450,070	1,445,885	1,442,984	(4,051)	0%
	Industrial	#	691	699	707	717	715	(8)	(1%)
	Commercial & Institutional	#	77,850	79,838	79,731	79,290	79,189	(1,988)	(2%)
	Total	**#**	**1,526,057**	**1,532,104**	**1,530,508**	**1,525,892**	**1,522,888**	**(6,047)**	**0%**
	Power distribution								
	Residential	#	690,390	681,749	674,885	669,224	663,641	8,641	1%
	Mid-size	#	84,134	86,208	5,255	5,287	5,337	(2,074)	(2%)
	Large	#	5,137	5,220	85,602	85,604	85,128	(83)	(2%)
	Total	**#**	**779,661**	**773,177**	**765,742**	**760,115**	**754,106**	**6,484**	**1%**
	Heat distribution								
	Total	**#**	**151,984**	**151,015**	**150,179**	**383,800**	**381,300**	**969**	**1%**
	Total number of connection points	**#**	**2,457,702**	**2,456,296**	**2,446,429**	**2,669,807**	**2,658,294**	**1,406**	**0%**

EPH and its business

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-6	**Number of customer accounts – Supply**								
	Electricity supply								
	Residential	#	683,213	672,288	564,885	555,689	555,831	10,924	2%
	Mid-size	#	65,519	63,486	86,926	54,265	53,667	2,034	3%
	Large	#	23,114	22,565	25,150	24,442	22,637	549	2%
	Total electricity	**#**	**771,846**	**758,339**	**676,961**	**634,396**	**632,135**	**13,507**	**2%**
	Gas supply								
	Residential	#	90,383	88,492	55,149	22,075	13,546	1,891	2%
	Mid-size	#	5,339	5,200	7,661	2,713	2,312	139	3%
	Large	#	490	629	878	212	226	(139)	(22%)
	Total gas	**#**	**96,212**	**94,321**	**63,688**	**25,000**	**16,084**	**1,891**	**2%**
	Total number of customer accounts	**#**	**868,058**	**852,660**	**740,649**	**659,396**	**648,219**	**15,398**	**2%**

EPH and its business

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
302-1	**Energy consumption**								
	EP Infrastructure								
	Czech Republic	PJ	42.3(**)	42.7(**)	36.0(**)	35.2(*)	44.5(**)	(0.4)	(1%)
	Slovakia	PJ	3.2(**)	3.5(**)	4.2(**)	9.0(**)	6.5(**)	(0.3)	(9%)
	Germany	PJ	0.3	0.5	0.2	0.3	–	(0.1)	(25%)
	Hungary	PJ	–	–	13.0	14.3(**)	12.9(**)	–	
	Total – EP Infrastructure	**PJ**	**45.8**	**46.6**	**53.3**	**58.7**	**63.9**	**(0.8)**	**(2%)**
	EP Power Europe								
	France	PJ	13.4	6.3	10.2	15.3	–	7.1	112%
	Germany	PJ	55.2	31.9	17.2	18.0	35.2	23.3	73%
	UK	PJ	96.6(**)	129.0(**)	127.9(**)	90.8(**)	66.1	(32.4)	(25%)
	Ireland	PJ	12.5	15.1	13.4	2.3	–	(2.6)	(17%)
	Italy	PJ	123.4	137.3	127.1	118.2	106.6	(13.9)	(10%)
	Total – EP Power Europe	**PJ**	**301.2**	**319.7**	**295.8**	**244.6**	**207.9**	**(18.5)**	**(6%)**
	EP Logistics international								
	Czech Republic	PJ	0.1	0.2	0.1	0.0	0.0	(0.0)	(11%)
	Germany	PJ	0.2	0.2	0.2	0.1	–	(0.0)	(7%)
	Total – EP Logistics International	**PJ**	**0.4**	**0.4**	**0.3**	**0.1**	**0.0**	**(0.0)**	**(6%)**
	Other companies within the Group								
	Czech Republic	PJ	–	–	–	0.1	0.1	–	
	Poland	PJ	–	–	–	0.0	0.0	–	
	Total – Other companies within the Group	**PJ**	**–**	**–**	**–**	**0.1**	**0.1**	**–**	
	Total – EPH	**PJ**	**347.4**	**366.7**	**349.4**	**303.5**	**271.9**	**(19.3)**	**(5.26%)**

(**) This data was verified by the independent auditing firm EY (2018) and KPMG (2019–2022). Scope in 2022: CZ: 2 companies, SK: 1 company, UK: 1 company.

Environment / Climate change and energy

For the year ended 31 December 2022

Fuel

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
302-1	**Energy consumption**								
	EP Infrastructure								
	Hard Coal	PJ	–	–	–	–	2.4	–	
	Lignite	PJ	36.2	37.3	31.7	31.2	37.7	(1.1)	(3%)
	Natural Gas	PJ	1.9	3.8	17.6	23.9	20.0	(1.9)	(50%)
	Oil	PJ	0.0	0.0	0.0	0.0	0.0	(0.0)	(5%)
	Diesel	PJ	0.0	0.0	0.0	0.0	0.0	0.0	264%
	Purchased Electricity	PJ	1.8	0.3	0.2	0.2	0.1	1.4	413%
	Biomass	PJ	4.9	4.1	2.8	2.4	2.7	0.8	21%
	Other	PJ	1.0	1.0	1.0	1.0	0.9	(0.0)	(3%)
	Total – EP Infrastructure	**PJ**	**45.8**	**46.6**	**53.3**	**58.7**	**63.9**	**(0.8)**	**(2%)**
	EP Power Europe								
	Hard Coal	PJ	63.9	55.3	55.7	49.5	64.6	8.5	15%
	Lignite	PJ	43.6	21.8	7.4	9.7	9.6	21.8	100%
	Natural Gas	PJ	169.0	204.4	197.0	152.0	109.6	(35.4)	(17%)
	Oil	PJ	0.7	0.5	0.3	0.3	0.5	0.1	24%
	Diesel	PJ	0.6	0.6	0.4	0.4	2.0	(0.1)	(10%)
	Purchased Electricity	PJ	0.8	0.3	0.6	0.3	0.5	0.5	147%
	Purchased Heat	PJ	0.0	0.0	0.0	0.0	0.0	0.0	8%
	Biomass	PJ	22.0	36.6	34.3	32.3	21.2	(14.6)	(40%)
	Other	PJ	0.6	0.0	–	0.1	0.0	0.6	4474%
	Total – EP Power Europe	**PJ**	**301.2**	**319.7**	**295.8**	**244.6**	**207.9**	**(18.5)**	**(6%)**
	EP Logistics international								
	Diesel	PJ	0.3	0.3	0.2	0.1	0.0	(0.0)	(3%)
	Purchased Electricity	PJ	0.1	0.1	0.1	0.1	0.0	(0.0)	(18%)
	Other	PJ	0.0	0.0	0.0	0.0	0.0	0.0	773%
	Total – EP Logistics International	**PJ**	**0.4**	**0.4**	**0.3**	**0.1**	**0.0**	**(0.0)**	**(6%)**

CONTINUES →

Environment / Climate change and energy

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
302-1	**Energy consumption (CONTINUES)**								
	Other companies within the Group	**PJ**	–	–	–	**0.1**	**0.1**	–	
	Diesel	PJ	–	–	–	0.0	0.0	–	
	Other	PJ	–	–	–	0.1	0.1	–	
	Total – Other companies within the Group	**PJ**	–	–	**0.1**	**0.1**	**0.1**	–	
	Total – EPH	**PJ**	**347.4**	**366.7**	**349.4**	**303.5**	**271.9**	**(19.3)**	**(5%)**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**GHG direct emissions**								
	EP Infrastructure								
	CO_2 emissions	mil. tonnes CO_2 eq.	3.4	3.5	3.8	4.1	4.8	(0)	(3%)
	Methane emissions	mil. tonnes CO_2 eq.	0.2	0.3	0.3	0.3	0.3	(0.0)	(10%)
	Total – EP Infrastructure	**mil. tonnes CO_2 eq.**	**3.6**	**3.717**	**4.0**	**4.4**	**5.1**	**(0.1)**	**(4%)**
	EP Power Europe								
	CO_2 emissions	mil. tonnes CO_2 eq.	19.4	17.9	16.0	14.0	13.0	2	9%
	Methane emissions	mil. tonnes CO_2 eq.	–	–	–	–	–	–	
	Total – EP Power Europe	**mil. tonnes CO_2 eq.**	**19.4**	**17.9**	**16.0**	**14.0**	**13.0**	**1.5**	**9%**
	EP Logistics international								
	CO_2 emissions	mil. tonnes CO_2 eq.	0.0	0.0	–	–	–	(0.0)	(0.1)
	Methane emissions	mil. tonnes CO_2 eq.	–	–	–	–	–	–	–
	Total – EP Logistics International	**mil. tonnes CO_2 eq.**	**0.0**	**0.0**	**–**	**–**	**–**	**(0.0)**	**(14%)**
	EPH								
	CO_2 emissions	mil. tonnes CO_2 eq.	22.8	21.3	19.8	18.1	17.8	1.4	7%
	Methane emissions	mil. tonnes CO_2 eq.	0.2	0.3	0.3	0.3	0.3	(0.0)	(10%)
	Total – EPH	**mil. tonnes CO_2 eq.**	**23.0**	**21.6**	**20.1**	**18.4**	**18.1**	**1.4**	**7%**

Environment / Air emissions

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Natural gas emissions**								
	EP Infrastructure								
	Gas emissions – fugitive	thsnd. m³	9,523	10,854	11,435	12,005	12,674	(1 331)	(12%)
	Gas emissions – venting	thsnd. m³	2,793	2,953	4,412	4,155	3,955	(160)	(5%)
	Gas emissions – flaring	thsnd. m³	–	–	–	–	–	–	
	Gas emissions – incomplete combustion	thsnd. m³	95	132	120	162	134	(37)	(28%)
	Gas emissions – other	thsnd. m³	–	–	–	–	–	–	
	Total – EP Infrastructure	**thsnd. m³**	**12,411**	**13,940**	**15,966**	**16,321**	**16,763**	**(1,528)**	**(11%)**
305-1	**EP Power Europe**								
	Total – EP Power Europe	**thsnd. m³**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**thsnd. m³**	**12,411**	**13,940**	**15,966**	**16,321**	**16,763**	**(1,528)**	**(11%)**

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Methane emissions**								
	EP Infrastructure								
	Gas transmission	tonnes	1,932	2,574	3,108	2,494	2,343	(642)	(25%)
	Gas distribution	tonnes	4,905	5,627	6,384	7,208	7,477	(722)	(13%)
	Gas storage	tonnes	1,444	984	1 039	1,126	1,317	461	47%
	Total – EP Infrastructure	**tonnes**	**8,282**	**9,185**	**10,531**	**10,828**	**11,136**	**(903)**	**(10%)**
305-1	**EP Power Europe**								
	Gas storage	tonnes	–	–	–	–	–	–	
	Total – EP Power Europe	**tonnes**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**tonnes**	**8,282**	**9,185**	**10,531**	**10,828**	**11,136**	**(903)**	**(10%)**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Methane emissions as CO_2 equivalent**								
	EP Infrastructure								
	Gas transmission	tonnes CO_2 eq.	54,096	72,072	87,031	69,831	65,605	(17,976)	(25%)
	Gas distribution	tonnes CO_2 eq.	137,350	157,566	178,747	201,826	209,344	(20,217)	(13%)
	Gas storage	tonnes CO_2 eq.	40,445	27,540	29,101	31,520	36,863	12,905	47%
	Total – EP Infrastructure	**tonnes CO_2 eq.**	**231,891**	**257,179**	**294,879**	**303,177**	**311,812**	**(25,288)**	**(10%)**
305-1	**EP Power Europe**								
	Gas storage	tonnes CO_2 eq.	–	–	–	–	–	–	
	Total – EP Power Europe	**tonnes CO_2 eq.**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**tonnes CO_2 eq.**	**231,891**	**257,179**	**294,879**	**303,177**	**311,812**	**(25,288)**	**(10%)**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Direct CO_2 Emissions (Scope 1) by segment**								
	EP Infrastructure								
	Gas transmission	mil. tonnes CO_2 eq.	0.0	0.1	0.2	0.4	0.3	(0.1)	(85%)
	Gas and power distribution	mil. tonnes CO_2 eq.	0.0	0.0	0.0	0.0	0.0	0.0	165%
	Gas storage	mil. tonnes CO_2 eq.	0.1	0.1	0.0	0.1	0.0	0.0	20%
	Heat Infrastructure	mil. tonnes CO_2 eq.	3.3	3.3	3.5	3.6	4.5	(0.0)	(1%)
	Total – EP Infrastructure	**mil. tonnes CO_2 eq.**	**3.4**	**3.5**	**3.8**	**4.1**	**4.8**	**(0.1)**	**(3%)**
	EP Power Europe								
	Generation and mining	mil. tonnes CO_2 eq.	19.4	17.9	16.0	14.0	13.0	1.5	9%
	Renewables	mil. tonnes CO_2 eq.	0.0	0.0	0.0	0.0	0.0	(0.0)	(15%)
	Total – EP Power Europe	**mil. tonnes CO_2 eq.**	**19.4**	**17.9**	**16.0**	**14.0**	**13.0**	**1.5**	**9%**
	EP Logistics international								
	Trucking	mil. tonnes CO_2 eq.	0.0	0.0	–	–	–	(0.0)	(0.1)
	Total – EP Logistics International	**mil. tonnes CO_2 eq.**	**0.0**	**0.0**	**–**	**–**	**–**	**(0.0)**	**(14%)**
	Total – EPH	**mil. tonnes CO_2 eq.**	**22.8**	**21.3**	**19.8**	**18.1**	**17.8**	**1.4**	**7%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Direct CO_2 Emissions (Scope 1)**								
	EP Infrastructure								
	Czech Republic	mil. tonnes CO_2 eq.	3.3	3.3	2.8	2.8	3.7	(0.0)	(1%)
	Slovakia	mil. tonnes CO_2 eq.	0.1	0.2	0.2	0.4	0.3	(0.1)	(49%)
	Germany	mil. tonnes CO_2 eq.	0.0	0.0	0.0	0.0	–	(0.0)	(34%)
	Hungary	mil. tonnes CO_2 eq.	–	–	0.7	0.8	0.7	–	
	Total – EP Infrastructure	**mil. tonnes CO_2 eq.**	**3.4**	**3.5**	**3.8**	**4.1**	**4.8**	**(0.1)**	**(3%)**
	EP Power Europe								
	France	mil. tonnes CO_2 eq.	1.0	0.5	0.6	0.8	–	0.5	87%
	Germany	mil. tonnes CO_2 eq.	5.7	3.2	1.6	1.8	3.3	2.5	78%
	UK	mil. tonnes CO_2 eq.	4.9	5.7	5.7	3.7	2.9	(0.9)	(15%)
	Ireland	mil. tonnes CO_2 eq.	0.7	0.8	0.7	0.1	–	(0.1)	(15%)
	Italy	mil. tonnes CO_2 eq.	7.2	7.6	7.4	7.6	6.8	(0.4)	(6%)
	Total – EP Power Europe	**mil. tonnes CO_2 eq.**	**19.4**	**17.9**	**16.0**	**14.0**	**13.0**	**1.5**	**9%**
	EP Logistics international								
	Czech Republic	mil. tonnes CO_2 eq.	**0.0**	0.0	–	–	–	(0.0)	(23%)
	Slovakia	mil. tonnes CO_2 eq.	0.0	0.0	–	–	–	(0.0)	(4%)
	Poland	mil. tonnes CO_2 eq.	0.0	0.0	–	–	–	0.0	200%
	Total – EP Logistics International	**mil. tonnes CO_2 eq.**	**0.0**	**0.0**	**–**	**–**	**–**	**(0.0)**	**(14%)**
	Total – EPH	**mil. tonnes CO_2 eq.**	**22.8**	**21.3**	**19.8**	**18.1**	**17.8**	**1.4**	**7%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-1	**Procured and granted emissions consumed**								
	EP Infrastructure								
	Procured allowances consumed	mil. tonnes CO_2 eq.	3.1	3.3	3.3	3.0	3.2	(0.1)	(4%)
	Granted allowances consumed	mil. tonnes CO_2 eq.	0.2	0.2	0.5	1.1	1.6	(0.0)	(21%)
	Total – EP Infrastructure	**mil. tonnes CO_2 eq.**	**3.3**	**3.5**	**3.8**	**4.1**	**4.8**	**(0.2)**	**(5%)**
	EP Power Europe								
	Procured allowances consumed	mil. tonnes CO_2 eq.	19.0	17.9	16.0	14.0	13.0	1.1	6%
	Granted allowances consumed	mil. tonnes CO_2 eq.	0.5	0.0	0.0	0.0	0.0	0.4	3936%
	Total – EP Power Europe	**mil. tonnes CO_2 eq.**	**19.4**	**17.9**	**16.0**	**14.0**	**13.0**	**1.5**	**9%**
	Total – EPH	**mil. tonnes CO_2 eq.**	**22.7**	**21.3**	**19.8**	**18.1**	**17.8**	**1.4**	**6%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-4	**CO_2 Emissions intensity – Including heat component**								
	EP Infrastructure								
	Czech Republic	tonnes CO_2 eq./GWh	649	623	617	625	714	26	4%
	Slovakia	tonnes CO_2 eq./GWh	19	17	5	8	9	2	15%
	Germany	tonnes CO_2 eq./GWh	–	–	–	–	–		
	Hungary	tonnes CO_2 eq./GWh	–	–	260	258	247		
	Total – EP Infrastructure	**tonnes CO_2 eq./GWh**	**646**	**619**	**480**	**474**	**544**	**26**	**4%**
	EP Power Europe								
	France	tonnes CO_2 eq./GWh	658	643	361	352	–	15	2%
	Germany	tonnes CO_2 eq./GWh	1,048	1,137	1,004	1,076	949	(89)	(8%)
	UK	tonnes CO_2 eq./GWh	428	379	379	339	368	49	13%
	Ireland	tonnes CO_2 eq./GWh	402	400	398	392	–	3	1%
	Italy	tonnes CO_2 eq./GWh	487	451	496	505	510	35	8%
	Total – EP Power Europe	**tonnes CO_2 eq./GWh**	**559**	**475**	**457**	**462**	**527**	**84**	**18%**
	Total – EPH	**tonnes CO_2 eq./GWh**	**570**	**493**	**461**	**465**	**531**	**77**	**16%**

Note: Calculation of emissions intensity excludes emissions from non-energy producing companies.

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-2	**Indirect CO_2 Emissions (Scope 2)**								
	EP Infrastructure								
	Czech Republic	tonnes CO_2 eq.	8,160	8,747	32,960	24,726	28,540	(587)	(7%)
	Slovakia	tonnes CO_2 eq.	52,810	7,597	5,719	6,193	6,187	45,213	595%
	Germany	tonnes CO_2 eq.	2,104	2,216	2,651	1,354	–	(112)	(5%)
	Hungary	tonnes CO_2 eq.	–	–	2,751	3,026	5,149	–	
	Total – EP Infrastructure	**tonnes CO_2 eq.**	**63,074**	**18,560**	**44,080**	**35,299**	**39,876**	**44,514**	**240%**
	EP Power Europe								
	Germany	tonnes CO_2 eq.	59,448	16,671	21,925	22,405	19,274	42,778	257%
	UK	tonnes CO_2 eq.	14,283	10,722	12,600	17,692	11,249	3,561	33%
	Ireland	tonnes CO_2 eq.	2,455	1,189	1,508	390	–	1,266	107%
	Italy	tonnes CO_2 eq.	2,491	487	1,808	1,569	2,390	2,004	411%
	Total – EP Power Europe	**tonnes CO_2 eq.**	**78,677**	**29,069**	**37,841**	**42,056**	**32,913**	**49,608**	**171%**
	EP Logistics international								
	Czech Republic	tonnes CO_2 eq.	2,513	2,663	3,284.5	–	–	(149,9)	(6%)
	Germany	tonnes CO_2 eq.	15,523	17,796	21,578.7	–	–	(2,273.1)	(13%)
	Total – EP Logistics International	**tonnes CO_2 eq.**	**18,037**	**20,460**	**24,863.2**	**–**	**–**	**(2,423.0)**	**(12%)**
	Total – EPH	**tonnes CO_2 eq.**	**159,787**	**68,088**	**106,785**	**77,355**	**72,789**	**91,699**	**135%**

Environment / Air emissions

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-4	**GHG Emissions intensity in respect of total sales (Scope 1 + Scope 2)**								
	EP Infrastructure	tonnes CO_2 eq./EURm	853	1,247	1,188	1,182	1,570	(394)	(32%)
	EP Power Europe	tonnes CO_2 eq./EURm	577	1,119	3,116	2,753	3,290	(542)	(48%)
	EP Logistics international	tonnes CO_2 eq./EURm	118	156				(38)	(24%)
	EPH	tonnes CO_2 eq./EURm	618	1,131	2,319	2,117	2,532	(513)	(45%)

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**Total SO_2 emissions**								
	EP Infrastructure								
	Czech Republic	thsnd. tonnes	4.4	3.3	4.6	5.3	7.8	1.2	35%
	Slovakia	thsnd. tonnes	0.0	0.0	0.0	0.0	0.0	(0.0)	(15%)
	Hungary	thsnd. tonnes	–	–	–	0.0	0.0	–	
	Total – EP Infrastructure	**thsnd. tonnes**	**4.4**	**3.3**	**4.6**	**5.3**	**7.8**	**1.2**	**35%**
	EP Power Europe								
	France	thsnd. tonnes	0.8	0.3	0.1	0.1	–	0.5	201%
	Germany	thsnd. tonnes	3.2	2.1	1.0	1.6	2.6	1.0	49%
	UK	thsnd. tonnes	0.9	1.1	1.1	0.5	0.7	(0.2)	(15%)
	Ireland	thsnd. tonnes	0.0	0.0	0.0	0.0	–	(0.0)	(14%)
	Italy	thsnd. tonnes	1.0	1.1	1.6	1.8	1.5	(0.1)	(9%)
	Total – EP Power Europe	**thsnd. tonnes**	**5.8**	**4.5**	**3.8**	**4.0**	**4.8**	**1.3**	**29%**
	Total – EPH	**thsnd. tonnes**	**10.3**	**7.8**	**8.4**	**9.4**	**12.6**	**2.5**	**32%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**Total NO_x emissions**								
	EP Infrastructure								
	Czech Republic	thsnd. tonnes	3.3	3.1	2.7	3.0	3.8	0.2	8%
	Slovakia	thsnd. tonnes	0.1	0.2	0.2	0.4	0.3	(0.1)	(59%)
	Hungary	thsnd. tonnes	–	–	0.4	0.4	0.4	–	
	Total – EP Infrastructure	**thsnd. tonnes**	**3.4**	**3.3**	**3.2**	**3.8**	**4.5**	**0.1**	**4%**
	EP Power Europe								
	France	thsnd. tonnes	1.0	0.5	0.2	0.3	–	0.5	97%
	Germany	thsnd. tonnes	2.8	1.9	1.0	1.2	2.3	0.9	46%
	UK	thsnd. tonnes	3.6	5.0	5.1	2.3	2.4	(1.4)	(29%)
	Ireland	thsnd. tonnes	0.4	0.5	0.4	0.1	–	(0.1)	(18%)
	Italy	thsnd. tonnes	3.5	3.8	4.0	4.2	3.1	(0.4)	(10%)
	Total – EP Power Europe	**thsnd. tonnes**	**11.2**	**11.8**	**10.7**	**8.0**	**7.9**	**(0.6)**	**(5%)**
	EP Logistics international								
	Czech Republic	thsnd. tonnes	0.1	0.1	0.1	–	–	(0.0)	(17%)
	Germany	thsnd. tonnes	0.5	0.5	0.4	–	–	0.0	4%
	Total – EP Logistics International	**thsnd. tonnes**	**0.6**	**0.6**	**0.5**	**–**	**–**	**0.0**	**2%**
	Total – EPH	**thsnd. tonnes**	**15.3**	**15.7**	**14.4**	**11.8**	**12.3**	**(0.4)**	**(3%)**

Environment / Air emissions

For the year ended 31 December 2022

Type

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**Total dust emissions**								
	EP Infrastructure								
	Czech Republic	thsnd. tonnes	0.1	0.1	0.1	0.1	0.2	(0.0)	(7%)
	Slovakia	thsnd. tonnes	0.0	0.0	0.0	0.0	0.0	(0.0)	(21%)
	Hungary	thsnd. tonnes	–	–	–	0.0	–	–	
	Total – EP Infrastructure	**thsnd. tonnes**	**0.1**	**0.1**	**0.1**	**0.1**	**0.2**	**(0.0)**	**(8%)**
	EP Power Europe								
	France	thsnd. tonnes	0.1	0.0	0.0	0.0	–	0.1	472%
	Germany	thsnd. tonnes	0.1	0.0	0.0	0.0	0.0	0.0	91%
	UK	thsnd. tonnes	0.0	0.1	0.1	0.0	0.1	(0.1)	(70%)
	Italy	thsnd. tonnes	0.1	0.1	0.1	0.1	0.1	(0.0)	(33%)
	Total – EP Power Europe	**thsnd. tonnes**	**0.3**	**0.2**	**0.2**	**0.1**	**0.2**	**0.0**	**7%**
	Total – EPH	**thsnd. tonnes**	**0.4**	**0.3**	**0.3**	**0.3**	**0.5**	**0.0**	**3%**

Environment / Air emissions

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**SO_2 emissions intensity**								
	EP Infrastructure								
	Czech Republic	tonnes/ GWh	0.89	0.62	1.02	1.19	1.50	0.3	42%
	Slovakia	tonnes/ GWh	0.09	0.09	0.10	0.01	0.01	(0.0)	(4%)
	Hungary	tonnes/ GWh	–	–	–	0.00	0.00	–	
	Total – EP Infrastructure	**tonnes/ GWh**	**0.88**	**0.62**	**0.63**	**0.70**	**0.95**	**0.3**	**42%**
	EP Power Europe								
	France	tonnes/ GWh	0.53	0.32	0.03	0.04	–	0.2	65%
	Germany	tonnes/ GWh	0.58	0.75	0.62	0.96	0.75	(0.2)	(23%)
	UK	tonnes/ GWh	0.08	0.07	0.07	0.05	0.09	0.0	13%
	Ireland	tonnes/ GWh	0.01	0.01	0.02	0.01	–	0.0	2%
	Italy	tonnes/ GWh	0.07	0.06	0.11	0.12	0.11	0.0	4%
	Total – EP Power Europe	**tonnes/ GWh**	**0.17**	**0.12**	**0.11**	**0.13**	**0.19**	**0.0**	**40%**
	Total – EPH	**tonnes/ GWh**	**0.26**	**0.18**	**0.20**	**0.25**	**0.38**	**0.1**	**42%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**NO_x emissions intensity**								
	EP Infrastructure								
	Czech Republic	tonnes/ GWh	0.66	0.59	0.58	0.66	0.71	0.1	13%
	Slovakia	tonnes/ GWh	0.43	0.40	0.44	0.57	0.61	0.0	7%
	Hungary	tonnes/ GWh	–	–	0.14	0.14	0.15	–	
	Total – EP Infrastructure	**tonnes/ GWh**	**0.66**	**0.59**	**0.41**	**0.45**	**0.51**	**0.1**	**13%**
	EP Power Europe								
	France	tonnes/ GWh	0.64	0.60	0.10	0.11	–	0.0	8%
	Germany	tonnes/ GWh	0.51	0.67	0.64	0.75	0.66	(0.2)	(24%)
	UK	tonnes/ GWh	0.31	0.33	0.34	0.21	0.30	(0.0)	(5%)
	Ireland	tonnes/ GWh	0.26	0.27	0.22	0.19	–	(0.0)	(3%)
	Italy	tonnes/ GWh	0.24	0.23	0.27	0.28	0.24	0.0	3%
	Total – EP Power Europe	**tonnes/ GWh**	**0.32**	**0.31**	**0.31**	**0.26**	**0.32**	**0.0**	**3%**
	Total – EPH	**tonnes/ GWh**	**0.37**	**0.35**	**0.34**	**0.30**	**0.37**	**0.0**	**6%**

Environment / Air emissions

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
305-7	**Dust emissions intensity**								
	EP Infrastructure								
	Czech Republic	tonnes/ GWh	0.02	0.02	0.02	0.03	0.04	(0.00)	(3%)
	Slovakia	tonnes/ GWh	0.02	0.02	0.02	0.02	0.02	(0.00)	(5%)
	Hungary	tonnes/ GWh	–	–	–	0.00	–	–	
	Total – EP Infrastructure	**tonnes/ GWh**	**0.02**	**0.02**	**0.01**	**0.02**	**0.03**	**(0.00)**	**(3%)**
	EP Power Europe								
	France	tonnes/ GWh	0.06	0.02	0.00	0.00	–	0.0	212%
	Germany	tonnes/ GWh	0.01	0.01	0.01	0.01	0.01	(0.00)	(1%)
	UK	tonnes/ GWh	0.00	0.01	0.01	0.00	0.01	(0.00)	(61%)
	Italy	tonnes/ GWh	0.00	0.01	0.01	0.01	0.01	(0.00)	(24%)
	Total – EP Power Europe	**tonnes/ GWh**	**0.01**	**0.01**	**0.01**	**0.00**	**0.01**	**0.00**	**16%**
	Total – EPH	**tonnes/ GWh**	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**	**0.00**	**11%**

Note: Calculation of emissions intensity excludes emissions from non-energy producing companies.

Environment / Water

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Quantity of water withdrawn**								
	EP Infrastructure								
	Czech Republic	million m³	94(**)	41(**)	31(**)	53(**)	73(**)	53	130%
	Slovakia	million m³	0(**)	0(**)	0(**)	0(**)	0(**)	(0)	(13%)
	Germany	million m³	0	0	0	0	–	(0)	(62%)
	Hungary	million m³	–	–	13	14(**)	10(**)	–	
	Total – EP Infrastructure	**million m³**	94	41	44	67	83	53	130%
	EP Power Europe								
	France	million m³	4	2	–	3	–	2	129%
	Germany	million m³	94	91	93	94	100	2	2%
	UK	million m³	1,579(**)	1,987(**)	1,616(**)	1,410(**)	878	(409)	(21%)
	Ireland	million m³	0	1	1	0	–	(1)	(89%)
	Italy	million m³	1,660	1,574	1,616	1,452	1,341	87	6%
	Total – EP Power Europe	**million m³**	**3,337**	**3,655**	**3,325**	**2,959**	**2,319**	**(318)**	**(9%)**
	Total – EPH	**million m³**	**3,431**	**3,696**	**3,369**	**3,026**	**2,402**	**(265)**	**(7%)**

** This data was verified by the independent auditing firm EY (2018) and KPMG (2019–2022). Scope in 2022: CZ: 2 companies, SK: 1 company, UK: 1 company.

Environment / Water

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-4	**Quantity of water discharged**								
	EP Infrastructure								
	Czech Republic	million m³	88.3(**)	34.1(**)	23.8(**)	46.4(**)	65.3(**)	54	159%
	Slovakia	million m³	0.1(**)	0.1(**)	0.2(**)	0.1(**)	0.1(**)	(0)	(11%)
	Germany	million m³	0.0	0.0	0.0	0.0	–	(0)	(64%)
	Hungary	million m³	–	–	12.9	13.8(**)	9.8(**)	–	
	Total – EP Infrastructure	**million m³**	**88.4**	**34.2**	**37.0**	**60.4**	**75.3**	**54**	**158%**
	EP Power Europe								
	France	million m³	–	–	–	2.0	–	–	
	Germany	million m³	8	6	5	2	3	2	44%
	UK	million m³	1,578(**)	1,987(**)	1,570(**)	1,410(**)	877	(408)	(21%)
	Ireland	million m³	0	1	1	0	–	(1)	(94%)
	Italy	million m³	1,657	1,572	1,612	1,445	1,341	84	5%
	Total – EP Power Europe	**million m³**	**3,243**	**3,566**	**3,189**	**2,859**	**2,220**	**(322)**	**(9%)**
	Total – EPH	**million m³**	**3,332**	**3,600**	**3,226**	**2,919**	**2,295**	**(268)**	**(7%)**

(**) This data was verified by the independent auditing firm EY (2018) and KPMG (2019–2022). Scope in 2022: CZ: 2 companies, SK: 1 company, UK: 1 company.

Environment / Water

For the year ended 31 December 2022

Type

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Quantity of water withdrawn**								
	EP Infrastructure								
	Surface water	million m³	93.5	40.7	42.9	65.6	82.0	52.9	130%
	Ground water	million m³	0.0	0.1	0.1	0.1	0.1	(0.0)	(31%)
	Municipal water supplies or other water utilities	million m³	0.1	0.1	0.1	0.8	0.7	0.0	1%
	Other	million m³	–	–	0.5	0.6	0.5	–	
	Total – EP Infrastructure	**million m³**	93.6	40.8	43.6	67.1	83.3	52.9	130%
	EP Power Europe								
	Surface water	million m³	3,284	3,594	3,256	2,891	2,260	(310.4)	(9%)
	Ground water	million m³	50	58	67	66	58	(8.1)	(14%)
	Municipal water supplies or other water utilities	million m³	2	2	3	2	1	0.1	3%
	Other	million m³	0	0	0	0	0	0.0	524%
	Total – EP Power Europe	**million m³**	**3,337**	**3,655**	**3,325**	**2,959**	**2,319**	**(317.8)**	**(9%)**
	Total – EPH	**million m³**	**3,431**	**3,696**	**3,369**	**3,026**	**2,402**	**(265.0)**	**(7%)**

Environment / Water

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Cooling Water**								
	EP Infrastructure								
	Cooling water – withdrawal	million m³	91.1	38.7	41.2	64.1	79.9	52.4	135%
	Cooling water – discharge	million m³	86.1	32.0	34.2	57.3	71.7	54.1	169%
	Total – EP Infrastructure – Usage	**million m³**	**5.0**	**6.7**	**6.9**	**6.8**	**8.2**	**(1.7)**	**(25%)**
	EP Power Europe								
	Cooling water – withdrawal	million m³	3,245	3,567	3,186	2,857	2,225	(322)	(9%)
	Cooling water – discharge	million m³	3,242	3,562	3,181	2,853	2,217	(320)	(9%)
	Total – EP Power Europe – Usage	**million m³**	**3**	**5**	**5**	**4**	**8**	**(2)**	**(47%)**
	Total – EPH – Usage	**million m³**	**8**	**12**	**11**	**11**	**16**	**(4)**	**(34%)**

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Water intensity in respect of energy produced (all segments)**								
	EP Infrastructure	thsnd. m³/ GWh	18.6	7.7	5.9	8.8	10.1	11	141%
	EP Power Europe	thsnd. m³/ GWh	96.2	97.3	95.0	97.6	93.9	(1)	(1%)
	EPH	thsnd. m³/ GWh	86.3	86.2	79.5	79.7	73.0	0	0%

Environment / Water

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Water intensity in respect of energy produced (generation companies only)**								
	EP Infrastructure	thsnd. m³/ GWh	18.6	7.7	5.9	8.8	10.1	11	141%
	EP Power Europe	thsnd. m³/ GWh	96.2	97.3	95.0	97.6	93.9	(1)	(1%)
	EPH	thsnd. m³/ GWh	86.3	86.2	79.5	79.7	73.0	0	0%

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
303-3	**Water intensity in respect of revenues**								
	EP Infrastructure	thsnd. m³/ EURm	23.4	14.6	13.6	19.3	27.0	9	60%
	EP Power Europe	thsnd. m³/ EURm	98.7	228.5	645.6	579.6	584.2	(130)	(57%)
	EPH	thsnd. m³/ EURm	92.4	195.2	393.1	352.6	339.6	(103)	(53%)

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-3	**Byproducts – Total production**								
	EP Infrastructure								
	Czech Republic	thsnd. tonnes	1,370	1,288	1,084	1,119	1,488	81,8	6%
	Hungary	thsnd. tonnes	–	–	0	0	0	–	
	Total – EP Infrastructure	**thsnd. tonnes**	**1,370**	**1,288**	**1,084**	**1,119**	**1,488**	**81,8**	**6%**
	EP Power Europe								
	France	thsnd. tonnes	129	262	252	50	–	(133,2)	(51%)
	Germany	thsnd. tonnes	759	386	172	204	319	373,5	97%
	UK	thsnd. tonnes	56	77	65	43	55	(21,5)	(28%)
	Italy	thsnd. tonnes	162	122	117	144	136	40,2	33%
	Total – EP Power Europe	**thsnd. tonnes**	**1,107**	**848**	**606**	**441**	**509**	**259,0**	**31%**
	Total – EPH	**thsnd. tonnes**	**2,477**	**2,136**	**1,690**	**1,560**	**1,998**	**340,8**	**16%**

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-3	**Waste other than byproducts – Total production**								
	EP Infrastructure								
	Czech Republic	thsnd. tonnes	2	2	3	2	3	1	34%
	Slovakia	thsnd. tonnes	36	45	44	42	36	(8)	(19%)
	Germany	thsnd. tonnes	1	2	1	1	–	(1)	(49%)
	Hungary	thsnd. tonnes	–	–	0	0	0	–	
	Total – EP Infrastructure	**thsnd. tonnes**	**40**	**48**	**47**	**44**	**39**	**(9)**	**(18%)**
	EP Power Europe								
	France	thsnd. tonnes	4	2	1	1	–	2	101%
	Germany	thsnd. tonnes	109	91	251	240	217	18	20%
	UK	thsnd. tonnes	47	59	84	4	3	(12)	(21%)
	Ireland	thsnd. tonnes	0	0	0	0	–	(0)	(16%)
	Italy	thsnd. tonnes	35	32	31	28	27	3	9%
	Total – EP Power Europe	**thsnd. tonnes**	**194**	**184**	**367**	**272**	**246**	**10**	**6%**
	Total – EPH	**thsnd. tonnes**	**234**	**232**	**414**	**316**	**285**	**2**	**1%**

Environment / Effluents and waste

For the year ended 31 December 2022

Type

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-3	**Byproducts – Total production**								
	EP Infrastructure								
	Additised granulate	thsnd. tonnes	354	326	238	215	332	28	9%
	Ash	thsnd. tonnes	532	522	481	489	564	10	2%
	Slag	thsnd. tonnes	186	185	150	161	224	1	0%
	Gypsum	thsnd. tonnes	192	163	119	139	172	29	18%
	Additional material – hydrated lime	thsnd. tonnes	8	9	10	15	28	(0)	(5%)
	Additional material – water	thsnd. tonnes	83	74	84	97	168	9	12%
	Other own production	thsnd. tonnes	3	2	2	2	2	0	23%
	Other additional material – please specify	thsnd. tonnes	13	7	–	–	–	6	77%
	Total – EP Infrastructure	**thsnd. tonnes**	**1,370**	**1,288**	**1,084**	**1,119**	**1,488**	**82**	**6%**
	EP Power Europe								
	Additised granulate	thsnd. tonnes	–	–	–	–	–	–	
	Ash	thsnd. tonnes	592	569	477	287	301	23	4%
	Slag	thsnd. tonnes	107	59	40	57	57	49	83%
	Gypsum	thsnd. tonnes	407	218	87	96	151	190	87%
	Other own production	thsnd. tonnes	–	2	3	1	–	(2)	(100%)
	Total – EP Power Europe	**thsnd. tonnes**	**1,107**	**848**	**606**	**441**	**509**	**259**	**31%**
	Total – EPH	**thsnd. tonnes**	**2,477**	**2,136**	**1,690**	**1,560**	**1,998**	**341**	**16%**

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-4	**Byproducts – Total means of disposal**								
306-5	**EP Infrastructure**								
	Sales	thsnd. tonnes	457	318	268	169	128	140	44%
	Storage – own stock	thsnd. tonnes	–	145	109	157	209	(145)	(100%)
	Storage – external	thsnd. tonnes	241	176	193	211	214	64	36%
	Stabilizate production	thsnd. tonnes	627	627	509	578	930	0	0%
	Storage – chargeable waste	thsnd. tonnes	44	23	5	3	7	22	96%
	Other	thsnd. tonnes	1	–	–	–	–	1	
	Total – EP Infrastructure	**thsnd. tonnes**	**1,370**	**1,288**	**1,084**	**1,119**	**1,488**	**82**	**6%**
	EP Power Europe								
	Sales	thsnd. tonnes	846	904	511	202	263	(58)	(6%)
	Storage – own stock	thsnd. tonnes	62	59	1	35	37	3	5%
	Storage – external	thsnd. tonnes	0	0	0	1	1	0	33%
	Stabilizate production	thsnd. tonnes	182	142	150	201	189	40	28%
	Storage – chargeable waste	thsnd. tonnes	11	25	27	22	(7)	(14)	(55%)
	Other	thsnd. tonnes	17	14	14	14	17	2	16%
	Total – EP Power Europe	**thsnd. tonnes**	**1,117**	**1,145**	**702**	**476**	**500**	**(27)**	**(2%)**
	Total – EPH	**thsnd. tonnes**	**2,487**	**2,433**	**1,785**	**1,595**	**1,988**	**54**	**2%**

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-3	**Waste other than byproducts – Total production**								
	EP Infrastructure								
	Non-hazardous waste	thsnd. tonnes	38.8	47.3	45.9	42.8	36.7	(8.5)	(18%)
	Hazardous waste	thsnd. tonnes	0.9	1.1	0.9	1.7	1.8	(0.2)	(22%)
	Total – EP Infrastructure	**thsnd. tonnes**	**39.7**	**48.4**	**46.8**	**44.5**	**38.5**	**(8.7)**	**(18%)**
	EP Power Europe								
	Non-hazardous waste	thsnd. tonnes	191.6	180.0	324.1	269.5	241.2	11.7	6%
	Hazardous waste	thsnd. tonnes	2.6	3.9	43.1	2.4	5.2	(1.3)	(33%)
	Total – EP Power Europe	**thsnd. tonnes**	**194.2**	**183.9**	**367.2**	**271.9**	**246.4**	**10.4**	**6%**
	Total – EPH	**thsnd. tonnes**	**233.9**	**232.3**	**413.9**	**316.3**	**284.9**	**1.7**	**1%**

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-4	**Waste other than by products – Non-hazardous – Disposal**								
306-5	**EP Infrastructure**								
	Recycling	thsnd. tonnes	28.8	21.8	17.7	19.1	14.5	7.0	32%
	Landfill	thsnd. tonnes	2.4	3.0	2.8	3.9	4.2	(0.6)	(21%)
	Other	thsnd. tonnes	7.6	22.4	25.4	19.8	18.0	(14.8)	(66%)
	Total – EP Infrastructure	**thsnd. tonnes**	**38.8**	**47.3**	**45.9**	**42.8**	**36.7**	**(8.5)**	**(18%)**
	EP Power Europe								
	Recycling	thsnd. tonnes	86.9	90.7	85.6	110.9	80.6	(3.8)	(4%)
	Landfill	thsnd. tonnes	25.1	31.5	80.3	33.5	23.1	(6.4)	(20%)
	Other	thsnd. tonnes	78.8	57.9	158.1	125.0	142.5	20.9	36%
	Total – EP Power Europe	**thsnd. tonnes**	**190.9**	**180.2**	**324.0**	**269.4**	**246.2**	**10.7**	**6%**
	Total – EPH	**thsnd. tonnes**	**229.7**	**227.4**	**369.9**	**312.2**	**282.9**	**2.2**	**1%**

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-4	**Waste other than by products – Hazardous – Disposal**								
306-5	**EP Infrastructure**								
	Recycling	thsnd. tonnes	0.1	0.3	0.4	0.3	0.2	(0.2)	(57%)
	Landfill	thsnd. tonnes	0.3	0.2	0.2	1.1	1.4	0.1	28%
	Other	thsnd. tonnes	0.5	0.6	0.3	0.3	0.3	(0.1)	(21%)
	Total – EP Infrastructure	**thsnd. tonnes**	**0.9**	**1.1**	**0.9**	**1.7**	**1.8**	**(0.2)**	**(22%)**
	EP Power Europe								
	Recycling	thsnd. tonnes	1.0	3.4	42.7	2.1	5.0	(2.4)	(70%)
	Landfill	thsnd. tonnes	1.2	0.4	0.2	0.2	0.2	0.8	201%
	Other	thsnd. tonnes	0.1	0.1	0.1	0.0	–	0.0	11%
	Total – EP Power Europe	**thsnd. tonnes**	**2.4**	**4.0**	**43.0**	**2.3**	**5.2**	**(1.6)**	**(41%)**
	Total – EPH	**thsnd. tonnes**	**3.2**	**5.1**	**43.9**	**4.0**	**7.0**	**(1.9)**	**(36%)**

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
306-3	**Waste intensity in respect of revenues**								
	EP Infrastructure	tonnes per EURm	9.9	17.4	14.6	12.8	12.5	(7.4)	(43%)
	EP Power Europe	tonnes per EURm	5.6	11.3	62.9	52.8	62.0	(5.6)	(50%)
	EPH	tonnes per EURm	6.3	12.3	48.3	36.9	40.3	(6.0)	(49%)

Environment / Effluents and waste

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-27	**Fines**								
	EP Infrastructure								
	Environmental Fines	EURm	0.2	0.0	0.0	0.0	0.0	0.2	1394155%
	Use of Products/ Services Fines	EURm	–	–	–	–	–	–	
	Other Significant Fines	EURm	0.1	0.0	0.1	–	–	0.0	36%
	Total – EP Infrastructure	**EURm**	**0.2**	**0.0**	**0.1**	**0.0**	**0.0**	**0.2**	**424%**
	EP Power Europe								
	Environmental Fines	EURm	–	–	–	0.0	–	–	
	Use of Products/ Services Fines	EURm	10.6	(0.0)	–	–	–	10.6	(699961%)
	Other Significant Fines	EURm	3.3	0.3	0.0	–	–	3.0	850%
	Total – EP Power Europe	**EURm**	**13.9**	**0.3**	**0.0**	**0.0**	**–**	**13.6**	**3912%**
	Total – EPH	**EURm**	**14.2**	**0.4**	**0.1**	**0.0**	**0.0**	**13.8**	**3547%**

Social / Occupational health and safety

For the year ended 31 December 2022

Country

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Fatal injuries – Employees**								
	EP Infrastructure								
	Czech Republic	#	–	–	–	–	–	–	
	Slovakia	#	1	–	–	–	–	1	
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**1**	**–**	**–**	**–**	**–**	**1**	
	EP Power Europe								
	Czech Republic	#	–	–	–	–	–	–	
	France	#	–	–	–	–	–	–	
	Germany	#	–	–	–	–	–	–	
	UK	#	–	–	–	–	–	–	
	Ireland	#	–	–	–	–	–	–	
	Italy	#	–	–	–	–	–	–	
	Switzerland	#	–	–	–	–	–	–	
	Total – EP Power Europe	**#**	**–**	**–**	**–**	**–**	**–**	**–**	
	Other companies within the Group								
	Czech Republic	#	–	–	–	–	–	–	
	Poland	#	–	–	–	–	–	–	
	Slovakia	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Germany	#	–	–	–	–	–	–	
	UK	#	–	–	–	–	–	–	
	Italy	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – other comapnies	**#**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**#**	**1**	**–**	**–**	**–**	**–**	**1**	

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Registered injuries – Employees**								
	EP Infrastructure								
	Czech Republic	#	10(**)	13(**)	11(**)	16(**)	11(**)	(3)	(23%)
	Slovakia	#	19(**)	14(**)	19(**)	20(**)	13	5	36%
	Germany	#	1	–	–	–	–	1	
	Hungary	#	–	–	–	1(**)	3	–	
	Total – EP Infrastructure	**#**	**30**	**27**	**30**	**37**	**27**	**3**	**11%**
	EP Power Europe								
	Czech Republic	#	–	–	–	–	–	–	
	France	#	3	5	11	2	–	(2)	(40%)
	Germany	#	10	18	12	15	27	(8)	(44%)
	UK	#	0(**)	1(**)	2(**)	2(**)	–	(1)	(100%)
	Italy	#	2	2	–	–	3	–	0%
	Total – EP Power Europe	**#**	**15**	**26**	**25**	**19**	**30**	**(11)**	**(42%)**
	Other companies within the Group								
	Czech Republic	#	5(**)	4(**)	5(**)	6(**)	6(**)	1	25%
	Poland	#	–	–	–	–	1,0	–	
	Germany	#	4.0	6.0	–	1.0	–	(2)	(33%)
	Total – other comapnies	**#**	**9**	**10**	**5**	**7**	**7**	**(1)**	**(10%)**
	Total – EPH	**#**	**54**	**63**	**60**	**63**	**64**	**(9)**	**(14%)**

Note: Registered injury – in order to be able to report standardised injury data from across all our operations, for the purpose of this Sustainability Report, all injuries that resulted in at least 3 lost working days have been reported. This is a stricter definition than many companies use for their respective national reporting

(**) This data was verified by the independent auditing firm EY (2018) and KPMG (2019-2022). Scope in 2022: CZ: 2 companies, SK: 1 company, UK: 1 company.

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Worked hours – Employees**								
	EP Infrastructure								
	Czech Republic	mil. hours	2.6	2.6	3.3	3.4	3.7	(0.0)	(1%)
	Slovakia	mil. hours	6.7	7.0	6.9	6.9	6.8	(0.3)	(4%)
	Germany	mil. hours	0.1	0.1	0.1	0.1	0.1	(0.0)	0%
	Hungary	mil. hours	–	–	0.3	0.4	0.4	–	
	Netherlands	mil. hours	–	–	–	0.0	0.0	–	
	Total – EP Infrastructure	**mil. hours**	**9.3**	**9.6**	**10.6**	**10.7**	**11.0**	**(0.3)**	**(3%)**
	EP Power Europe								
	Czech Republic	mil. hours	0.2	0.2	0.2	0.2	0.1	0.0	0%
	France	mil. hours	0.6	0.8	0.6	0.3	–	(0.2)	(19%)
	Germany	mil. hours	3.3	3.2	3.4	3.8	3.7	0.1	5%
	UK	mil. hours	1.1	1.0	1.0	0.9	0.8	0.0	5%
	Ireland	mil. hours	0.0	0.0	0.0	0.0	–	(0.0)	(39%)
	Italy	mil. hours	1.0	1.0	1.0	1.0	0.9	(0.0)	(2%)
	Switzerland	mil. hours	0.0	0.0	–	0.0	–	(0.0)	(16%)
	Total – EP Power Europe	**mil. hours**	**6.3**	**6.3**	**6.2**	**6.2**	**5.5**	**0.0**	**0%**
	Other companies within the Group								
	Czech Republic	mil. hours	0.8	0.7	0.8	0.8	0.7	0.2	28%
	Poland	mil. hours	0.1	0.1	0.2	0.3	0.2	0.0	12%
	Slovakia	mil. hours	0.0	0.0	0.0	0.0	0.0	(0.0)	(5%)
	Hungary	mil. hours	–	–	–	–	–	–	
	UK	mil. hours	–	–	–	–	–	–	
	Total – other comapnies	**mil. hours**	**1.2**	**1.0**	**1.0**	**1.2**	**1.0**	**0.2**	**17%**
	Total – EPH	**mil. hours**	**16.8**	**17.0**	**17.8**	**18.1**	**17.4**	**(0.1)**	**(1%)**

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Worked hours – Contractors**								
	EP Infrastructure								
	Czech Republic	mil. hours	0	0	0	0	0	0	26%
	Slovakia	mil. hours	–	–	–	–	–	–	
	Germany	mil. hours	–	–	–	–	–	–	
	Hungary	mil. hours	–	–	–	–	–	–	
	Netherlands	mil. hours	–	–	–	–	–	–	
	Total – EP Infrastructure	**mil. hours**	**0**	**0**	**0**	**0**	**0**	**0**	**26%**
	EP Power Europe								
	Czech Republic	mil. hours	0	0	0	0	0	0	425%
	France	mil. hours	0	0	0	1	–	0	12%
	Germany	mil. hours	0	0	–	–	–	0	6086%
	UK	mil. hours	1	0	1	1	1	1	179%
	Ireland	mil. hours	0	–	0	–	–	0	
	Italy	mil. hours	1	1	1	1	1	(0)	(20%)
	Switzerland	mil. hours	–	–	–	0	–	–	
	Total – EP Power Europe	**mil. hours**	**3**	**2**	**2**	**2**	**3**	**1**	**37%**
	Other companies within the Group								
	Czech Republic	mil. hours	0	0	0	0	0	0	52%
	Poland	mil. hours	0	0	–	0	0	–	0%
	Slovakia	mil. hours	–	–	–	–	–	–	
	Hungary	mil. hours	–	–	–	–	–	–	
	Germany	mil. hours	0	1	–	0	–	(1)	(93%)
	UK	mil. hours	–	–	–	–	–	–	
	Italy	mil. hours	–	–	–	–	–	–	
	Netherlands	mil. hours	–	–	–	–	–	–	
	Total – other comapnies	**mil. hours**	**0**	**1**	**0**	**0**	**0**	**(1)**	**(87%)**
	Total – EPH	**mil. hours**	**3**	**3**	**2**	**2**	**3**	**0**	**8%**

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Injury Frequency Rate – Employees**								
	EP Infrastructure								
	Czech Republic	index	3.9	5.0	3.4	4.8	3.0	(1.1)	(22%)
	Slovakia	index	3.0	2.0	2.7	2.9	1.9	1.0	49%
	Netherlands	index	–	–	–	–	–	–	
	Total – EP Infrastructure	**index**	**3.3**	**2.8**	**2.8**	**3.5**	**2.5**	**0.5**	**19%**
	EP Power Europe								
	Czech Republic	index	–	–	–	–	–	–	
	Germany	index	3.0	5.7	3.6	4.0	7.3	(2.7)	(47%)
	UK	index	–	1.0	2.0	2.1	–	(1.0)	(100%)
	Ireland	index	–	–	–	–	–	–	
	Switzerland	index	–	–	–	–	–	–	
	Total – EP Power Europe	**index**	**2.4**	**4.1**	**4.0**	**3.1**	**5.5**	**(1.8)**	**(42%)**
	Other companies within the Group								
	Czech Republic	index	5.9	6.1	6.6	7.1	8.2	(0.2)	(3%)
	Poland	index	–	–	–	–	4.0	–	
	Slovakia	index	–	–	–	–	–	–	
	UK	index	–	–	–	–	–	–	
	Italy	index	–	–	–	–	–	–	
	Netherlands	index	–	–	–	–	–	–	
	Total – other comapnies	**index**	**7.4**	**9.6**	**4.8**	**5.7**	**7.1**	**(2.2)**	**(23%)**
	Total – EPH	**index**	**3.3**	**3.7**	**3.4**	**3.5**	**3.7**	**(0.4)**	**(12%)**

Note: Injury frequency rate reported on per 1 million hours worked basis.

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Fatal injuries – Contractors**								
	EP Infrastructure								
	Czech Republic	#	–	–	–	–	–	–	
	Slovakia	#	–	–	–	1	–	–	
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**–**	**–**	**–**	**1**	**–**	**–**	
	EP Power Europe								
	Czech Republic	#	–	–	–	–	–	–	
	France	#	–	–	–	–	–	–	
	Germany	#	–	–	–	–	–	–	
	UK	#	–	–	–	–	–	–	
	Ireland	#	–	–	–	–	–	–	
	Italy	#	–	–	–	–	–	–	
	Switzerland	#	–	–	–	–	–	–	
	Total – EP Power Europe	**#**	**–**	**–**	**–**	**–**	**–**	**–**	
	Other companies within the Group								
	Czech Republic	#	–	–	–	–	–	–	
	Poland	#	–	–	–	–	–	–	
	Slovakia	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Germany	#	–	–	–	–	–	–	
	UK	#	–	–	–	–	–	–	
	Italy	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – other companies	**#**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**#**	**–**	**–**	**–**	**1**	**–**	**–**	

Social / Occupational health and safety

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-9	**Registered injuries – Contractors**								
	EP Infrastructure								
	Czech Republic	#	–	1	–	–	–	(1,0)	(100%)
	Slovakia	#	–	2	1	–	1	(2,0)	(100%)
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**–**	**3**	**1**	**–**	**1**	**(3,0)**	**(100%)**
	EP Power Europe								
	Czech Republic	#	–	–	–	–	–	–	
	France	#	–	13	5	2	–	(13)	(100%)
	Germany	#	4	5	9	5	4	(1)	(20%)
	UK	#	5	4	–	2	2	1	25%
	Ireland	#	–	–	–	–	–	–	
	Italy	#	1	1	3	1	11	–	0%
	Switzerland	#	–	–	–	–	–	–	
	Total – EP Power Europe	**#**	**10**	**23**	**17**	**10**	**17**	**(13)**	**(57%)**
	Other companies within the Group								
	Czech Republic	#	–	–	–	–	–	–	
	Poland	#	–	–	–	–	–	–	
	Slovakia	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Germany	#	–	–	–	–	–	–	
	UK	#	–	–	–	–	–	–	
	Italy	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – other comapnies	**#**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**#**	**10**	**26**	**18**	**10**	**18**	**(16,0)**	**(62%)**

Social / Employment

For the year ended 31 December 2022

Country

GRI	KPI	Unit	Total	Male	Female
2-7	**Headcount (FTE)**				
	EP Infrastructure				
	Czech Republic	FTE	1,461	1,136	326
	Slovakia	FTE	4,311	3,418	894
	Germany	FTE	62	55	7
	Hungary	FTE	–	–	–
	Netherlands	FTE	2	1	1
	Total – EP Infrastructure	**FTE**	**5,837**	**4,609**	**1,227**
	EP Power Europe				
	Czech Republic	FTE	130	107	22
	France	FTE	394	263	131
	Germany	FTE	2,167	1,835	332
	UK	FTE	554	486	68
	Ireland	FTE	7	4	3
	Italy	FTE	590	505	84
	Switzerland	FTE	16	10	6
	Total – EP Power Europe	**FTE**	**3,857**	**3,211**	**647**
	Other companies within the Group				
	Czech Republic	FTE	512	387	125
	Poland	FTE	39	22	16
	Slovakia	FTE	17	14	3
	Hungary	FTE	–	–	–
	UK	FTE	–	–	–
	Italy	FTE	–	–	–
	Netherlands	FTE	–	–	–
	Total – other comapnies	**FTE**	**726**	**555**	**171**
	Total – EPH	**FTE**	**10,420**	**8,375**	**2,045**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Males – members of top and middle management**								
	EP Infrastructure								
	Czech Republic	FTE	54	51	59	66	69	3	5%
	Slovakia	FTE	332	326	331	358	345	6	2%
	Germany	FTE	2	1	1	1	1	1	83%
	Hungary	FTE	–	–	5	5	5	–	
	Netherlands	FTE	1	1	1	1	1	–	0%
	Total – EP Infrastructure	**FTE**	**388**	**379**	**398**	**431**	**421**	**9**	**2%**
	EP Power Europe								
	Czech Republic	FTE	18	17	16	16	13	1	3%
	France	FTE	6	8	17	4	–	(2)	(25%)
	Germany	FTE	37	38	26	25	27	(2)	(4%)
	UK	FTE	23	22	30	21	20	1	6%
	Ireland	FTE	2	2	4	3	–	–	0%
	Italy	FTE	36	27	23	28	26	9	33%
	Switzerland	FTE	2	2	6	1	–	–	0%
	Total – EP Power Europe	**FTE**	**123**	**116**	**122**	**98**	**86**	**7**	**6%**
	Other companies within the Group								
	Czech Republic	FTE	37	33	38	34	28	4	11%
	Poland	FTE	4	4	9	10	12	–	0%
	Slovakia	FTE	3	3	1	1	1	–	0%
	Germany	FTE	–	–	–	–	–	–	
	Total – other comapnies	**FTE**	**–**	**–**	**–**	**–**	**–**	**–**	
	Total – EPH	**FTE**	**559**	**547**	**572**	**578**	**549**	**12**	**2%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Females – members of top and middle management**								
	EP Infrastructure								
	Czech Republic	FTE	23	21	18	13	18	2	8%
	Slovakia	FTE	59	59	62	62	62	0	0%
	Germany	FTE	–	–	–	–	–	–	
	Netherlands	FTE	1	1	1	1	1	–	0%
	Total – EP Infrastructure	**FTE**	**83**	**81**	**82**	**77**	**82**	**2**	**2%**
	EP Power Europe								
	Czech Republic	FTE	2	2	2	2	2	0	6%
	France	FTE	2	2	5	2	–	(0)	(4%)
	Germany	FTE	3	3	3	3	3	–	0%
	UK	FTE	3	3	4	4	5	–	0%
	Ireland	FTE	1	1	1	1	–	–	0%
	Italy	FTE	5	5	8	3	4	0	7%
	Switzerland	FTE	–	–	1	–	–	–	
	Total – EP Power Europe	**FTE**	**16**	**16**	**24**	**15**	**13**	**0**	**2%**
	Other companies within the Group								
	Czech Republic	FTE	9	7	9	6	5	2	29%
	Poland	FTE	1	–	2	2	1	1	
	Slovakia	FTE	–	–	–	–	–	–	
	UK	FTE	–	–	–	–	–	–	
	Total – other comapnies	**FTE**	**10**	**10**	**13**	**9**	**6**	**–**	**0%**
	Total – EPH	**FTE**	**109**	**107**	**118**	**100**	**101**	**2**	**2%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Male employees**								
	EP Infrastructure								
	Czech Republic	FTE	1,136	1,168	1,530	1,595	1,713	(32)	(3%)
	Slovakia	FTE	3,418	3,406	3,402	3,353	3,352	12	0%
	Germany	FTE	55	54	51	51	52	1	2%
	Hungary	FTE	–	–	173	173	168	–	
	Netherlands	FTE	1	1	1	1	1	–	0%
	Total – EP Infrastructure	**FTE**	**4,609**	**4,629**	**5,158**	**5,173**	**5,286**	**(20)**	**0%**
	EP Power Europe								
	Czech Republic	FTE	107	101	84	71	59	7	7%
	France	FTE	263	304	404	406	–	(41)	(13%)
	Germany	FTE	1,835	2,037	2,053	2,164	2,225	(202)	(10%)
	UK	FTE	486	466	477	450	381	20	4%
	Ireland	FTE	4	5	8	8	–	(1)	(20%)
	Italy	FTE	505	507	482	514	498	(2)	0%
	Switzerland	FTE	10	14	6	3	–	(4)	(29%)
	Total – EP Power Europe	**FTE**	**3,211**	**3,433**	**3,515**	**3,616**	**3,162**	**(223)**	**(6%)**
	Other companies within the Group								
	Czech Republic	FTE	387	346	292	342	295	40	12%
	Poland	FTE	22	16	98	122	125	6	37%
	Slovakia	FTE	14	15	6	4	3	(1)	(7%)
	Hungary	FTE	–	–	–	–	–	–	
	UK	FTE	–	–	–	–	–	–	
	Total – other comapnies	**FTE**	**555**	**509**	**525**	**597**	**425**	**46**	**9%**
	Total – EPH	**FTE**	**8,375**	**8,571**	**9,197**	**9,386**	**8,873**	**(196)**	**(2%)**

Social / Training

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Female employees**								
	EP Infrastructure								
	Czech Republic	FTE	326	291	359	386	397	34	12%
	Slovakia	FTE	894	883	870	856	847	11	1%
	Germany	FTE	7	7	7	7	8	–	0%
	Hungary	FTE	–	–	34	35	35	–	
	Netherlands	FTE	1	1	1	1	1	–	0%
	Total – EP Infrastructure	**FTE**	**1,227**	**1,182**	**1,271**	**1,285**	**1,288**	**45**	**4%**
	EP Power Europe								
	Czech Republic	FTE	22	24	23	17	13	(1)	(6%)
	France	FTE	131	109	113	112	–	22	20%
	Germany	FTE	332	366	336	352	366	(34)	(9%)
	UK	FTE	68	62	62	55	41	6	10%
	Ireland	FTE	3	4	3	3	–	(1)	(25%)
	Italy	FTE	84	74	99	68	68	11	14%
	Switzerland	FTE	6	5	3	1	–	1	20%
	Total – EP Power Europe	**FTE**	**647**	**643**	**639**	**609**	**489**	**3**	**1%**
	Other companies within the Group								
	Czech Republic	FTE	125	123	115	117	94	2	1%
	Poland	FTE	16	14	26	31	27	2	16%
	Slovakia	FTE	3	3	1	1	1	–	0%
	Hungary	FTE	–	–	–	–	–	–	
	UK	FTE	–	–	–	–	–	–	
	Total – other comapnies	**FTE**	**171**	**167**	**174**	**173**	**125**	**4**	**2%**
	Total – EPH	**FTE**	**2,045**	**1,992**	**2,084**	**2,068**	**1,901**	**52**	**3%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
403-8	**Employees covered by OHSAS 18001 / ISO 45001**								
	EP Infrastructure								
	Czech Republic	FTE	426	423	861	963	1 079	3	1%
	Slovakia	FTE	4,295	4,273	2,946	2,903	2,894	22	1%
	Germany	FTE	–	–	–	–	–	–	
	Total – EP Infrastructure	**FTE**	**4,721**	**4,696**	**3,807**	**3,866**	**3,973**	**25**	**1%**
	Covered in % of total headcount	*FTE*	*81%*	*81%*	*59%*	*60%*	*60%*	*0%*	
	EP Power Europe								
	Czech Republic	FTE	–	–	–	–	–	–	
	Germany	FTE	1,825	2,087	2,179	2,284	2,355	(262)	(13%)
	UK	FTE	417	345	355	371	315	72	21%
	Ireland	FTE	7	–	–	–	–	7	
	Switzerland	FTE	–	–	–	–	–	–	
	Total – EP Power Europe	**FTE**	**3,233**	**3,425**	**3,566**	**3,755**	**3,237**	**(193)**	**(6%)**
	Covered in % of total headcount	*FTE*	*84%*	*84%*	*86%*	*89%*	*89%*	*0%*	
	Total – EPH	**FTE**	**7,954**	**8,121**	**7,373**	**7,621**	**7,209**	**(167)**	**(2%)**
	Covered in % of total headcount	*FTE*	*76%*	*77%*	*65%*	*67%*	*67%*		

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-30	**Employees with collective bargining agreements**								
	EP Infrastructure								
	Czech Republic	FTE	1,170	1,200	1,672	1,783	1,919	(29)	(2%)
	Slovakia	FTE	4,259	4,236	4,220	4,158	4,137	23	1%
	Germany	FTE	54	54	51	52	–	0	0%
	Hungary	FTE	–	–	206	207	204	–	
	Total – EP Infrastructure	**FTE**	**5,483**	**5,489**	**6,148**	**6,200**	**6,260**	**(6)**	**0%**
	Covered in % of total headcount	*FTE*	*94%*	*94%*	*96%*	*96%*	*95%*	*-1%*	
	EP Power Europe								
	Germany	FTE	1,958	2,077	2,229	2,356	2,445	(119)	(6%)
	UK	FTE	336	343	353	365	252	(6)	(2%)
	Italy	FTE	590	581	581	582	566	9	2%
	Total – EP Power Europe	**FTE**	**3,278**	**3,413**	**3,613**	**3,821**	**3,263**	**(135)**	**(4%)**
	Covered in % of total headcount	*FTE*	*85%*	*84%*	*87%*	*90%*	*89%*	*1%*	
	Other companies within the Group								
	Czech Republic	FTE	42	18	106	22	25	24	131%
	Poland	FTE	–	–	91	119	120	–	
	Total – other comapnies	**FTE**	**42**	**18**	**197**	**141**	**145**	**24**	**131%**
	Covered in % of total headcount	*FTE*	*6%*	*3%*	*28%*	*18%*	*26%*	*3%*	
	Total – EPH	**FTE**	**8,803**	**8,920**	**9,958**	**10,161**	**9,668**	**(117)**	**(1%)**
	Covered in % of total headcount	*FTE*	*84%*	*84%*	*88%*	*89%*	*90%*		

Restatement: In 2021, when preparing 2020 data we found mistake retrospectively, in 2017. In particular, by 98 less employees were covered by OHSAS 180001 in 2017 (145 previsously reported vs 47 corrected).

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
401-1	**Number of new hires – Total**								
	EP Infrastructure								
	Czech Republic	FTE	171	112	193	198	206	59	53%
	Slovakia	FTE	370	235	263	327	295	135	57%
	Germany	FTE	4	9	5	4	5	(5)	(57%)
	Hungary	FTE	–	–	7	24	15	–	
	Netherlands	FTE	–	–	–	–	2	–	
	Total – EP Infrastructure	**FTE**	**545**	**356**	**468**	**553**	**523**	**189**	**53%**
	EP Power Europe								
	Czech Republic	FTE	29	20	38	31	17	9	45%
	France	FTE	140	68	67	6	–	72	106%
	Germany	FTE	329	94	71	133	240	235	249%
	UK	FTE	82	66	27	41	61	16	24%
	Ireland	FTE	2	5	2	–	–	(3)	(60%)
	Italy	FTE	48	18	34	18	18	30	167%
	Switzerland	FTE	2	12	6	4	–	(10)	(83%)
	Total – EP Power Europe	**FTE**	**632**	**283**	**245**	**233**	**336**	**349**	**123%**
	Other companies within the Group								
	Czech Republic	FTE	152	94	97	130	104	58	62%
	Poland	FTE	14	11	13	101	142	3	23%
	Slovakia	FTE	2	13	3	2	3	(11)	(85%)
	Germany	FTE	19	33	37	8	1	(14)	(42%)
	Total – other comapnies	**FTE**	**187**	**151**	**150**	**241**	**250**	**36**	**23%**
	Total – EPH	**FTE**	**1,364**	**791**	**863**	**1,027**	**1,109**	**573**	**73%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
401-1	**Number of leavers – Total**								
	EP Infrastructure								
	Czech Republic	FTE	124	131	165	204	331	(7)	(6%)
	Slovakia	FTE	344	263	184	276	286	81	31%
	Germany	FTE	5	7	2	5	–	(2)	(33%)
	Hungary	FTE	–	–	18	12	13	–	
	Netherlands	FTE	–	–	–	–	1	–	
	Total – EP Infrastructure	**FTE**	**473**	**401**	**369**	**497**	**631**	**71**	**18%**
	EP Power Europe								
	Czech Republic	FTE	36	9	8	21	4	27	300%
	France	FTE	102	88	94	41	–	14	16%
	Germany	FTE	490	263	317	219	182	227	86%
	UK	FTE	46	56	29	52	219	(10)	(17%)
	Ireland	FTE	2	8	2	–	–	(6)	(75%)
	Italy	FTE	36	23	34	21	20	13	57%
	Switzerland	FTE	3	5	1	–	–	(2)	(40%)
	Total – EP Power Europe	**FTE**	**715**	**451**	**485**	**354**	**425**	**263**	**58%**
	Other companies within the Group								
	Czech Republic	FTE	87	62	81	130	103	25	40%
	Poland	FTE	2	12	41	101	140	(10)	(84%)
	Slovakia	FTE	3	2	1	1	–	1	50%
	Germany	FTE	23	29	19	5	–	(6)	(21%)
	Total – other comapnies	**FTE**	**115**	**105**	**142**	**237**	**243**	**10**	**9%**
	Total – EPH	**FTE**	**1,302**	**958**	**996**	**1,088**	**1,298**	**344**	**36%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018
401-1	**New hires rate**						
	EP Infrastructure						
	Czech Republic	%	12%	8%	10%	10%	10%
	Slovakia	%	9%	5%	6%	8%	7%
	Germany	%	6%	15%	9%	8%	8%
	Hungary	%			3%	12%	7%
	Netherlands	%	0%	0%	0%	0%	100%
	Total – EP Infrastructure	**%**	**9%**	**6%**	**7%**	**9%**	**8%**
	EP Power Europe						
	Czech Republic	%	22%	16%	35%	35%	24%
	France	%	36%	16%	13%	1%	
	Germany	%	15%	4%	3%	5%	9%
	UK	%	15%	13%	5%	8%	14%
	Ireland	%	29%	56%	18%	0%	
	Italy	%	8%	3%	6%	3%	3%
	Switzerland	%	13%	63%	67%	100%	
	Total – EP Power Europe	**%**	**16%**	**7%**	**6%**	**6%**	**9%**
	Other companies within the Group						
	Czech Republic	%	30%	20%	24%	28%	27%
	Poland	%	35%	37%	10%	66%	93%
	Germany	%	12%	21%	23%	5%	20%
	Slovakia	%	12%	72%	43%	40%	75%
	Total – other comapnies	**%**	**26%**	**22%**	**21%**	**31%**	**45%**
	Total – EPH	**%**	**13%**	**7%**	**8%**	**9%**	**10%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018
401-1	**Employee turnover rate**						
	EP Infrastructure						
	Czech Republic	%	8%	9%	9%	10%	16%
	Slovakia	%	8%	6%	4%	7%	7%
	Germany	%			1%	3%	0%
	Hungary	%	0%	0%	31%	21%	22%
	Netherlands	%	0%	0%	0%	0%	50%
	Total – EP Infrastructure	**%**	**8%**	**7%**	**6%**	**8%**	**10%**
	EP Power Europe						
	Czech Republic	%	28%	7%	7%	24%	6%
	France	%	26%	21%	18%	8%	
	Germany	%	23%	11%	13%	9%	7%
	UK	%	8%	11%	5%	10%	52%
	Ireland	%	29%	89%	18%	0%	
	Italy	%	6%	4%	6%	4%	4%
	Switzerland	%	19%	26%	11%	0%	
	Total – EP Power Europe	**%**	**19%**	**11%**	**12%**	**8%**	**12%**
	Other companies within the Group						
	Czech Republic	%	2%	2%	2%	3%	3%
	Poland	%	5%	40%	33%	66%	92%
	Germany	%	60%	96%	15%	3%	0%
	Total – other comapnies	**%**	**16%**	**16%**	**20%**	**31%**	**44%**
	Total – EPH	**%**	**12%**	**9%**	**9%**	**10%**	**12%**

Social / Training

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
404-1	**Total training hours – all employee**								
	EP Infrastructure								
	Czech Republic	hours	17,209	13,988	18,332	25,082	17,872	3,222	23%
	Slovakia	hours	167,859	151,231	128,965	170,036	159,925	16,628	11%
	Germany	hours	1,041	1,142	335	463	–	(101)	(9%)
	Hungary	hours	–	–	5,472	2,047	2,653	–	
	Total – EP Infrastructure	**hours**	**186,109**	**166,360**	**153,104**	**197,627**	**180,449**	**19,749**	**12%**
	EP Power Europe								
	Czech Republic	hours	1,889	1,795	1,157	1,284	4,918	95	5%
	France	hours	3,311	4,140	3,892	5,729	–	(829)	(20%)
	Germany	hours	29,766	9,599	11,426	34,278	34,069	20,167	210%
	UK	hours	10,801	13,072	7,226	13,745	10,752	(2,271)	(17%)
	Ireland	hours	162	219	293	–	–	(57)	(26%)
	Italy	hours	12,983	12,860	9,981	15,657	16,893	123	1%
	Total – EP Power Europe	**hours**	**58,913**	**41,685**	**33,975**	**70,692**	**66,631**	**17,228**	**41%**
	Other companies within the Group								
	Czech Republic	hours	9,378	4,756	4,556	11,009	4,988	4,622	97%
	Poland	hours	129	129	615	4 616	6,496	–	0%
	Slovakia	hours	–	–	25	–	–	–	
	Germany	hours	2,400	2,000	2,101	1,002	–	400	20%
	Total – other comapnies	**hours**	**11,907**	**6,885**	**7,297**	**16,627**	**11,484**	**5,022**	**73%**
	Total – EPH	**hours**	**256,928**	**214,929**	**194,376**	**284,946**	**258,564**	**41,999**	**20%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	Permanent contract	Temporary contract	Total - check
2-7	**Employees: pernament and temporary contract**				
	EP Infrastructure				
	Czech Republic	%	95%	6%	100%
	Slovakia	%	91%	9%	100%
	Germany	%	96%	4%	100%
	Netherlands	%	100%	0%	100%
	Total – EP Infrastructure	**%**	**92%**	**8%**	**100%**
	EP Power Europe				
	Czech Republic	%	88%	11%	100%
	France	%	81%	19%	100%
	Germany	%	96%	4%	100%
	UK	%	97%	3%	100%
	Ireland	%	100%	0%	100%
	Italy	%	99%	1%	100%
	Switzerland	%	100%	0%	100%
	Total – EP Power Europe	**%**	**95%**	**5%**	**100%**
	Other companies within the Group				
	Czech Republic	%	59%	42%	100%
	Poland	%	82%	18%	100%
	Slovakia	%	94%	6%	100%
	Germany	%	100%	0%	100%
	Total – other comapnies	**%**	**70%**	**30%**	**100%**
	Total – EPH	**%**	**91%**	**9%**	**100%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	Employees under 30 years old	Employees between 30 and 50 years old	Employees over 50 years old
2-7	**Employees: age pyramid**				
	EP Infrastructure				
	Czech Republic	%	6%	49%	44%
	Slovakia	%	8%	48%	44%
	Germany	%	14%	32%	54%
	Netherlands	%	0%	100%	0%
	Total – EP Infrastructure	**%**	**8%**	**48%**	**44%**
	EP Power Europe				
	Czech Republic	%	19%	75%	6%
	France	%	17%	53%	30%
	Germany	%	21%	37%	42%
	UK	%	10%	46%	44%
	Ireland	%	29%	29%	43%
	Italy	%	3%	38%	59%
	Switzerland	%	0%	94%	6%
	Total – EP Power Europe	**%**	**16%**	**42%**	**42%**
	Other companies within the Group				
	Czech Republic	%	12%	62%	25%
	Poland	%	13%	79%	8%
	Slovakia	%	6%	65%	29%
	Germany	%	8%	55%	36%
	Total – other comapnies	**%**	**11%**	**62%**	**27%**
	Total – EPH	**%**	**11%**	**47%**	**42%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Employees: part-time job**								
	EP Infrastructure								
	Czech Republic	FTE	42	31	20	67	57	10,2	32%
	Slovakia	FTE	14	12	12	14	15	2	13%
	Germany	FTE	1	1	2	2	2	0	51%
	Hungary	FTE	–	–	205	205	202	–	
	Netherlands	FTE	2	2	2	2	2	–	0%
	Total – EP Infrastructure	**FTE**	**59**	**46**	**241**	**290**	**278**	**12**	**26%**
	EP Power Europe								
	Czech Republic	FTE	5	10	30	10	9	(4,7)	(48%)
	France	FTE	4	3	7	3	–	0,9	36%
	Germany	FTE	84	68	45	48	33	16,3	24%
	UK	FTE	4	3	93	2	4	1,0	33%
	Italy	FTE	8	6	5	11	11	2,5	41%
	Switzerland	FTE	–	1	–	–	–	(1,0)	(100%)
	Total – EP Power Europe	**FTE**	**105**	**90**	**180**	**74**	**57**	**14,9**	**17%**
	Other companies within the Group								
	Czech Republic	FTE	24	32	34	29	26	(8,4)	(26%)
	Poland	FTE	1	–	2	1	1	1,0	
	Slovakia	FTE	2	2	1	1	1	–	0%
	Germany	FTE	7	11	8	10	–	(4,0)	(36%)
	Total – other comapnies	**FTE**	**33,9**	**45,3**	**44,6**	**40,7**	**28,5**	**(11,4)**	**(25%)**
	Total – EPH	**FTE**	**197,7**	**182,1**	**465,9**	**405,4**	**363,5**	**15,7**	**9%**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Employees: full-time job**								
	EP Infrastructure								
	Czech Republic	FTE	1,420	1,428	1,870	1,916	1,537	(7.9)	(1%)
	Slovakia	FTE	4,298	4,277	4,260	4,185	4,173	21	0%
	Germany	FTE	61	60	56	56	57	0	1%
	Hungary	FTE	–	–	2	3	2	–	
	Total – EP Infrastructure	**FTE**	**5,779**	**5,765**	**6,188**	**6,159**	**5,770**	**13**	**0%**
	EP Power Europe								
	Czech Republic	FTE	124	114	77	78	63	9.6	8%
	France	FTE	391	410	444	515	–	(19.5)	(5%)
	Germany	FTE	2,082	2,335	2,344	2,350	2,436	(252.3)	(11%)
	UK	FTE	551	525	447	503	417	25.8	5%
	Ireland	FTE	7	9	11	–	–	(2.0)	(22%)
	Italy	FTE	581	575	576	571	555	6.3	1%
	Switzerland	FTE	16	18	9	4	–	(2.0)	(11%)
	Total – EP Power Europe	**FTE**	**3,752**	**3,986**	**3,908**	**4,021**	**3,471**	**(234.2)**	**(6%)**
	Other companies within the Group								
	Czech Republic	FTE	488	435	373	407	348	52.7	12%
	Poland	FTE	38	30	122	152	152	7.3	24%
	Slovakia	FTE	15	16	6	4	3	(1.0)	(6%)
	Germany	FTE	152	147	153	144	5	5.0	3%
	Total – other comapnies	**FTE**	**692.5**	**628.5**	**654.0**	**707.0**	**508.0**	**64.0**	**10%**
	Total – EPH	**FTE**	**10,222.9**	**10,380.1**	**10,749.4**	**10,887.1**	**9,748.8**	**(157.2)**	**(2%)**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Employees with disabilities**								
	EP Infrastructure								
	Czech Republic	FTE	18	13	18	15	8	5	39%
	Slovakia	FTE	158	148	133	126	132	10	7%
	Germany	FTE	4	4	3	3	3	0	12%
	Total – EP Infrastructure	**FTE**	**180**	**164**	**154**	**144**	**143**	**15**	**9%**
	EP Power Europe								
	France	FTE	13	20	16	21	–	(7)	(35%)
	Germany	FTE	75	108	84	90	94	(33)	(30%)
	UK	FTE	–	–	–	5	–	–	
	Italy	FTE	27	26	23	24	22	1	4%
	Total – EP Power Europe	**FTE**	**115**	**154**	**123**	**140**	**116**	**(39)**	**(25%)**
	Other companies within the Group								
	Czech Republic	FTE	7	5	5	3	3	2	44%
	Slovakia	FTE	3	3	1	–	–	–	0%
	Germany	FTE	1	1	1	1	–	–	0%
	Total – other comapnies	**FTE**	**11**	**9**	**7**	**4**	**3**	**2**	**24%**
	Total – EPH	**FTE**	**306**	**327**	**284**	**288**	**262**	**(21)**	**(7%)**

Social / Employment

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
2-7	**Number of not directly employed workforce**								
	EP Infrastructure								
	Czech Republic	FTE	47	29	19	28	9	18	61%
	Slovakia	FTE	6	4	4	6	7	2	50%
	Germany	FTE	–	–	1	1	2	–	
	Total – EP Infrastructure	**FTE**	**53**	**33**	**24**	**35**	**18**	**20**	**60%**
	EP Power Europe								
	Czech Republic	FTE	9	5	1	1	26	4	83%
	France	FTE	180	182	190	17	–	(2)	(1%)
	Germany	FTE	23	7	11	4	29	16	245%
	UK	FTE	326	166	169	1,161	1,484	160	97%
	Ireland	FTE	–	–	30	–	–	–	
	Italy	FTE	70	47	38	23	22	23	49%
	Switzerland	FTE	21	15	–	2	–	6	40%
	Total – EP Power Europe	**FTE**	**628**	**421**	**438**	**1,208**	**1,561**	**207**	**49%**
	Other companies within the Group								
	Czech Republic	FTE	229	45	28	44	48	184	409%
	Poland	FTE	–	–	–	–	5	–	
	Germany	FTE	–	–	–	1	–	–	
	Total – other comapnies	**FTE**	**229**	**45**	**28**	**45**	**53**	**184**	**409%**
	Total – EPH	**FTE**	**910**	**499**	**490**	**1,288**	**1,632**	**411**	**82%**

Main Slovenské elektrárne figures

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
	Operations and sales								
EU1	Net installed capacity – Electricity	MW	4,311	3,873	3,848	3,820	3,820	438.0	11%
	Hard coal	MW	59	89	198	198	198	(29.7)	(33%)
	Lignite	MW	215	215	215	216	216	–	–
	Nuclear	MW	2,305	1,867	1,843	1,814	1,814	438.0	23%
	Hydro	MW	1,590	1,590	1,590	1,590	1,590	–	–
	Photovoltaic	MW	2	2	2	2	2	(0.0)	(1%)
	Other	MW	139	110				29.7	27%
EU1	Net installed capacity – Heat	MW	579	579	579	7 290	579	–	–
EU2	Net power production	TWh	17.0	17.3	17.0	17.1	16.8	(0.2)	(1%)
EU2	Net heat production	TWh	0.6	0.7	0.6	0.7	0.6	(0.0)	(7%)
102-7	Amount of electric energy sold	TWh	19.7	19.9	20.2	21.0	23.0	(0.2)	(1%)
102-7	Heat supplied to district heating network	PJ	2.2	2.4	2.3	2.5	2.5	(0.2)	(7%)
	UCF coefficient (Unit capability factor)	%		91.5%	91.4%	92.1%	92.1%	(0.92)	(100%)

Main Slovenské elektrárne figures

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
Environment									
305-1	Direct GHG emissions (Scope 1)	mil. tonnes	1.3	1.4	1.3	1.8	2.2	(0.1)	(8%)
305-4	Emissions intensity – including heat component	tonnes CO_2 eq/ GWh	74.1	79.5	73.5	102.8	128.3	(5.4)	(7%)
302-1	Energy consumption	PJ	185.7	185.2	182.5	187.8	188.7	0.5	0%
	Hard coal	PJ	2.3	2.3	0.7	3.6	7.9	0.0	2%
	Lignite	PJ	10.9	11.5	12.0	14.3	15.3	(0.6)	(5%)
	Nuclear	PJ	171.6	169.6	169.3	169.5	165.1	1.9	1%
	Other	PJ	0.9	1.8	0.3	0.4	0.4	(0.9)	(49%)
305-7	Total SO_2 emissions	thsnd. tonnes	1.5	1.5	1.2	1.4	3.1	0.0	3%
305-7	Total NO_x emissions	thsnd. tonnes	0.9	0.9	1.0	1.2	1.3	0.0	2%
305-7	Total dust emissions	thsnd. tonnes	0.0	0.0	0.0	0.0	0.1	(0.0)	(23%)
303-1	Quantity of water withdrawn	mil. m^3	55.3	50.8	49.9	53.2	55.1	4.4	9%
306-1	Quantity of water discharged	mil. m^3	14.2	13.6	11.5	14.5	16.4	0.6	4%
306-2	Byproducts – Total production	mil. tonnes	0.6	0.6	0.5	0.7	0.9	0.1	16%
	Ash	mil. tonnes	0.2	0.2	0.2	0.3	0.3	0.0	3%
	Slag	mil. tonnes	0.0	0.0	0.0	0.0	0.1	0.0	3%
	Gypsum	mil. tonnes	0.1	0.1	0.1	0.1	0.1	0.0	11%
	Additional material	mil. tonnes	0.1	0.1	0.1	0.2	0.2	0.0	51%
	Other	mil. tonnes	0.2	0.1	0.1	0.2	0.2	0.0	18%
306-2	Waste other than byproducts – Total production	thsnd. tonnes	49.7	74.4	22.2	65.1	11.6	(24.7)	(33%)
	Non-hazardous waste	thsnd. tonnes	48.2	73.0	21.8	64.6	11.1	(24.7)	(34%)
	Hazardous waste	thsnd. tonnes	1.5	1.4	0.4	0.5	0.5	0.0	3%

Main Slovenské elektrárne figures

For the year ended 31 December 2022

GRI	KPI	Unit	2022	2021	2020	2019	2018	2022-2021	%
Social									
403-2	Injury Frequency Rate – Employees	index	0.4	0.6	0.3	0.5	0.1	(0.2)	(37%)
403-2	Registered injuries – Employees	#	3	4	2	4	1	(1.0)	(25%)
102-7	Headcount	#	4,458	4,322	4,249	4,222	4,356	135.7	3%
	Male	#	3,668	3,579	3,544	3,510	3,624	88.9	2%
	Female	#	790	743	705	712	732	46.8	6%
	Executives	#	20	22	23	21	22	(2.1)	(10%)
401-1	New hires rate	%	9%	10%	8%	7%	7%	(0.0)	(9%)
	Employee turnover rate	%	9%	6%	8%	9%	9%	0.0	51%
404-1	Total training hours – per employee	hours	94.0	58.5	55.9	59.1	76.6	35.4	61%

EPH Sustainability report 2022

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