



# OUR RESPONSIBILITY

2019



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## A COMPILATION OF CURRENT DATA



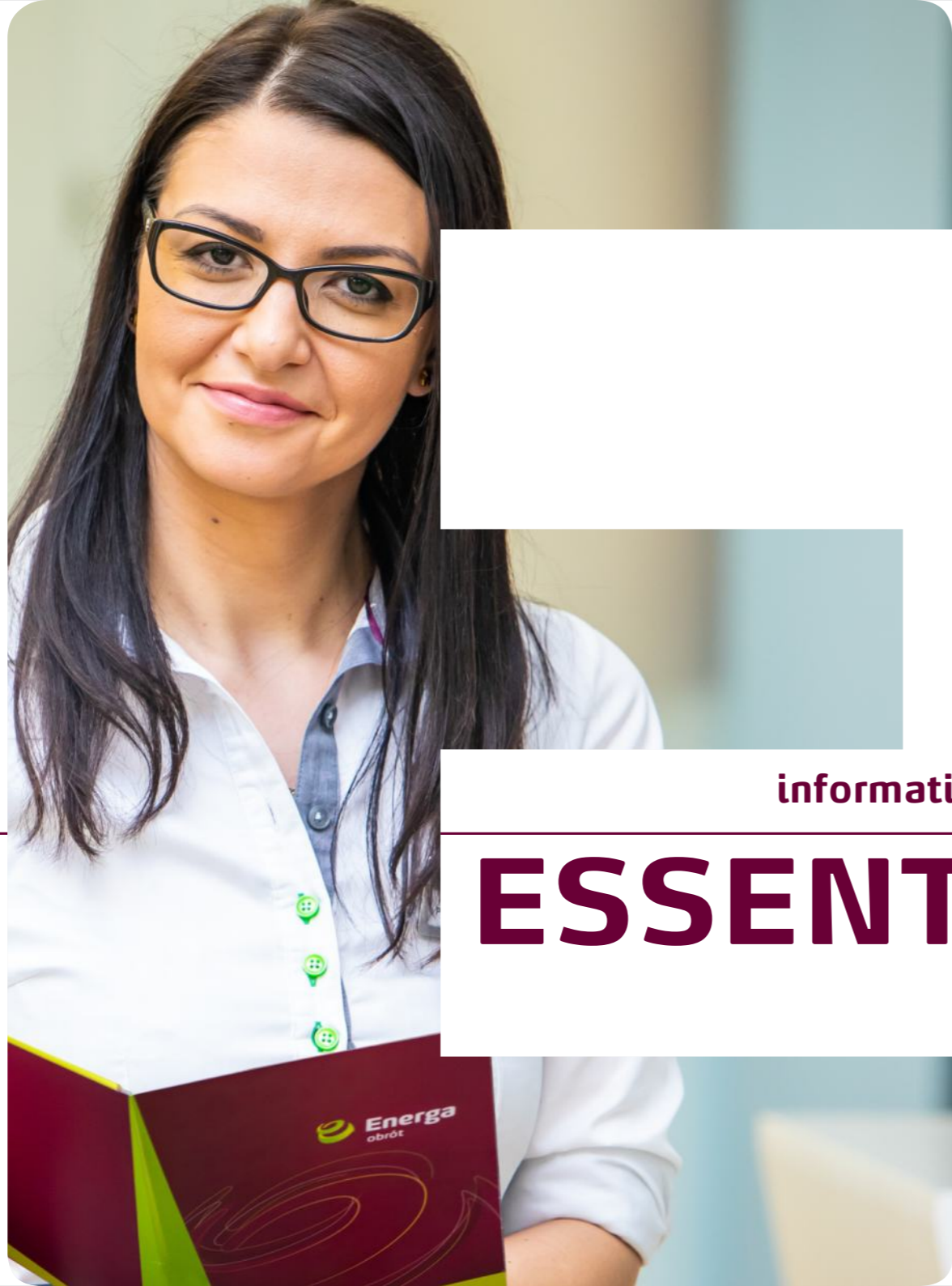
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This report was drawn up in accordance with core GRI Standards. The GRI Index, found at the end of this report, is a convenient way to find specific information. The Index specifies the number of the page where a given piece of information or data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

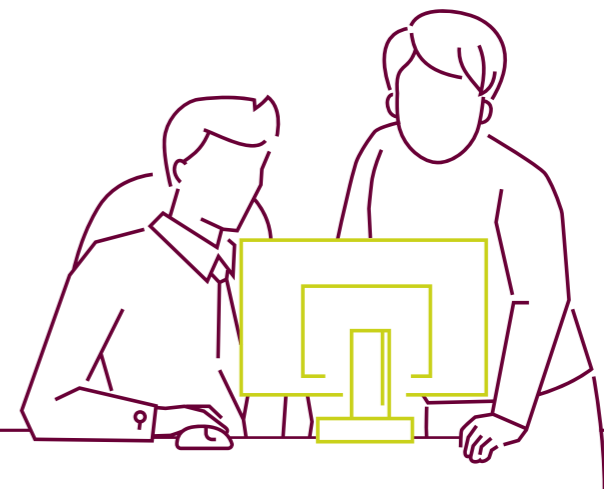
This solution makes it easy to quickly find the required information in the text, even if it appears in several places in the report, as well as to compare the information with previous reports published by Energa Group or its competitors.

Energa Group's 'Our Responsibility' 2019 CSR Report was printed on Nautilus Classic paper, 100% recycled, uncoated, processed chlorine-free. Using this type of paper helped reduce the negative environmental impact.





information about Energa Group



# ESSENTIAL

## Letter from the Board of Directors of Energa SA\*

Gdańsk, 30 April 2020

The year 2019 in Energa Group was marked by comprehensive activities in the field of sustainable development and corporate social responsibility. At the end of the previous year, PKN Orlen announced its intention to buy the entirety of shares in Energa SA. By 30 April 2020, the corporation headquartered in Płock had purchased over 80% of shares in the company. The transaction marks the first step on the way to creating a strong multi-energy corporation, capable of more effective action on the domestic and global markets.

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

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

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

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

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

We hope you find this report of interest.

Jacek Goliński  
CEO



Dominik Wadecki  
VP of Operations



Adrianna Sikorska  
VP of Communication



Marek Kasicki  
VP of Finance



**GRI**  
102-14



**Jacek Goliński**  
CEO



**Adrianna Sikorska**  
VP of Communication



**Dominik Wadecki**  
VP of Operations



**Marek Kasicki**  
VP of Finance



# Company profile and business model

## GRI Energa Group in numbers

102-1  
102-7

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

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

GRI  
102-8  
G4-EU3  
G4-EU4

**189 557**  
km  
total length  
of power lines

**3.1** million  
customers

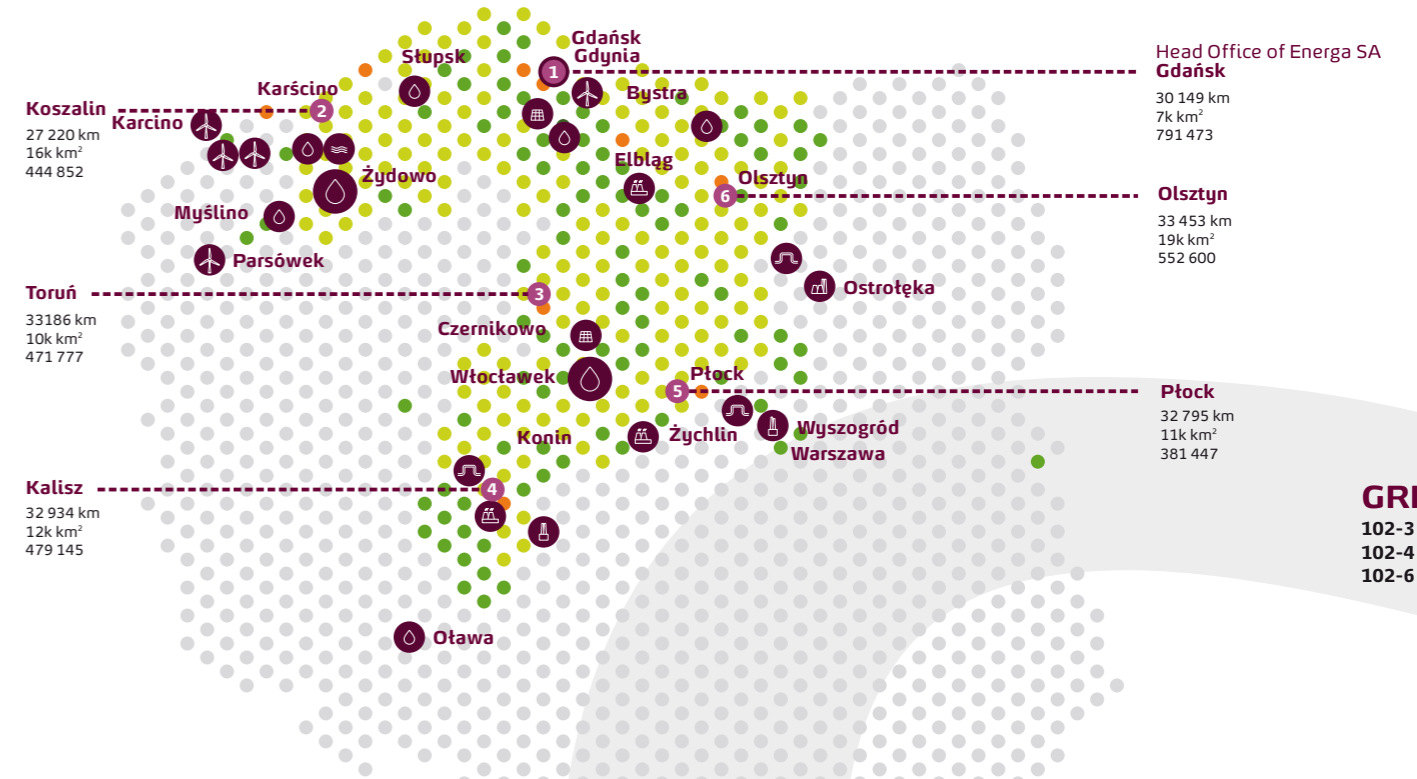
**10 124**  
number of persons employed  
based on employment agreements

**24%**  
of the country's surface area

**22.16** TWh  
distribution  
service  
volume

**60**  
number of power  
plants owned

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



- wind farm
- pumped-storage plant
- photovoltaic farm
- combined heat and power plant
- baseload power plant
- heat plant
- district heating network
- small hydroelectric power plant
- large hydroelectric power plant
- distribution of electricity
- sale of electricity
- sales outlet
- partner-operated point
- head office of Energa SA
- local branch offices of Energa Operator SA
  - city or town
  - length of power lines
  - electricity distribution area
  - number of recipients connected to the grid

## Innovations for a sustainable development

### ESG-linked loan

GRI 102-15

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

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



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



## Marek Kasicki

VP of Finance, Energa SA

The ESG-linked loan constitutes significant backing for Energa Group and obtaining this funding is a great success for us, as it confirms our credibility in the eyes of international financial institutions and our strong position in the domestic market. The loan agreement creates new standards for Polish corporations and is an example of a tool that assists in the transformation of the energy sector towards renewable energy sources.

## Strategic Research Agenda

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

The Agenda comprises three pillars of development:

- I. Improvements to business and technology, namely issues related to key areas of the company's operations – generation, distribution, customer service.
- II. Innovative business models – Smart City, electromobility and microgrids.
- III. Future technologies – issues related to the development of new generation and storage technologies which could support the area of energy generation and distribution.

### Innovative projects

In 2019, Energa Group implemented a number of innovative projects in support of sustainable development. The most notable of these projects are discussed in more detail below.

#### NEDO Project

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

responsible for constructing the infrastructure required to support components of the storage, integration of the storage with the National Power System and its operation during the demonstration period. The project is scheduled to conclude in 2021.

#### SORAL

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

#### Pylon

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

The purpose of the project is to optimise and standardise the process of designing and constructing power lines, as well as to create a range of innovative solutions with regards to lattice transmission towers used in high-voltage lines with a potential for implementation across the entire country.





# Maciej Wiatrak

Head of the Research and Development Department, Energa SA

Investment in the area of innovations is one of the key directions of development of Energa Group. Our ongoing research and development projects are aimed at improving our efficiency in the area of distribution and generation of energy, as well as the process of sale of our products. The Polish power sector faces many challenges that will determine the course of our actions in the coming years. The Strategic Research Agenda, introduced in 2018, determines the areas of development that we are focusing on at the moment, as well as those that we will concentrate on in the perspective of the coming 10 years.



# eMobility

Energa Invest Sp. z o.o. is implementing a range of optimal transmission towers for use in 110 kV power lines. The structures incorporate the latest solutions developed by the company as part of its efforts to standardize the process of design and construction of overhead power lines and were created in collaboration with company Energa Operator SA. The system will be the first of its kind in Poland in terms of the comprehensive nature of solutions concerning the implementation of modern technologies and standardization in the area of power infrastructure.

The range of solutions includes 36 various types of transmission towers, i.e. 6 series of towers for use in 110 kV lines and 3 series of one- and two-circuit towers each for use in S1W1, S2W1 and S2W2 wind and ice zones. The towers are protected by a Community design covering a series of lattice transmission towers used in high-voltage lines. Furthermore, the company possesses the know-how required to develop and implement the Pylon project and design services in respect of transmission networks, stations and generating plants.

## Electromobility project

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

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

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

## DSR

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

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

The further planned investment into power grids will contribute to an increase in the quality of life of power customers thanks to ensuring the continuity and reliability

of the supply of energy. It will also ensure even broader access to energy generated from renewable sources.

## Smart crosswalks

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

## Pole-mounted electric vehicle charging terminals

In 2019, Energa Oświetlenie Sp. z o.o. commenced working on a project involving the modification of streetlights to enable their use for charging electric vehicles. The launch of pilot solutions, aimed at enabling the mass use of inexpensive electric vehicle charging systems, is planned for 2020. Particularly in larger cities, this will enable drivers to charge their electric vehicles in close vicinity of their homes.



# 84. PLEBISCYT PRZEGLĄD SPORTOWY

## I JANUARY

Hope for Sport – Energia Group received a special award from the jury of the 84th annual popularity contest organised by the Przegląd Sportowy sports periodical at the Champions of Sports Gala. The statuette was awarded in acknowledgement of the Group's contribution to the development of basketball in Poland. Since 2018, Energia has been the strategic sponsor of the Polish Basketball Association and the titular sponsor of top tier Polish men's and women's basketball leagues.



## IX SEPTEMBER

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



## POLSKI KOMPAS 2019

## X OCTOBER

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



## KONKURS Raporty Społeczne

## X OCTOBER

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

Patron of Toruń, the European City of Sport – Energia SA was recognised by the local government of the town of Toruń for its support for local athletes: women's basketball team, table tennis and ice hockey.

## VI JUNE

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

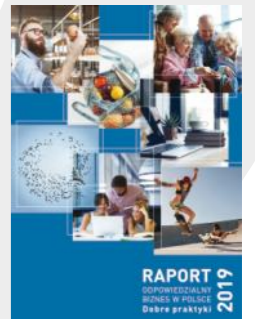


# Awards and commendations



# 2019

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





# 2019

# Timeline



## II FEBRUARY

- RConstruction of a hybrid energy storage at the Bystra Wind Farm begins.
- Modernisation of the hydroelectric plant in Borowo.

## IV APRIL

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

## VI JUNE

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

## VIII AUGUST

- Energa Invest Sp. z o.o. submits an initial concept for the modification of safety gates on the Jamno Canal to the 'Wody Polskie' Polish Water Management Enterprise.
- New Work Regulations enter into effect at Energa SA.
- The Polish men's national basketball team, sponsored by Energa Group, qualifies for the world cup held in China.

## IX SEPTEMBER

- A decision to reopen local branches of Energa Operator SA in Elbląg and Słupsk is announced.
- An investor loyalty program named 'Energa in Action' commences.
- Energa SA obtains an ESG-linked loan as the first corporation in Poland.
- Energa and the University of Gdańsk enter into an agreement concerning collaboration in the field of science, technology, support for research and new technologies.
- Completion of modernisation works at the hydroelectric plant in Gałąźnia Mała.
- The Polish Power Industry Traditions Centre opens in Toruń.

## XI NOVEMBER

- Public consultations concerning the multi-variant concept of modification of the waterway junction on the Jamno Canal, held in Koszalin and Mielno.
- A permit for the construction of the Gryf Wind Farm is issued.
- The EUniversal project with the participation of Energa Operator SA receives funding from the European Commission.

## III MARCH

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

## V MAY

- An Energa Operator SA's Distribution Zone is opened in Gdynia.
- Companies Enspirion Sp. z o.o. and LOTOS Petrobaltic SA enter into an agreement for the provision of critical communication services.
- A new Board of Directors is elected at Energa SA.

## VII JULY

- Energa SA joins the Accord for the Fair Transformation of the Power Industry in Eastern Wielkopolska.

## X OCTOBER

- The first wind turbine is installed at the Przykona Wind Farm.
- 2nd edition of the Individual Investor Day in Gdańsk.
- Energa participates in a carbon dioxide emission allowance auction.

## XII DECEMBER

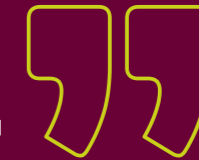
- Energa obtains a certificate sustaining its registration in the EMAS eco-management and audit scheme.
- The process of selling selected heat generating assets owned by companies Energa Kogeneracja Sp. z o.o. and Energa Ciepło Kaliskie Sp. z o.o. begins.
- PKN Orlen publishes a call for the buyout of 100% of shares in Energa SA.
- New members of the Board of Directors of Energa SA are elected.



# Jacek Goliński

CEO of Energia SA

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



## An integrated model of operation

GRI 102-2  
102-5

Energia Group's dominant entity is Energia SA with its registered office in Gdańsk. The company is the sole owner of companies operating as leaders of key business lines: Distribution, Generation and Sales. Energia SA is responsible for active owner's supervision, integration of major management and

support functions and for making decisions as to the strategic directions of the Group, its business model and management of its value. Since December 2013, the company's shares are traded on the Warsaw Stock Exchange as part of the WIG30 index.

State Treasury

○ 51.52% of shares in the share capital

Energia SA share ownership structure

Other shareholders

○ 48.48% of shares in the share capital

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

Commencement of capital works projects with regards to new gas generating facilities in Grudziądz and Gdańsk required to transfer of organised parts of the enterprise from Energia OZE SA to special purpose vehicles named EOB PGK 1 Sp. z o.o. and ENSA PGK8 Sp. z o.o. The SPVs then changed their trading names to CCGT Grudziądz Sp. z o.o. and CCGT Gdańsk, respectively. Both companies were then assigned to the Generation Business Line – they had previously operated as part of the Services and Other Business Line.

GRI 102-10

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



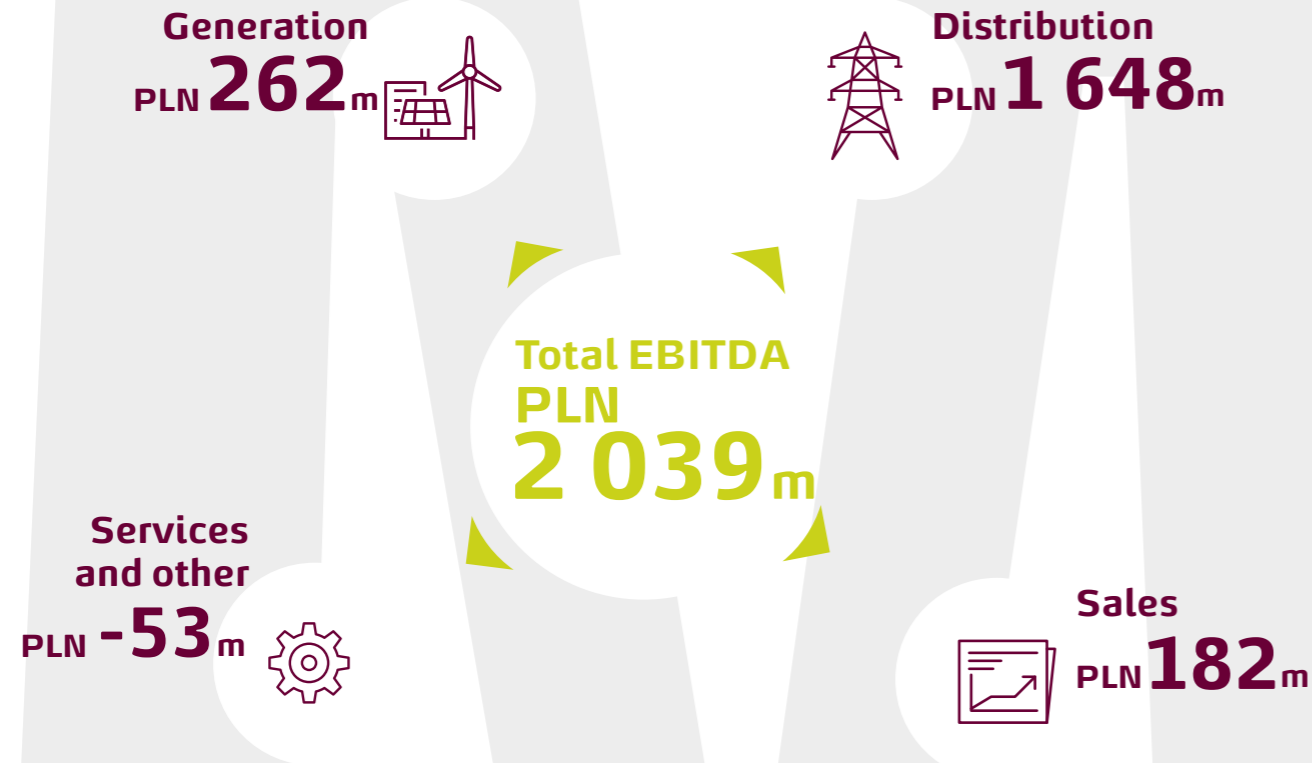
There were changes to the composition of the Board of Directors of Energia SA in the period covered by the report. Detailed information is available online at: <https://ir.energia.pl>



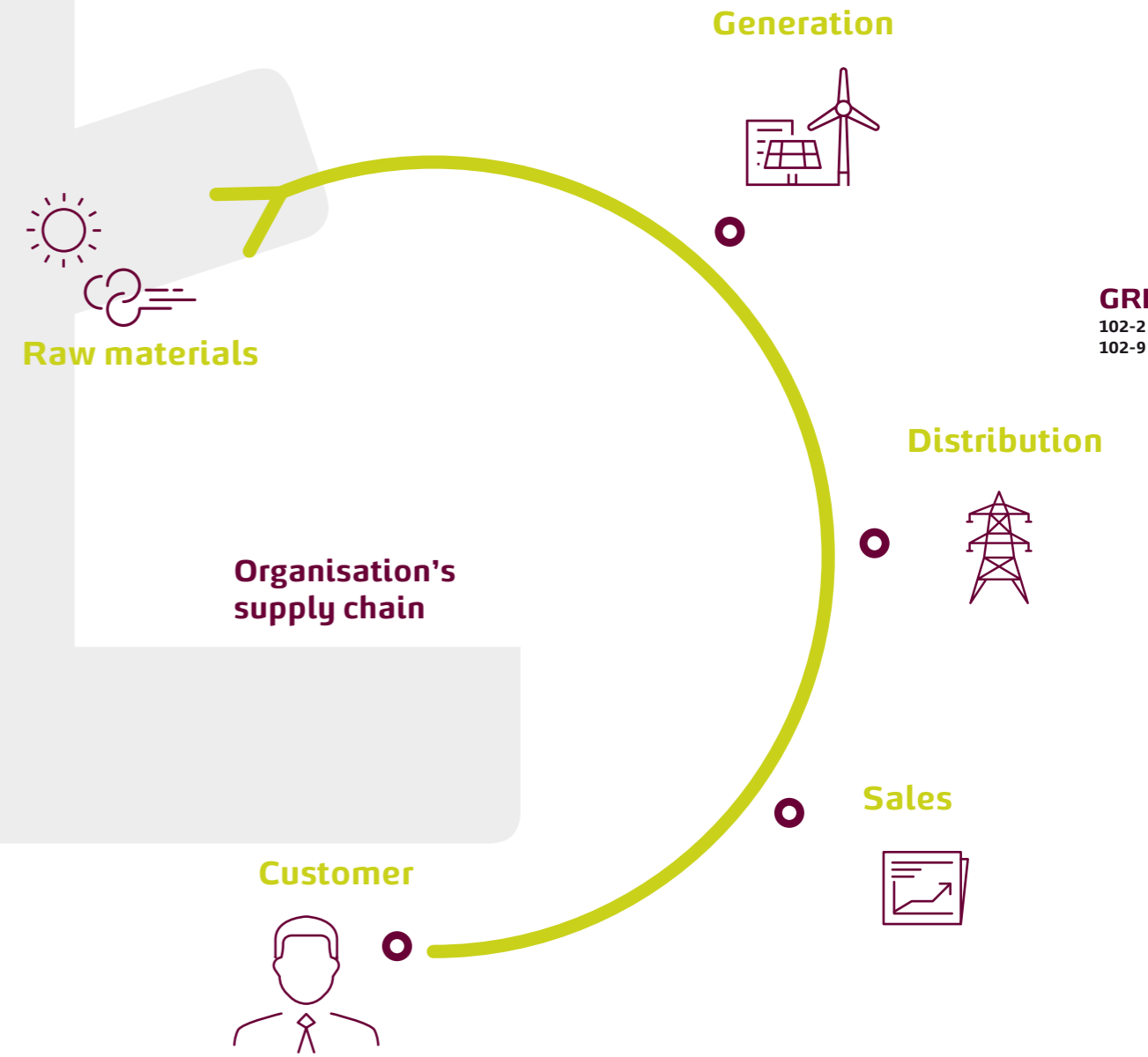
Energa Group is one of Poland's largest vertically integrated producers, distributors and vendors of electricity. We operate across the entire value chain, from the distribution of electricity in the area of our Distribution Grid Operator to the sale of electricity to customers across Poland, both individual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

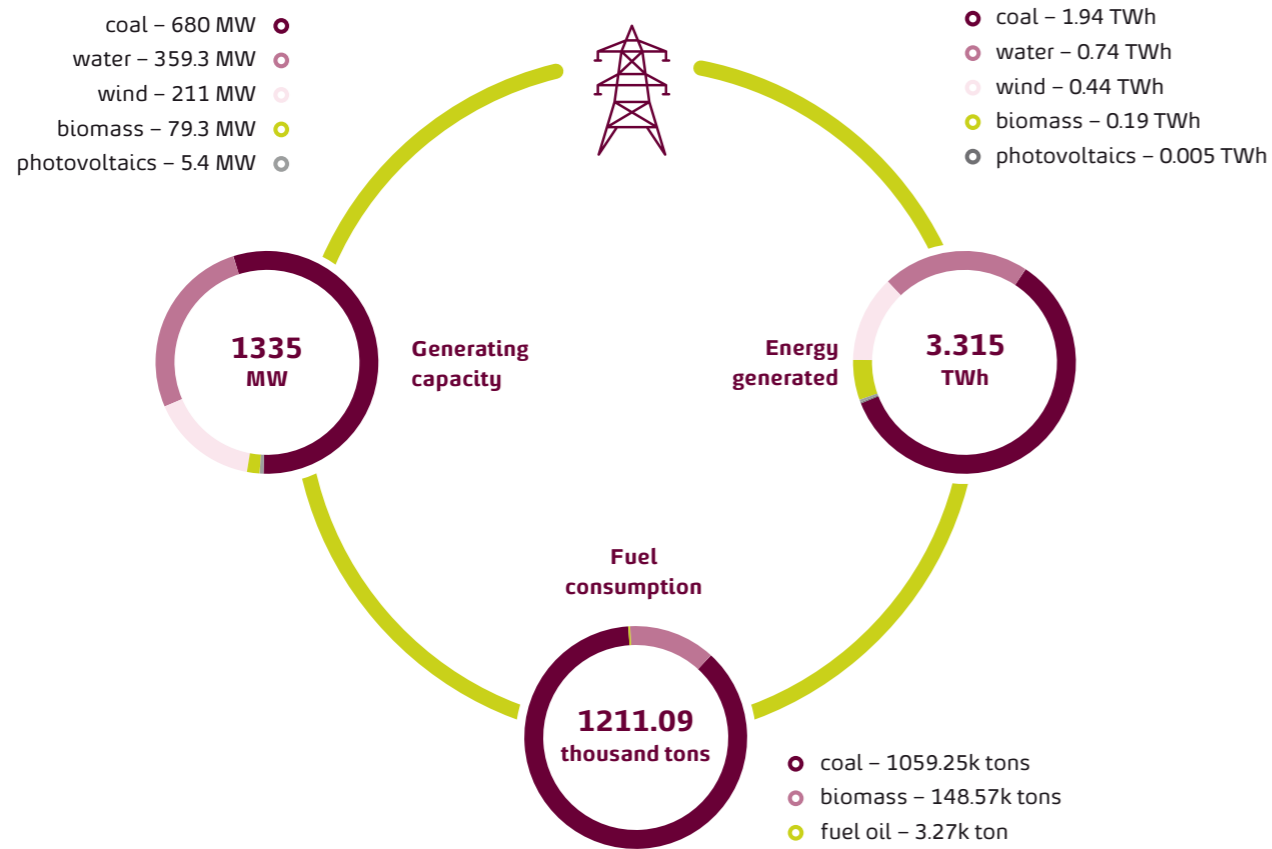
### Model for building Group value

GRI 102-7



GRI 102-2  
102-9

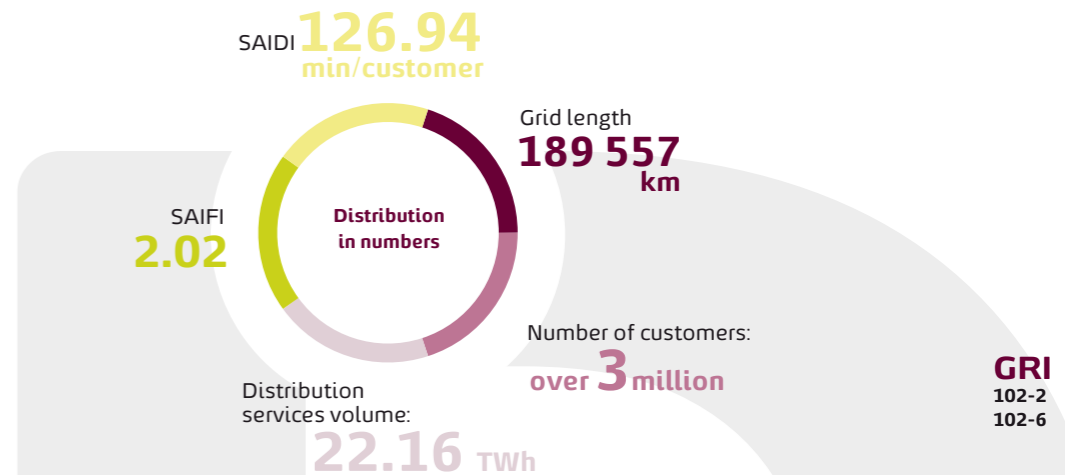




## Distribution

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

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







## Generation

GRI  
102-2  
102-6

The operations of companies from the Generation Business Line focus on the generation of electrical and thermal energy, as well as the supply of heating to customers.

In 2019, the leading entity of the line was renamed from Energa Wytwarzanie SA to Energa OZE SA. Electricity is generated from water, wind, biomass, sunlight and bituminous coal. The generating asset portfolio of Energa OZE SA includes 44 small hydroelectric plants, a large hydroelectric plant in Włocławek, a pumped storage plant in Żydowo, five wind farms and two photovoltaic farms.

Further generating assets are in various stages of construction, works required to bring the Przykona Wind Farm with an installed power of 31 MW online are close to completion. Asset portfolios of Energa OZE SA's subsidiaries include one conventional power plant (Ostrołęka B Power Plant), four CHP plants and two thermal power stations. Companies from this business line supply heating to customers

in Kalisz and Ostrołęka using their own district heating lines. Energa Group can boast the highest share of electricity from renewable sources in own generation among all Polish power industry groups, amounting to 38 percent in the energy mix in 2019.

## Sales/services and other

### Sales

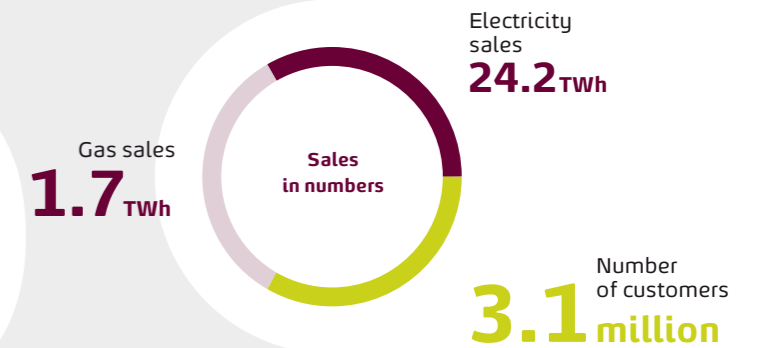
Operations of companies in the Sales Business Line focus on trading in electricity and gas, as well as providing customer service. Energa Obrót SA is the leading entity of this line. Its main operations include trading in energy and gas on domestic and international wholesale markets, as well as selling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

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

### Services and other

Other direct subsidiaries of Energa SA operate within Energa Group, providing services in support of the business process of Group companies and performing tasks in areas of importance to Energa Group, e.g. administrative issues or protection of persons and property.

GRI  
102-2  
102-6





The strategy proposes a long-term increase in the value of Energia Group, based on two directions – development of modern power infrastructure that meets the future requirements of the power system and enables increasing the stability of the Groups revenues, as well as building of a customer-oriented business model, which will enable an efficient management of customer values based on a coherent strategy.

## Business strategy

GRI  
102-15

### Vision

We develop, providing the best solutions for our customers.

### Values

Responsible development  
Credibility Safety  
Courage and innovation  
Lasting relations



Mission

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



## Dominik Wadecki

VP of Operations, Energia SA

Energia Group operates within a dynamically changing market and regulatory environment. We analyse existing and potential directions of development and improving operational excellence, all in order to create value of our business. Our highest priorities include caring for the environment, Poland's energy security, ensuring continuity of supply of electricity and providing an attractive offer for our customers.

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

### Objective 1.

#### Development of modern power infrastructure

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

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

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

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

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

### Objective 2.

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

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

**Programme 5.** Implementation of a new business model, oriented towards customers and the development of new areas of operations.

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



Energa Group actively participates in the activities of many industry, specialised and business organisations. Involvement of employees in the work of these organisations enables the exchange of experiences, gaining new knowledge and integration of power industry experts. In this way, Energa Group is able to build lasting relations and contribute valuable input to its environment.

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102-13

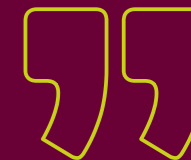
- Centre of Transfer Prices (no longer a member since February 2019)
- Polish Committee of Large Electric Systems CIGRE
- Polish Research Laboratory Club POLLAB
- Association of Business Owners and Employers
- Polish Association of Electricians
- Commodity Clearing House
- TUW PZUW mutual insurance company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

# OURG

## Membership in organisations



# Maurycy Kacprzak



Head of the Corporate Management Department, Energa SA

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



### Chamber of Commerce of the Energy Industry and Environmental Protection

- Polish Corporate Treasurers Association PCT
- Polish Alternative Fuels Association
- Polish Association of Listed Companies
- Polish National Foundation**
- Polish Power Exchange
- Eurelectric Brussels**
- Chamber of Commerce of Polish Heating Industry
- Polish Association of Professional CHP Plants
- Institute of Internal Auditors IIA Poland
- National Network of Accredited Laboratories 'LABIOMEN'
- Consortium for the Registration of Combustion Byproducts
- Polish Power Transmission and Distribution Association**
- Technical Committee no. 276 at the Polish Committee for Standardization**

Bolded names indicate organisations that included a representative of Energa Group in their management, supervisory or executive bodies in 2018.



## Integrated management

### Management structure of the organisation

In the period covered by the report, Energa Group comprised 22 companies: the holding company, Energa SA, and 21 other companies divided into 4 business lines. In 2019, organised sections of the enterprise related to the implementation of projects

involving the construction of combined cycle gas and steam plants with steam turbines were separated from company Energa OZE SA and transferred to special purpose vehicles: CCGT Grudziądz Sp. z o.o. (formerly EOB PGK1 Sp. z o.o.) and CCGT Gdańsk Sp. z o.o. (formerly ENSA PGK8 Sp. z o.o.). These companies were reassigned to the Generation Business Line.



### Structure of Energa Group\*

\*as of 31 December 2019

- Direct subsidiaries of Energa SA
- Indirect subsidiaries of Energa SA

# Energa SA

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## Generation

- Energa OZE SA
- Energa Serwis Sp. z o.o.
- Energa Kogeneracja Sp. z o.o.
- Energa Elektrownie Ostrołęka SA
- Energa Ciepło Kaliskie Sp. z o.o.
- Energa Ciepło Ostrołęka Sp. z o.o.
- CCGT Grudziądz Sp. z o.o.
- CCGT Gdańsk Sp. z o.o.

## Distribution

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

## Sales

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

## Services and other

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

## Organisational Structure of Energa SA

### Board of Directors of ENERGA SA

OHS Service

Department of Finance

Security Office

Strategic Management Department

Office of the Board of Directors

Department of Marketing

Legal Office

Department of Corporate Management

Audit and Internal Control Office

ESG Department

Department of Investor Relations

Department of Staff Policy

Press Office

IT Department

Department of Development and Innovation

\*status as of 31 December 2019

## Structure of the Board of Directors of Energa SA



**Jacek Goliński**  
CEO

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

Member of the Board of Directors of Energa SA since December 2019. From October 2019 he was the CEO of ORLEN Paliwa sp z o.o. Between 2018 and 2019 he was the CEO of the Inowrocław Salt Mine 'Solino'. From May 2017 he was employed as the general director of the Gdańsk Branch at Energa Operator. In 2014 he owned a business providing power consulting services and was a regional sales director at PKP Energetyka. Between 2007 and 2013 he acted as the representative of the Board of Directors of Energa Obrót SA. Between 2004 and 2007 he coordinated tasks in the area of commerce at such companies as Carlsberg Polska, Wella Polska and ZT Kruszwica.

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

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

**Responsibility for making decisions in key environmental issues.**

**Adrianna Sikorska**  
VP of Communication

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

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

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

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

**Responsibility for making decisions in key social issues.**







**Dominik Wadecki**  
VP of Operations

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

A member of the Board of Directors of Energa SA since May 2019, Dominik Wadecki has worked for the Group since 2017 as the CEO of Energa Logistyka, and previously as a member of the board and managing director of that company. In 2010 he sat on the Supervisory Board and the Board of Directors of PGE Zamojska Korporacja Energetyczna SA. Between 2008 and 2014 he worked for the Polish Energy Group as an external auditor. Between 1999 and 2007 he was an employee of the Supreme Audit Office. His professional career began in the banking sector in 1997, at Pierwszy Bank Komercyjny SA in Lublin.

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

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

**Marek Kasicki**  
VP of Finance

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

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

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

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

**Responsibility for making decisions in key economic issues.**





# Non-financial risk management

Energia Group's Integrated Risk Management System		
Management of risk affecting strategy and objectives	Management of financial risk (interest rate risk, exchange rate risk, credit risk, liquidity risk)	Management of commercial risk
Management of environmental risk (EMAS, ISO 14001)	Management of compliance risk (compliance management system)	Management of IT/OT risk
Management of information security risk (ISO 27001)	Management of cybersecurity risk (the National Cybersecurity System act)	Management of personal data protection risk (ODO, DPIA risk assessment)
Management of business continuity risk (ISO 22301)	Management of project risk	Management of professional risk

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103-2

## Risk management system and process in Energia Group

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

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

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



## Ongoing and cyclical risk reporting

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

- A. Ongoing risk management** – involves the identification and assessment of risk and formulation of risk management strategy, e.g. in connection with projects, programmes, task forces and ongoing activities, in the context of events inside and outside Energia Group.
- B. Cyclical risk management** – risk reviews involving the identification and assessment of risk and formulation of risk management strategy based on a comprehensive approach, on all levels of the organisation (in all organisational units) and Energia Group (entities, business lines, holding company) in six-month cycles.
- C. Cyclical monitoring of implementation of action plans** – action plan reviews involving quarterly updates of risk management strategy and verification of actions taken by risk owners in order to limit risk.

## Roles and responsibilities within the Risk Management System

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



### Employees

Provide information on events and risks.



### Risk owner

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



### Risk Department

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



### Board of Directors

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



### Audit and Control Department

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



### Auditing Committee

Monitors the effectiveness of the Risk Management System.

### Tools in support of risk management

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

- **Risk sheet: a form used to describe and assess risk, consistent across the entire Group**

- **Event sheet: a form used to describe and report risk materialisation events, consistent across the entire Group**

- **Risk/event log: a list of all risks/events in a specific company or the entire Group, enabling the preparation of analyses and generation of statistics**

- **Risk map: a graphical presentation of the scope of impact, probability and significance of risk assessment**

- **Risk model: a description of main areas and categories of risk, enabling a comprehensive identification of risks and allowing for the comparison and aggregation of risks in all areas of operations of Energa Group**

- **ERM site: a dedicated area within the Microsoft SharePoint environment, enabling the archival and versioning of documentation, reporting of events, management of authorisations**



### Major non-financial risks

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

environmental protection 


staff policy 

prevention of abuse 

social 

strategic 

legal and regulatory 

operational 

### Environmental protection area



**Risks which might have an adverse impact on the environment** are identified and managed by key companies of the Group (primarily in entities in Generation and Distribution Business Lines). Risks in this area are related to such aspects as having to observe legal regulations, permits, norms and standards with regards to environmental protection and limitations applicable to capital works projects in areas subject to particular protection. Environmental protection within Energa Group is related to issues such as emission of pollutants, CO<sub>2</sub>, SO<sub>2</sub>, storage of waste, quality of fuels used by Group companies, technical condition of Group's infrastructure (including equipment used for environmental protection).

Risk owners implement actions aimed at improving environmental protection in the course of implementing their tasks and eliminating their negative environmental footprint. The Group has implemented an ISO-14001 compliant environmental management system and an ISO-50001 compliant energy management system. Companies carry out cyclical monitoring of environmental aspects and operate emission monitoring systems. Energa Group is entered into EMAS (EcoManagement and Audit Scheme), which means that the organisation meets very strict requirements with regards to environmental protection and operates in accordance with the concept of sustainable development. Structures of Group companies feature organisational units responsible for environmental protection. Cyclical environmental audits are also performed. General intentions and directions of action of Group companies with regards to the effects of the Group's environmental activities and energy efficiency can be found in Energa Group's Environmental and Power Policy.



**Risk related to ensuring appropriate competences and appropriate staff**, specifying standards of interaction with the labour market or labour and salary processes is identified and managed on the level of Energa SA and – on operational level – within individual companies. The main mechanisms aimed at mitigating this risk include applicable internal regulations (including Energa Group's Personal Policy, Mobbing and Discrimination Prevention Policy, Code of Ethics, working regulations, remuneration regulations), monitoring of legal regulations in the area of labour law, monitoring of indicators related to staff policy area (personal controlling), specifying targets for staff and assessment of their achievement, regular training courses or initiatives taken by human resource departments.

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

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

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



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



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

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

**Risk related to the correct and timely provision of information for ratings**, rankings and reports from the ESG area, as well as to the correct choice of supported stakeholders, identified and managed on the level of Energa SA. Key mechanisms used to mitigate risk in this area include the implementation of the Group's Strategy for Sustainable Development and Responsible Business, dialogue with stakeholders and implementation of tasks resulting from ministerial good practices in the area of corporate social responsibility.



**Risks related to quality and standards of customer service within Energa Group** are managed both on the level of Energa SA (supervision) and on the level of sales or distribution companies (operational activity). Rules governing the supervision and coordination of customer service processes are in affect within Energa Group. Customer service standards are reviewed and customer parameters are monitored on an ongoing basis. Guidelines for Energa Group's customers detailing the method of submitting and resolving issues are published online on webpages operated by individual companies.

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

### Strategic area



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

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

### Legal and regulatory area



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

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

**Risk of suspending the operation of the Polish energy market**, related to the potential decision of the Court of Justice of the European Union to uphold the complaint submitted by Tempus Energy and the rendering of a verdict resulting in the revocation of the decision of the European

Commission to accept the Polish energy market, is identified within Energa Group. Energa SA monitors events related to the above issue. Furthermore, one of Group companies participates in the above matter as an intervening party.

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

## Aneta Kowalczyk

**Head of the Department of Audit and Internal Control, Energa SA**

Risk management within Energa Group primarily involves liability – liability for business risks while taking into account social and environmental aspects. Global trends and local challenges facing Energa mean that systemic risk management is no longer a separate process within the structure of the enterprise, but constitutes a foundation of effective and secure business.



## Operational area

Risks related to the core business of each Group company are identified and managed in accordance with Energa Group's risk management policy. Apart from risks related to core business, the operational area also includes risk of cybersecurity, related to incidents with potentially adverse effects on the organisation's business. The risk primarily concerns information systems used to provide key services. The risk is identified and managed inter alia in the context of requirements of the National Cybersecurity Act, in companies designated as key service operators, as well as in the Group company constituting an entity that provides services in the area of cybersecurity.

Risk of interruption of business continuity, related to any interruption in critical activities, is identified inter alia in the distribution and generation areas. Risk management involves the implementation of business continuation strategies and plans, emergency and restoration procedures, infrastructure protection plans and rules of conduct in crisis situations.

IT/OT system risk is related to ensuring the availability, integrity and confidentiality of IT and telecommunications systems, including their interconnections/integrations. Risks related to IT systems and technological systems (OT) are managed by individual Group Companies. The IT Policy applicable within Energa Group specifies the principles of functioning of the IT area and selected issues related to the OT area.

# Ethics and compliance

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102-17

**Energa Group attaches great significance to building and maintaining a culture of ethics within the organisation.**

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

## Code of Ethics

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

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

Energa Group's Code of Ethics constitutes a basic regulation governing the area of ethics and compliance. It regulates ethical matters related to the operation of the entire group of companies and its employees, and consequently rules of conduct in their relations with the external environment and within the Group. Provisions of the Code are strictly based on the Group's strategic values: responsible development, credibility and security, courage and innovation, lasting relations. These overarching values are described in detail in the Code of Ethics.



Energa Group's Code of Ethics is available online for all stakeholders at:

<https://grupa.energa.pl>

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

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

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

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

**On this basis, the Code defines standards for work and conduct:**

- We observe the law
- We act honestly
- We treat others with respect
- We are transparent, we communicate in an open and considered manner
- We create a friendly and safe work environment
- We cooperate with our business partners in an honest manner
- We remain neutral in terms of beliefs and political opinions
- We do not abuse Energa Group's resources.

In case of any doubts in matters concerning the Group's values and ethical principles or in case of any breaches of these values or principles, employees may contact the compliance department by email at [compliance@energa.pl](mailto:compliance@energa.pl) in Energa SA, or they may speak directly to their supervisors. The Board of Directors of Energa SA has appointed a Representative for Compliance, acting as the 'ethics ombudsman' within the organisation, responsible for such matters as ensuring the compliance of the actions of the organisation (and its employees) with standards formulated in the Code of Ethics.

# Jakub Łosoś-Czernicki

Representative of the Board of Directors of Energia SA for Compliance

Compliance of Energia Group's actions with applicable laws, internal regulations and ethical standards is a non-negotiable basis of our organisational culture, our actions and decisions. The specific nature and scale of our operations, as well as the existing legal and regulatory and market environment call for the implementation of an effective Compliance System that will enable the verification and management of compliance. Solutions and mechanisms that we implement in this area help us meet the above standards.



Employees are informed of mechanisms that enable them to obtain advice with regards to correct conduct in ethical matters via intranet and during training courses. Any abuse may be anonymously reported to [compliance@energia.pl](mailto:compliance@energia.pl) from any email address. All messages are kept confidential and applicable procedures stipulate that persons reporting abuse must be protected from any negative consequences of whistleblowing. No questions concerning ethics were received in 2019.

Energia Group operates in a strategic sector of the economy and in a complicated legal, regulatory and market environment, and therefore the Group makes every effort to ensure that its operations remain in compliance with applicable laws, internal regulations and accepted values and rules of conduct. Of assistance in this regard is the Compliance Management System implemented within Energia Group, a set of mechanisms limiting the risk of negative legal, financial and image consequences resulting from any failure to observe applicable regulations (internal and external) and accepted values and rules of conduct.

## Energia Group's Compliance Management System in particular includes:

- identification of areas of operation of those companies forming part of Energia Group where risks and consequences of any potential breach of applicable regulations are particularly severe
- assessment and monitoring of the organisation's compliance with requirements
- a system for reporting any breaches of regulations
- communication and suitable reporting of the status of compliance in individual Group entities and across entire Energia Group
- actions aimed at improving the level of knowledge and awareness among employees as to the ethical standards adopted by the company and risks related to a failure to ensure compliance
- advice and support for employees in matters related to compliance.

Ultimately, benefits of the Compliance System will include the uniformisation of approach to compliance management across the organisation, with benefit to all stakeholders of Energia Group. The implemented concept of the Compliance Group, based on best market practices, was positively assessed by external consultants.

No instances of corruption were identified within Energia Group in 2019

## Preventing corruption

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

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

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

## Preventing mobbing and discrimination

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

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

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

	2017	2018	2019
Number of complaints received	8	21	9
Number of complaints resolved	5	17	7
Number of complaints under investigation	2	4	2
Number of complaints upheld	5	14	2

**GRI**  
102-11  
103-1 (205)  
103-2 (205)  
103-3 (205)  
205-1  
205-2  
205-3





## Respect for everyone

**Energa Group respects diversity among its employees. Every employee is a source of inspiration for improvement and development.**

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



## Adrianna Sikorska

**VP of Communication, Energa SA**

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

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

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

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

## Responsibility in supply chain management

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

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

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

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

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

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

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

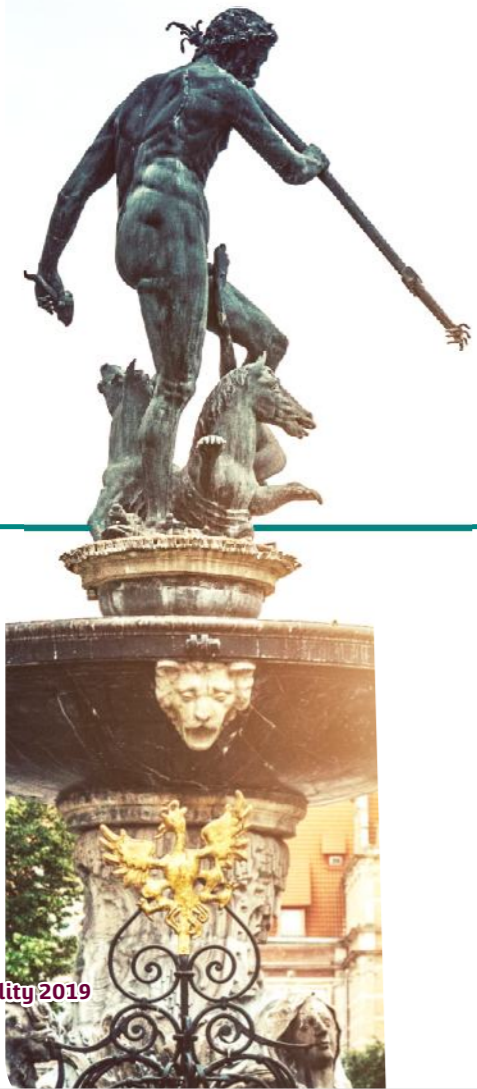
In 2019, the Group used the split payment mechanism in its dealings with business partners, which helped limit tax risks related to settlements of value added tax.

**GRI**  
102-9

**GRI**  
103-1 (414)  
103-2 (414)  
414-1



# NOTES ON OUR RESPONSIBILITY



Energa Group  
and the society





## Energa Group and the society

### A trusted part of the community

GRI 413-1

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

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

### Objectives for 2020

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

Building lasting and responsible relations with stakeholder groups.

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

Carrying out educational activities promoting environmental protection.

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

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

# Objectives for 2019

## Achievement



### Increasing the number of stakeholders actively participating in dialogue

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





### Improving the process of evaluating efficiency and implementing indicators of progress in achieving objectives in individual areas of CSR strategy

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

### Developing initiatives as part of the 'Energia for You' programme

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



### Supporting the development of industry-oriented education

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



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

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

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

# CSR

## ESG in Energia SA

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

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



## Contribution to development

### Direct value for the economy

#### GRI

103-1 (201)  
103-2 (201)  
103-1 (203)  
103-2 (203)  
103-1 (204)  
203-1  
203-2

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

The main areas of capital works projects implemented by the Group include the construction of new renewable energy power plants, development of innovative solutions in the field of generating and storing energy, expansion and modernisation of distribution grids, modernisation of the Ostrołęka B Power Plant, development of designs of low-emission gas-fired CCGT units, adapting CHP units to standards required under the IED Directive and BAT conclusions, as well as modernisation of generating and grid assets (heating sector). Furthermore, taking social considerations into account, Energa Group is planning a wide-ranging development of electromobility. This new market sector is characterised by a high dynamic of growth due to its specific nature and the creation of independent means of distributing energy. Construction of the

Ostrołęka C Power Plant, a joint project of Energa Group and Enea Group, is currently in the conceptual stage.

In order to ensure the stable development of this new market segment, the Distribution Business Line will take action in two areas: collaboration with local governments and investment in medium- and low-voltage grids so as to enable the connection of charging stations.

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

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

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

Province	Total expenses on services provided by suppliers (in million PLN)	Expenses on services provided by local suppliers (in million PLN)	Percentage of expenses on services provided by local suppliers
DOLNOŚLĄSKIE	5.62	n/a	n/a
KUJAWSKO-POMORSKIE	8.95	2.37	26.48%
LUBELSKIE	3.62	n/a	n/a
LUBUSKIE	0.62	n/a	n/a
ŁÓDZKIE	4.81	n/a	n/a
MAŁOPOLSKIE	52.13	n/a	n/a
MAZOWIECKIE	49.14	3.59	7.31%
OPOLSKIE	24.61	n/a	n/a
PODKARPACKIE	4.42	n/a	n/a
PODLASKIE	1.46	n/a	n/a
POMORSKIE	27.78	7.85	28.26%
ŚLĄSKIE	45.16	n/a	n/a
ŚWIĘTOKRZYSKIE	22.7	n/a	n/a
WARMIŃSKO-MAZURSKIE	12.6	2.99	23.73%
WIELKOPOLSKIE	25.85	0.35	1.35%
ZACHODNIOPOMORSKIE	2.36	1.29	54.66%
TOTAL IN ALL PROVINCES	291.83	18.44	6.32%

#### GRI

204-1

## Breakdown of expenses on services provided by local suppliers to company Energa Informatyka i Technologie Sp. z o.o.

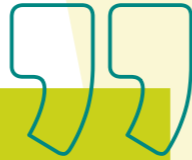
Province	Total expenses on services provided by suppliers (in thousand PLN)	Expenses on services provided by local suppliers (in thousand PLN)	Percentage of expenses on services provided by local suppliers
DOLNOŚLĄSKIE	n/a	0	n/a
KUJAWSKO-POMORSKIE	n/a	1 720.64	n/a
LUBELSKIE	n/a	416.14	n/a
LUBUSKIE	n/a	0.57	n/a
ŁÓDZKIE	n/a	111.04	n/a
MAŁOPOLSKIE	n/a	1 167.05	n/a
MAZOWIECKIE	n/a	39 143.66	n/a
OPOLSKIE	n/a	1	n/a
PODKARPACKIE	n/a	5 881.01	n/a
PODLASKIE	n/a	4.3	n/a
POMORSKIE	107 629.15	32 924.41	30.59%
ŚLĄSKIE	n/a	24 234.76	n/a
ŚWIĘTOKRZYSKIE	n/a	0.05	n/a
WARMIŃSKO-MAZURSKIE	n/a	876.11	n/a
WIELKOPOLSKIE	n/a	155.15	n/a
ZACHODNIOPOMORSKIE	n/a	992.73	n/a
<b>TOTAL IN ALL PROVINCES</b>	<b>107 629.15</b>	<b>107 629.15</b>	<b>100.00%</b>

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

	2018	2019
REVENUES, including: net revenues from the sale of products, goods and services (including excise tax), other operational revenues, share in profits of other entities disclosed using the equity method	10 936	12 035
OPERATING COSTS, including: consumption of materials and energy, external services purchased, amortisation and revaluation write-offs of non-financial fixed assets, other prime costs and other operating costs, financial costs with the exception of costs of interest on indebtedment, share in losses of other entities disclosed using the equity method	7 723	10 677
REMUNERATION AND EMPLOYEE BENEFITS, including: remuneration, costs of social security and other costs of employee benefits	1 063	1 190
PAYMENTS TO INVESTORS, including: costs of interest on indebtedment, dividend paid out for the preceding year*	321	300
PUBLIC CHARGES, including: taxes and fees	1 095	643
INVESTMENT INTO COMMUNITIES IN THE FORM OF DONATIONS	11	10
RETAINED ECONOMIC VALUE	723	- 785

\* No dividends were paid out in 2018 and 2019.

The above data is taken from the consolidated financial statement of the ENERGA SA Group of Companies, drawn up in compliance with International Financial Reporting Standards approved by the European Union for the year ended 31 December 2019 (data includes all companies comprising Energa Group).



## Stimulating social and economic development

### GRI

103-1 (203)  
103-2 (203)  
103-1 (413)  
103-2 (413)  
203-1  
203-2  
G4-EU12  
103-1 (EU)  
103-2 (EU)  
G4-EU4

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

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

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

## Grzegorz Bałkowiec

**Head of the Department of Marketing, Energa SA**

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

Energa Group companies base their operations on such tenets as using energy resources and raw materials in a rational manner, preventing potential natural disasters and ensuring energy security. Other areas of their focus include support for research and investment for sustainable development, reduction of emissions and waste stream, steady improvement of reliability and safety of production and distribution of electricity, regular dialogue with representatives of local communities, fostering collaboration with social partners and construction and development of intersectoral partnerships.

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

The document specifies three main pillars of development: business and technological improvements, innovative business models and future technologies. It also enables the creation of a portfolio of initiatives that are innovative and internally consistent, ensure the maximum possible synergy within Energa Group and take advantage of the potential of the R+D+I area.



## Being part of the local community

### Social involvement

#### GRI

103-1 (413)  
103-2 (413)  
103-3 (413)  
413-1

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

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

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



### Areas of Energa Group's social involvement



## Patriotism and national heritage

### GRI

103-1 (413)  
103-2 (413)  
103-3 (413)  
413-1

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

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

## Description of projects completed in 2019

### Museum of the Power Industry

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

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

## 'Operation B-2' comic book

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



# Operation B-2



Over  
**200**  
reenactors and  
**1000**  
scouts  
participated  
in the parade.

### Victory Parade

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

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

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



### The 'Live and Love Traditionally' Fair

Energa Group supported the organisation of the 'Live and Love Traditionally' family fair, which took place on 9 June. The aim of the event was to promote various forms of spending time as a family and creating strong and lasting relations based on values. The initiative was a form of preventing the disintegration of family bonds and psychological problems that it causes in children.





## Sports

**Initiatives aimed at promoting a healthy and active lifestyle form a significant share of social projects implemented by Energa Group.**

Supporting such initiatives and sporting rivalry has a positive effect on shaping health-conscious attitudes among the public. The 'Energy Team' initiative is a major project of this kind, aimed at adolescents. Other initiatives implemented as part of the 'Energa Sport' programme focus on senior citizens. Apart from their indubitable beneficial effects for health and activity, such projects are of particular importance to the integration of local communities.

### Report on projects implemented in 2019

The programme covered over

**25 thousand**  
students



#### Energy Team

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

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

### Children's football tournament



#### Kaszub Cup tournaments

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

#### 25<sup>th</sup> Orlen 'Solidarity' Marathon

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

### Orlen 'Solidarity' Marathon



# Amp Football



#### Disability Football Association – Junior and Senior Amp Football

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

Objectives of the project include:

- enabling children and adolescents with disabilities to play football,
- foster integration of the players and their parents,
- training players who will play for the Amp Football Polish National Team in the future,
- promoting physical activity among children with motor organ disorders and promoting a positive image of people with disabilities.

# 54<sup>th</sup>

## Race Walking Festival and the Postman's Run



Polish Post Cup

### Sponsoring the Bałtyk Gdynia football club and its youth teams

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

### LECHIA GDAŃSK track and field club 54<sup>th</sup> Race Walking Festival and the Postman's Run – Polish Post Cup

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

### The 'Solidarity' Independent Self-Governing Trade Union, Board of the 'Pobrzeże' Koszalin Region

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

## Gdynia Basketball Academy



### Sponsoring the Basketball Academy ran by the 'Gdynia Basketball Academy' Association

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

### Sponsoring the Polish national basketball teams

Energa is continuing its collaboration with the Polish Basketball Association. The two organisations have signed a contract for the 2019/20 and 2020/21 seasons. Under the terms of the contract, Energa will remain the strategic sponsor of the national teams and the titular sponsor of the men's (Energa Basket Liga) and women's (Energa Basket Liga Kobiet) top tier divisions. Energa decided to develop this collaboration further by taking the Polish national 3x3 basketball team under its patronage. The team is currently in with a chance to make its debut at the coming Olympic Games. Furthermore, Energa will provide financial support to the Polish national wheelchair basketball team, who placed 6th at the European Championship held in 2019 in Wałbrzych.

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

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

### Lechia Gdańsk Academy

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



8<sup>th</sup> place at the World Cup in China







**Energa Group Ambassador  
Dorota Banaszczyk**

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

**Energa Group Ambassador  
Marta Walczykiewicz**

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



**Energa Group Ambassador  
Magdalena Głodek**

Magdalena Głodek won a bronze medal at the Junior World Wrestling Championships (freestyle wrestling), held in August 2019 in Tallinn, Estonia.

**Energa Group Ambassador  
Marek Citko**

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



**Energa Group Ambassador  
Beata Rosolska**

Energa sponsors Beata Rosolska, a Polish canoe athlete, three-time Olympic medalist and multiple world and European champion. As an Energa ambassador, she won a silver medal at the 2019 Polish championships.





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

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

## Patronage and culture

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

### Report on projects implemented in 2019

#### 'In Full Voice' and 'Haven – Soul Workshop'

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

#### Association of Gospel Music Lovers – 23<sup>rd</sup> International Gospel Camp Meeting Festival in Gniew, 2019

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



The 23<sup>rd</sup> International Gospel Camp Meeting Festival in Gniew 2019 primarily consisted of vocal workshops, a line-up of gospel choirs and concerts.



#### 17<sup>th</sup> International Accordion Festival, 2019

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

#### Sponsorship of the 1<sup>st</sup> Pomeranian Recreational and Cultural Spartakiad of Rural Housewives' Associations for the Cup of the Minister of Agriculture and Rural Development

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

### Polish Baltic Philharmonic

For many years now, Energa has been supporting cultural activities as part of the Energa Patronage programme. The Group's collaboration with the Polish Baltic Philharmonic in Gdańsk brings mutual benefits to both parties. The Energa brand accompanies many cultural events of importance to local communities, organised by the philharmonic, helping the Group build its image of an organisation that supports cultural endeavours.



### EnergaCAMERIMAGE

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

This edition of the International Film Festival of the Art of Cinematography ENERGACamerimage marked another year of Energa's titular sponsorship of the event.

# EnergaCAMERIMAGE

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





## National Children's Day



### National Children's Day – 'INTE-GRA' Local Tourist Organisation

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

### 'Gdynia PANama'

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

### Sponsorship of the Pater Noster Religious Song Contest

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

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

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

## Education

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

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

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

## Report on projects implemented in 2019



### Energa joins the faculty

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

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



The 'Safer Around Electricity' campaign has so far reached around

**170 thousand**  
children



# Energa



## 'Safer Around Electricity'

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

## 'Energy for Science!'

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

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

## Planet of Energy

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

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

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



In 2019 there were

**20 students**

in year I of the electric technician course  
and

**21 students**

in year II of the electric technician course



#### Endorsed course in Ostrołęka

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

#### National Economic Summit in Siedlce

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

#### Congress 590 in Rzeszów

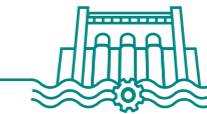
Energa Group provided financial support to the organization of Congress 590 in Rzeszów, one of Poland's largest economic events.

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

**5** wind farms



**45** hydropower plants



**3** photovoltaic farms



Sites open to visitors

#### 29<sup>th</sup> Economic Forum in Krynica

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

#### 8<sup>th</sup> Biomass and Clean Energy Forum

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

#### Visiting small hydropower plants

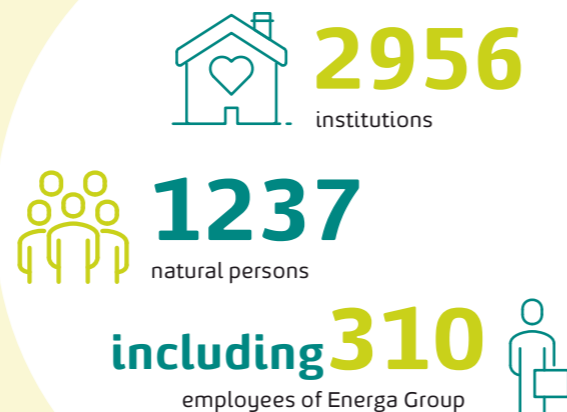
To meet the expectations of educational institutions and other entities interested in popularising knowledge of renewable energy sources, Energa Group made 54 various sites available to visitors in 2019. These sites included 45 hydropower plants, 5 wind farms, 3 photovoltaic farms and one pumped-storage power station.

The sites were open to groups of 15 to 30 visitors. During the visit, an employee of the power plant outlined the history of the site, described the technology used to generate electricity in a given location and reminded the visitors of the vital role played by renewable energy sources in environmental protection. Being aware of the potential architectural barriers present in its power plants, Energa devised a budget enabling each site to adapt its infrastructure to allow entry for visitors with disabilities. No admission charges were collected by the power plants and farms.

## Energa Foundation

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

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



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



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



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



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



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

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

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



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



#### In 2019, Energa Foundation supported the following charities:

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

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

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

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

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

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

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

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

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

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

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

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

**Package for a Hero Association** – organisation of the 'Package for a Hero' campaign. Support for a trip for 50 veterans of World War II, persons persecuted during the Polish Socialist Republic and veterans of peace-making missions who were injured or otherwise harmed.

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

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

**Volunteer Fire Brigade in Kępno** – purchase of firefighting helmets.



Funds expended on donations in 2019 amounted to:

**PLN 4,571,510.12**

**Consolidated financial data for 2019:**

Funds expended on donations in 2019:

**PLN 4,571,510.12**

Revenues from unpaid work for public benefit:

**PLN 6,047,141.40**

including:

- donations of 1% of personal income tax – **PLN 18,234.30**
- donations of 1% of corporate income tax – **PLN 6,028,857.10** (Energa SA donated PLN 6,000,000, whereas Energa Operator SA donated computer equipment worth PLN 28,857.10, which was then donated to schools)
- other sources: **PLN 50.00** (donation made by a natural person)
- financial revenues: **PLN 25,283.90**
- other operating revenues: **PLN 3,474.30**



In 2019, Energa Foundation made

**411** agreements

for donations

Total number of donation agreements between 2009 and 2019

**4710**

Year	Amount of donations [PLN]
2009	1 143 800.00
2010	2 067 069.00
2011	3 646 979.04
2012	2 538 921.05
2013	2 318 226.00
2014	2 580 659.00
2015	2 411 775.00
2016	3 756 960.00
2017	4 097 949.38
2018	8 262 853.13
2019	4 571 510.12
	<b>37 396 701.72</b>

# communities

## Limiting the Group's negative impact on local communities

Energa Group identifies the actual and potential negative impact of its operations on local communities. Each capital works project or site operated by Energa Group Companies may cause local inconveniences for their environment, despite meeting all relevant legal requirements. For example, overhead power lines, transformer stations or wind farms disrupt the natural landscape, cause vibrations or noise. Transport of raw materials and ash to stockpiling locations may also constitute an additional nuisance for local residence. Energa Group is aware that despite maintaining the highest degree of care and meeting legal requirements, elimination of all issues may

not always be possible. In such situations, the various initiatives taken by Energa for the benefit of the society described in the current chapter constitute a compensation for local communities.

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# ECOLOGICAL SOLUTIONS



# 3

Environmental protection at Energa Group



## Fulfilment of objectives for 2019 and challenges in 2020

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

Energa has been implementing the tenets of the 'State's Ecological Policy 2030', adopted by the Council of Ministers on 16 July 2019. The document specifies key objectives in the area of environment and water management and directions of development, enabling them to be combined with economic and social needs. The Group is consistently adapting to the strategic tenets of the ecological policy. It puts into action initiatives related to preventing climate change and implementing sustainable management of water and waste with a view to transitioning to a circular economy, eco-innovation and ecological education.

Energa attaches great importance to the Paris Agreement, ratified by Poland. The organisation actively participates in working towards achieving reduction targets resulting from EU regulations, including greenhouse gas emission reduction targets, steadily implements innovative technologies and uses low-emission conventional energy generating sources in a rational manner. It aims at maintaining a balance between the emission of greenhouse gases and their absorption, including through the capture of CO<sub>2</sub> by ecosystems (Polish forests) and Forest Carbon Farms.

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



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

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

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# Objectives for 2019

## Fulfilment

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

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

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

Modernisation of the power generating unit at the Gałęźnia Mała Hydroelectric Plant.

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

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

The expected environmental effect of this initiative is to eliminate the potential for an oil leak in these transformers. The expected energy-related effect of this initiative is to reduce the consumption of power related to captive transformer losses by approx. 5%.

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

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

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

Implementation of projects related to the construction, remodelling and modernisation of lighting infrastructure, aimed at improving energy efficiency of road lighting installations and reducing consumption of electricity and CO<sub>2</sub> emissions.

Completion of capital works projects by Energa Operator SA:

- installation of 221 platforms for stork nests
- modernisation of 125 pole-mounted stations
- replacement of 250 km of medium-voltage power lines with lines with covered conductors
- replacement of 137.8 km of overhead medium-voltage power lines with cable lines
- replacement of 823 km of power lines with insulated lines
- replacement of 7398 connectors with insulated connectors

## Priority objectives for 2020

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

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

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

Continuing the initiatives related to the construction, remodelling and modernisation of lighting infrastructure, aimed at improving energy efficiency of road lighting installations and reducing consumption of electricity and CO<sub>2</sub> emissions

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

## Approach to environmental impact management

### Nature of impact and environmental and energy management

#### GRI

103-1 (301)  
103-2 (301)  
103-1 (302)  
103-2 (302)  
103-1 (303)  
103-2 (303)  
103-1 (304)  
103-2 (304)  
103-1 (305)  
103-2 (305)  
103-1 (306)  
103-2 (306)

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

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

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

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

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

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

Energa Group:

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

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

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

In order to minimise these risks, Energa Operator SA regularly replaces its transformers and modernises its grid infrastructure, helping limit grid losses and reduce CO<sub>2</sub> emissions.



The Generation Business Line primarily produces atmospheric emissions, related to the combustion of fuels. The potential impact of these issues primarily includes the consumption of non-renewable resources (coal) and the emission of pollutants (harmful dusts and gases, including nitrogen and sulphur oxides), as well as emissions contributing to the greenhouse effect (primarily carbon dioxide).

Reducing the emission of pollutants into the air by intercepting them using de-dusting equipment leads to the generation of large amounts of clinker, which may occupy large swathes on land when stockpiled without being put to economic use. Due to this, Energa Elektrownie Ostrołęka SA has for several years now been making efforts to put furnace waste and combustion by-products to economic use. Since 2015, they have been used in other technological processes or collected by external companies and used for such purposes as the manufacture of cement and rockfill in roadbuilding, leading to reduced consumption of natural resources in the construction industry. In this regard, Energa Group began implementing the tenets of closed-cycle economy well in advance of the Polish government's introduction of the Strategy for Sustainable Development in 2017.

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

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

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

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



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

<https://grupa.energa.pl/en/environment/csr-policy>

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

<https://grupa.energa.pl/en/environment/csr-reports>



The environmental policy is a cornerstone of our environmental and energy management system, used to ensure environmental and energy efficiency using the best available techniques and methods of management.

The environmental policy was implemented by the Board of Directors of Energia SA (revision 6, adopted and implemented pursuant to a Resolution of the Board of Directors of Energia SA no. 857/V/2017 of 19 December 2017 as an attachment to the Collaboration Agreement between Energia Group companies) and applies to all Group companies. The policy formally specifies the primary intentions and desired directions of action of Group companies in the context of the impact of their environmental actions and in conjunction with their energy performance. Under the terms of the policy, Group companies are required to ensure conformity with all applicable legal requirements, constant improvement of the results of their operations and reduction of their adverse impact on the environment. On behalf of Energia Group companies, Energia SA declares:

- 1) compliance with legal requirements and obligations towards stakeholders related to the environment and energy
- 2) respect for biodiversity and the application of principles of sustainable development
- 3) monitoring impacts, preventing pollution and improving the effects of environmental activities, as well as managing using the best available techniques,
- 4) monitoring key areas of energy consumption and improving energy performance through the correct usage of infrastructure, capital works and modernisation projects, as well as the purchase of energy-efficient products and services
- 5) involvement in ecology-related education and pro-environmental initiatives, as well as actions aimed at improving energy efficiency.

## Environmental management strategy – EMAS system

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

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

- ongoing verification with regards to compliance with applicable regulations
- monitoring in terms of its environmental operations
- supervision in terms of determining targets and tasks and their fulfilment
- systematic oversight, including regular audits

while accounting for the specific nature of the operations of each Group company.



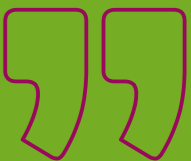
# Danuta Makowska

**Integrated Environmental and Energy Management System Coordinator, Energia SA**

Pro-environmental activities are becoming more and more important in the economic policy of Poland and the European Union. Protecting the environment in the course

of business operations is not only a duty stipulated by legal requirements, but also an important tool for improving an enterprise's competitiveness.

The integrated environmental and energy management system implemented within Energia Group enables a systematic reduction of our adverse impact on the environment. It also helps reduce the costs of operation of our companies and improves both their energy efficiency and energy security.



On 15 June 2016, key companies of Energia Group were entered into the prestigious EMAS register, kept by the Ministry of the Environment. In October 2018, Energia submitted an application to register additional companies. The administrative procedure carried out by the General Environmental Protection Authority and the process of entering additional companies in the EMAS register were concluded on 30 May 2019.

In 2018, the EMAS integrated environmental and energy management system covered a total of 17 Energia Group companies. Between July and September 2019, Bureau Veritas Polska sp. z o.o., an external environmental monitoring agency, carried out an independent audit of the supervision of the environmental and energy management system across a total of 379 locations.

Group companies received certificates confirming that the management system conforms to standard ISO 14001:2015 (17 companies) and ISO 50001:2011 (16 companies, works on the implementation of this standard at Energia Operator SA are ongoing).

Looking back at the 4 years of operation of the EMAS system within the Group, we can say with confidence that it enabled us to define our priorities with regards to information and organise environmental indicators and reports. Environmental declarations allow us to inform our employees, public administration and customers of our activities in a transparent and clear manner.

Implementation of an environmental and energy management system based on EMAS requirements ensured the optimisation of resource consumption, reduction of pollution emitted into the air and the amount of generated waste, which in turn led to a reduction in costs of Energia Group's operations. A preventive approach to the identification of environmental risks related to the operation of the system has enabled the organisation to minimise the risk of being hit with financial penalties for failing to comply with environmental requirements.

More information on the environmental policy and environmental management programme can be found in '**Energia Group's Environmental Declaration**', available online at:

<https://grupa.energia.pl/en/environment/csr-policy>

# E

# Environment

The first Polish organisation was registered in the EMAS system in 2006, the number of entities in the system has been steadily increasing since that date. In 2015, 48 organisations operating 122 sites were registered in EMAS\*.

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

\*source: State's Ecology Policy 2030

## Environmental aspects of our collaboration with business partners

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

## Capital works impacting the environment

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

By implementing the Strategy of Development for 2016-2025, Energa Group expended PLN 1.6b on capital works projects, of which PLN 1.3b was expended on capital works in the Distribution Business Line.



## Alicja Omięcka

CEO, Energa Centrum Usług Wspólnych Sp. z o.o.

Energa Group implements capital works projects based on Energa Group's Multi-Year Plan of Strategic Capital Works Projects for 2016-2025 and the Development Plan agreed upon with the Energy Regulatory Office. Each capital works project is evaluated in terms of its environmental impact and takes into account the opinions of local communities. In our activities we pay close attention to respecting biodiversity, focusing on low-emission technologies and moving towards a circular economy.

In every aspect of our operations we strive to ensure that awareness of our environmental footprint and its responsible management become one of the pillars of the activities of Energa Group.



## Key capital works projects in the Generation Business Line in 2019

### Modernisation of the power generating unit at the Gałężnia Mała Hydroelectric Plant, completed in September 2019

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

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

The purpose of this project is to reduce emissions from 1200 mg/Nm<sup>3</sup> to 70 mg/Nm<sup>3</sup>. Works completed in 2019 include the installation of an absorber coating.

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

Auxiliary transformers are indispensable in the process of generating electrical energy. They are used to power all auxiliary equipment in the power plant, both these used in the generation of electricity (water and oil pump engines, compressor rooms, voltage and RPM controllers) and for other purposes (lighting, heating, drainage pumps, computer systems). The worn-down transformers, manufactured in 1967, were replaced with new generation transformers that meet requirements stipulated for this type of devices in Commission Regulation no. 548/2014. The modern design of the transformers ensures full impermeability of the devices and reduces consumption of energy resulting from core losses by approx. 5%. Furthermore, modernisation of the auxiliary direct current switching gear, T5 transformer 15 kV switching gear and T4 transformer 10.5 kV switching gear was completed. Installation of new generation switchgear enabled full reliability of the system and energy security of the entire site.



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

Installation of two new fans will contribute to reducing CO<sub>2</sub> emissions by approx. 753 Mg/year through reducing the unit's demand for auxiliary electricity.

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

2019 marked the end of the last stage of discontinuing the use of old-type coal-fired stoves in the historical part of the city and connecting tenement houses to the municipal district heating system. Company Energa Ciepło Kaliskie Sp. z o.o. and local authorities in Kalisz commenced collaboration with a view to reducing low-stack emission (i.e. emission of harmful dusts and gases generated mostly by households and vehicle transport) in the historical centre of the city. Actions taken as part of the initiative are aimed at reducing the number of individual heat sources powered by solid fuels. Expansion of the district heating network is primarily meant to all council-owned residential abodes, but does not preclude the potential connection of sites owned by other entities. Energa Ciepło Kaliskie Sp. z o.o. builds heating networks and connections, whereas the Municipal Residential Building Authority funds the construction of heating substations and indoor heating systems. In 2019, these activities were carried out in 4 buildings with a total heated surface of 1193 m<sup>2</sup> and enabled to discontinue the use of 32 stoves, reducing PM10 emission by approx. 1.37 Mg/year, PM2.5 emission by approx. 0.82 Mg/year and B(a)P emission by approx. 0.24 Mg/year.

## Key capital works projects in the Distribution Business Line in 2019

- installation of 221 platforms for stork nests
- modernisation of 125 pole-mounted stations
- replacement of 250 km of medium-voltage power lines with lines with covered conductors
- replacement of 137.8 km of overhead medium-voltage power lines with cable lines
- replacement of 823 km of power lines with insulated lines
- replacement of 7398 connectors with insulated connectors
- modernization of the engineering structure forming part of the Szczytno Distribution Region to reduce thermal energy losses and lower indirect and direct emissions into the atmosphere (SO<sub>2</sub>, NO<sub>x</sub> and CO<sub>2</sub>) caused by electricity generation processes.

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

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

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

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

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

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

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

### Completion of the first stage of the project named 'Construction of small CHP units for business customers'

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

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

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

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



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

### Modernisation of cooling water installations in three 200 MW power units at the Ostrołęka B Power Plant

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

### Modernisation of fans in unit no. 3 at the Ostrołęka B Power Plant

The planned installation of new fans will contribute to reducing CO<sub>2</sub> emissions through reducing the unit's demand for auxiliary electricity.

### Completion of the construction of an SO<sub>2</sub> reduction installation at the Ostrołęka B Power Plant

The purpose of this project is to reduce SO<sub>2</sub> emissions from 1200 mg/Nm<sup>3</sup> to 70 mg/Nm<sup>3</sup>.

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

### Completion of assembly of two trash rack cleaners in hydroelectric plants

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



### Modernisation of the power generating section of the Rakowiec Hydroelectric Plant and replacement of transformers

As regards the electrical section of the plant, the medium-voltage 15 kV switching gear with vacuum switches, switching, measurement, safety and turbine control equipment will be replaced with new units. The modernisation will improve the safety of the plant's operation and reliability of the generation process. Replacement of oil-filled transformers with dry resin cast transformers will provide greater protection of the environment from potential leaks and penetration of oil-based substances into the soil and water.

### Completion of construction of the Przykona wind farm

### Completion of construction of a hybrid electricity storage at the Bystra wind farm

### Continuation of tasks related to reducing heat transfer losses in Ostrołęka

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

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

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

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



Consumption of raw materials in the production of electricity and heat in 2019 amounted to a total of

**1 239 438 Mg**  
**109 833 Mg**

less than in the previous year



## Raw materials consumption

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

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

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

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

**GRI**  
**103-1 (301)**  
**103-2 (301)**



## Consumption of raw materials/resources by weight and volume

Raw materials/resources	2018	2019
<b>NON-RENEWABLE</b>		
coal [Mg]	1 298 660	1 059 255
natural gas [m <sup>3</sup> ]	1 116 317	1 090 289
fuel oil [Mg]	3 362	3 272
diesel oil [Mg]	3 901	3 975
petrol [Mg]	872	970
other non-renewables [Mg]	135	580
consumption of other non-renewable resources and raw materials [Mg]	29 085	22 626
<b>TOTAL CONSUMPTION OF NON-RENEWABLE RAW MATERIALS [m<sup>3</sup>]</b>	<b>1 116 317</b>	<b>1 090 289</b>
<b>TOTAL CONSUMPTION OF NON-RENEWABLE RAW MATERIALS [Mg]</b>	<b>1 336 015</b>	<b>1 090 678</b>
<b>RENEWABLE</b>		
biomass [Mg]	13 082	148 566
<b>TOTAL CONSUMPTION OF RENEWABLE RAW MATERIALS [Mg]</b>	<b>13 082</b>	<b>148 566</b>
consumption of direct resources (e.g. steel) [Mg]	173	193
<b>TOTAL CONSUMPTION OF RAW MATERIALS [m<sup>3</sup>]</b>	<b>1 116 317</b>	<b>1 090 289</b>
<b>TOTAL CONSUMPTION OF RAW MATERIALS [Mg]</b>	<b>1 349 271</b>	<b>1 239 438</b>



Total amount of water sourced:

**29 279 780 499 m<sup>3</sup>**

a year on year reduction by

**2 851 378 855 m<sup>3</sup>**


Including

**374 590 236 m<sup>3</sup>**

for cooling purposes

### Consumption of water

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

Efficient management of water primarily entails a rational management of this resource and its protection. As is the case every year, the largest amount of water was sourced by Energa OZE SA, even though no water losses occur in the process of generating energy in hydroelectric plants.

As regards other generation companies, the amount of consumed water is also high at Energa Elektrownie Ostrołęka SA. Part of the sourced and utilised water is then reused for such purposes as:

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

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

**GRI**  
**303-1**
**Total water intake by source**

Company/business line	Total volume of water sourced from all included sources [m <sup>3</sup> /year]		Rivers (for cooling purposes) [m <sup>3</sup> /year]		Rivers (for purposes other than cooling) [m <sup>3</sup> /year]		Lakes (for cooling purposes) [m <sup>3</sup> /year]		Lakes (for purposes other than cooling) [m <sup>3</sup> /year]		Underground waters (for purposes other than cooling) [m <sup>3</sup> /year]		Water from municipal networks [m <sup>3</sup> /year]	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	4 359	4 528	0	0	0	0	0	0	0	0	0	0	4 359	4 528
Distribution Business Line	73 233	66 095	0	0	0	0	0	0	0	0	246	191	72 987	65 904
Sales Business Line	4 163	4 027	0	0	0	0	0	0	0	0	0	0	4 163	4 027
Generation Business Bine	32 131 077 598	29 279 705 850	418 119 257	371 672 986	31 530 417 052	28 612 601 712	1 818 630	2 917 250	180 179 160	292 008 480	501 243	425 490	42 257	79 931
Energa OZE SA	31 718 845 409	28 911 950 972	10 100 642	9 811 243	31 526 740 544	28 607 208 844	1 818 630	2 917 250	180 179 160	292 008 480	2 231	1 833	4 202	3 322
Energa Elektrownie Ostrołęka SA	394 545 708	340 393 008	390 567 382	334 752 995	3 479 314	5 216 356	0	0	0	0	499 012	423 657	0	0
Energa Serwis Sp. z o.o.	668	1 075	0	0	0	0	0	0	0	0	0	0	668	1 075
Energa Ciepło Ostrołęka Sp. z o.o.	496	471	0	0	0	0	0	0	0	0	0	0	496	471
Energa Ciepło Kaliskie Sp. z o.o.	7 274	6 791	0	0	0	0	0	0	0	0	0	0	7 274	6 791
Energa Kogeneracja Sp. z o.o.	17 678 043	27 353 533	17 451 233	27 108 748	197 194	176 512	0	0	0	0	0	0	29 616	68 273
Energa Group	32 131 159 354	29 279 780 499	418 119 257	371 672 986	31 530 417 052	28 612 601 712	1 818 630	2 917 250	180 179 160	292 008 480	501 489	425 682	123 766	154 390

## Energy efficiency

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

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

### 1. At Energa Elektrownie Ostrołęka SA:

- modernisation of turbine unit no. 1 in the Ostrołęka B Power Plant was completed in April 2019, resulting in an increase of power by 9 MWe. The modernised unit is currently capable of reaching a power of 230 MWe. The efficiency of the high pressure and medium pressure section has been improved through the replacement of existing internal components with new ones, with a modern reactive-type flow-through system.

- during the intermediate renovation of unit no. 2 (March – April 2019), fans in boiler K2 were modernised. The fans (2 units) were replaced with new ones, fitted with a hydraulic mid-operation rotor angle adjustment system; drive motors were replaced as well. The modernisation will save 82.911 Toe/year of final energy per year.

### 2. At Energa Ciepło Kaliskie Sp. z o.o.:

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

### 3. At Energa Oświetlenie Sp. z o.o. road lighting infrastructure (lighting assets owned by the company and assets owned by other entities) was modernised. Nearly 3839 old-type light fixtures (mercury and sodium) were modernized in 2019 and replaced with energy-efficient fixtures. It is estimated that the replacement will result in energy savings of approx. 1,011.212 MWh per year, i.e. 86.95 Toe/year, and reduction in CO<sub>2</sub> emissions by 773.58 t/year.

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

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

# Smart



## Smart Grid

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

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

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

## Energa lights up Wąbrzeźno

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

- improving the level of safety of pedestrians and drivers
- reducing energy consumption by implementing an automatic reduction of energy intake during times of lighter road traffic
- reducing emissions of carbon dioxide into the atmosphere by over 173 tonnes per annum
- reducing consumption of energy used to power street lighting by approx. 60 percent.



## Consumption of energy generated from non-renewable raw materials by type of raw material

Company/business line	Total energy from raw materials consumed [GJ]		Total energy from fuels made from non-renewable raw materials (own or purchased) consumed/used, by type of raw material [GJ]		Coal [GJ]		Natural gas [GJ]		Heating oil [GJ]		Diesel oil [GJ]		Petrol [GJ]	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	14 625	13 110	14 625	13 110	0	0	1 482	1 653	0	0	6 890	6 473	6 253	4 984
Distribution Business Line	168 783	181 165	168 783	180 920	240	173	18 705	25 034	3 872	3 703	116 857	130 498	29 108	21 513
Sales Business Line	19 881	19 886	19 834	19 842	0	0	769	638	0	0	11 279	9 594	7 786	9 610
Generation Business Line	34 532 221	30 141 758	28 721 650	23 562 684	28 546 197	23 393 438	20 291	13 762	132 305	129 991	19 218	20 818	3 639	4 676
Energa OZE SA	5 608 083	4 176 766	5 185	5 702	0	0	690	714	0	0	2 499	2 328	1 995	2 659
Energa Elektrownie Ostrołęka SA	24 747 065	20 562 839	24 747 065	20 016 950	24 612 241	19 881 440	0	0	123 029	122 895	11 492	12 003	303	612
Energa Serwis Sp. z o.o.	4 070	3 570	4 070	3 570	0	0	0	0	0	0	3 479	2 933	592	637
Energa Ciepło Ostrołęka Sp. z o.o.	510	497	510	497	0	0	0	0	0	0	457	458	53	38
Energa Ciepło Kaliskie Sp. z o.o.	358 117	332 576	358 117	332 576	337 328	318 346	19 601	13 048	0	0	1 019	1 032	169	150
Energa Kogeneracja Sp. z o.o.	3 814 376	5 065 511	3 606 703	3 203 391	3 596 628	3 193 652	0	0	9 276	7 096	273	2 063	526	580
Energa Group	34 735 509	30 355 918	28 924 891	23 776 557	28 546 437	23 393 611	41 247	41 088	136 177	133 694	154 244	167 382	46 787	40 782

Consumption of energy generated from renewable materials by type of material

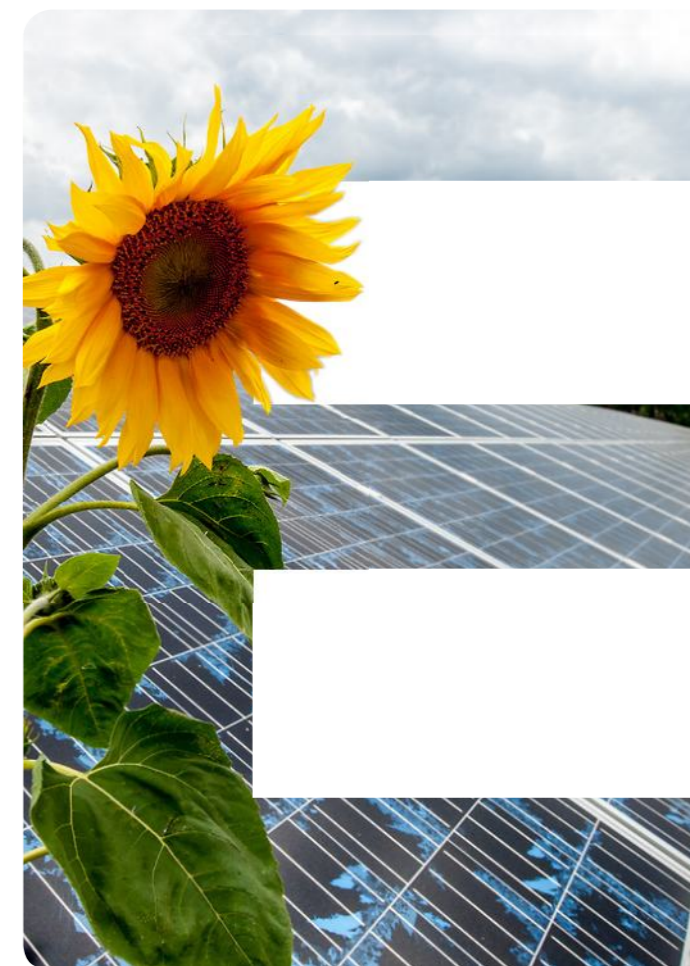
Company/business line	Total energy from raw materials consumed [GJ]		Total energy from fuels made from renewable raw materials (own or purchased) consumed/used, by type of raw material [GJ]		Biomass [GJ]		Wind energy [GJ]		Solar energy [GJ]		Hydropower [GJ]	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	14 625	13 110	0	0	0	0	0	0	0	0	0	0
Distribution Business Line	168 783	181 165	0	245	0	0	0	0	0	245	0	0
Sales Business Line	19 881	19 886	47	43	0	0	0	0	47	43	0	0
Generation Business Line	34 532 221	30 141 758	5 810 571	6 579 073	207 673	2 408 009	1 383 102	1 607 643	19 837	19 068	4 199 959	2 544 353
Energa OZE SA	5 608 083	4 176 766	5 602 898	4 171 064	0	0	1 383 102	1 607 643	19 837	19 068	4 199 959	2 544 353
Energa Elektrownie Ostrołęka SA	24 747 065	20 562 839	0	545 889	0	545 889	0	0	0	0	0	0
Energa Serwis Sp. z o.o.	4 070	3 570	0	0	0	0	0	0	0	0	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	510	497	0	0	0	0	0	0	0	0	0	0
Energa Ciepło Kaliskie Sp. z o.o.	358 117	332 576	0	0	0	0	0	0	0	0	0	0
Energa Kogeneracja Sp. z o.o.	3 814 376	5 065 511	207 673	1 862 120	207 673	1 862 120	0	0	0	0	0	0
Energa Group	34 735 509	30 355 918	5 810 618	6 579 361	207 673	2 408 009	1 383 102	1 607 643	19 884	19 356	4 199 959	2 544 353





Total energy purchased, broken down by electricity, heat, cooling and steam

Company/business line	Total consumed/used energy purchased [GJ]		Electricity [GJ]		Heat [GJ]		Cooling [GJ]		Steam [GJ]	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	19 780	19 223	15 868	15 092	2 374	2 443	1 537	1 688	0	0
Distribution Business Line	4 905 755	4 648 232	4 847 884	4 595 106	57 871	53 126	0	0	0	0
Sales Business Line	414 983	425 013	412 076	421 434	2 276	3 118	632	461	0	0
Generation Business Line	1 522 100	1 490 760	23 150	20 020	1 268 778	1 229 410	0	0	230 172	241 330
Energa OZE SA	10 330	7 119	7 627	5 709	2 704	1 410	0	0	0	0
Energa Elektrownie Ostrołęka SA	0	0	0	0	0	0	0	0	0	0
Energa Serwis Sp. z o.o.	15 367	13 609	2 035	2 174	13 332	11 435	0	0	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	996 077	974 702	2 859	2 884	763 046	730 488	0	0	230 172	241 330
Energa Ciepło Kaliskie Sp. z o.o.	494 632	491 283	4 936	5 206	489 696	486 077	0	0	0	0
Energa Kogeneracja Sp. z o.o.	5 694	4 047	5 694	4 047	0	0	0	0	0	0
Energa Group	6 862 618	6 583 228	5 298 978	5 051 652	1 331 299	1 288 097	2 168	2 149	230 172	241 330







In 2019, total energy consumption in Energa Group dropped to 9,831,616 GJ. The reduction was caused by such factors as ongoing works on the modernisation of generating and distribution infrastructure. In 2019, Energa Group reduced its consumption of energy from non-renewable sources to 30,355,918 GJ and

significantly increased consumption of energy generated from biomass: from 207 673 GJ in 2018 to 2,408,009 GJ in 2019. Furthermore, the Group purchased 279 390 GJ of energy less than in 2018.

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

Company/business line	Energy sold by the organisation [GJ]		Electricity [GJ]		Heat [GJ]		Steam [GJ]	
	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	0	0	0	0	0	0	0	0
Distribution Business Line	0	0	0	0	0	0	0	0
Sales Business Line	1 037	1 053	1 037	1 053	0	0	0	0
Generation Business Line	30 732 446	27 106 478	25 722 843	22 225 779	4 216 876	4 078 529	792 727	802 170
Energa OZE SA	4 119 270	4 092 034	4 119 270	4 092 034	0	0	0	0
Energa Elektrownie Ostrołęka SA	22 463 041	18 560 949	21 233 710	17 349 903	759 855	735 795	469 476	475 251
Energa Serwis Sp. z o.o.	0	0	0	0	0	0	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	871 701	850 414	0	0	651 749	619 207	219 952	231 207
Energa Ciepło Kaliskie Sp. z o.o.	682 107	657 884	0	0	682 107	657 884	0	0
Energa Kogeneracja Sp. z o.o.	2 596 327	2 945 197	369 863	783 842	2 123 165	2 065 643	103 299	95 712
<b>Energa Group</b>	<b>30 733 483</b>	<b>27 107 530</b>	<b>25 723 880</b>	<b>22 226 832</b>	<b>4 216 876</b>	<b>4 078 529</b>	<b>792 727</b>	<b>802 170</b>

#### Total energy consumption within the organisation

Company/business line	Total energy consumption within the organisation [GJ]	
	2018	2019
Services and other	34 404	32 333
Distribution Business Line	5 074 538	4 829 397
Sales Business Line	433 827	443 846
Generation Business Line	5 321 875	4 526 040
Energa OZE SA	1 499 143	91 851
Energa Elektrownie Ostrołęka SA	2 284 024	2 001 890
Energa Serwis Sp. z o.o.	19 437	17 179
Energa Ciepło Ostrołęka Sp. z o.o.	124 886	124 785
Energa Ciepło Kaliskie Sp. z o.o.	170 642	165 975
Energa Kogeneracja Sp. z o.o.	1 223 743	2 124 361
<b>Energa Group</b>	<b>10 864 643</b>	<b>9 831 616</b>





Maximum generating power achieved, broken down by main types of raw materials

GRI  
G4-EU1

Company	Energy source	2018		2019	
		Electricity [MW]	Heat [MW]	Electricity [MW]	Heat [MW]
Energa Ciepło Kaliskie Sp. z o.o.	coal	0	58	0	58
Energa Elektrownie Ostrołęka SA	coal	624	201,4	633	201,4
	biomass	57	18,1	57	18,1
Energa OZE SA	water	365,59	0	359,29	0
	wind	211	0	211	0
	photovoltaics	5,41	0	5,41	0
Energa Kogeneracja Sp. z o.o.	coal	47	325,66	47	325,66
	biomass	25,26	48,24	22,26	48,24
<b>TOTAL</b>		<b>1335,26</b>	<b>651,40</b>	<b>1334,95</b>	<b>651,40</b>

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

GRI  
G4-EU2

Energy source	2018		2019	
	Electricity [MWh]	Heat [MWh]	Electricity [MWh]	Heat [MWh]
coal	2 427 135	987 430	1 943 588	886 334
biomass	15 150	13 278	187 996	88 790
water	804 509	0	740 378	0
wind	376 024	0	438 471	0
natural gas	0	4 565	0	3 037
photovoltaics	5 330	0	5 079	0
<b>TOTAL</b>	<b>3 628 148</b>	<b>1 005 273</b>	<b>3 315 513</b>	<b>978 161</b>

## Emissions into the atmosphere

### Greenhouse gas emissions

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

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

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

In order to reduce direct emissions of greenhouse gases, Group companies have been regularly replacing their vehicle fleets. In 2019, Energa OZE SA purchased a 149 HP Nissan Leaf electric vehicle with a range of up to 270 km in city traffic. The vehicle does not generate any CO<sub>2</sub> emissions when driving. Furthermore, the company's fleet was equipped with 23 vehicles that meet the EURO 6 European exhaust fume emission standard. The level of pollution emitted by these vehicles is much lower than in the case of EURO 5 standard vehicles. In order to reduce indirect emissions of greenhouse gases, Energa Operator SA has been regularly

### Direct emissions of greenhouse gases

Company/business line	Greenhouse gas emission [Mg CO <sub>2</sub> ]											
	Sum of direct emissions		Emissions related to the generation of electricity		Emissions related to the generation of heat		Emissions caused by gas leaks, including as a result of failures		Emissions related to the transport of materials, products and waste		Biogenic emissions	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	1 096	1 201	2	0	85	94	39	40	971	1 066	0	0
Distribution Business Line	11 662	12 859	0	0	1 371	1 693	0	0	10 291	11 166	0	0
Sales Business Line	1 422	1 416	0	0	47	39	0	0	1 375	1 377	0	0
Generation Business Line	2 651 910	2 178 945	2 234 005	1 846 146	416 361	331 372	165	15	1 380	1 412	20 770	185 735
Energa OZE SA	359	394	4	2	35	36	4	1	317	354	0	0
Energa Elektrownie Ostrołęka SA	2 281 868	1 851 361	2 148 605	1 726 115	132 652	124 744	161	14	450	488	0	0
Energa Serwis Sp. z o.o.	297	261	0	0	0	0	0	0	297	261	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	964	713	0	0	938	685	0	0	26	28	0	0
Energa Ciepło Kaliskie Sp. z o.o.	31 154	28 888	0	0	31 067	28 801	0	0	87	87	0	0
Energa Kogeneracja Sp. z o.o.	337 268	297 328	85 396	120 029	251 669	177 106	0	0	203	193	20 770	185 735
Energa Group	2 666 091	2 194 422	2 234 006	1 846 147	417 865	333 199	203	55	14 017	15 021	20 770	185 735

replacing its transformers and modernising its grid infrastructure, reducing grid electricity losses. The potential reduction in CO<sub>2</sub> emissions in 2019 achieved through reducing transfer and distribution losses amounted to 222.785 Mg.

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

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



### Purchase of Carbon Offsets

Energa participated in the second edition of the Carbon Offset auction. Certificates of these offsets are one of the elements of the Forest Carbon Farm project implemented by the State Forest Authority. Revenues from the auction organised by the General State Forest Authority are directed towards objectives specified by each buyer, related to environmental protection. They include activities related to the protection of selected species, improving biodiversity, forest education or forest tourism. Energa chose the 'Black Storks Online' educational and promotional project.

### Indirect emissions of greenhouse gases

Company/business line	Indirect emissions of greenhouse gases [Mg CO <sub>2</sub> ]	
	2018	2019
Services and other	4 022	3 768
Distribution Business Line	1 107 405	990 095
Sales Business Line	1 600	1 696
Generation Business Line	122 215	117 254
Energa OZE SA	1 935	1 384
Energa Elektrownie Ostrołęka SA	0	0
Energa Serwis Sp. z o.o.	1 856	1 692
Energa Ciepło Ostrołęka Sp. z o.o.	116 533	112 366
Energa Ciepło Kaliskie Sp. z o.o.	1 066	1 106
Energa Kogeneracja Sp. z o.o.	824	705
Energa Group	1 235 242	1 112 812



Emissions of NO<sub>x</sub> and SO<sub>x</sub> compounds and other air emissions\*

Company/business line	Total air emissions [Mg]		NO <sub>x</sub> [Mg]		SO <sub>x</sub> [Mg]		Volatile organic compounds (VOC) [Mg]		HCL [Mg]		Dust (PM) [Mg]		Other emissions of compounds into the air* [Mg]	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution Business Line	27	55	7	3	0	1	13	22	0	0	0	0	6	28
Sales Business Line	2	3	0	0	0	0	2	3	0	0	0	0	0	0
Generation Business Line	7 095	5 670	2 163	1 856	3 678	2 653	4	2	302	271	287	299	661	590
Energa OZE SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energa Elektrownie Ostrołęka SA	4 650	3 622	1 534	1 251	2 227	1 545	0	0	103	128	160	150	625	548
Energa Serwis Sp. z o.o.	5	3	0	0	0	0	4	2	0	0	0	1	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Energa Ciepło Kaliskie Sp. z o.o.	213	187	42	41	134	107	0	0	9	8	7	9	22	22
Energa Kogeneracja Sp. z o.o.	2 227	1 858	587	563	1 316	1 001	0	0	190	134	120	140	14	20
Energa Group	7 124	5 728	2 170	1 859	3 678	2 654	19	27	302	271	287	299	668	618

### Emissions of pollutants, including NO<sub>x</sub> and SO<sub>x</sub> compounds

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

- Transitional National Plan – from 1 January 2016 until 30 June 2020:
  - Ostrołęka B Power Plant – with regards to SO<sub>2</sub> and dust emissions
  - Elbląg Power Plant – with regards to NO<sub>x</sub>, SO<sub>2</sub> and dust emissions
- Heating derogations – Kalisz CHP Plant – from 1 January 2016 until 31 December 2022.

In 2019, Energa Group companies emitted into the atmosphere

**1 396 Mg**

less pollutants than in the previous year.



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

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

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

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

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

## GRI 103-1 (201) 103-2 (201) 201-2 Financial implications of climate change

Climate change affects both generation and distribution processes in the power industry, as well as demand for energy (electricity and heating). Generation of energy using conventional assets of Energa Group is becoming more and more reliant on the cost of purchasing required CO<sub>2</sub> emission allowances.

Group companies receive part of CO<sub>2</sub> emission allowances free of charge, by way of derogation under the EU ETS Directive. A prerequisite for obtaining such allowances is to implement capital works projects included in the National Capital Works Plan. Furthermore, companies which generate heating receive free CO<sub>2</sub> emission allowances as part of the National Allowance Division Plan.

The pool of free emission allowances given to the Group is shrinking with every passing year (see table beside). The reduction of the pool must be compensated through making purchases on the allowance market, where prices of CO<sub>2</sub> emission allowances have been rising, including as a result of policies of the European Union, which has recently reduced the pool of available carbon dioxide emission allowances as part of its support for a low-emission economy.

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

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

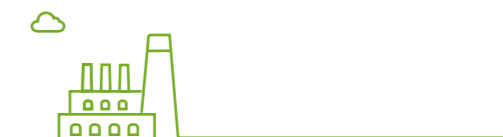
### CO<sub>2</sub> emission allowances

CO <sub>2</sub> emission allowances in the Generation Business Line	2018	2019
Emission capacity of installations	2 640 000	2 174 000
Number of free emission allowances granted	667 000	506 000
Volume of CO <sub>2</sub> allowance purchases [k MWh]	1974	1668
Cost of CO <sub>2</sub> allowance purchases [k PLN]	164.2	175.4

## Other emissions

On 19 October 2019, a sealing oil cooler became unsealed in Turbine Unit no. 1 operated by Energa Elektrownie Ostrołęka SA. In spite of the organisation's quick reaction to the event, oil penetrated into cooling water and approximately 3 m<sup>3</sup> of oil was present in the discharge of cooling water.

The National Fire Brigade and the Provincial Environmental Authority were immediately notified of the incident. As a result of emergency and protection actions carried out by the National Fire Brigade and the crew of the power plant, approximately 80 percent of pollutants were intercepted. Further action was taken in river in order to neutralise the remaining oil-based pollutants. Energa Elektrownie Ostrołęka SA provided organisational and financial support to the emergency actions. The company also prepared a preventive action plan to minimise the risk of any potential leaks in the future.



## Waste and wastewater management

**GRI**  
103-1 (306)  
103-2 (306)

Energa Group generated a total of 319 335 Mg of waste in 2019, a decrease of around 64 540 Mg in comparison to the previous year. All waste was segregated, stockpiled or recycled in accordance with applicable regulations and handed over to companies authorised to collect it. Largest amounts of waste are generated by the Group's generation installations.

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

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

Energa Operator SA has regulated its ongoing operations related to the reduction of waste and implemented regulations governing the return of material from dismantled installations. The regulations harmonised rules applied when returning or classifying devices and materials removed from the power grid for further use or

treated as waste, which will in effect contribute to a reduction in the amount of waste generated and consumption of raw materials and energy, and conversely will reduce environmental pollution.

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



**319 335 Mg**  
total amount of waste  
generated by Energa Group in 2019



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

Company/business line	Total weight of waste [Mg]		Recycling		Recovery (including recovery of energy)		Waste stored in landfills		Waste stored on plant premises		Other waste treatment methods	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	130	129	0	0	0	0	0	0	0	0	130	129
Distribution Business Line	6 808	6 204	0	0	0	0	0	0	0	0	6 808	6 204
Sales Business Line	255	422	0	0	0	0	0	0	0	0	255	422
Generation Business Line	376 682	312 580	4 065	4 834	39 727	43 107	1 610	1 094	654	396	330 625	263 148
Energa OZE SA	497	597	0	0	0	0	0	0	8	22	489	575
Energa Elektrownie Ostrołęka SA	330 766	263 065	0	0	0	0	1 477	989	41	7	329 248	262 069
Energa Serwis Sp. z o.o.	830	475	0	0	0	0	0	0	0	0	830	475
Energa Ciepło Ostrołęka Sp. z o.o.	1	0	0	0	0	0	0	0	0	0	1	0
Energa Ciepło Kaliskie Sp. z o.o.	4 148	4 838	4 065	4 834	80	3	0	0	3	1	0	0
Energa Kogeneracja Sp. z o.o.	40 439	43 604	0	0	39 648	43 104	133	105	601	366	57	29
<b>Energa Group</b>	<b>383 875</b>	<b>319 335</b>	<b>4 065</b>	<b>4 834</b>	<b>39 728</b>	<b>43 108</b>	<b>1 610</b>	<b>1 094</b>	<b>654</b>	<b>396</b>	<b>337 818</b>	<b>269 903</b>

**GRI**  
306-2



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

Company/business line	Total weight of waste [Mg]		Weight of hazardous waste [Mg]		Weight of waste other than hazardous [Mg]		Weight of bottom ash slags [Mg]	
	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	130	129	0	0	130	129	0	0
Distribution Business Line	6 808	6 204	1 725	1 568	5 083	4 636	0	0
Sales Business Line	255	422	12	34	243	388	0	0
Generation Business Line	376 682	312 580	159	170	41 580	23 807	334 943	288 604
Energa OZE SA	497	597	74	114	424	482	0	0
Energa Elektrownie Ostrołęka SA	330 766	263 065	60	38	39 528	22 649	291 178	240 378
Energa Serwis Sp. z o.o.	830	475	13	8	817	467	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	1	0	0	0	1	0	0	0
Energa Ciepło Kaliskie Sp. z o.o.	4 148	4 838	3	4	22	21	4 123	4 814
Energa Kogeneracja Sp. z o.o.	40 439	43 604	9	6	789	187	39 642	43 412
Energa Group	383 875	319 335	1 896	1 772	47 037	28 960	334 943	288 604

**Total volume of wastewater by quality and destination**

Company/business line	Total volume of wastewater [m³]		Wastewater drained into the sewer system		Wastewater transported to sewage treatment facilities using means of transport		Wastewater drained into surface waters (lakes, rivers, etc.)	
	2018	2019	2018	2019	2018	2019	2018	2019
Services and other	4 169	4 322	4 169	4 322	0	0	0	0
Distribution Business Line	67 360	65 421	65 200	62 154	2 160	3 267	0	0
Sales Business Line	4 163	2 629	4 163	2 629	0	0	0	0
Generation Business Line	421 669 544	376 683 722	62 975	68 711	1 400	1 425	421 605 169	376 613 587
Energa OZE SA	12 021 104	12 848 651	1 758	1 597	1 383	1 401	12 017 963	12 845 654
Energa Elektrownie Ostrołęka SA	392 026 157	336 296 464	41 702	43 435	0	0	391 984 455	336 253 029
Energa Serwis Sp. z o.o.	668	1 075	668	1 075	0	0	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	442	405	442	405	0	0	0	0
Energa Ciepło Kaliskie Sp. z o.o.	694	853	677	829	17	24	0	0
Energa Kogeneracja Sp. z o.o.	17 620 479	27 536 274	17 728	21 370	0	0	17 602 751	27 514 904
Energa Group	421 745 236	376 756 094	136 507	137 816	3 560	4 692	421 605 169	376 613 587

\*Water from cooling circuits of power plants and CHP plants constitutes wastewater within the meaning of article 16 item 61 of the Water Law Act and are therefore included in the column 'Wastewater drained into surface waters', with consistent data for 2018 included. Rainwater and meltwater does not constitute wastewater within the meaning of article 16 item 61 of the Water Law Act.



## Valuable natural areas

### GRI

103-1 (304)  
103-2 (304)  
304-1  
304-2

Energa Group attaches great importance to its impact on the life of local communities and the environment, as reflected in such strategic documents as 'Energa Group's Business Strategy for the Years 2016-2020' and 'Energa Group's Strategy for Sustainable Development and Corporate Responsibility'. Guidelines included in both these documents are implemented in all areas of the Group's operations, including with regards to capital works and innovation.

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

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

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

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



Furthermore, in order to alleviate the impact of wind farms on avian fauna (birds), Energa OZE SA carries out mandatory annual monitoring of the surrounding area to check for its use by birds and bats, as early as during the planning stage of the project, enabling the estimation of potential risk related to their migration. Active wind farms are subject to several years of post-completion monitoring, which allows determining their impact on avian and bat

fauna. Based on the results of monitoring, the efficiency of implemented methods and actions aimed at minimising the environmental impact of wind farms, devised during the stage of obtaining administrative permits, is ascertained.

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

	2016	2017	2018	2019
	costs [PLN]	costs [PLN]	costs [PLN]	costs [PLN]
Radunia river	61 500.00	61 500.00	61 500.00	61 500.00
Wierzyca river	12 674.40	4 747.20	705.11	705.12
Łyna river	6 000.00	6 000.00	6 000.00	6 000.00
Pastęka and Wąsza rivers	12 475.00	13 262.50	11 563.80	12 901.30
Słupia, Skotawa, Łupawa and Wieprza rivers	19 750.50	19 750.50	19 050.07	6 116.54
Lake Hajka	22 601.06	10 679.96	10 179.83	9 999.87
<b>TOTAL</b>	<b>135 000.96</b>	<b>115 940.16</b>	<b>108 998.81</b>	<b>97 222.83</b>

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In the course of its business operations, Energa Elektrownie Ostrołęka SA follows the principle of prudence. The company refrains from any activities that could contribute to any adverse impact on surrounding areas, in particular Natura 2000 areas. Every capital works project is preceded by an in-depth analysis. The company operates a furnace waste landfill located in the village of Łęg Przedmiejski. The landfill is located within a bird special protection area – Dolina Dolnej Narwii (PLB 140014) – as part of a Natura 2000 area and is a resting place for migrating birds in the autumn and winter period.

According to the 'Report on the Implementation of Environmental Oversight of the "Łęg" furnace waste landfill', 16 inspections were performed on the site in 2018. The inspections confirmed the presence of 50 species of nesting, migratory and wintering birds on the landfill site, a total of 8900 bird specimens. 4 species of birds listed in Annex I to the EU Birds Directive were observed. Confirmed specimens of migratory avian fauna included three species of birds: western marsh harrier, white stork and common crane. Among nesting avian fauna, presence of one habitat of a species listed in the above Annex was confirmed, namely the tawny pipit.

## Energa Elektrownie Ostrołęka SA carries out multi-faceted activities aimed at reducing the risk of any adverse impact on the environment:

- a 100-metre buffer zone was established around the embankments of the landfill. The landfill is regularly secured against dusting by planting mixed grass seeds in the area and watering the areas currently in use, as well as maintaining an appropriate level of supernatant water
- ground- and surface waters and the atmosphere are constantly monitored. Analyses carried out over the course of multiple years confirm that the landfill has no adverse effect on the surrounding area
- the avian fauna present in the landfill area is monitored on an annual basis. Results of monitoring activities show no signs of any adverse effect of the use of the landfill on populations of bird species subject to particular protection within the Natura 2000 area. Nesting boxes are regularly installed in the landfill area to protect bird nesting locations. In order to ensure the protection of sand martins who dig burrows in sheer sandy surfaces, the power plant keeps the maximum height of the waste pile below the level of bottom burrows dug in the pit bank.

In 2019, Energa Elektrownie Ostrołęka SA commissioned a weir, intended to eliminate the risk related to the low water levels in the river. The level of water in weir tanks is monitored on a continuous basis, damming occurs only in case of extremely low water levels. The project enables the constant migration of fish fauna and does not disrupt the existence of water organisms.

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

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

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

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

Protected areas	Number of areas	Length of high-voltage power lines (km)
Landscape parks	17	181
Nature preserves	12	5
Nature preserve buffer zones	5	5
Natura 2000 network areas	66	479



Energa Operator's environmental impact reports can be found online at:

<https://energa-operator.pl/o-nas/raporty-i-liczby/raporty-srodowiskowe>

All projects related to the construction of power lines implemented by Energa Operator SA in the vicinity of or inside protected areas are subject to a procedure of determining their environmental impact. Overhead power lines are replaced with insulated power lines or underground cable lines when an increased number of disruptions occurs in a given area, caused e.g. by tree limbs or animals. This is usually the case in forests or forested areas, where the distance between trees and power lines is relatively low or even decreases with time (due to tree growth), or in areas inhabited by animals (primarily birds) who can collide with power lines.

Replacement of power lines reduces the number of disruptions, enabling the organisation to maintain the quality parameters of electricity supplied to customers, minimizing the number of power outages, improving human safety and protection against fires caused by short circuits. It also reduces the number of deaths among animals (primarily birds), caused both by electric shock and collision with power lines. Insulated power lines prevent electric shock and have better visibility thanks to their design (a large-diameter bundle of wires), helping animals to avoid them. Protection of the landscape is another environmental effect of the replacement of overhead lines with cable lines, as transmission towers and overhead lines often constitute major anthropogenic landmarks.





## Development of the 'Energa for Nature' programme

Energa for Nature is Energa Group's initiative for environmental protection, focusing primarily on the protection of the white stork. Actions taken as part of the initiative mainly involve providing information and education about:

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

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

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

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

### The helpline:

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

Since the helpline was set up,

around **8300**



questions and reports have been submitted



**For the past 6 years, various educational and information activities and annual campaigns addressed at individuals, schools and institutions have been implemented thanks to the 'bociany.pl' project.**

### 'Gather strings, protect storks'

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

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



### 'Looking for Wintering Storks'

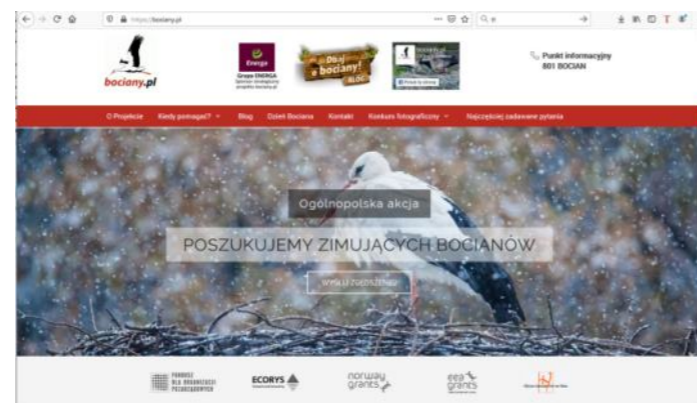
The 'Looking for Wintering Storks' campaign is aimed at gathering information about birds who did not leave for the winter, who are maimed and who require help. The number of storks attempting to winter in Poland is rising. Due to winters becoming milder and the increasing incidence of storks looking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

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

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

### Annual photography contest

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



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

The page contains:

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

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

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





# RELATION WITH CUSTOMERS

Energa Group and the market

4



## Fulfilment of objectives for 2019 and challenges for 2020

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

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



### Objectives for 2020

#### Energia Obrót SA:

Expanding the range of services by sales of photovoltaic panels for individual customers.

Preparing cogeneration tools and products.

Expanding own electric vehicle charging infrastructure and implementing a system for managing charging stations and billing operations.

Implementing a tool and competencies for managing customer experience, and in consequence permanent optimisation of customer service standards.

Implementing a new portfolio of products dedicated to individual customers in order to improve the appeal of the available range of products by introducing e.g. promotional packages into the basic range.

#### Energia Operator SA:

Continuation of projects involving the opening of local branches of Energia Operator SA in Elbląg and Słupsk. The local branches will take over responsibilities such as customer service and tasks related to modernising the distribution grid and adapting it to meet new challenges.



# Objectives for 2019

## Fulfilment



### Implementing the omni-channel online sales and customer service system, as well as a mobile application

The new website of Energa Obrót SA was launched in October 2019. The new version of the website features a clear graphical and text layout, more friendly and intuitive for customers.

A search function was also made available to users, tailored to their varying needs. For example, individual and business customers who enter 'electricity connection' into the search engine will receive results tailored to their profiles. A special description was prepared for each subsection of the site with the name of the subsection, its short description and – optionally – a customer segment. The search engine is one of the most technologically advanced solutions in the current digital services market.

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



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

This pilot project of Energa Obrót SA was available in two sales outlets, in Gdańsk and Gdynia, between 1 April and 30 June 2019.

Kafeteria is a modern sales model that uses iPads with the Salesbook app installed and enables holding business conversations in an innovative way. With the help of a consultant, the customer determines their needs and chooses an individual package of services. The Salesbook app displays the products offered by the company to the customer in a visually appealing way, leading to a shorter duration of conversations between salespeople and customers and facilitating the presentation of benefits afforded by the company's products.



Detailed information on the project can be found on pages 164-165.



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

On 31 May 2019, Energa Obrót SA concluded pilot sales of the 'EnerSOL! Photovoltaic sets' range of products.

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

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

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

### The objective will be fulfilled through the implementation of the following tasks:

#### 1. Introduction of systemic solutions as part of Genesys infrastructure (phone-based customer service), with the most important involving:

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

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

#### 2. Optimisation of customer communication (email, contact form, questions sent through the ENERGA24 website, chat, letters):

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

#### 3. Digitising customer service:

- a) Increasing the number of customers using ENERGA24.

#### 4. Support for sales channels:

- a) developing a new model for unlocking the potential of customer service contacts for supporting sales units.

## Building own electric vehicle charging infrastructure



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

In 2019, Energa Obrót SA and Poczta Polska SA signed a letter of intent concerning the construction of 20 electric vehicle charging stations. The companies are planning to collaborate in the development of transport using electric vehicles. Poczta Polska SA carried out Poland's most extensive tests of electric delivery vehicles with a maximum capacity of 800 kg and is currently testing

vehicles with a capacity exceeding 800 kg, as well as charging stations. Energa Obrót SA will provide Poczta Polska SA with access to its electric vehicle charging stations.

Thanks to their collaboration, both companies will be well prepared for the 'Polish Electromobility Development Plan' implemented by the Ministry of Energy, forming part of the 'Sustainable Development Plan'.



### Implementing a quarterly review of our range of products for individual and business customers

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



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

In 2019, Energa Obrót SA continued its Q project, aimed at ensuring tools, space and competences enabling the company to manage the experiences of its customers in a modern and effective way, thus allowing it to develop and build a competitive advantage.

The project strongly focuses on active cooperation within the company, particularly in the areas of sales and mass and business customer service.



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



### Achieving target SAIDI and SAIFI values

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

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

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

**SAIDI**  
163 min/customer

**SAIFI**  
2.28 failures/customer

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

The **SAIDI** indicator was **22%** lower than the target set for the organisation and amounted to **126.9 min/customer**

whereas the value of **SAIFI** indicator amounted to **2.02 failures/customer** **11%** below the target value.





## Scale of cooperation

GRI 102-7

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

Energia Group's service network comprises:



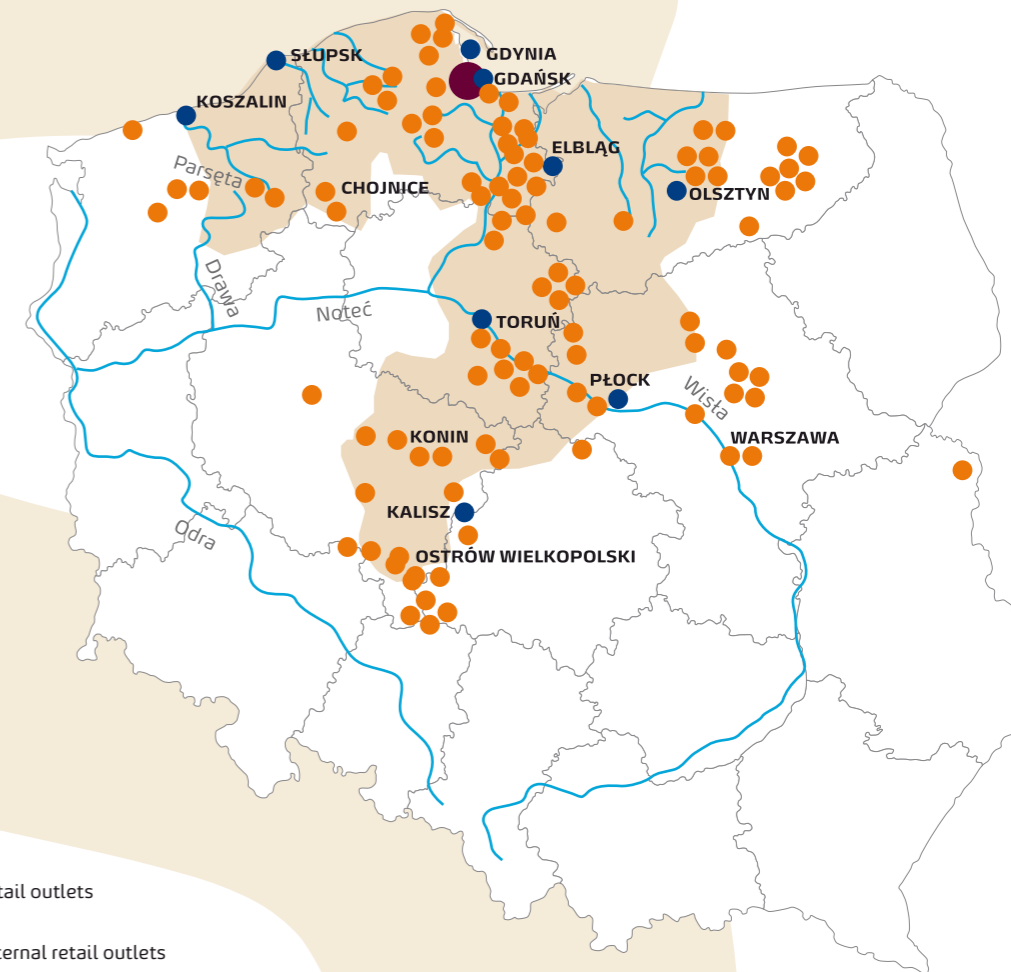
Energia Obrót SA's portfolio of business customers was in 2019 expanded by new companies: LG Group, Poczta Polska, Polmlek, Sfinks Polska and Iventus Group, managed by Martifer. In 2019, the company continued to supply electricity to Polish State Railways.

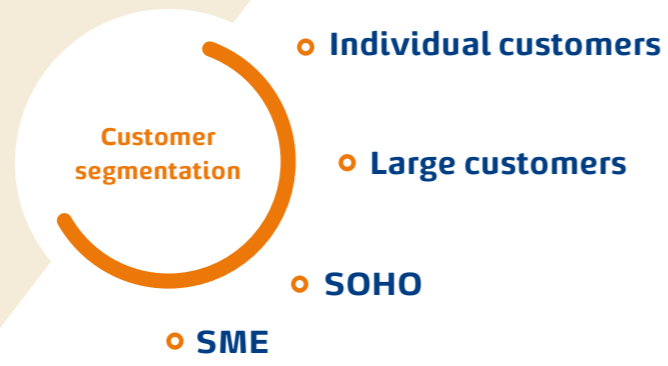
The Company also entered into a contract with Inditex Group, which includes companies such as ZARA. The contract was signed for 3 years and concerns 130 grid connections. The Indexed Offer Platform will be used to sell electricity to this Group, enabling flexibility when making decisions as to how much electricity should be purchased. The main reason behind the continued collaboration between the companies was the ability to choose energy generated from renewable resources. The parties will also enter into another contract for the purchase of electricity generated directly from renewable sources Corporate Power Purchase Agreement (PPA).

- Retail outlets
- External retail outlets
- Head office of Energia SA
- Distribution of electricity
- Sales of electricity

### Services provided in locations shown on the map include:

- entering into a new contract or extending an existing contract
- product activation
- changing the name on the bill
- handling complaints.





Regular monitoring of electricity vendor switches, carried out by the Energy Regulator Office, shows an increase in the number of switches of electricity vendors in pricing group G (households). At the end of December 2019, the number of households (pricing group G) that switched their electricity vendor amounted to 657,223, an increase of 8.7% since the start of 2019. Among industry customers (pricing groups A, B and C) this number amounted to 209,935, an increase of 4.4% since the beginning of 2019.



**SOHO** Small Office/Home Office – businesses operating small offices, usually located in residential houses (e.g. architects, lawyers, freelancers)

**SME** Small and Medium-sized Enterprises

The number of customers from pricing groups A, B and C who switched vendors in December 2019 was 66, whereas customers from pricing group G made 4172 vendor switches in the same month.

Number of TPA (Third-party Access) customers by distribution system operator

Distribution system operator	Number of TPA customers		Electricity supplied to TPA customers [MWh]
	Dec 2018	Dec 2019	Jan – Dec 2019
PGE Dystrybucja SA	209 571	219 123	17 374 110
Energa Operator SA	182 552	197 222	10 002 691
TAURON Dystrybucja SA	223 895	238 220	33 082 824
ENEA Operator Sp. z o.o.	113 694	115 972	8 253 218
Innogy Stoen Operator Sp. z o.o.	71 410	90 444	4 070 166
PKP Energetyka SA	1 139	1 250	1 201 824
Polenergia Dystrybucja Sp. z o.o.	522	545	197 771



Number of Energa Operator SA customers at the end of 2019

Comprehensive	TPA	Total
2 957 974	181 106	3 139 080

Energa Operator SA is a distribution system operator active in the northern and central parts of the country. It provides services in these areas to all customers of Energa Group and TPA customers

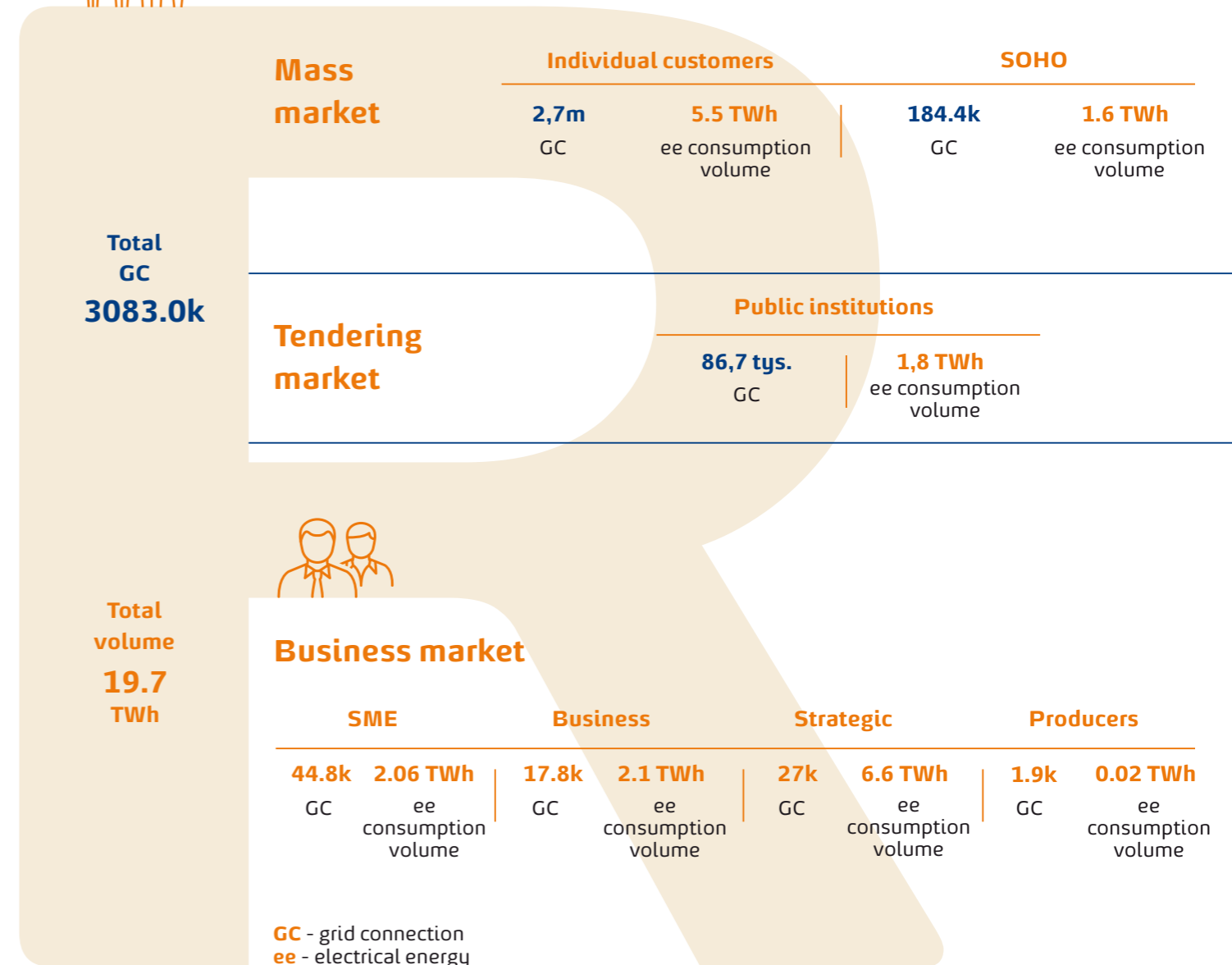
with whom it has entered into distribution services contracts and who exercised their right to switch electricity vendors.

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

Customer type	Number of customers	
	2018	2019
individual	2 796 251	2 840 936
industrial	7 551	8 178
institutional	11 086	11 264
commercial	271 484	278 702
<b>TOTAL</b>	<b>3 086 372</b>	<b>3 139 080</b>



Volume of electricity sales by customer group in 2019



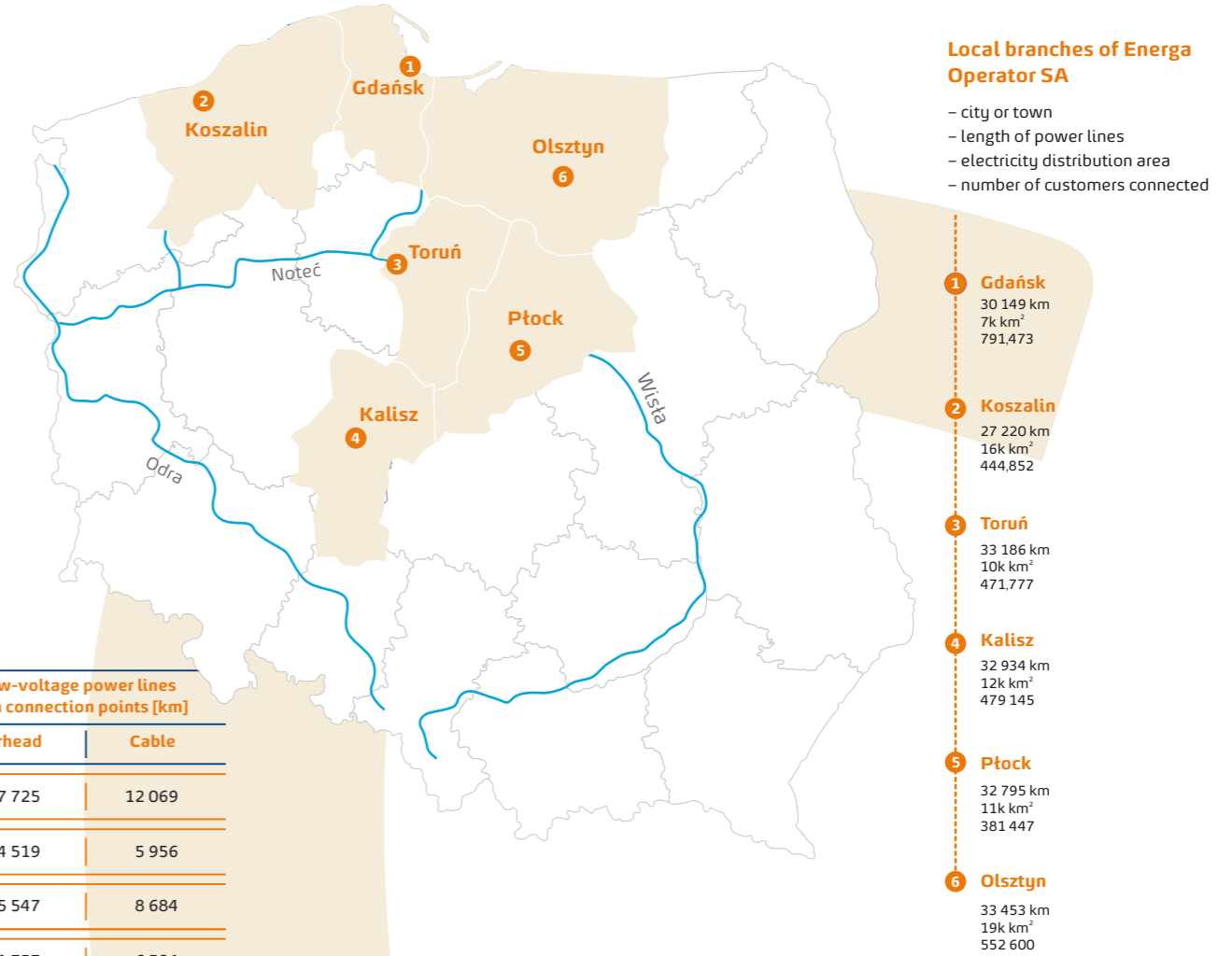


## Supporting regional development

The power grid must be constantly adapted, in terms of technological solutions, to new challenges which arise spontaneously, as it were, with the economic and civilisational development of the country. Traditional solutions may remain effective when limited to the interaction between individual microgeneration sources and customers connected to the same low-voltage power line.

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

Area of operations of Energa Operator SA



## Geographical availability

GRI 103-1 (EU)  
103-2 (EU)

## Collaboration with local governments on developing a prosumer generation

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

GRI G4-EU4

Branch	High-voltage power lines [km]		Medium-voltage power lines [km]		Low-voltage power lines with connection points [km]	
	Overhead	Cable	Overhead	Cable	Overhead	Cable
Gdańsk	937	35	5 203	4 180	7 725	12 069
Kalisz	1 099	0	9 691	1 669	14 519	5 956
Koszalin	1 167	0	8 783	3 039	5 547	8 684
Olsztyn	1 248	1	11 639	2 224	11 757	6 584
Płock	892	0	10 832	1 212	15 959	3 900
Toruń	1 105	15	8 838	1 878	14 290	7 060
<b>Energa Operator SA</b>	<b>6 448</b>	<b>51</b>	<b>54 986</b>	<b>14 202</b>	<b>69 797</b>	<b>44 253</b>

## Products

### Credible products and innovations

#### GRI 102-2

In 2019, Energa Obrót SA systematically adapted its range of products, both to the changing needs of customers and modifications in regulations, in particular the act on changes in electricity prices. The company continued offering a new product, i.e. passive power compensation, as specified in the energy efficiency act, supplying individually designed capacitor batteries to business customers. Passive power compensation reduces costs, improves quality and enables a more efficient use of electricity. Reduction of passive energy costs may reach up to 95 percent.

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

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

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



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

- 1) **Starting Bonus** – an offer addressed to individual customers, combining sales of electricity with a system of discounts in Energa's online store, supported by regular information on discounts on products available in the online store, selected based on the customer's profile and the online store's marketing calendar.
- 2) **Safe Travels Package II** – an offer addressed to individual customers who own vehicles. As part of the offer, customers receive access to 1000 service workshops, cheaper vehicle repairs (even 40% less costs in comparison to licenced workshops), competitively priced additional product offers (seasonal tyre and battery change) and a fixed price of electricity for 12 months.
- 3) **PLUS Full Insurance Package** – as part of the offer, the customer receives the following insurance coverage over a period of 24 months:
  - Premium house assistance with an extended package of professional services: locksmith, electrician, hydraulic, glazer, heating and gas appliances technician, electrical household appliance repair technician or roofer. Insurance covers the costs of repair, travel, spare parts and materials used in the repair and includes two interventions per year with a sum insured of PLN 700 per one event, with a total sum insured of up to PLN 1400 per year.
  - Energetic Assistance PLUS – medical insurance with coverage including sudden bouts of illness, accident or hospitalisation, with a sum insured of up to PLN 5k per year.
  - Premium Private Third Party Liability Insurance – coverage includes the customer and their relatives, with compensation of up to PLN 50k.



The product portfolio also includes anti-smog solutions for individual customers.

- 4) **Mega Profit** – offer for electricity sold in package with premium house assistance insurance, with an increased number of professional services available and a discount coupon worth PLN 200, which can be spent in Energa's online store.
- 5) **Medical Package** – as part of the offer, customers receive a package of medical services, in a basic or extended variant, with coverage available for the customers' partners and families. The package includes guaranteed access to a general practitioner and 21 specialists and laboratory tests.

# Kafeteria

**GRI 102-2**

In 2019, a pilot project was launched, as part of which Energa Obrót SA's consultants proposed new, package-based products to customers, adapted to their individual profiles.

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

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

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

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

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



Furthermore, one of the following attractive products is proposed to customers as part of the 'Offer Like You' programme apart from traditional sales of electricity:

- 'Electricity and Professional Services' or 'Electricity and a Coupon for PLN 150',
- additional products:
  - Car Service with a discount or Car Service and a MOT test
  - Mobile TV or Mobile TV with a Sports package
  - individual Medical Package or partner Medical Package or family Medical Package.

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



Detailed information on Energa Obrót SA's range of products is available online at: <https://energa.pl>.

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

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

The pilot sales programme concluded on 30 June 2019.

The company entered into

**2367**  
contracts



## Safety and stability of energy supply



### GRI 103-1 (EU) 103-2 (EU)

**Energia Group's goal is to ensure the safety of the supply of energy to its customers, i.e. the continuity of supply of electricity meeting specific quality standards.**

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

Development concepts are created in short- and long-term perspectives, enabling the identification of potential hazards to the grid's operation which might occur in the future. The concepts also feature

proposed actions that could neutralise these hazards and enable the analysis of innovative technologies.

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

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

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

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

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

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

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

The nature of the distribution grid has been evolving over the past several years, changing from a customer-oriented grid, where energy flows in one direction only (to the customer), into a prosumer grid. This process opens new opportunities for the energy or grid services market, but makes the operation of the distribution system more complex.

The actions of Energa Operator SA described in the next column are meant to ensure secure supply of electricity.

Some of the actions have a local range and are meant to ensure ongoing protection of customers.

The purpose of other actions is to effect a global increase in the security of operation of the grid managed by Energa Operator SA. All of these actions transform the grid into a system that is more reliable and open to new challenges.



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

- implementing comprehensive solutions in medium- and low-voltage grids, aimed at eliminating their most failure-prone components and reducing the impact of external factors, i.e. surges, tree canopies, etc. (e.g. by replacing non-insulated wires with insulated wires in the low-voltage grid or cable wires in the medium voltage grid in forested areas, using partially insulated wires in other areas, etc.)
- introducing automatics on the most failure-prone lines, leading to a significant reduction in the extent and duration of failures
- increasing the flexibility of distribution grids of all voltages through implementing capital works projects aimed at increasing the grid's resistance to the unpredictable generation parameters of dispersed sources – through the use of voltage controllers, increasing the diameter of live cables in overhead lines, replacing overhead lines with cable lines, particularly within the medium-voltage grid.

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

These structures are constructed primarily in order to connect large customers located far from existing transformer stations. Each new structure shortens the length of medium-voltage power lines, which enables the connection of new customers and improves the security of supply of electricity to customers connected to medium- or low-voltage grids.

### Actions related to ensuring energy safety

1. In August 2019, a report titled 'Concept of operation of a low-voltage transfer grid and a 110 kV distribution grid as a closed grid within the area of operations of Energa Operator SA until 2030' was developed. The purpose of the report is to determine the required capital works projects related to the high-voltage grid in the long-term (by 2030).
2. A number of programme guidelines for new transformer stations and high-voltage lines were developed. The purpose of these guidelines is to improve connection capabilities and/or improve SAIDI/SAIFI parameters (through reducing the length of medium-voltage lines) in respect of the following sites: RS Windyki, RS Zakrzewo, GPZ Tomaszkowo, GPZ Powidz, GPZ Zdunowo, 110 kV line between Recz and Kalisz Pomorski. Program guidelines for all-year-round actions in respect of the following sites forming part of the 110 kV grid are currently in development: RS Zbiersk, RS Anielewo, GPZ Gutkowo, GPZ Kruszyn, GPZ Gołymin.
3. Development of a report titled 'Analysis of the impact of the transformation of the medium-voltage grid from overhead to cable-based' was planned.
4. Work on standards concerning rules governing the company's collaboration with municipalities with regards to approving zoning documents (as part of the Polish Power Transmission and Distribution Association task force) and their implementation within Energa Operator SA was continued.
5. Collaboration with regards to agreeing local zoning plans with marshal's offices of provinces where Energa Operator SA operates – actions carried out on an all-year round basis.



## Alicja Barbara Klimiuk

CEO, Energa Operator SA

Energa Operator SA pays close attention to ensuring the stability and reliability of the supply of electricity. Actions taken in order to secure the supply of electricity include initiatives addressed both to individual entities forming part of the Group, as well as our business partners. We are aware of the important role of the challenges we face as a distribution system operator and therefore set high quality standards for our suppliers, as evidenced by contractual clauses mandatorily inserted in the agreements we sign with them.

**Energa Group's strategic objective is to ensure the highest possible level of reliability of the supply of electricity to customers, and therefore for several years now we've been consistently implementing key modernisation projects and operational initiatives aimed at improving the continuity of supply.**

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

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

They include:

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

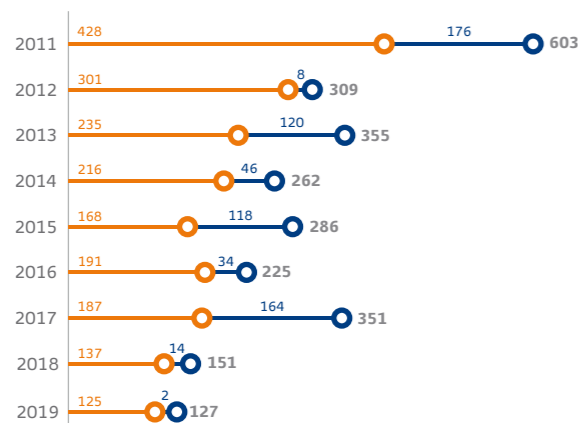


The following operational activities have a significant impact on the improvement of power supply continuity indicators: comprehensive logging operations, significantly increased frequency of carrying out live work in medium- and low-voltage grids, the use of generators and consolidation of works carried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

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

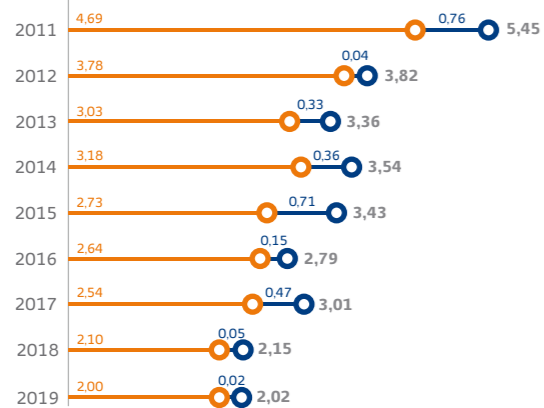


Visualisation of the SAIDI indicator calculated as per the systemic regulation



- SAIDI for planned outages and unplanned and catastrophic outages (not including mass failures)
- SAIDI for mass failures

Visualisation of the SAIFI indicator calculated as per the systemic regulation



- SAIFI for planned outages and unplanned and catastrophic outages (not including mass failures)
- SAIFI for mass failures

GRI  
G4-EU29

GRI  
G4-EU28



Definitions of indicators included in § 41 subsection 3 of the Regulation of the Minister of the Economy on detailed rules governing the operation of the power system, dated 4 May 2007 (Journal of Laws no. 93, item 623, as amended), used to calculate SAIDI and SAIFI indicators at Energa Operator SA:

\* indicator of average system duration of long and very long outages (SAIDI), expressed in minutes per customers per year – constituting the sum of products of duration of outage and number of customers affected by the outage during the course of the year, divided by the total number of customers served (EU29 average duration of power outages).

\* indicator of average system frequency of long and very long outages (SAIFI), constituting the number of customers affected by the consequences of all outages during the course of the year, divided by the total number of customers served (EU28 frequency of power outages).

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



### Activities related to the development of electromobility

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

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

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

### Activities related to the implementation of grid codes

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

In 2019, the company connected

**72** charging points,

**215** points are under construction.





### As regards Network Code Requirements for Generators:

- a list of required information and documents, as well as prerequisites that must be met by generators as part of the compliance verification process were published
- a procedure of verifying the scope of modernisation of generating assets was implemented
- a procedure of issuing approvals for the use of type A, B, C and D generating modules was implemented
- a procedure and rules governing the testing of generating assets were implemented, as well as procedures of using equipment certificates issued by authorised certification bodies.

### As regards HVDC network code:

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

### As regards DC network code:

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

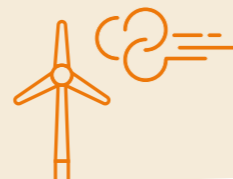
### Activities related to 110 kV grid connections

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

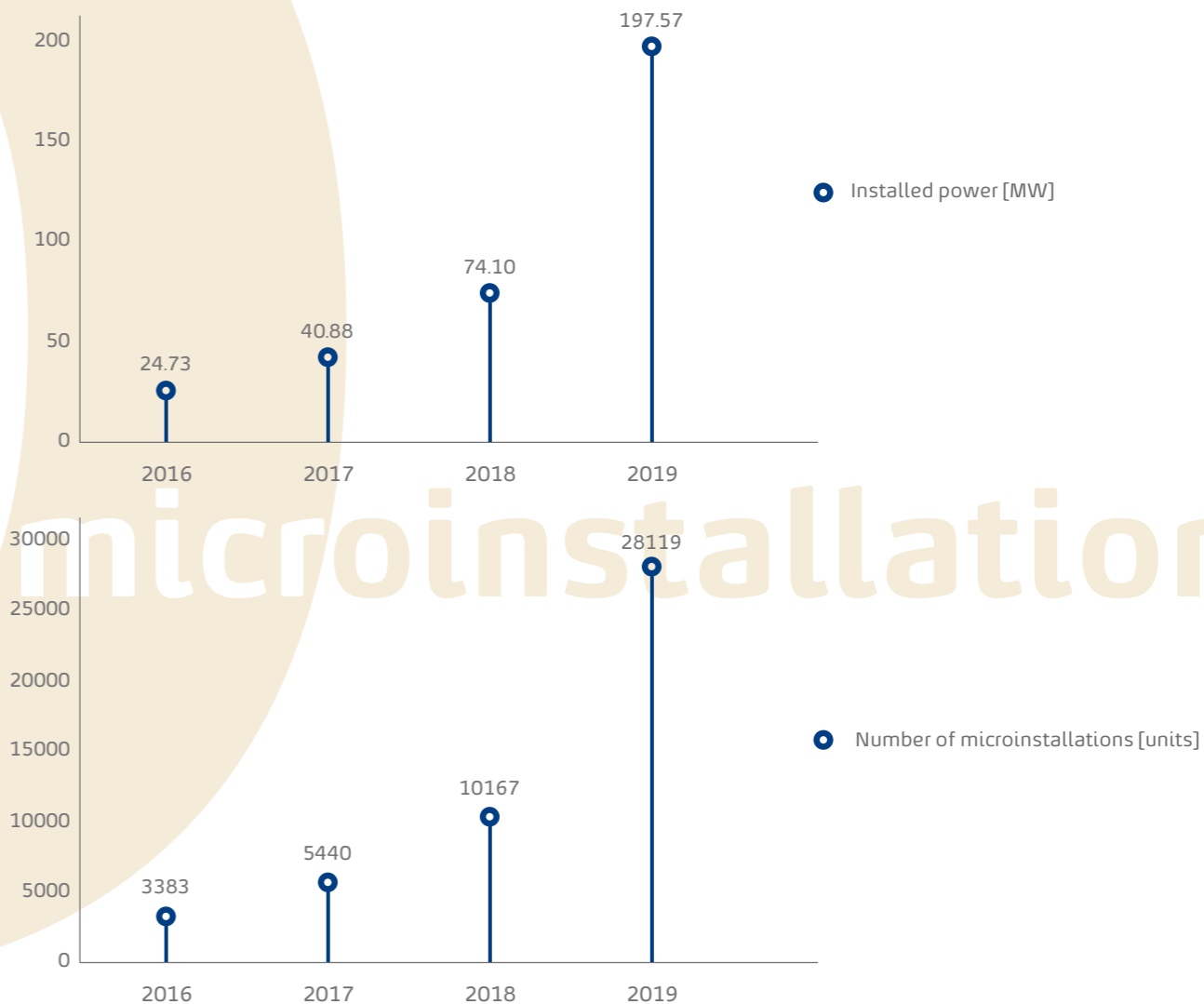
### Increase in the number of connections of renewable energy sources

In 2019, Energa Operator SA recorded a three-fold increase in the number of microinstallations in comparison to 2018. Microinstallations became extremely popular due to:

- the chance to obtain funding as part of the government's 'My Electricity' Priority Programme
- the chance for businesses to receive discount, resulting in lower electricity bills
- increased awareness of environmental matters among the general populace.



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



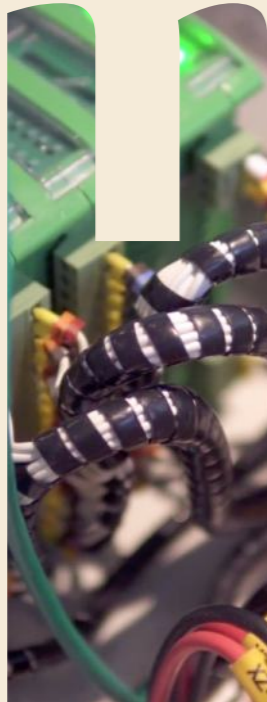
### Smart Grid

The full name of the project is 'Modification of the grid to meet Smart Grid standards through the installation of intelligent metering devices and automatization of the grid to induce customers to increase the efficiency of their use of electricity and effective management of the power system to increase security of supply. Basic implementation within the area of operations of Energa Operator SA (Smart Grid)'.

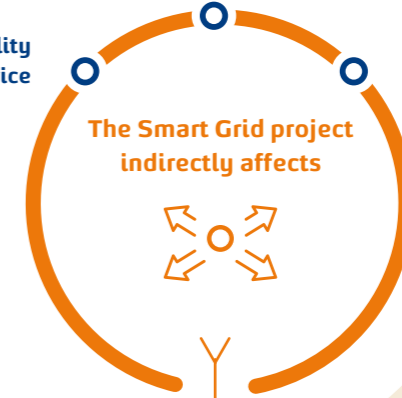


**The purpose of the project is to ensure the stability and flexibility of the distribution system through implementing smart grid solutions.**

# Smart Grid



cost effectiveness of the power grid  
 improved quality of customer service  
 improved quality of supply of electricity

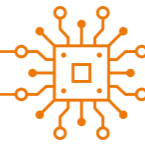


**The objective will be achieved through:**

- implementing new functionalities as part of the SCADA system and adapting the IT environment
- installation of 1180 controlled overhead medium-voltage isolating switches with short-circuit current detection
- installation of 1148 indoor medium-voltage distribution panels with control instruments and short-circuit current detection
- installation of a communication channel for connectors in the TETRA system – installation of 2328 devices
- construction of an energy storage facility

smart

# power grid



# 2019

# 2020

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

One of the main objectives of the project is to create a positive impact on the protection of the natural environment through reducing the consumption of energy generated from conventional sources and decreasing CO<sub>2</sub> emissions.

The project is not expected to have any adverse environmental impact during its implementation. Works planned during each stage of the initiative – implementation, operation and liquidation of equipment – will not have an adverse effect on the environment, i.e. water, soil or air.

Adapting the grid to meet Smart Grid standards through the installation of a smart metering system and grid automatization improves the efficiency of its use, which will translate into a reduced demand for energy required to cover losses, resulting in a lower consumption of energy and reduction of CO<sub>2</sub> emissions. Modernisation of the grid as part of the project implemented by the company is expected to result in achieving positive environmental impact indicators. Reducing the duration of power outages thanks to the modernisation of the grid has a direct impact on the ability to generate electricity from renewable sources during outages.

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

- protection of surface and groundwater
- reduction of noise.

## Works completed in 2019

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

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

## Works planned for 2020:

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

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

## Relations with customers

GRI  
103-1 (417)  
103-2 (417)

### Honest sales and fair communication

#### Sales Business Line

Energa Obrót SA constantly improves its customer communication standards and implements new amenities. Every customer who provides their telephone number in their message to the company will receive information on the number assigned to their ticket in the system, facilitating further contact between the company and the customer – when the customer references the ticket number, customer service will be able to find it quickly and provide the customer with the required information.

Furthermore, when receiving documents the customer is able to verify whether the reference number of the letter is consistent with the ticket number. During the next stage, depending on the method of communication (e-mail or courier service), the customer receives a text message notifying them that their contract was dispatched and guidelines on how to proceed to enter into a binding contract. Both parties benefit from sending notifications via text messages – customer satisfaction is increased and more contracts are entered into in a binding manner.



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



Consultants from all retail outlets participate in the pilot **'Gold, Silver, Bronze' Outlet Classification Programme**.

The programme's objective is to select and reward the best retail outlets who compete in the following 5 areas: visualisation, competences, management, efficiency, quality. Each area has its own significance with appropriate weighting assigned. Outlets are evaluated once per month, based on defined qualitative and quantitative indicators.

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

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





In September 2019, the company implemented a sales and customer service skills development program, aimed at customer-facing employees. Training courses help employees improve their skills in asking questions and listening to customers, speak the language of benefits and hone their negotiation skills. The programme consists of five blocks of training packages and is scheduled to continue until December 2020. Meetings take the form of workshops and lesson plans include discussion of products and services offered to customers. Topics analysed during the training courses carried out as part of the programme include:

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

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

The Relations Management Bureau is the most important part of the company responsible for process optimisation. Work of this unit involves the continuation of activities aimed at correcting the processes of handling complaints and customer requests. As a result, the company is able to minimise the number of overdue matters and improve its indicators of time needed to complete internal consultations, directly affecting the timely handling of consumer complaints.

The Company is continuing the Q project, which stands for customer, quality and improvement; the initiative is a transformative project where directions of changes are set as a result of learning about the needs of customers, meeting their expectations and managing their experiences where they interface with the organisation. The aim of the project is to manage customer experience in a modern and efficient manner.

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

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

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

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

Using simple language makes communication clear and comprehensible. As a first step, the company simplified its contract and general contractual terms and conditions, i.e. documents which the customer takes home and often keeps for many years. In current documents, employees of Energa Obrót SA no longer refer to the customer in the third person and use everyday language to explain the definitions applied therein. That is why electrical energy is now referred to as electricity and metering and billing systems are referred to as meters. Apart from documents, simple language is also used in welcome messages on the company's helpline, letters with information and replies to customer requests.

**GRI**

103-1 (417)  
103-2 (417)

**Distribution  
Business Line**

The Customer Service Management Bureau at Energa Operator SA oversees customer service provided via telephone, electronic channels and in direct communication. Services provided through each of these channels are based on guidelines specified in internal procedures and information scripts.

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

- Script, tests and customer service scenarios for Call Centre employees on the Moodle e-learning platform. Before starting their jobs, new helpline employees complete training using the Moodle platform. After reading customer service scripts, their knowledge is checked (using a test). If they pass the test, employees receive access to service scenarios that will assist them in providing efficient customer service.
- The document titled 'Rules governing the provision of direct customer service' is aimed at ensuring uniformity of rules governing direct contact with customer, taking into account the changes resulting from amendments to personal data protection regulations.
- The document titled 'Rules governing correspondence with customers' is aimed at ensuring uniformity of rules governing correspondence with customers based on currently applicable personal data protection regulations and guidelines applicable in model correspondence forms.
- Changes to the IVR-based welcome message, adapted to the needs of customers and facilitating the correct choice of type of request.

**Types of customer calls**

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

The IVR system currently used by the company is adapted to the needs of customers, therefore by calling 801 404 404 it is easier to connect to the customer service responsible for handling a specific type of call. IVR is also available by calling 991 and customers can receive information about outage locations and approximate time of repair while awaiting connection with a consultant.



A new version of the SIREN call handling system has been implemented. The update resulted in the optimisation of call handling by consultants.



**Number of households disconnected from the grid due to failing to pay electricity bills, broken down by the disconnection period**

GRI  
G4-EU27

Number of customers broken down by the time elapsed between disconnection and paying the electricity bill in order to be reconnected	Energa Obrót SA				
	2015	2016	2017	2018	2019
up to 48 hours	0	0	22 802	31 598	22 259
48 hours – 1 week	0	0	2 850	3 950	2 782
1 week – 1 month	61 867	24 552	1 995	2 765	1 948
1 year and more	0	0	0	0	0

GRI  
G4-EU27

Number of customers broken down by the time elapsed between paying the electricity bill and being reconnected	Energa Obrót SA				
	2015	2016	2017	2018	2019
up to 48 hours	0	0	22 802	31 598	22 259
48 hours – 1 week	51 985	0	2 850	3 950	2 782
1 week – 1 month	0	20 446	1 995	2 765	1 948

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

Energa Obrót SA, Energa Operator SA	2018	2019
Non-compliances with regulations resulting in a fine or financial penalty	3	9
Non-compliances with regulations resulting in a warning	0	0
Non-compliances with voluntary codes of conduct	0	0
TOTAL	3	9

GRI  
417-2

**Total number of non-compliances with regulations and voluntary codes of conduct regulating issues related to marketing communication, including advertising, promotion and sponsoring, broken by type of consequences**

Energa SA, Energa Obrót SA, Energa Operator SA	2018	2019
Non-compliances with regulations resulting in a fine or financial penalty	0	0
Non-compliances with regulations resulting in a warning	0	0
Non-compliances with voluntary codes of conduct	0	0
TOTAL	0	0

GRI  
417-3

**Monetary value of significant penalties resulting from non-compliance with laws and regulations related to the supply and use of goods and services [PLN]**

Energa Obrót SA, Energa Operator SA	2018	2019
Total value of penalties [in PLN] imposed on the organisation as a result of non-compliance with laws and regulations related to the supply and use of goods and services	112 693	1 182 216,23*

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

GRI  
419-1

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

Total value of penalties [in PLN] imposed as a result of proceedings reported in previous years that were paid in 2019: 170 000.



## Friendly customer service

### Sales Business Line

In 2019, customer service at Energa Obrót SA was based on 7 customer service standard manuals:

- customer service standard manual for sales outlets
- customer service standard manual for employees replying to letters from customers
- new business customer service standards
- customer service standard manual for the telephone sales channel
- customer service standard manual for consultants in the mass market mobile sales network
- customer service standard manual for consultants working in the first and second line of service in the Customer Service Call Centre
- customer service standard manual for consultants in the D2D mass market network.

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

The Energa Customer Ombudsman provides customers with additional support in resolving atypical matters. The Ombudsman renders assistance in the most complex and long-standing issues. The main principle governing the activities of the Ombudsman is that he remains independent from the customer service channels operating within the company. The Ombudsman does not handle complaints or requests or the collections process, but merely analyses the responses sent by the company and

verifies whether the complaint handling process was implemented in the due manner. Complaints and opinions can be sent to the Ombudsman using a special form available online at:

<https://www.energa.pl/dom/obsługa/reklamacje-i-zgłoszenia.html>



Energa Obrót SA follows the Good Practices for Electricity and Gas Fuel Vendors – What Can the Customer Expect From an Honest Vendor drawn up by the Association of Energy Trading.



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



Online form at:  
[www.energa.pl/kontakt](https://www.energa.pl/kontakt)

helpline  
555 555 555

ENERGA24  
[www.24.energa.pl](http://www.24.energa.pl)

Regular letters sent to the company's address

Customer service departments are the basic channel of communication with the company

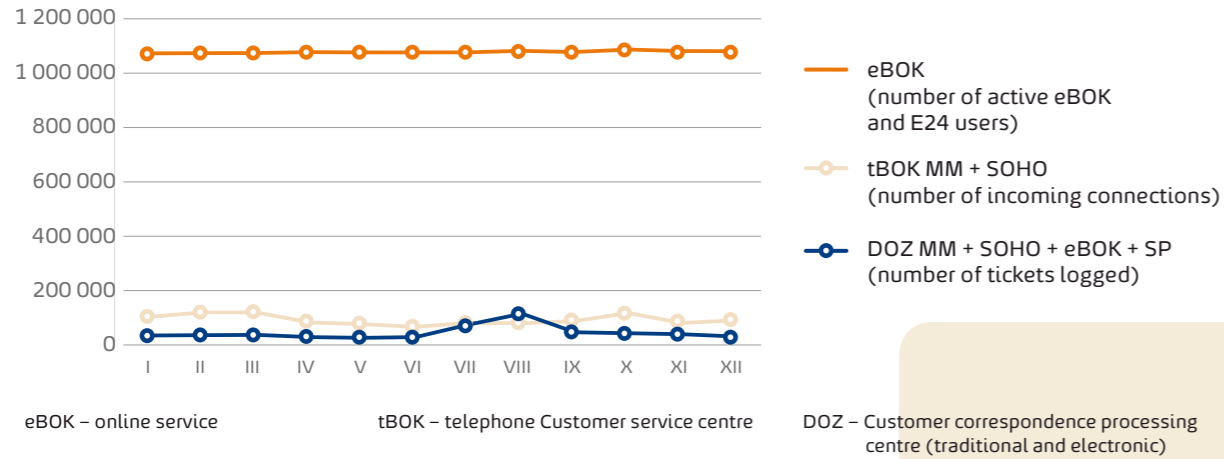
eBOK customer service sites  
[www.ebok.energa.pl](http://www.ebok.energa.pl)

90%

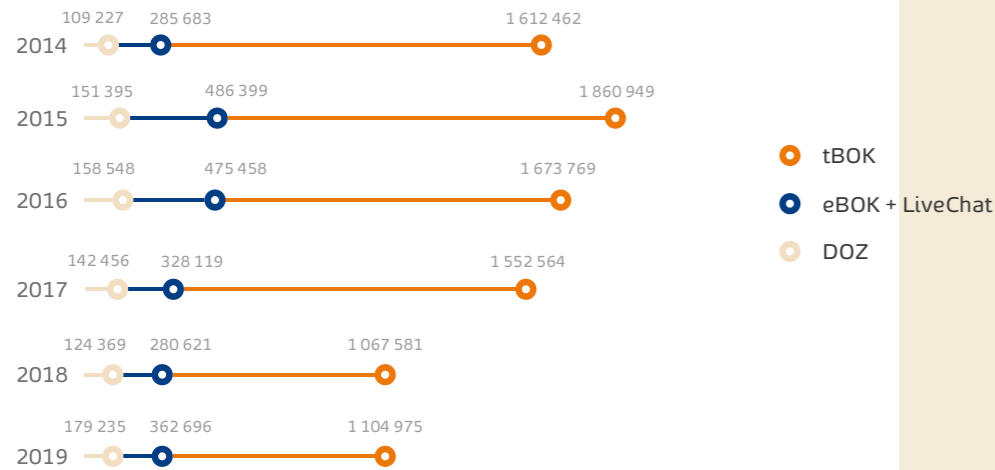
of customer consultations were handled within 7 days



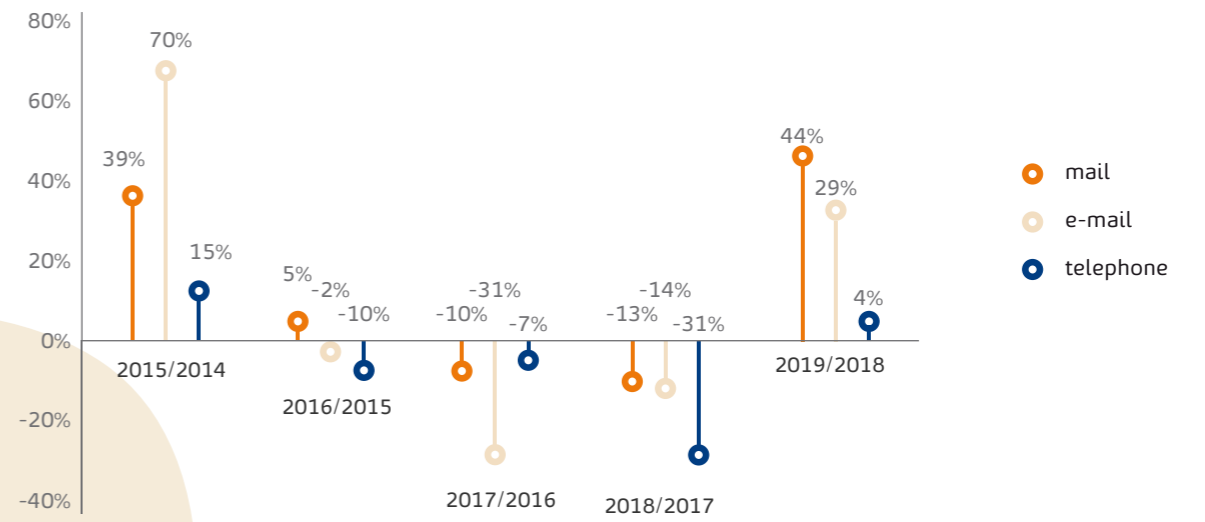
Traffic in communication channels in 2019



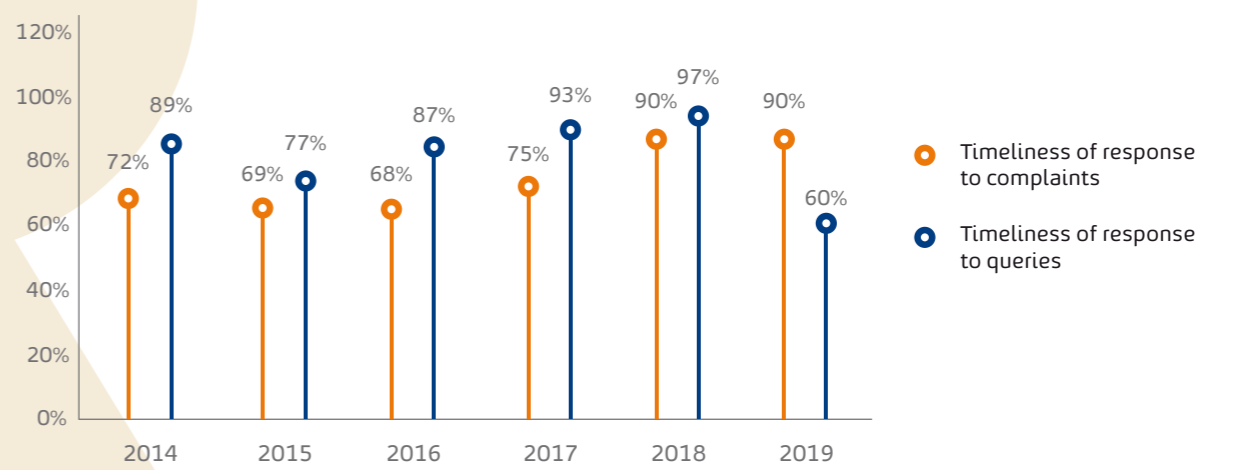
Traffic in communication channels between 2014 and 2019



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

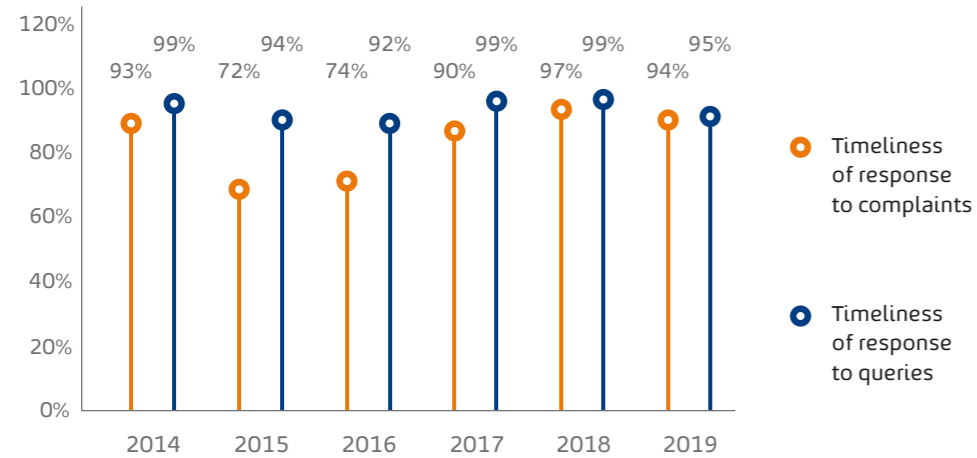


Timeliness of response to customer correspondence between 2014 and 2019

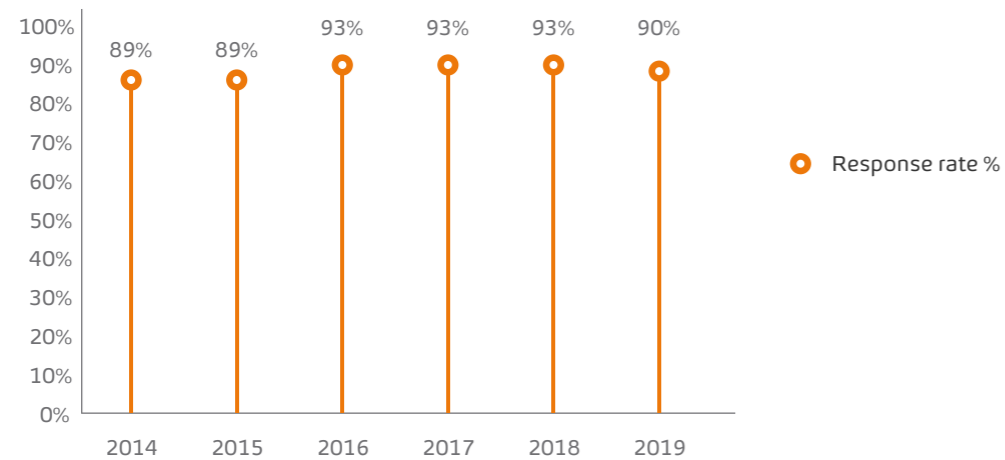




**Timeliness of response to customer emails between 2014 and 2019**



**Response rate at the customer call centre between 2014 and 2019**

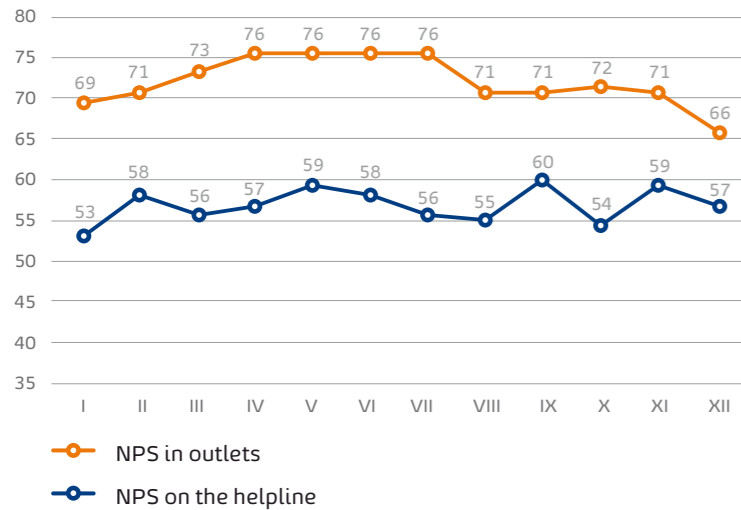


The expectations of Customers of Energa Obrót SA are becoming higher and higher with regards to the quality of service provided in the course of sales and post-sales processes. Due to this, the company constantly monitors the quality standards in sales and service channels using monthly quality research carried out by applying the 'mystery customer' method.

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

Additionally, Energa Obrót SA carries out an ongoing monitoring of customer satisfaction levels in each sales and service channel by means of an automatic measurement of the Net Promotor Score (NPS) indicator. NPS indicates whether customers would recommend other people to contact the company.

### Results of NPS measurements in sales outlets and on the helpline in 2019



The graph illustrates the result of NPS measurements in sales outlets and on the helpline in individual months of 2019. In the case of sales outlets, the highest NPS value of 76 was observed during four consecutive months (April, May, June, July), whereas in the case of the helpline, NPS reached its highest value of 60 points in September.

Both channels continuously strive to improve their customer service quality standards, which resulted in an improvement of NPS scores in comparison to the previous years.

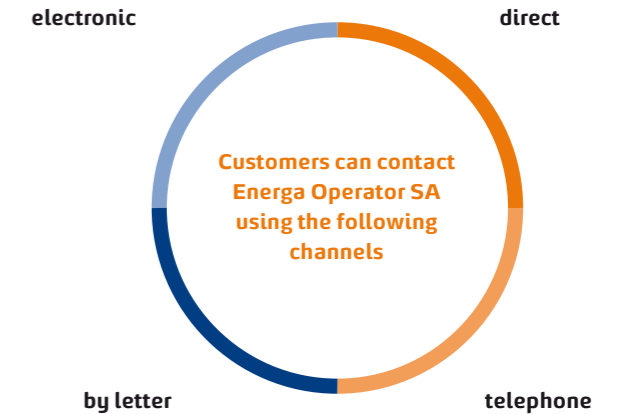


Energa Obrót SA has implemented an instruction titled 'Management of templates of contracts for the supply of electricity and gas', which specifies the procedure of changing the existing contract template and introducing new contract templates. Before coming into effect, every contract template is verified for compliance with requirements in such areas as law, taxes, information security, personal data protection or risk. The Representative for the Coordination of Legal Services and Compliance accepts contract templates and approves them for use. Furthermore, the company regularly verifies decisions of the Chief of the Office of Competition and Consumer Protection and keeps a register of prohibited clauses. Contract templates used by the company include amicable dispute resolution clauses. Apart from submitting their grievances directly to the company, customers may file them with the Chief of the Energy Regulatory Office, Negotiation Coordinator at the Chief of the Energy Regulatory Office or the competent court of law. The Coordinator is an authority regulated by energy law, responsible for the out-of-court settlement of disputes.

### Distribution Business Line

Customers can contact Energa Operator SA using the following channels:

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



### 991 emergency number

Call categories	
	danger to life
	emergency

991	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Response rate (ascending)	*	*	*	*	*	*	*	93.02%	93.27%	93.91%	94.24%	94.52%
Target value	*	*	*	*	*	*	*	93%	93%	93%	93%	93%

\* service was performed by employees of Energa Operator SA due to losing the service provider.

### Data on the 801-404-404 helpline



801 404 404	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Response rate (ascending)	*	*	*	*	*	*	85.21%	95.65%	94.43%	93.28%	93.29%	93.82%
Target value	*	*	*	*	*	*	80%	90%	90%	90%	90%	90%

### Data regarding communication via text messages and emergency online form

This communication channel is used to report outages.

- the customer can send a text message reading 'OUTAGE' to 3991 if they know the number of the electrical connection point
- the customer must fill in the emergency online form available at <https://energa-operator.pl/formularz-zgloszeniowy> if they know only the address of the connection point

Electronic queries	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Ratio of queries answered within 15 minutes	*	86,07%	98,04%	99,88%	99,28%	100%	99,87%	99,72%	99,96%	99,89%	99,61%	100%

\* service was performed by employees of Energa Operator SA due to losing the service provider.

### List of cases handled through the following communication channels:

#### 991 helpline

991	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Number of calls transferred to an agent	*	*	*	*	*	*	38 842	31 841	32 898	29 104	24 808	25 286

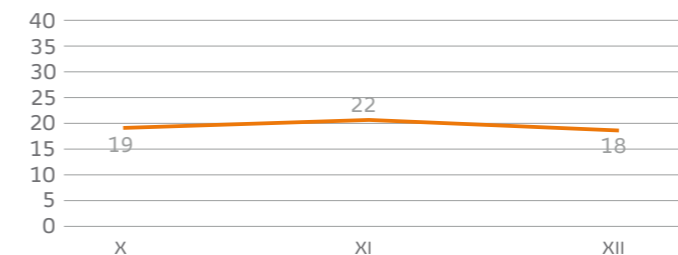
#### 804-404-404 helpline

801 404 404	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Number of calls transferred to an agent	*	*	*	*	*	*	18 144	14 067	14 238	16 710	14 906	14 434

#### Text message, emergency online form

Electronic queries	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Number of queries	*	1076	3336	4254	707	2602	1084	941	1492	1267	626	678

### Results of NPS measurement on the 911 helpline in 2019



\* service was performed by employees of Energa Operator SA due to losing the service provider.



**Queries received through the Infos system:**

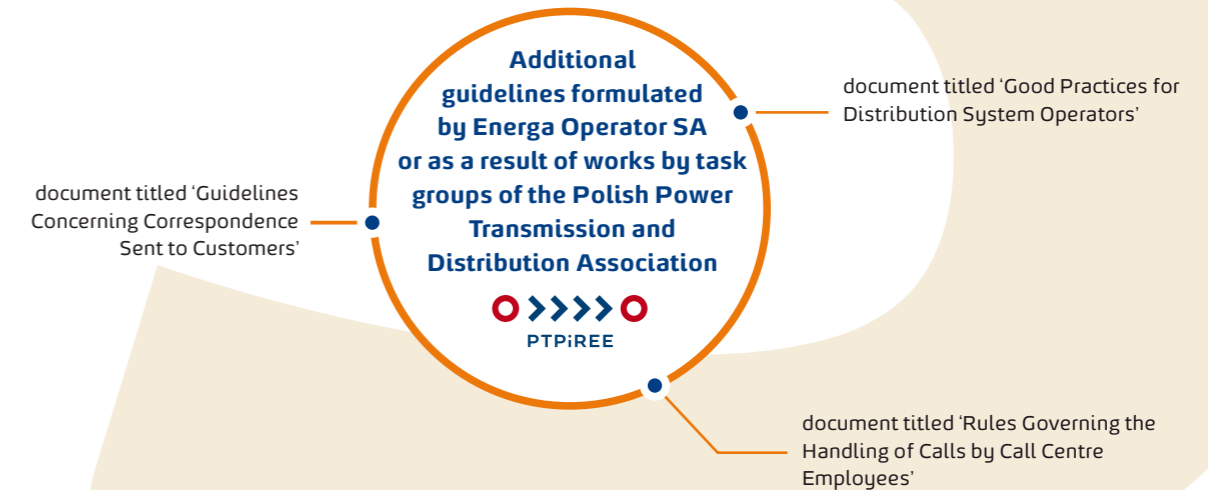
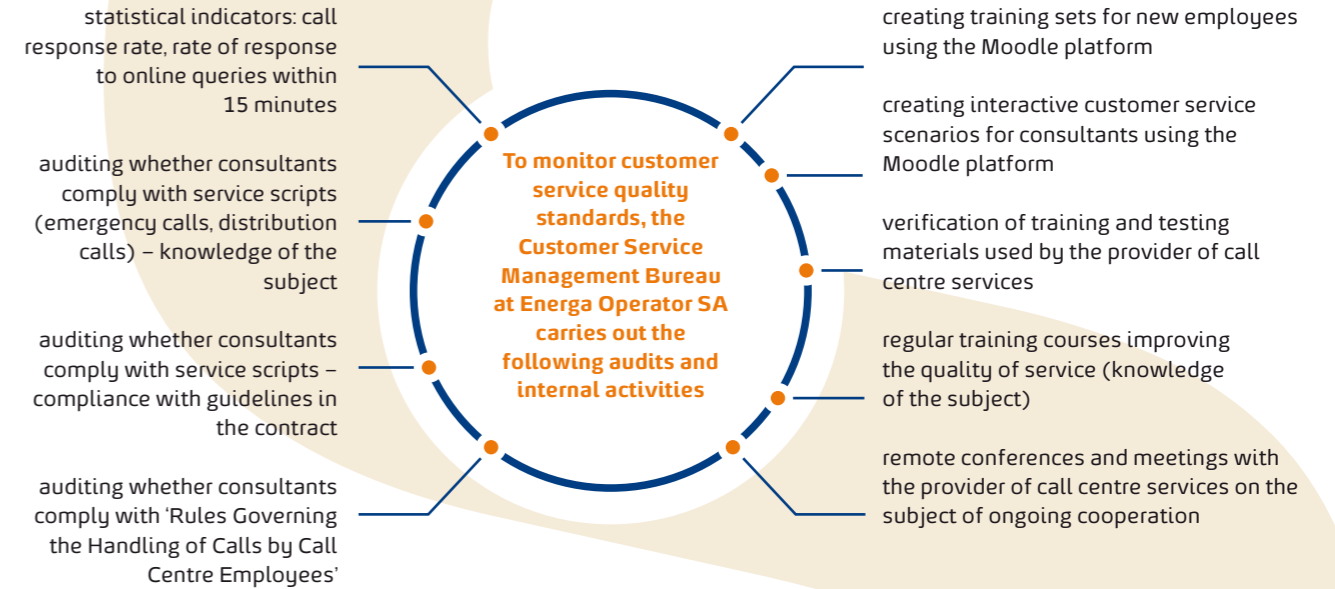
Connection	Real properties	Vendor switch	Collections
Complaint about an employee	Other	Operation	Claims
Information and explanations	Personal data processing	Measurements/technical customer service	
Paid services	Distribution/ comprehensive/ Retail Market Participant contract	Overpayments	

2019 Infos	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
TOTAL number of queries	14 479	12 121	10 880	11 433	12 386	12 568	14 230	10 714	11 865	13 133	12 566	10 861

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

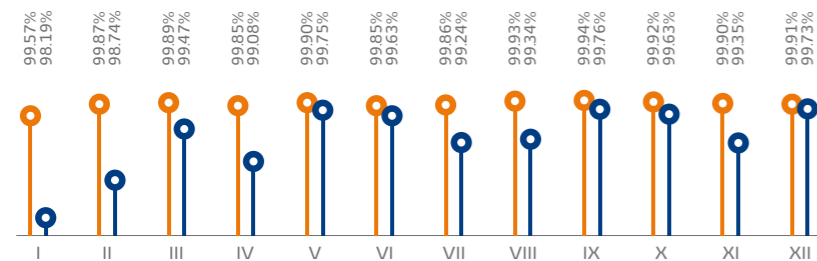
Conversation quality	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Knowledge of the subject (maximum 9 pts)	*	97.7%	97.2%	97.7%	97.9%	98.1%	95.2%	97.2%	*	93.2%	97.2%	98.5%
Contact with the Customer (maximum 21 pts)	*	82.1%	85.1%	83.0%	82.0%	81.0%	84.4%	81.2%	*	83.4%	87.1%	88.6%
Total (maximum 30 pts)	*	86.8%	88.7%	87.4%	86.8%	86.1%	87.7%	86.0%	*	85.6%	89.3%	90.8%
Deviation	*	13.2%	11.3%	12.6%	13.2%	13.9%	12.3%	14.0%	*	14.4%	10.7%	9.2%

\* No audit was made in January due to the fact that operation of the emergency helpline was taken over by employees of Energa Operator SA. No audit was made in September as the procedure for the procurement of a new auditing company had not yet been completed.



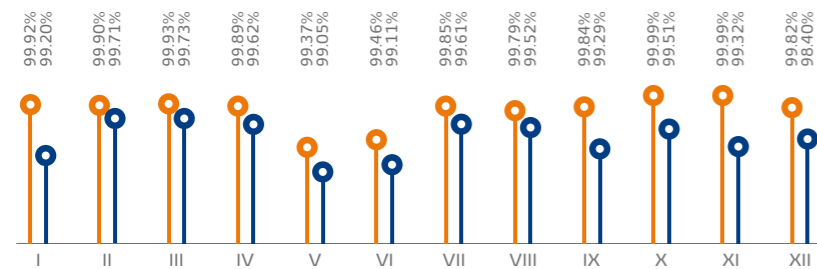
Numerous modifications to systems were implemented in 2019. By the end of November 2019, a total of 60 modifications were made to the CC&B billing system used by Energa Operator SA. The changes had a significant impact on indicators.

**Invoicing:**



**% of customers invoiced EOP 2018**

- KPI ECP (EOB) invoicing
- KPI ECP (other) invoicing



**% of customers invoiced EOP 2019**

- KPI ECP (EOB) invoicing
- KPI ECP (other) invoicing

## Caring for sensitive customers

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

All templates of contracts made by the company with its customers include clauses and procedures directly related to sensitive customers:

- definition of a sensitive customer,
- information on the installation of prepaid electricity meters in abodes of sensitive customers and related duties of customers and the distribution company. The company is required to install a prepaid meter in the sensitive customer's abode at its own expense, within 21 days of receipt of a requisite request from the customer.



## Anna Czarniak

Head of the Mass Market Brick-and-Mortar Sales Department, Energa Obrót SA

A well-organised and customer-friendly sales outlet is a company's calling card. This is where we build and reinforce our long-term relations with customers. Providing adequate support and expert consulting using friendly and simple language is a formula to ensure the satisfaction of customers of all ages.

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



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

#### Priority service

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

The following types of customers are entitled to priority service:

- pregnant women
- parents with children below 3 years of age
- persons in wheelchairs
- persons aged 75 and over.

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

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



## Personal data security

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

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

Furthermore, over the course of 2019 the Group companies carried out:

- 30 initial audits
- 22 office audits concerning documents processed by companies and personal data contained in these documents
- 7 customer audits concerning the verification of personal data gathered and held by the companies
- 1 ad hoc audit concerning a breach of personal data
- 5 initial and office audits for external entities.

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

In 2019:

- no complaints were registered by Energa Obrót SA with regards to any breach of customer privacy and loss of data
- one instance of breaching customer privacy and loss of data was recorded at Energa Operator SA. The incident involved a temporary loss of control over data of 615 customers. Control of the data was restored without any harm for data subjects.



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

**GRI**  
103-1 (418)  
103-2 (418)  
103-3 (418)

**GRI**  
418-1



## Relations with competitors

### Fair market practices

**GRI**  
103-1 (419)  
103-2 (419)  
419-1

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

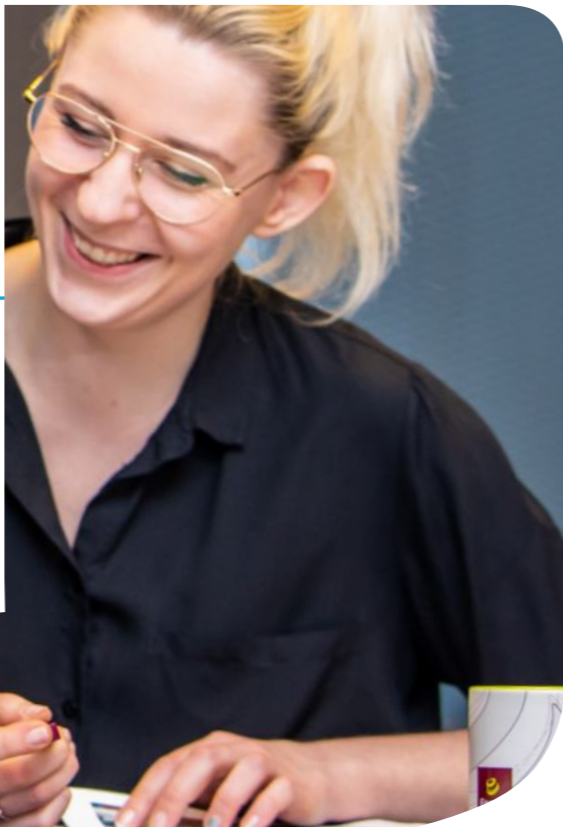
In 2019, the compliance officer prepared a report for the year 2018, referencing the 2017 report which showed irregularities in communication between the Distribution System Operator and a vendor from Energia Group, and submitted it to the Chief of Energy Regulatory Office. The report stated that the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







# ENERGA GROUP AS A TRUSTWORTHY EMPLOYER

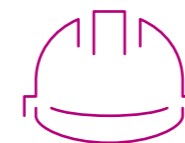


Working at Energa Group

## Fulfilment of objectives for 2019 and challenges for 2020

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

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



Seek to reduce the number of workplace accidents.



Build the image of a responsible employer.

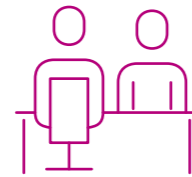


Develop the internship and job placement programme.



# Priorities for 2019

## Fulfilment

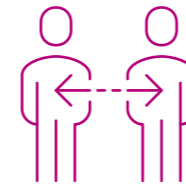


### Seeking to ensure stabilisation in the area of employment

Employees are Energa Group's greatest asset. Employers are aware of the value of competent specialists and managers, and therefore implement actions aimed at ensuring stabilisation in the area of employment. Employees have the opportunity to develop and improve their professional qualifications, and have access to many non-salary benefits. Energa Group also implements actions aimed at maintaining a good work-life balance.



Additional information:  
Terms of employment and remuneration: pp. 216-219.  
Development and training: pp. 232-233.



### Increasing the effectiveness of tools used in communication with employees

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



### Development of internship and job placement programmes

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

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



Additional information on the development of internship and job placement programmes can be found on pages 234-235.

## Structure of employment

### GRI

103-1 (401)  
103-2 (401)

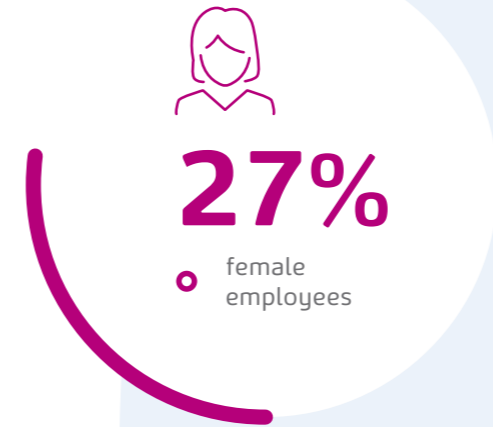
Competencies, professional experience and commitment of employees – these factors are the foundation of Energa Group's successes. Of particular importance are the employees holding engineering and technical posts who possess experience in working in the power industry, a prized asset in the employment market.

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

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

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

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



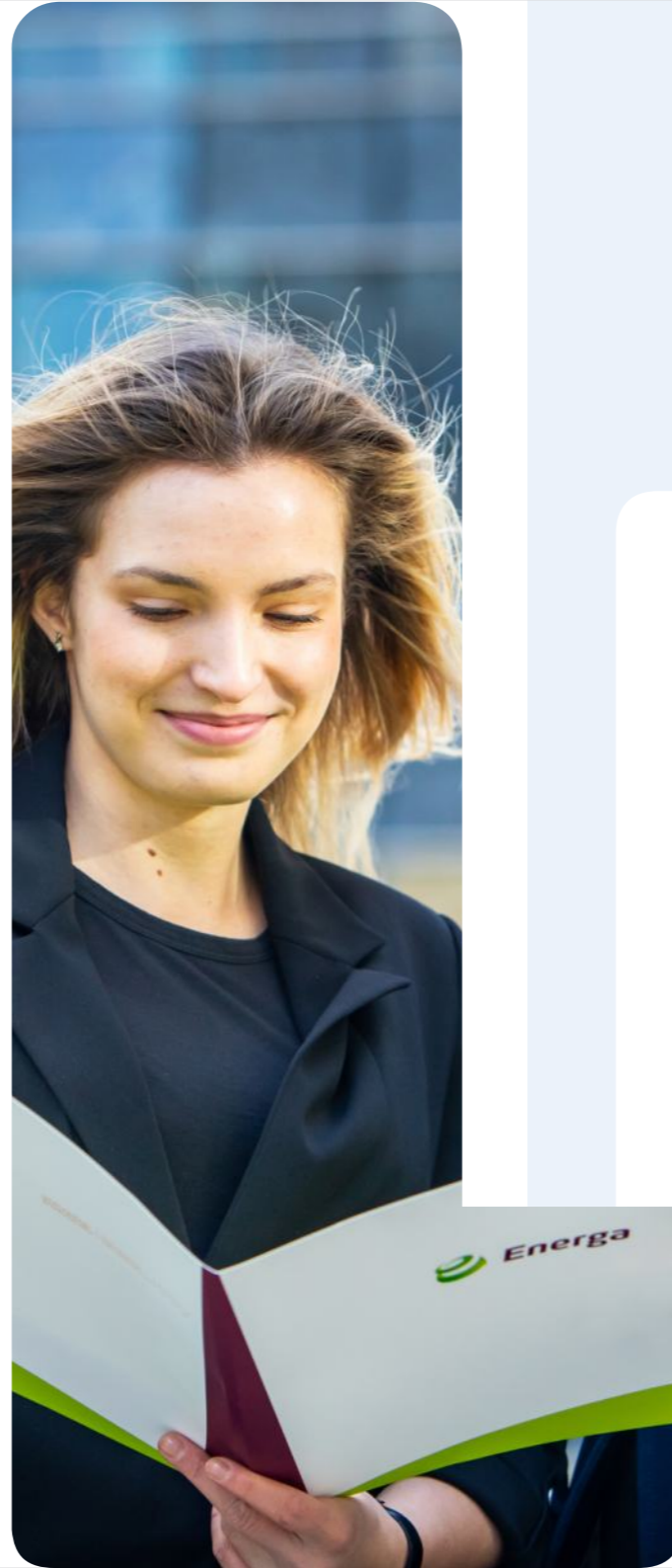
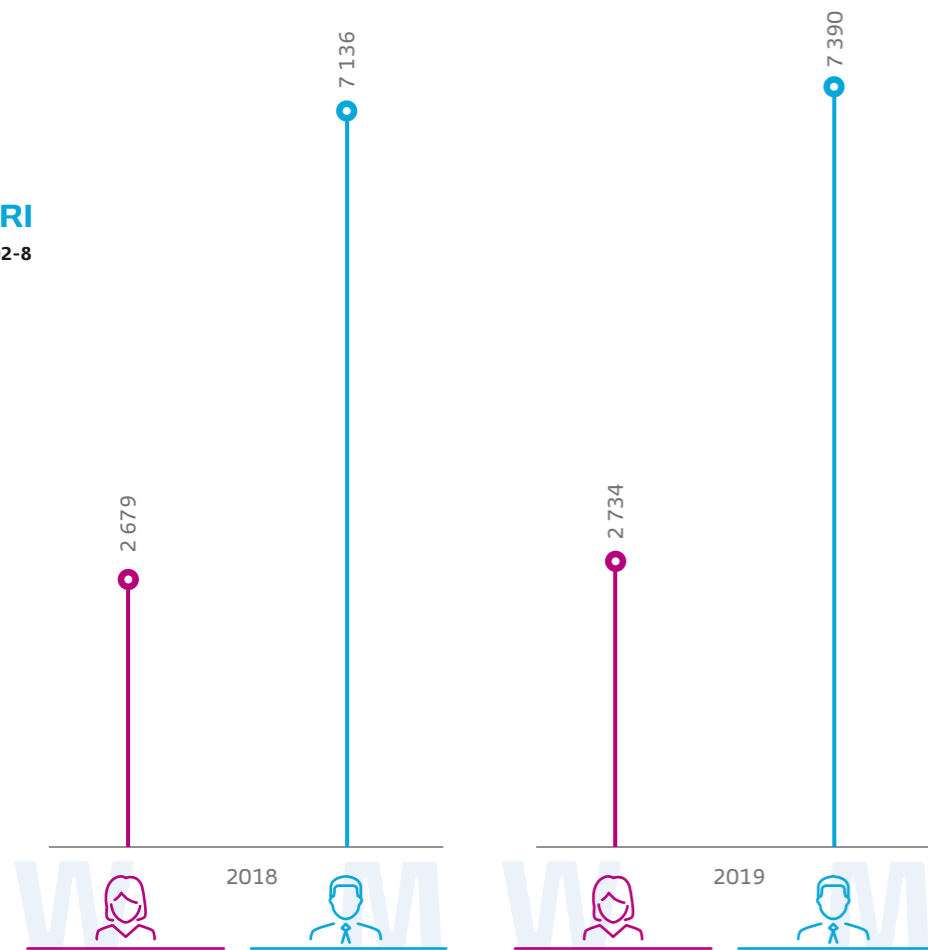
Gender ratio of employees in 2019



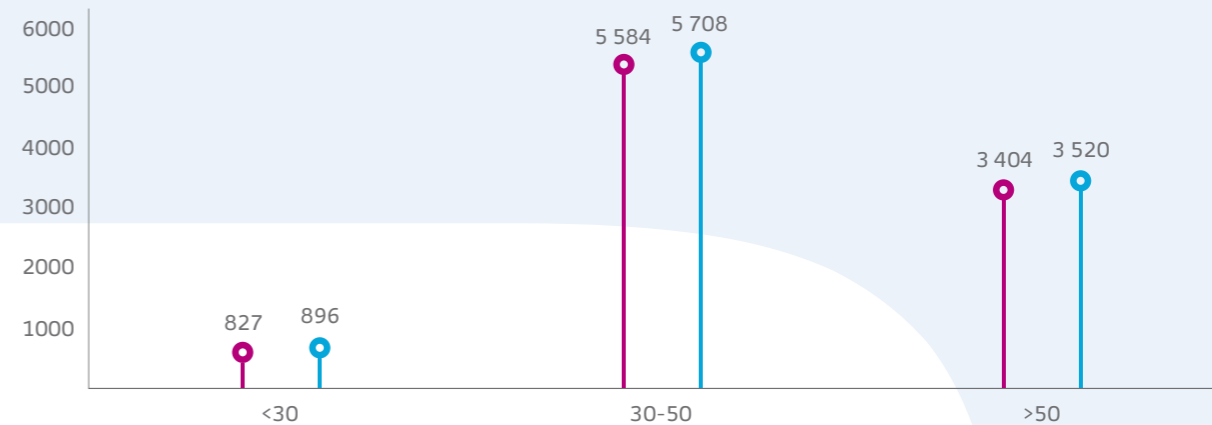


## Number of employees by gender

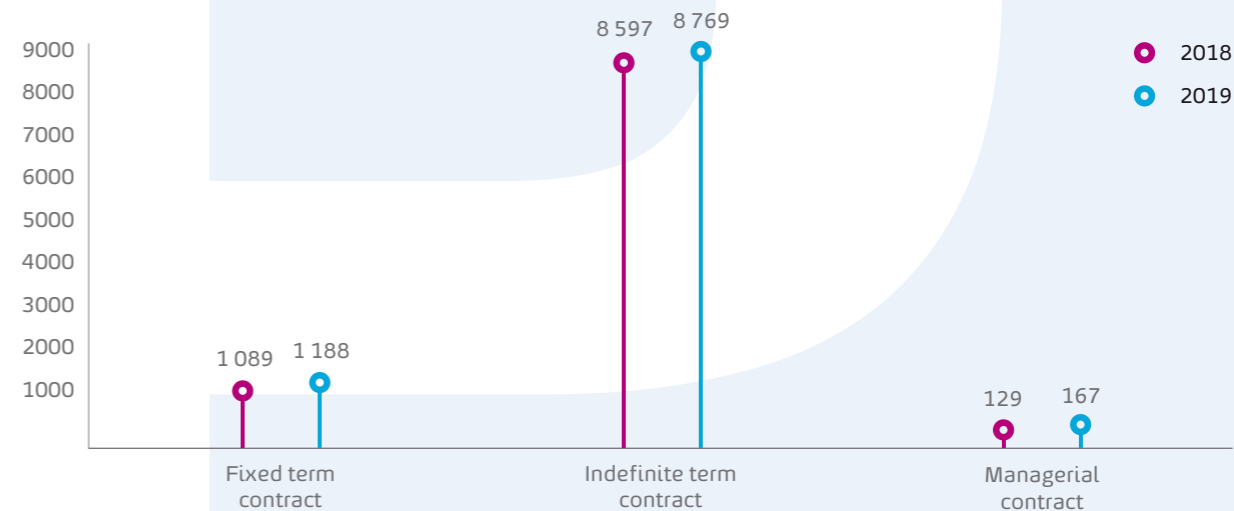
GRI 102-8



## Number of employees by age group



## Number of employees by contract type



## Employment conditions

### Non-salary benefits

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

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

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

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

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

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



### A family-friendly employer

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

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

Employees who find themselves in a difficult living situation may receive support from Energa Foundation.



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



## Family Day

### GRI

103-1 (401)  
103-2 (401)  
401-2

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

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

**Power Engineer's Day** 



# Health



## GOOD PRACTICE

### 'Energy for Health!'

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

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



## GOOD PRACTICE

### National Health Fund closer to patients

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



## GOOD PRACTICE

### The 'For Contribution to the Energy Industry' medal

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

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



## Occupational health and safety

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

### GRI

103-1 (403)  
103-2 (403)

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

An effective OHS management system:

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

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

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

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



### GOOD PRACTICE

#### Appointment of Energa Group's OHS Council

In order to improve the quality of collaboration between various OHS services within Energa Group and strengthen social dialogue, Energa Group's OHS Council was appointed in Q3 2019. The Council is made up of employees with experience in OHS service and social labour inspectors, guaranteeing that pro-employee activities will be coordinating in a way that ensures a safe working environment. Duties of the OHS council include recommending directions of development in the OHS area, initiating and preparing new solutions, unifying OHS management processes and procedures in individual companies of Energa Group.

#### Training for OHS services and social labour inspectors at Energa Group

Solutions aimed at improving the efficiency of cooperation between social labour inspectors and OHS services in post-accident investigations were the main topic of the training course organised between 7 and 8 October 2019. Another objective of the course was to strengthen the collaboration between OHS services and social representatives. Participants in the course also took part in a workshop on new legal regulations. Discussion panels where those in attendance were able to exchange experiences and receive answers to any lingering doubts were particularly popular.



### GOOD PRACTICE

#### 'Planning Your Tomorrow?' information campaign

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

#### 'Hour for Safety'

In order to improve the flow of information from the OHS area and improve dialogue between management and workers, the 'Hour for Safety' initiative was implemented in 2019. Once per quarter, members of the management of companies from the Distribution Business Line organised meetings for workers to discuss issues related to occupational health and safety. During these meetings, employees were able to submit their requests and state their observations related to the organisation of safe work.





### Work on translation and implementation of the ISO 45001:2018 standard

As part of Technical Committee no. 276 at the Polish Committee for Standardization, Energa Operator SA continued its efforts related to the translation and practical implementation of the new international ISO 45001:2018 standard, describing occupational health and safety management standards for general application in Poland.

### Handling equipment operation instruction

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



### OHS inspections at external contractors

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

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

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



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

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

### Works on standardising OHS training

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

## OHS requirements for employees and external contractors

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

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

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

### Regulations governing the area

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

GRI  
G4-EU18

## Activities of the training grounds in Bąkowo

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

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

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

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



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



Employees of Energa Group

2018  
**403**

2019  
**828**



Employees of external entities

2018  
**204**

2019  
**258**

Activity at the training grounds in 2018-2019 – all training courses	2018	2019
Number of training courses	80	194
Number of persons trained	1167	2 288
Of which Energa Group employees	939	1 932



# Mariusz Kaźmierczak

Board's Representative for Occupational Health and Safety at Energa Group

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



## Occupational health and safety commissions

GRI 403-1

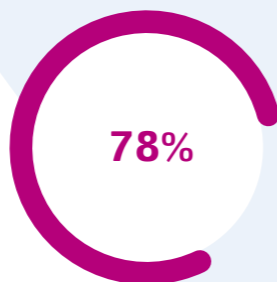
Pursuant to provisions of labour code, any employer who employs over 250 staff must appoint an occupational health and safety commission, comprising representatives of both the employer and the workforce.

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

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



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



## Workplace accidents and occupational diseases

GRI 403-2

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

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



Number of workplace accidents across the entire Energa Group

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

	2018	2019
Total number of days missed from work due to workplace accidents	2 392	2 542
Total number of work-related accidents	51	56*
Of which fatal work-related accidents	1	0
Number of work-related occupational illnesses	2	1

\* In 2019, there was one workplace accident in the Distribution Business Line involving multiple employees, resulting in injuries to 2 persons.



GRI 403-2

### Incidence of accident frequency by gender

2018	2019	2018	2019
2.6	4.8	6.5	6.1

$$\text{incidence of accident frequency} = \frac{\text{total number of persons injured in workplace accidents}}{\text{total number of employees at the end of the reporting period}} \times 1000$$

### Accident severity rate by gender

2018	2019	2018	2019
8.9	36.9	50.4	46.9

$$\text{accident severity rate} = \frac{\text{total number of calendar days missed from work by employees injured in workplace accidents}}{\text{total number of persons injured in workplace accidents (except fatal accidents)}}$$

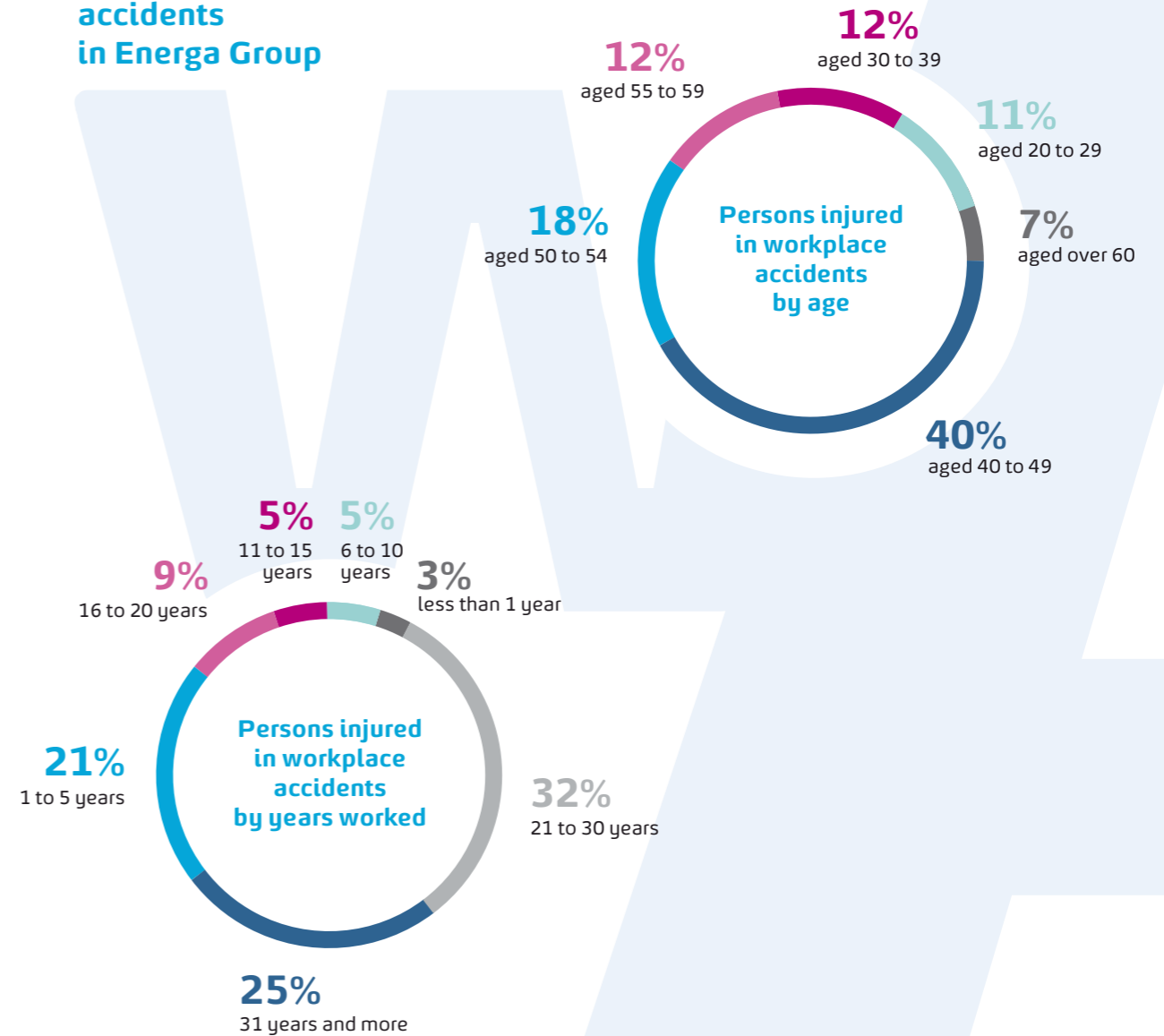
### Incidence of occupational illnesses

2018	2019	2018	2019
0	0	0,029*	0,014

$$\text{incidence of occupational illnesses} = \frac{\text{total number of occupational illnesses}}{\text{total number of hours worked by employees}} \times 200\,000$$

\* adjusted data

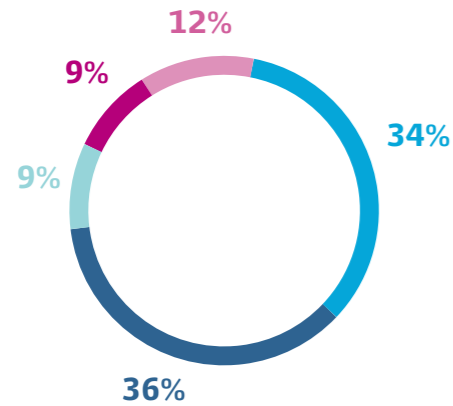
## Analysis of workplace accidents in Energa Group



GRI 403-2

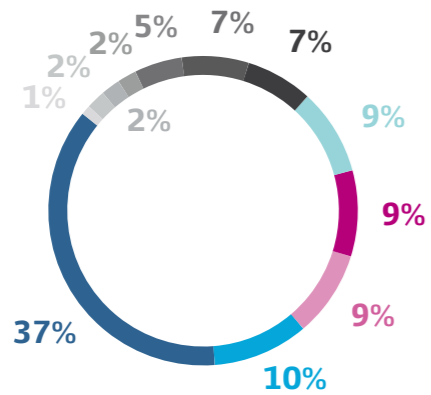


**Types of injuries**



- 36% superficial wounds and injuries
- 34% displacements, sprains, twists, tears
- 12% bone fractures
- 9% internal injuries
- 9% fire or chemical burns, boiling water or steam burns, frostbite

**Types of accidents**



- 37% same-level fall (slip and fall, trip)
- 10% person falling from height
- 9% equipment/materials falling from height
- 9% impact (running, hitting an obstacle, collision, fall, crash)
- 9% traffic accident
- 7% getting caught in/on/between/under a pinch point
- 7% contact with a sharp implement
- 5% electric shock
- 2% impact by a moving object
- 2% fire
- 2% contact with high temperature
- 1% contact with electric arc

All accidents that occurred in 2019 were classified as minor and did not result in permanent impairment of health. 56 workplace accidents were recorded within Energa Group, resulting in injuries to 57 employees. A significant number of accidents were directly caused by improper conduct, including errors in the identification of hazards or unexpected outside influences beyond the employee's control.



**OHS aspects in collective bargaining agreements**

Apart from generally applicable legal regulations that govern issues related to occupational health and safety, the Group's internal regulatory documents include Work Regulations which contain provisions regarding the safety and protection of health of employees.

Occupational health and safety aspects are also included in collective bargaining agreements and agreements made on the local level in the form of arrangements and addendums amending collective bargaining agreements applicable in specific locations.



## Development and training

Energa Group implements training projects aimed at developing the competencies of its employees and ensuring the fulfilment of strategic goals. Employees improve their qualifications thanks to receiving partial funding of university studies, MBA programmes, postgraduate courses and secondary schools. Furthermore, employees attend specialist training, language courses and industry conferences. Sharing knowledge and skills with other colleagues is an important part of the Group's training policy. All employees can access training on equal terms and therefore have the opportunity to develop during every stage of their professional career.

A new e-learning project was launched by Energa Group in 2019. The first programme provided as part of the initiative to all Group employees and associates concerned the security of personal data and comprised three courses: general information, data breaches and risk analysis.

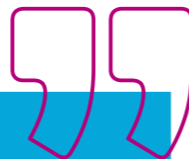
Another training project available to all employees and associates was a course in preventing abuse and conflict of interest. The e-learning course was mandatory and concluded with an exam.



# Sylwia Lewandowska

Head of the Staff Policy Department, Energa SA

Skilled and innovative employees who make use of their knowledge in everyday work are a solid foundation for the Group's development. Specialised training not only help employees maintain a high level of competences, but also guarantee fulfilment of the Group's business objectives and its stable development.



Number of training hours



in 2018  
**177k**

in 2019  
**172k**



Average number of training hours per employee

in 2018  
**18**

in 2019  
**17**



**GOOD PRACTICE**

### Succession plan

The objective of the succession plan implemented at Energa Operator SA between 2014 and 2019 is to maintain continuity of management. In order to ensure succession in positions in key areas of operations, the organisation selected persons with the largest potential who became participants in the programme.

2019 saw the conclusion to the 6-year development process as part of the succession plan. Participants in the programme had the chance to develop as part of individual and group development sessions and workshops on the following subjects:

- Agile leadership
- Communication at the interface of departments
- How to build winning teams?

**GRI 404-1**




**GOOD PRACTICE**

**Technical Academy**

Technical Academy is a development programme aimed at employees of the Distribution Business Line in engineering and technical positions. The purpose of the project is to equip employees of key divisions in the organisation with unique skills in the market, their integration and creation of an environment fostering the exchange of knowledge and experiences.

The project is addressed to approx.

**1700** persons



In 2019,

**68** training courses

were held as part of the project.



**GOOD PRACTICE**

**Experts' Programme**

As part of the Experts' Programme implemented in the Distribution Business Line, employees selected from within the organisation held training courses, during which they were happy to share their knowledge and professional experiences.

5 courses were carried out as part of the programme, with 35 employees participating.

**Internal coach development programme**

In 2019, efforts of internal coaches were mostly focused on providing support to employees working in the Call Centre, who were able to enrol in a course in customer service and dealing with difficult situations. Additionally, a series of four meetings for operational coaches was organised in the previous year, concluded by a coach exam. The purpose of the meetings was to prepare coaches for providing training in operation of the CC&B system.



**GOOD PRACTICE**

**Age Management Concept**

The purpose of the 'Age Management Concept' continued at Energa Operator is to prevent the negative consequences of the generation gap. Age analysis carried out in companies in the Distribution Business Line clearly shows that the power industry will face a wave of retirements in the coming future. Faced with this prospect, the organisation must begin implementing initiatives aimed at training employees who will hold various positions in the future, in particular engineering, technical and electrical fitting jobs. Due to this, the Group has been implementing actions as part of the 'Age Management Concept', aimed at hiring interns who will learn the ropes of working in the power industry. The concept therefore allows the organisation to maintain and develop collaboration with technical universities and secondary schools, oriented towards ensuring a steady supply of workforce.

**Bona Fide**

The Group continued its participation in the 'Bona Fide' programme, providing support to young, ambitious people in the development of their academic careers and funding their education at reputable foreign universities. The previous edition of the programme culminated in the hiring of the scholarship participant by Energa SA.



## Dialogue with employees and trade unions

Employees covered by collective bargaining agreements

**Energia Group**  
**95% 2018** **69%\* 2019**

\* the apparent difference between 2018 and 2019 is the result of a change in the definition of a collective bargaining agreement.

Unionisation rate in Energia Group:

**56%**  
**approx. 5.7 thousand employees**

employee, social and union rights for employees of Energia Group' made on 18 September 2017 in Gdańsk.

All trade union and labour liberties, including the freedom to found and join trade unions, are fully respected and observed by employers forming part of Energia Group. Representatives of trade unions may freely express their views, which are taken into account when making decisions in labour-related issues.

Social dialogue in 2019 concerned issues such as salaries and benefits for employees and retirees, social assets, organisational changes and uniformization of internal work regulations.

### COLLECTIVE AGREEMENTS

As per the current definition, collective agreements are exclusively limited to collective bargaining agreements and agreements on the implementation of a composition made pursuant to article 241 (10) of labour code. Bargaining collective agreements include those signed by the organisation itself or by organisations of employers that the organisation is a member of. These agreements may apply at the national, regional, organisational or workplace level.

Social dialogue is an ongoing process of mutual interactions between employers and social partners, focused on finding constructive and lasting solutions in the area of collective labour law, to which Energia Group pays particular attention. Dialogue takes place based on shared values and mutual trust, primarily in the form of regular informational meetings, consultations, negotiations and arrangements.

At the end of 2019, intercompany and intracompany trade organisations were active within the Group, mostly associated within 3 trade unions representing employees on the national level – Independent and Self-Governing Labour Union 'Solidarność', Labour Union of Engineers and Technicians and Association of Labour Unions of Energy Sector Employees.

As at 31 December 2019, the unionisation rate in Energia Group amounted to 56%, with approx. 5.7 thousand employees of the Group being members of a trade union.

Internal dialogue within Energia Group was carried out in accordance with applicable laws, in particular the labour code, trade unions act of 23 May 1991, act on resolving collective disputes of 23 May 1991 and the Agreement on the safeguarding of

# 2018

Collective disputes in 2018 and 2019

# 2019

1. Collective labour dispute at Energia Elektrownie Ostrołęka SA in connection with a notice issued by trade unions on 22 August and 8 September 2017. The dispute is currently in the mediation stage.
2. Collective labour dispute at company Energia Kogeneracja Sp. z o.o., commenced in connection with a notice issued by trade unions on 22 May 2018. The collective dispute was concluded by signing an agreement on concluding the collective dispute dated 29 November 2018.
3. Collective labour dispute at Energia Serwis Sp. z o.o., commenced further to an announcement made by the Inter-Enterprise Branch of the Independent and Self-Governing Labour Union 'Solidarność' for the Mazowsze Region at Energia Elektrownia Ostrołęka SA, operating in Energia Serwis Sp. z o.o., relating to the terms of the memorandum of agreement made on 21 November 2017 on determining the increase of salaries of employees of Energia Group in 2018. The dispute was concluded on 10 December 2018 due to the trade unions withdrawing their demands.

Energia Group employers comply with statutory deadlines for announcing important events in companies, as well as keep in mind and apply regulations stipulated in the above-mentioned Agreement from September 2017, as

1. Collective labour dispute at Energia Elektrownie Ostrołęka SA in connection with a notice issued by trade unions on 22 August and 8 September 2017. The dispute is currently in the mediation stage.
2. Collective labour dispute at Energia Elektrownie Ostrołęka SA in connection with a notice issued by trade unions on 7 February 2019, concerning the introduction of PPE. The dispute is currently in the mediation stage.
3. Collective labour dispute at Energia Informatyka i Technologie Sp. z o.o. in connection with a notice issued by trade unions on 15 January 2019. The collective dispute was concluded by signing an agreement dated 20 February 2019.
4. Collective labour dispute at the Płock branch of Energia Operator Wykonawstwo Elektroenergetyczne Sp. z o.o. in connection with a notice issued by trade unions on 14 and 15 January 2019. The collective dispute was concluded by signing an agreement dated 23 April 2019.
5. Collective labour dispute at the Płock branch of Energia Operator SA in connection with a notice issued by trade unions on 14 and 15 January 2019. The collective dispute was concluded by signing an agreement dated 15 May 2019.
6. Collective labour dispute at Energia Logistyka Sp. z o.o. in connection with a notice issued by trade unions on 14 and 15 January 2019. The collective dispute was concluded by signing an agreement dated 7 May 2019.

well as individual provisions of the collective bargaining agreement governing the principles of collaboration between parties during restructuring, consolidation, etc.

GRI  
103-1 (402)  
103-2 (402)  
102-41

GRI  
402-1



## Support for employee volunteering programmes

### GRI 413-1

Employees of Energa Group are happy to become involved in charitable drives, organised both on the central and local level. Their charitable activities include:

- collecting funds for specific goals by participating in aid programmes or fundraising drives
- donating blood
- gathering products for those in need
- supporting animal shelters
- donating 1% of their income tax.

Energa Group employees include both those who initiate new charitable drives and those who actively participate in such initiatives.



### GOOD PRACTICE



#### Santas from EITE

In response to letters to Santa received from children from Foster House no. 3 in Płock, employees of Energa Informatyka i Technologie Sp. z o.o. raised funds and purchased gifts. Nine children received their dream presents just before Christmas.

#### 'Share the warmth'

In December 2019, employees of Energa Obrót SA organised a collection drive for stray animals at the shelter in Kościerzyna.

The animal shelter in Płock received food donated by employees of Energa Informatyka i Technologie Sp. z o.o.



### DOBRA PRAKTYKA



#### Christmas collection drive

Employees of Energa Operator SA organised a Christmas collection drive, donating such products as care and hygiene supplies, books, toys or clothes for unwanted children with disabilities, cared for the by Reclaiming Happiness Foundation in Kraszewo-Czubaki.

Energa Operator SA also participated in a collection drive for essential products and gifts for the children's group home in Kalisz.

#### Noble Package

As part of the campaign, employees of Energa Group raised essential products and funds for the purchase of essential household appliances for families in need.



### GOOD PRACTICE



#### Get involved, collect bottle caps

Employees of Energa OZE SA participated in a bottle cap collection drive in support of the Gdańsk Hospice Foundation. Employees of Energa Operator SA also collected bottle caps to fund the treatment, rehabilitation and improvement of the comfort of living of sick children.

#### School kit

Employees of Energa Invest Sp. z o.o. organised a school kit collection drive for children in the care of the Pomeranian Children's hospice and their siblings.

Thanks to those who participated in the initiative, financial aid was given to **no fewer than 13 institutions and 655** people in their care,



including **410** children.



## GOOD PRACTICE

### Sweets for Gdańsk pre-schoolers



Employees of Energa SA, Energa Obrót SA and Energa Centrum Usług Wspólnych Sp. z o.o. organised a confectionery collection drive. The products were then distributed among pre-schools in Gdańsk by the 'Me Too' Foundation.

### Package from You

During the Christmas period, employees of Energa Elektrownie Ostrołęka SA organised a fundraiser, with proceeds going for the purchase of Christmas presents for children in the care of the Ostrołęka children's group home. Employees of Energa Serwis Sp. z o.o. also participated in the fundraiser.

### Aid for the Special Primary School in Warcz



Employees of Energa OZE SA organised a Christmas collection drive of school supplies, board games, toys and confectionery for 90 pupils with disabilities from the Special Primary School in Warcz.

### Christmas Charity Market

Energa initiated and organised the Christmas Charity Market. Pastries prepared by employees of Energa Group were put up for sale, and the entire proceeds from the initiative were donated to fund the construction of the first children's hospice in Lithuania, via the 'Angels of Mercy' Foundation.

### 'Active and Charitable'

'Active and Charitable' is an initiative of employees of the Internal Communication Department at Energa SA, aimed at employees of Energa Group, their families and friends. The objective of the programme is to integrate people around the concept of living an active lifestyle and the shared idea of helping others.

Every year, employees of Energa Group, their friends and loved ones turn kilometres into charity for those most in need. In 2019, the objective was to travel a total distance of 768 800 km, i.e. the distance needed to get to the Moon from Earth and back; reaching this goal would guarantee a donation of PLN 350,000 to children's group homes, foster homes and residential homes.

533 participants took part in the sixth edition of the 'Active and Charitable' initiative, travelling over 808 000 km on bicycles, rollerblades, doing Nordic walking or swimming in only 7 months.

Thanks to those who participated in the campaign, aid was provided to no fewer than 13 institutions with 655 people in their care, including 410 children. Over the six years of the 'Active and Charitable' initiative, participants travelled over 3.2 million kilometres and donated PLN 1.3 million to care institutions.

Statistics of the 'Active and Charitable' initiative, 2014-2019

Edition/year	2014	2015	2016	2017	2018	2019
Number of participants	204	443	477	561	611	533
Number of kilometres travelled	242 k	350 k	515 k	602 k	728 k	808 k
Amount donated [PLN]	240 k	140 k	150 k	150 k	350 k	350 k

# KROPELKA ENERGI

## 'Droplet of Energy' Foundation in 2019

1500 litres is the amount of blood flowing through the veins of over 270 people. It is also the amount of this precious liquid that has so far been donated over the eight years of activity of the 'Droplet of Energy' foundation, set up by Piotr Krysiński and Tomasz Rubanowicz, employees of Energa Obrót SA.

Over the course of six donation drives organised in the Olivia Business Centre in 2019, 591 donors donated 265.5 litres of blood, while a further 84 people visited sites operated by the Regional Centre of Blood Donation and Blood Treatment in Gdańsk, donating 37.8 litres of blood. Two employees of Energa Group received the highest commendations – medals for 'Charitable Blood Donors – For Distinguished Service to the Nation's Health', awarded by the Minister of Health. The donated blood was given to hospitals for use during surgeries and transfusions for cancer patients.

# 1500

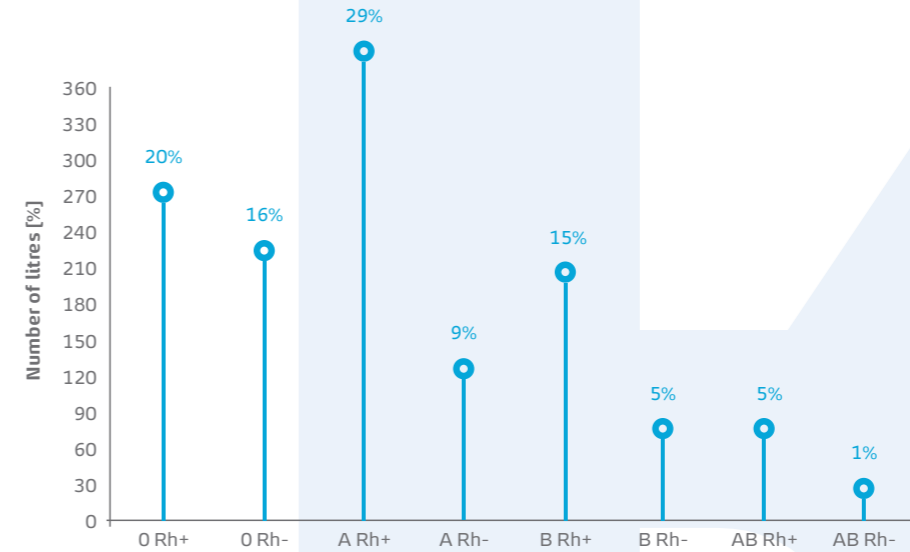
litres  
of blood



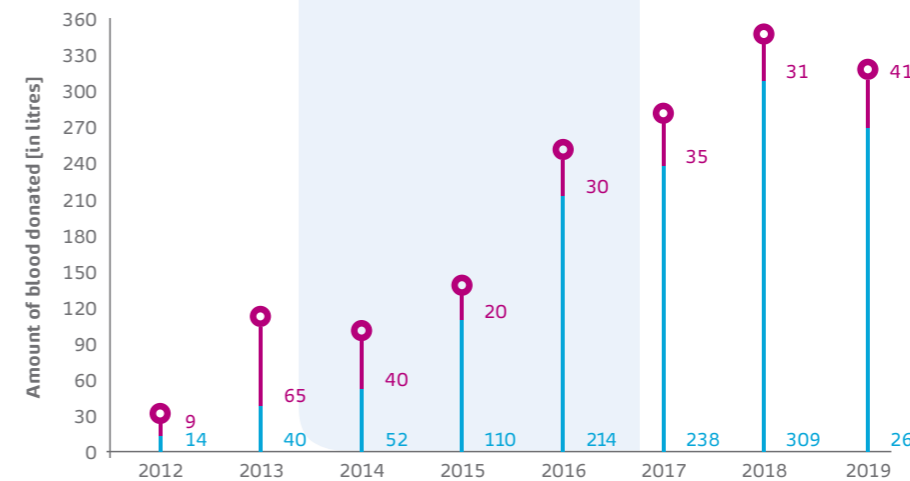
The Foundation's objective is to assist in saving human health and lives. 'Droplet of Energy' promotes and endorses the concept of charitable blood donations as an unrivalled form of charity.

The Regional Centre of Blood Donation and Blood Treatment in Gdańsk is a partner of 'Droplet of Energy' and provides an ambulance for use during donation drives, with blood taken by highly qualified personnel.

'Droplet of Energy' collaborates with various Charitable Blood Donor clubs, associations and foundations operating within the structures of Energa Group, including the Charitable Blood Donor Club at Energa Serwis Sp.z o.o. or the ENERGA-KREW Charitable Blood Donor Club at Energa Operator SA.



Blood type of charitable donors participating in the 'Droplet of Blood' initiative



Amount of blood donated over the past years as part of the 'Droplet of Energy' campaign

— blood donated at the Regional Centre of Blood Donation and Blood Treatment  
— blood donated in the ambulance

## Indicators

GRI  
403-2

### Number and type of workplace accidents

	Number of fatal workplace accidents				Number of minor workplace accidents				Number of serious workplace accidents				
	2018		2019		2018		2019		2018		2019		
	W	M	W	M	W	M	W	M	W	M	W	M	
Services and Other	0	0	0	0	4	1	2	0	0	0	0	0	0
Distribution Business Line	0	1	0	0	2	34	8	37	0	0	0	0	0
Sales Business Line	0	0	0	0	1	2	2	2	0	0	0	0	0
Generation Business Line	0	0	0	0	0	6	1	4	0	0	0	0	0
Energa Group	0	1	0	0	7	43	13	43	0	0	0	0	0

### Number of accidents and work-related occupational-illnesses

	Total number of all accidents				Number of work-related occupational illnesses			
	2018		2019		2018		2019	
	W	M	W	M	W	M	W	M
Services and Other	4	1	2	0	0	0	0	0
Distribution Business Line	2	35	8	37*	0	1	0	1
Sales Business Line	1	2	2	2	0	0	0	0
Generation Business Line	0	6	1	4	0	1	0	0
Energa Group	7	44	13	43	0	2	0	1

W – women M – men

\*In 2019, there was one workplace accident in the Distribution Business Line involving multiple employees, resulting in injuries to 2 persons.

### Injury and accident seriousness rates

	Injury rate				Accident seriousness rate			
	2018		2019		2018		2019	
	W	M	W	M	W	M	W	M
Services and Other	6,3	1,1	3,0	0,0	3,5	30,0	7,0	0,0
Distribution Business Line	1,8	8,3	7,1	8,4	8,5	54,4	37,0	41,5
Sales Business Line	1,5	6,1	3,0	4,2	31,0	4,3	11,5	37,5
Generation Business Line	0,0	4,7	4,2	3,1	0,0	53,3	147,0	102,3
Energa Group	2,6	6,5	4,8	6,1	8,9	50,4	36,9	46,9

The injury rate does not account for managerial contracts.

W – women M – men

### Absentee rate

	Absentee rate		Average number of absent days per employee working under an employment contract	
	2019		2019	
	W	M	Absentee rate	Average number of absent days per employee working under an employment contract
UServices and Other	10 157	11	5 766	7
Distribution Business Line	10 851	12	7 904	9
Sales Business Line	15 913	18	7 178	8
Generation Business Line	11 023	12	8 310	10
Energa Group	11 950	13	7 645	9

W – women M – men

GRI  
403-2

GRI  
403-2



**Percentage of employees and persons working for the organisation and under its supervision, represented in formal occupational health and safety commissions**

	total number of employees and associates represented by the specified commissions (cumulatively)	percentage of employees and associates represented by commissions vs. the total number of employees
<b>2019</b>		
Energa SA	0	0%
Energa Logistyka Sp. z o.o.	331	100%
Energa Ochrona Sp. z o.o.	301	100%
Energa Invest Sp. z o.o.	0	0%
Energa Informatyka i Technologie Sp. z o.o.	294	100%
Energa Centrum Usług Wspólnych Sp. z o.o.	311	100%
Centrum Badawczo-Rozwojowe im. M. Faradaya Sp. z o.o.	0	0%
Enspirion Sp. z o.o.	0	0%
Energa Operator SA	5197	99%
Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o.	0	0%
Energa Obrót SA	0	0%
Energa Oświetlenie Sp. z o.o.	0	0%
Energa Slovakia s.r.o.	0	0%

**Percentage of employees and persons working for the organisation and under its supervision, represented in formal occupational health and safety commissions**

	total number of employees and associates represented by the specified commissions (cumulatively)	percentage of employees and associates represented by commissions vs. the total number of employees
<b>2019</b>		
Energa OZE SA	262	96%
Energa Elektrownie Ostrołęka SA	575	100%
Energa Serwis Sp. z o.o.	318	99%
Energa Ciepło Ostrołęka Sp. z o.o.	0	0%
Energa Ciepło Kaliskie Sp. z o.o.	129	98%
Energa Kogeneracja Sp. z o.o.	186	98%
Elektrownia CCGT Gdańsk Sp. z o.o.	0	0%
Elektrownia CCGT Grudziądz Sp. z o.o.	0	0%
Grupa Energa	7904	78%

**GRI 403-2** Number and type of accidents and accident ratio among persons working for the organisation and under its supervision

	Number of fatal workplace accidents		Number of minor workplace accidents		Number of serious workplace accidents		Total number of all accidents		Injury rate	
	2019									
	W	M	W	M	W	M	W	M	W	M
Services and Other	0	0	0	0	0	0	0	0	0	0
Distribution Business Line	0	0	0	0	0	0	0	0	0	0
Sales Business Line	0	0	0	0	0	0	0	0	0	0
Generation Business Line	0	0	0	0	0	0	0	0	0	0
Energa Group	0	0	0	0	0	0	0	0	0	0

W – women M – men

**GRI 102-8** Number of employees by gender

	2018		2019	
	W	M	W	M
	Services and Other	654	981	682
Distribution Business Line	1 105	4 359	1 129	4 558
Sales Business Line	692	512	674	508
Generation Business Line	228	1 284	249	1 301
Energa Group	2 679	7 136	2 734	7 390

W – women M – men

**GRI 102-8** Number of employees by gender and type of employment contract

	fixed term		indeterminate term		managerial contract		fixed term		indeterminate term		managerial contract	
	2018						2019					
	K	M	K	M	K	M	K	M	K	M	K	M
Services and Other	116	407	522	523	16	51	119	383	548	576	15	64
Distribution Business Line	98	212	1 006	4 131	1	16	73	351	1 055	4 187	1	20
Sales Business Line	106	65	581	424	5	23	84	71	587	406	3	31
Generation Business Line	7	78	218	1 192	3	14	20	87	220	1 190	9	24
Energa Group	327	762	2 327	6 270	25	104	296	892	2 410	6 359	28	139

W – women M – men

**GRI 102-8** Number of employees employed based on indefinite term agreements by gender and working hours

	Full time		Part time		Full time		Part time	
	2018				2019			
	W	M	W	M	W	M	W	M
Services and Other	513	513	9	10	541	567	7	9
Distribution Business Line	1 003	4 129	3	2	1 051	4 185	4	2
Sales Business Line	574	423	7	1	578	404	9	2
Generation Business Line	217	1 189	1	3	218	1 187	2	3
Energa Group	2 307	6 254	20	16	2 388	6 343	22	16

W – women M – men

**Number of employees by region and agreement type (employment contracts)**
**GRI**  
102-8

	Services and Other		Distribution Business Line		Sales Business Line*	
	Fixed term	Indefinite term	Fixed term	Indefinite term	Fixed term	Indefinite term
<b>2019</b>						
Dolnośląskie	0	0	0	0	0	0
Kujawsko-Pomorskie	63	94	32	756	6	56
Lubelskie	0	0	0	0	0	0
Lubuskie	0	0	0	0	0	0
Łódzkie	4	4	5	82	0	0
Małopolskie	0	0	0	0	0	0
Mazowieckie	103	178	75	653	7	103
Opolskie	0	0	0	0	0	0
Podkarpackie	0	0	0	0	0	0
Podlaskie	0	0	0	0	0	0
Pomorskie	227	654	107	1599	110	588
Śląskie	0	0	0	0	0	0
Świętokrzyskie	0	0	0	0	0	0
Warmińsko-Mazurskie	30	62	109	765	22	106
Wielkopolskie	43	101	52	907	6	85
Zachodniopomorskie	32	31	44	480	4	53

**Number of employees by region and agreement type (employment contracts)**
**GRI**  
102-8

	Generation Business Line		Energa Group*	
	Fixed term	Indefinite term	Fixed term	Indefinite term
<b>2019</b>				
Dolnośląskie	0	0	0	0
Kujawsko-Pomorskie	2	29	103	935
Lubelskie	0	0	0	0
Lubuskie	0	0	0	0
Łódzkie	1	24	10	110
Małopolskie	0	0	0	0
Mazowieckie	65	820	250	1754
Opolskie	0	0	0	0
Podkarpackie	0	0	0	0
Podlaskie	0	0	0	0
Pomorskie	21	152	465	2993
Śląskie	0	0	0	0
Świętokrzyskie	0	0	0	0
Warmińsko-Mazurskie	11	201	172	1134
Wielkopolskie	3	141	104	1234
Zachodniopomorskie	4	43	84	607

\* Additionally, 2 employees were employed in 2019 by company Energa Slovakia and worked outside the borders of Poland (in Slovakia).

**Number of newly-employed employees by gender and age**

	aged < 30	aged 30-50	aged > 50	aged < 30	aged 30-50	aged > 50
<b>2019</b>						
	<b>W</b>			<b>M</b>		
Services and Other	31	45	9	44	106	42
Distribution Business Line	20	45	4	169	178	21
Sales Business Line	21	24	2	16	39	4
Generation Business Line	9	23	3	36	75	11
Energa Group	81	137	18	265	398	78

W – women M – men

**Percentage of newly employed employees by gender and age**

	aged < 30	aged 30-50	aged > 50	aged < 30	aged 30-50	aged > 50
<b>2019</b>						
	<b>W</b>			<b>M</b>		
Services and Other	1,8%	2,6%	0,5%	2,6%	6,2%	2,5%
Distribution Business Line	0,4%	0,8%	0,1%	3,0%	3,1%	0,4%
Sales Business Line	1,8%	2,0%	0,2%	1,4%	3,3%	0,3%
Generation Business Line	0,6%	1,5%	0,2%	2,3%	4,8%	0,7%
Energa Group	0,8%	1,4%	0,2%	2,6%	3,9%	0,8%

Indicators in business lines are compared against the employment level in a given line.

W – women M – men

**Number of departing employees by gender and age**

	aged < 30	aged 30-50	aged > 50	aged < 30	aged 30-50	aged > 50
<b>2019</b>						
	<b>W</b>			<b>M</b>		
Services and Other	10	34	16	16	56	57
Distribution Business Line	7	16	17	23	58	86
Sales Business Line	13	32	10	11	37	13
Generation Business Line	0	2	14	20	33	52
Energa Group	30	84	57	70	184	208

**Percentage of departing employees by gender and age**

	aged < 30	aged 30-50	aged > 50	aged < 30	aged 30-50	aged > 50
<b>2019</b>						
	<b>W</b>			<b>M</b>		
Services and Other	0,6%	2,0%	0,9%	0,9%	3,3%	3,3%
Distribution Business Line	0,1%	0,3%	0,3%	0,4%	1,0%	1,5%
Sales Business Line	1,1%	2,7%	0,8%	0,9%	3,1%	1,1%
Generation Business Line	0,0%	0,1%	0,9%	1,3%	2,1%	3,4%
Energa Group	0,3%	0,8%	0,6%	0,7%	1,8%	2,1%

Indicators in business lines are compared against the employment level in a given line.

**Average number of training hours per employee, by gender and employment category**

	Employees in managerial and higher positions				Employees in positions lower than managerial			
	2018		2019		2018		2019	
	W	M	W	M	W	M	W	M
Services and Other	18	20	15	8	12	16	12	6
Distribution Business Line	27	20	27	30	15	22	12	25
Sales Business Line	21	27	5	15	15	12	4	11
Generation Business Line	44	40	20	29	17	9	8	8
Energa Group	25	23	17	24	15	18	10	19



**Number of employees by gender and age group**

	aged < 30			aged 30-50			aged > 50			aged < 30			aged 30-50			aged > 50		
	2018						2019											
	W			M			W			M								
Services and Other	98	429	127	104	574	303	94	449	139	99	615	309						
Distribution Business Line	94	675	336	266	2 344	1 749	81	701	347	385	2 362	1 811						
Sales Business Line	115	506	71	61	365	86	96	493	85	49	369	90						
Generation Business Line	16	124	88	73	567	644	18	150	81	74	569	658						
Energa Group	323	1 734	622	504	3 850	2 782	289	1 793	652	607	3 915	2 868						

W – women M – men

**Number of employees by employment category, gender and age group**

	employees in managerial and higher positions						employees in position lower than managerial											
	aged < 30			aged 30-50			aged > 50			aged < 30			aged 30-50			aged > 50		
	2019																	
	W			M			W			M								
Services and Other	2	47	19	7	122	46	92	402	120	92	493	263						
Distribution Business Line	2	55	21	7	326	219	79	646	326	378	2 036	1 592						
Sales Business Line	1	52	8	3	85	16	95	441	77	46	284	74						
Generation Business Line	0	21	8	0	59	47	18	129	73	74	510	611						
Energa Group	5	175	56	17	592	328	284	1 618	596	590	3 323	2 540						

W – women M – men

**Composition of supervisory bodies by gender and age. Number of members of the supervisory board**

	aged < 30			aged 30-50			aged > 50		
	2019								
	W			M					
Services and Other	0	3	2	0	1	5			
Distribution Business Line	0	2	1	0	3	2			
Sales Business Line	0	1	2	0	1	3			
Generation Business Line	0	5	0	0	7	13			
Energa Group	0	11	5	0	12	23			
including foreign citizens	0	0	0	0	0	0			

W – women M – men

**Composition of the board of directors by gender and age. Number of members of the board**

	aged < 30			aged 30-50			aged > 50		
	2019								
	W			M					
Services and Other	0	2	2	0	10	5			
Distribution Business Line	0	0	1	0	4	1			
Sales Business Line	0	0	0	0	7	1			
Generation Business Line	0	3	0	0	9	5			
Energa Group	0	5	3	0	30	12			
including foreign citizens	0	0	0	0	0	0			

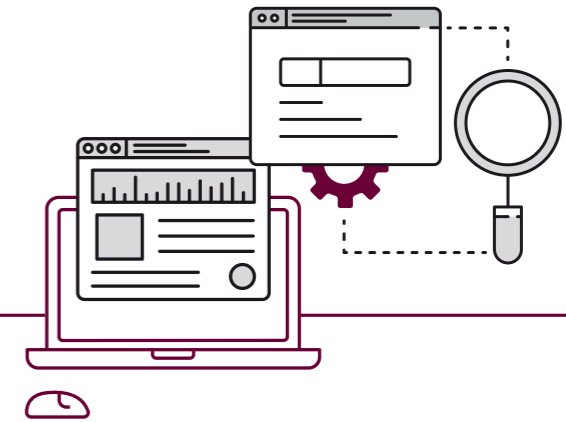
W – women M – men



Energa

# A COMPILATION OF CURRENT DATA

About the report



# Stakeholder involvement as a process



## GRI 102-42 102-43 Stakeholders

Energa Group identified its key stakeholders from the perspective of its business strategy. Both the basic categories of stakeholders and the nature of their forms of involvement or type of dialogue are not subject to significant changes over time. Due to this, the method and nature of communication with individual stakeholder groups did not change significantly over the past year.

The frequency and form of contacts depend on the nature of relations with a given group and are managed by selected business units. Information about the needs and expectations of individual groups, which can often be dissimilar or mutually exclusive, is gathered, analysed and taken into account in the business decision making process on various levels of management, depending on the nature of the decision itself and the matter under consideration. Information concerning major issues is analysed by boards of directors of respective companies, including the Board of Directors of Energa SA.

## GRI 102-40

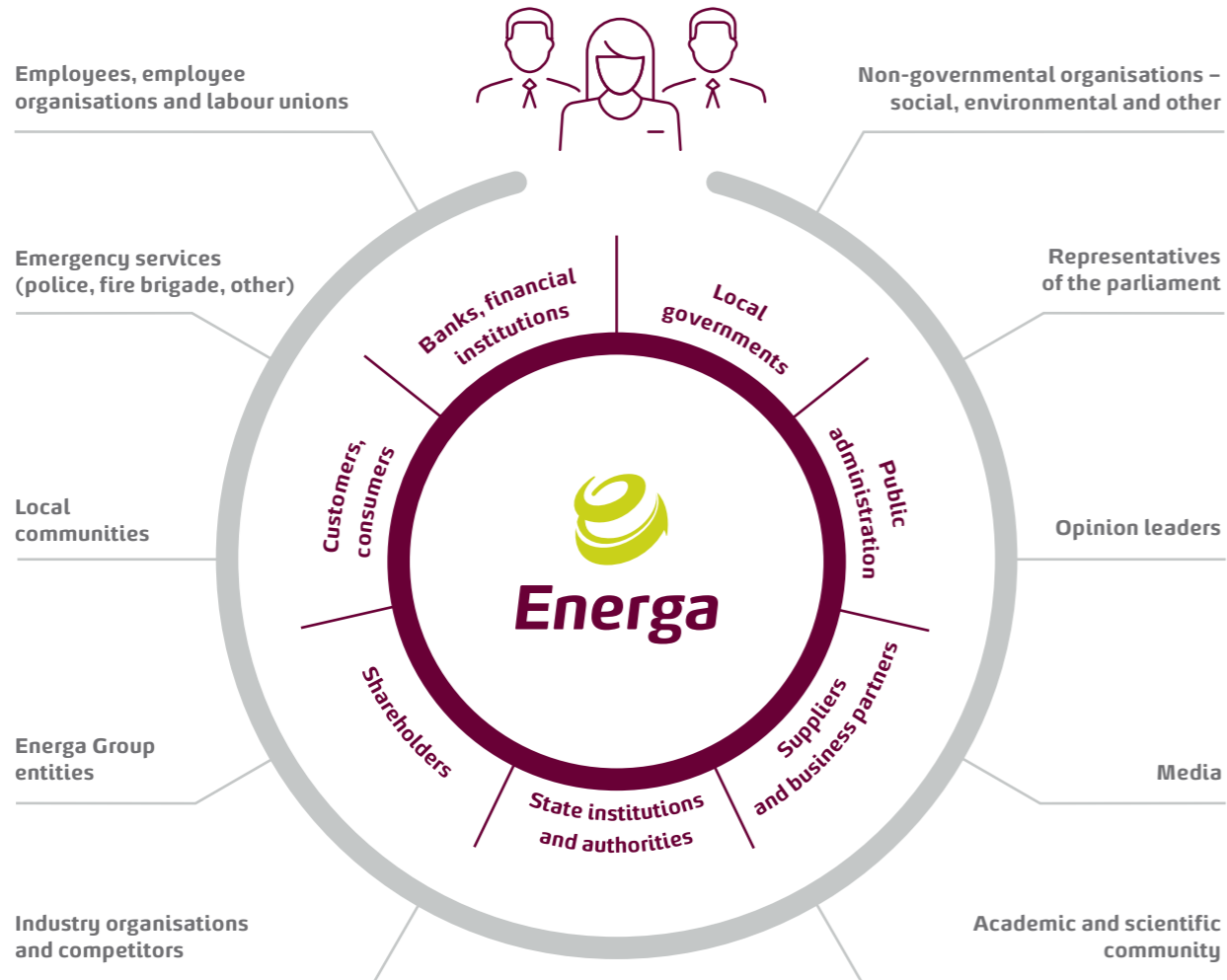
Basic categories of Energa Group's stakeholders	Method and frequency of involvement
Shareholders	Direct communication, webpage at <a href="http://www.ir.energa.pl">www.ir.energa.pl</a> , current and periodical reports, other events (including '1+1' meetings and conferences, broadcasts, chats, roadshows, workshops with analysts, Individual Shareholder's Day, Energa in Action!), General Meeting
Customers, consumers	Individual meetings, correspondence, communication via electronic channels, communication through marketing campaigns, interventions, providing clarifications, helplines
Banks, financial institutions	Correspondence, regular reporting, individual meetings, communication via electronic channels
Local governments (public authorities)	Consultations, direct meetings, correspondence, communication via electronic channels

Basic categories of Energa Group's stakeholders	Method and frequency of involvement
Public administration (central)	Correspondence, communication via electronic channels, study visits, lobbying, regular reporting in emergency situations, meetings, coordination of the implementation of post-review recommendations of state environmental protection authorities (State Environmental Protection Authority/Provincial Environmental Protection Authority/Regional Environmental Protection Authority); keeping Energa Group in the EMAS register every year, renewing Energa Group's registration in EMAS every 3 years (application to the General Environmental Protection Authority)
Suppliers and business partners	Exchange of information, communication by telephone, correspondence, publishing content on websites, register of qualified contractors and suppliers, communication via electronic channels
Local communities	Dialogue with local communities during public consultations throughout the capital works process, considering applications, educational activity, social activity carried out by Energa Foundation, sponsoring events of importance to the local community (including sports and cultural events)
Employees and employee organisations, trade unions	Intranet, employee portal, consultations and arrangements, meeting between the Board and employee organisations or trade unions, 'eMisja' and other internal publications, competitions for employees, training courses and workshops, team-building events, joint implementation of projects
Energa Group entities	Consultations, meetings, exchange of information, communication via electronic channels, regular meetings of the supervisory board
Non-governmental organisations (social, environmental, other)	Cooperation as part of ongoing projects, sponsoring, replies to questions, correspondence, websites, activities in the area of CSR and activities of Energa Foundation, communication via electronic channels
Academic and scientific community	Meetings, job fairs, projects and conferences, financial support, 'Acta Energetica', scholarship and internship programs, competitions, joint research, development and educational projects
Representatives of the parliament	Correspondence, meetings, participation in sessions of parliamentary commissions and task groups, study visits, consultations
Opinion leaders	Providing information, presentations and lectures, study visits
Media	Reports on current matters and press releases, interviews, press conferences and individual meetings, website
Industry organisations and competitors	Participation in the activities of organisations, participation in industry conferences, joint projects, lobbying, communication via electronic channels, consultations
Emergency services (police, fire brigade, Provincial Environmental Protection Authority, other)	Ongoing cooperation, correspondence, sponsoring, joint activities, courses and training
State institutions/authorities (Social Security Authority, Tax Authority, State Labour Inspection, State Labour Authority, Central Statistical Office, State Fund for Rehabilitation of Disabled People)	Correspondence, reporting, providing information on a regular and ongoing basis, as required.



## Energa Group's stakeholders

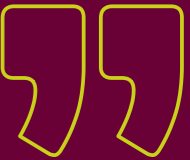
GRI 102-40



# Alina Skorb-Gata

Head of the ESG Department, Energa SA

We use non-financial information reporting as a special tool for building our relations with stakeholders. Being open to dialogue and the point of view of our stakeholders allows us to act in a socially responsible manner, creating value for shareholders, employees and local communities. Transparent and honest communication forms the basis of our activities as an employer, business partner and neighbour. It is also a formula for creating lasting partnerships to foster the development of corporate responsibility.



## Participation of stakeholders in shaping the report

Apart from a systematic exchange of information on the plans, intentions and operations of Energa Group companies and the Group's impact on its environment, a dialogue dedicated exclusively to non-financial reporting takes place each year.

In 2019, the formula of this dialogue was slightly modified. Surveys were replaced with workshops that featured interactive communication, which improved the efficiency of obtaining feedback. Furthermore, workshops enabled the organisation to obtain additional information. Three meetings took place between 26 and 28 August 2019; the first two were organised at the Energa Gdańsk Stadium, whereas the third meeting took place in the head offices of the Warsaw Stock Exchange. Internal stakeholders were invited to the first meeting, while external stakeholders participated in the next two meetings.

Those in attendance included representatives of regulatory bodies, organisations related to the capital market, media, as well as non-governmental

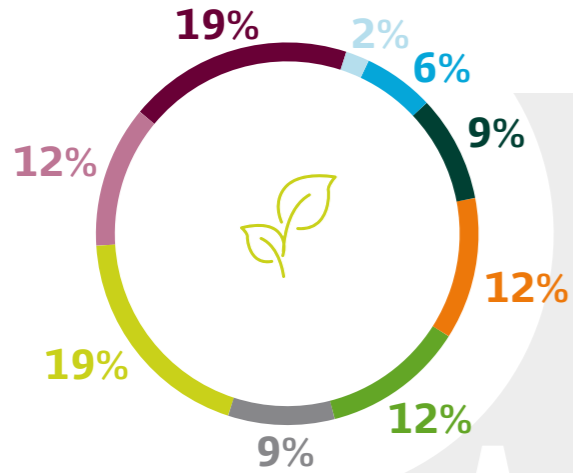
organisations. The workshops were primarily carried out using the projection method. Their objectives included the discussion of Energa Group's areas of responsibility with key importance from the perspective of the participants, as well as an assessment of the communication method used in Energa Group's CSR report (feedback on matters such as the clarity and transparency of the report and ways of improving presentation of information in the report). Internal stakeholders evaluated the impact of various areas of the Group's operations on its economic, social and environmental results, whereas internal stakeholders assessed the importance of these areas for themselves.

GRI 102-42  
102-43  
102-46



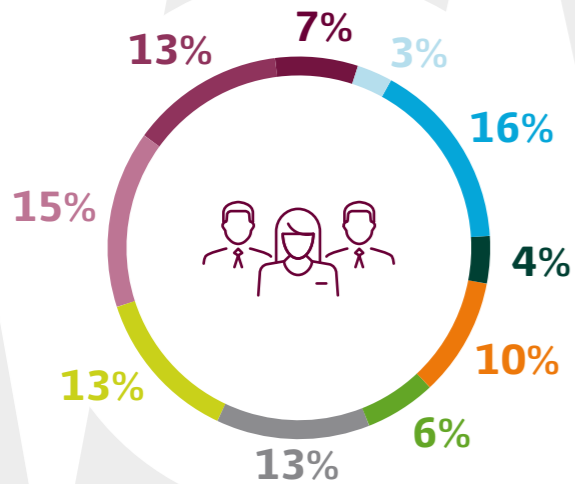
### Assessment of external stakeholders

GRI 102-44



- broadly-defined customer service and clarity of contracts and invoices, preventing misselling, honesty and ethics in marketing communication, complaint management
- occupational health and safety
- policy governing sensitive customer service, observing legal regulations and going beyond legal requirements
- nature of the dialogue between Energa Group and trade unions
- nature of employment at Energa Group: employment statistics, benefits for employees (e.g. social package), training and development, equality
- nature of Energa Group's impact on valuable natural areas and actions aimed at assisting in the protection of biodiversity (e.g. power lines, impact of wind farms on birds or impact of artificial bodies of water on fish living in rivers)
- promoting prosumer solutions and all technological solutions aiding in the reduction of energy consumption, as well as educational activities promoting a sustainable model of energy consumption

### Evaluation of importance of individual areas to external stakeholders



- approach to management based on increasing the efficiency of operations, using innovative technologies, capital works and cutting-edge management approach, aimed at minimising emissions into the environment (greenhouse gases, NO<sub>x</sub>, SO<sub>x</sub>, wastewater, waste, etc.)
- contribution to the social and economic development of the region through transfers of funds (taxes, tax-like charges) and general transfers made for the benefit of the local community (which may include funding social activity)
- providing infrastructure constituting a prerequisite for the development of a given area, more generally speaking – providing a stable and secure supply of energy, including energy with a suitably low emission performance acceptable to businesses, at acceptably low prices



Dialogue with stakeholders helped define the layout of the report, i.e. determine its optimal distribution of content and topics discussed so as to enable an exhaustive discussion of significant issues.

During this year's discussion, stakeholders placed greater importance on the clarity of contracts and bills and activities related to sales ethics (including related to activities of third party companies, the representatives of which push unaware customers to switch their energy providers in an unethical manner). Other issues that were touched upon included the increase or freeze of electricity prices as a result of amendments made to applicable laws, as well as long-term changes resulting from legislative actions of the European Union, e.g. in the context of the carbon footprint of businesses. Stakeholders stressed the necessity of actions related to consumer education and environmental protection (issues related to sustainability of consumption and capital works).

It bears noting that the report is not only a regular publication, but constitutes a useful tool for interacting with the environment. It has become a platform that enables the organisation to comment on expectations, questions and doubts raised both in direct dialogue and using other means. The report reaches the stakeholders, who read its contents and formulate their opinions. Another important aspect is the optimisation of the report's format, adapted to the expectations of the readers (this aspect was also one of the objectives of the dialogue workshops).

GRI 102-43 102-46

## GRI Parameters of the report

102-45  
102-48  
102-49  
102-50  
102-51  
102-52  
102-54

The present document is the ninth edition of the report published by Energa Group. It was prepared based on the core version of GRI standards. It includes all Energa Group entities that are consolidated in the Group's financial reporting. However, the environmental and social parts of the report do not include four of Energa Group companies, as the nature of their impact in these areas was found to be immaterial; these companies include CCGT Gdańsk Sp. z o.o., CCGT Grudziądz Sp. z o.o., Energa Slovakia s.r.o. and Energa Finance AB. The exclusion does not apply to indicators no. 102-8, 403-2 and 404-1.

The report covers the 2019 fiscal year, i.e. the period between 1 January and 31 December 2019; however, by analogy to the general principles of financial reporting, it may include events that occurred after 31 December 2019 and prior to the publication of the report, provided that they were of significance to Energa Group from the perspective of its non-financial results.

Energa Group publishes its reports in a yearly cycle. The previous report for 2018, prepared based on GRI Standards, was published together with the Group's financial statement in March 2019. No significant changes with regards to the most important issues (defined as the mapping of significant areas and GRI indicators) occurred in comparison to the previous report as concerns its scope or measurement methods. Due to the changes taking place in the market and feedback given by selected stakeholders, a slightly larger focus was placed on aspects brought up during workshops.

As this report concerns non-financial data, its scope is determined by regulatory requirements applicable to this type of document. The report includes all aspects, irrespective of the result of the analysis of significance. One instance was identified where the data contained in the previous report needed to be rectified. The occupational illness indicator (Our Responsibility 2018, p. 170) for the year 2018 was misrepresented as a result of an error in our IT system. The correct value was given in this report, on page 228.

A decision was made to exclude a site fully leased to external entities by one of the companies of the Services and Other Business Line from the report. To ensure the consistency of data, the environmental indicators for 2018 were adjusted in the same way. Furthermore, results recorded until 31/12/2019 by company Enspirion Sp. z o.o., which was moved to the Sales Business Line in 2019, for the purposes of management and statutory reporting were presented as part of the Services and Other Business Line.

Furthermore, in accordance with new methodology, only sites used strictly for generating purposes were included in data on the number of generating assets, while one site used for the transfer and distribution of heating was excluded from the data. As a result, the number of generating sites fell from 61 to 60 in comparison with the previous year.

After taking the perspectives of internal and external stakeholders into consideration and adapting them to the GRI codification, the following issues were included in the report as significant:

### Issues determined to be significant from the perspective of the GRI taxonomy

Issue as per GRI	GRI disclosure
<b>Economic</b>	
Economic performance	201-1, 201-2
Indirect economic impacts	203-1, 203-2, G4-EU12
Procurement practices	204-1
Anti-corruption	205-1, 205-2, 205-3
<b>Environmental</b>	
Materials (fuels)	301-1, 301-2
Energy	302-1
Water	303-1
Biodiversity	304-1, 304-2
Emissions	305-1, 305-2, 305-4, 305-5, 305-7, G4-EU5
Effluents and waste	306-1, 306-2
<b>Social</b>	
Employment	401-1, 401-2
Labour-management relations	402-1
Occupational health and safety	403-1, 403-2, 403-4, G4-EU18
Training and education	404-1, 404-2
Diversity and equal opportunity	405-1
Local communities	413-1, 413-2

GRI  
102-47  
103-1

Issue as per GRI	GRI disclosure
<b>Social</b>	
Supplier social assessment	414-1
Marketing and labelling	417-2, 417-3
Customer privacy	418-1
Socioeconomic compliance	419-1
<b>Other industry-specific aspects</b>	
Friendly Customer service and sales, reliable offer	-
Caring for sensitive consumers	-
Innovations for sustainable development and capital works projects (in areas of generation, distribution and sales)	-
Efficiency	G4-EU1, G4-EU2
Availability of services	G4-EU4
Security and stability of supply	G4-EU27, G4-EU28, G4-EU29

**GRI**  
102-56

This report was externally verified by an independent auditor, Deloitte Advisory Sp. z o.o. Selected GRI disclosures (marked with a ✓ in the last column of the GRI Table) were subject to verification. We draw the readers' attention to the fact that the quality of a number of the numerical parameters presented in the report is directly or

indirectly tied to processes that are subject to restrictive control measures and periodical audits related to specific management systems (e.g. ISO 14001, ISO 50001), eco-management and EMAS audits. The reliability, consistency and completeness of the information included in the report was additionally ensured by the ESG team, supported by an external expert.

## Contact data and feedback

We will be grateful for any remarks and opinions concerning the report, methods used to present data and activities of Energa Group. Please send any information, questions or concerns to the following address:

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Corporate Governance  
Department of Corporate Management  
ESG Department  
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(the above address should be used to provide feedback in respect of all areas described in the report, unless otherwise specified with regards to a specific area)





## Mapping declarations regarding non-financial information

Issue	Reference in the report
Description of the business model	'Business Model'
Description of non-financial risk management	'Non-financial risk management'

Issue	Reference in the report		
	Management approach (policies, due diligence procedures)	Related risk aspects	Indicators
social	'Caring for sensitive consumers' 'Geographical availability' 'Security and stability of supply' 'Fair market practices' 'Our responsibility'	'Caring for sensitive consumers' 'Geographical availability' 'Security and stability of supply' 'Fair market practices' 'Our responsibility'	'Caring for sensitive consumers' 'Geographical availability' 'Security and stability of supply' 'Fair market practices' 'Our responsibility'
labour	'Our responsibility' 'A trustworthy employer'	'Our responsibility' 'A trustworthy employer'	'Our responsibility' 'A trustworthy employer'
environmental	'Approach to environmental impact management'	'Approach to environmental impact management'	'Approach to environmental impact management'
respect for human rights	'Ethics and compliance' 'Respect for everyone' 'Secure personal data'	'Ethics and compliance' 'Respect for everyone' 'Secure personal data'	'Ethics and compliance' 'Respect for everyone' 'Secure personal data'
anti-corruption	'Ethics and compliance' 'Preventing corruption'	'Ethics and compliance' 'Preventing corruption'	'Ethics and compliance' 'Preventing corruption'







**GRI**  
102-55

**GRI table (GRI index)**

Disclosure	Description of disclosure	Value/location in the report/comments	Page	External verification by an auditor
GRI 102: General Disclosures 2016				
102-1	Name of the organisation	Operational profile and business model	8	✓
102-2	Activities, brands, products, and services	Operational profile and business model Ethics and compliance Trustworthy products and innovations	18-25	✓
102-3	Location of headquarters	Operational profile and business model	8-9	✓
102-4	Location of operations	Operational profile and business model	8-9	✓
102-5	Ownership and legal form	Operational profile and business model	18	✓
102-6	Markets served	Operational profile and business model	9, 23-25	✓
102-7	Scale of the organisation	Operational profile and business model Scale of cooperation	8, 21, 154, 158-159	✓
102-8	Information on employees and other workers	Structure of employment Indicators	214-215 248-251	✓
102-9	Supply chain	Operational profile and business model	21, 49	✓
102-10	Significant changes to the organisation and its supply chain	Integrated management	19	✓
102-11	Precautionary principle or approach	Non-financial risk management Ethics and compliance	36-46	✓

Disclosure	Description of disclosure	Value/location in the report/comments	Page	External verification by an auditor
GRI 102: General Disclosures 2016				
102-12	External initiatives	Declarations, principles and other external initiatives supported by the organisation: EMAS Register	-	✓
102-13	Membership of associations	Membership of associations	28-29	✓
102-14	Statement from senior decision-maker	Letter from the Board of Directors of Energa SA	6-7	✓
102-15	Key impacts, risks and opportunities	Operational profile and business model Managing non-financial risk	10, 26-27, 36-44	✓
102-16	Values, principles, standards and norms of behaviour	Ethics and compliance	44-46	✓
102-17	Mechanisms for advice and concerns about ethics	Ethics and compliance	44-47	✓
102-18	Governance structure	Integrated management	30-35	✓
102-40	List of stakeholder groups	Stakeholder involvement as a process	258	✓
102-41	Collective bargaining agreements	Dialogue with employees and trade unions	236	✓
102-42	Identifying and selecting stakeholders	Stakeholder involvement as a process	258-261	✓
102-43	Approach to stakeholder engagement	Stakeholder involvement as a process	258-263	✓
102-44	Key topics and concerns raised by stakeholders	Stakeholder involvement as a process	261-263	✓
102-45	Entities included in the consolidated financial statements	Parameters of the report	264	✓
102-46	Defining report content and topic boundaries	Parameters of the report	261-263	✓



## GRI table (GRI index)

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
<b>GRI 102: General Disclosures 2016</b>				
102-47	List of material topics	Parameters of the report	264-266	✓
102-48	Restatements of information	Parameters of the report	264	✓
102-49	Changes in reporting	Parameters of the report	264	✓
102-50	Reporting period	Parameters of the report	264	✓
102-51	Date of most recent report	Parameters of the report	264	✓
102-52	Reporting cycle	Parameters of the report	264	✓
102-53	Contact point for questions regarding the report	Parameters of the report	267	✓
102-54	Claims of reporting in accordance with the GRI Standards	Parameters of the report	264	✓
102-55	GRI content index	Parameters of the report	270-279	✓
102-56	External assurance	Parameters of the report	266	✓
<b>GRI 103: Management Approach 2016</b>				
103-1 103-2	Selection of important aspects Management approach			
103-1 (201) 103-2 (201)	Management approach	Contribution to development	56-61	
<b>GRI 201: Economic Performance 2016</b>				
201-1	Direct economic value generated and distributed	Contribution to development	59	
201-2	Financial implications and other risks and opportunities due to climate change	Financial implications of climate change	130-131	
<b>GRI 103: Management Approach 2016</b>				
103-1 (203) 103-2 (203)	Management approach	Contribution to development	56-61	✓

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
<b>GRI 203: Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	Contribution to development	56-61	
203-2	Significant indirect economic impacts	Contribution to development	56-61	
<b>GRI 103: Management Approach 2016</b>				
103-1 (204) 103-2 (204)	Management approach	Contribution to development	56-61	
<b>GRI 204: Procurement Practices 2016</b>				
204-1	Proportion of spending on local suppliers	Contribution to development	57-58	
<b>GRI 204: Procurement Practices 2016</b>				
103-1 (205) 103-2 (205)	Management approach	Ethics and compliance	47	
<b>GRI 205: Anti-corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	Ethics and compliance	47	
205-2	Communication and training about anti-corruption policies and procedures	Ethics and compliance	47	
205-3	Confirmed incidents of corruption and actions taken	Ethics and compliance	47	
<b>GRI 103: Management Approach 2016</b>				
103-1 (301) 103-2 (301)	Management approach	Approach to environmental impact management	96	
<b>GRI 301: Materials 2016</b>				
301-1	Materials used by weight or volume	Use of materials	110	
301-2	Recycled input materials used	Use of materials	110	

## GRI table (GRI index)

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI 302: Energy 2016				
103-1 (302) 103-2 (302) 103-3 (303)	Management approach	Approach to environmental impact management	114-125	
GRI 302: Energy 2016				
302-1	Energy consumption within the organisation	Energy efficiency	116-123	✓
GRI 103: Management Approach 2016				
103-1 (303) 103-2 (303)	Management approach	Approach to environmental impact management Water management	111-113	
GRI 303: Water 2016				
303-1	Total water withdrawal by source	Water consumption	111-113	
GRI 103: Management Approach 2016				
103-1 (304) 103-2 (304)	Management approach	Approach to environmental impact management Valuable natural areas	136-143	
GRI 303: Water 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Valuable natural areas	136-143	
304-2	Significant impacts of activities, products, and services on biodiversity	Valuable natural areas	136-143	
GRI 103: Management Approach 2016				
103-1 (305) 103-2 (305)	Management approach	Approach to environmental impact management Emissions into the atmosphere	126-129	✓

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Emissions into the atmosphere	126-127	✓
305-2	Energy indirect (Scope 2) GHG emissions	Emissions into the atmosphere	127	✓
305-5	Reduction of GHG emissions	Emissions into the atmosphere	126	
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Emissions of pollutants, including NO <sub>x</sub> and SO <sub>x</sub> compounds	128-129	✓
GRI 103: Management Approach 2016				
103-1 (306) 103-2 (306)	Management approach	Approach to environmental impact management Waste and wastewater management	132-135	
GRI 306: Effluents and Waste 2016				
306-1	Water discharge by quality and destination	Waste and wastewater management	134-135	
306-2	Waste by type and disposal method	Waste and wastewater management	132-135	
GRI 103: Management Approach 2016				
103-1 (401) 103-2 (401)	Management approach	Structure of employment Employment conditions	212-215 216-219	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Indicators	252-253	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Employment conditions	216-219	✓

## GRI table (GRI index)

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI 103: Management Approach 2016				
103-1 (402) 103-2 (402)	Management approach	Dialogue with employers and trade unions	236-237	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	Dialogue with employers and trade unions	237	
GRI 103: Management Approach 2016				
103-1 (403) 103-2 (403)	Management approach	Occupational health and safety	220-231	
GRI 403: Occupational Health and Safety 2016				
403-1	Worker representation in joint formal occupational health and safety commissions	Occupational health and safety	226	
403-2	Type of injuries and rate of injuries, occupational illnesses, lost time and absences and fatalities related to work	Occupational health and safety	227-231, 244-245, 248	✓
403-4	Matters related to occupational health and safety included in formal agreements made with trade unions	Occupational health and safety	231	
GRI 103: Management Approach 2016				
103-1 (404) 103-2 (404)	Management approach	Development and training	232-235	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Development and training	233, 253	
404-2	Programs for upgrading employee skills and transition assistance programs	Development and training	232, 234-235	

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI 103: Management Approach 2016				
103-1 (405) 103-2 (405)	Management approach	Ethics and compliance	48	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Indicators	254-255	
GRI 103: Management Approach 2016				
103-1 (413) 103-2 (413) 103-3 (413)	Management approach	Contribution to development Functioning in the local community	56-61 62-88	
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Contribution to development Being part of the local community	52, 62-71	✓
413-2	Operations with significant actual and potential negative impacts on local communities	Limiting the Group's negative impact on local communities	89	
GRI 103: Management Approach 2016				
103-1 (414) 103-2 (414)	Management approach	Ethics and compliance	49	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Ethics and compliance	49	
GRI 103: Management Approach 2016				
103-1 (417) 103-2 (417)	Management approach	Relations with customers	180-203	
GRI 417: Marketing and Labeling 2016				
417-2	Incidents of non-compliance concerning product and service information and labeling	Friendly customer service	187	
417-3	Incidents of non-compliance concerning marketing communications	Friendly customer service	187	✓





## GRI table (GRI index)

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI 103: Management Approach 2016				
103-1 (418) 103-2 (418) 103-3 (418)	Management approach	Security of personal data	203	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security of personal data	203	✓
GRI 103: Management Approach 2016				
103-1 (419) 103-2 (419)	Management approach	Fair market practices	204	
GRI 419: Socioeconomic Compliance 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	Customer relations Fair market practices	187, 204	
GRI 103: Management Approach 2016				
103-1 (EU) 103-2 (EU)	Management approach	Care for sensitive consumers Geographical availability Safety and stability of energy supply	201-202 160-161 166-179	
GRI G4 Electric Utilities Sector Disclosures 2013				
G4-EU1	Maximum attainable generating power by main types of raw materials and regulatory requirements	Energy efficiency	22, 124	✓
G4-EU2	Net amount of energy produced by main sources of energy	Energy efficiency	22, 125	✓
G4-EU3	Number of registered individual, industrial, institutional and commercial consumers	Scale of cooperation	158	✓
G4-EU4	Length of surface and underground transmission and distribution lines according to the regulatory system (km)	Geographical availability	160-161	✓

Disclosure	Description of disclosure	Value/location in the report/ comments	Page	External verification by an auditor
GRI G4 Electric Utilities Sector Disclosures 2013				
G4-EU5	Allocation of free carbon dioxide emission allowances	Financial implications of climate change	131	
G4-EU12	Transmission and distribution losses as percentage of total/distributed energy	Conditioning social and economic development	61	
G4-EU18	Percentage of contractor's and subcontractors' employees who passed the relevant health and safety training	Occupational health and safety	223	
G4-EU27	Number of household disconnections for non-payment, broken down by duration of disconnection	Customer relations	186	
G4-EU28	Power outage frequency (SAIFI)	Safety and stability of energy supply	172	✓
G4-EU29	System Average Interruption Duration Index (SAIDI)	Safety and stability of energy supply	172	✓





# Rafat Rudzki

Associate Partner, Sustainability Consulting Central Europe, Deloitte

Financial criteria are no longer the only benchmarks taken into account when evaluating a business. More and more often the market expects companies to take the broader context into consideration and disclose non-financial information related to sustainable development, which in the case of some entities must be disclosed as per the provisions of the amended accounting act.

Due to this, ensuring the reliability of this data is so important. In recent years, verification of non-financial data has been gaining importance, contributing to an increase in the transparency of operations of businesses and building credibility of companies.

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### Independent Limited Assurance Report on Indicators Presented in the Sustainability Report of Energia Group ("Our responsibility 2019") for the year ended 31 December 2019.

To the Management Board of Energia S.A.

Al. Grunwaldzka 472  
80-309 Gdańsk

#### Scope of work performed

We have undertaken a limited assurance engagement on the indicators presented in the **Sustainability Report of Energia Group ("Our responsibility 2019") for the year from 1<sup>st</sup> January 2019 – 31<sup>st</sup> December 2019** (the "Sustainability Report"), developed by Energia S.A. (the "Company") and marked with "√" symbol in a column "External verification" in a table "GRI Table" that is profile disclosures and selected, material specific indicators: 302-1, 305-1, 305-5, 305-7, 401-2, 403-2, 413-1, 417-3, 418-1 and EU1, EU2, EU3, EU4, EU28, EU29 („Selected indicators"). The indicators have been reported on the basis of Sustainability Reporting Guidelines GRI Standards for "Core" option, issued by Global Reporting Initiative (GRI).

#### Responsibility of the Management Board of the Company

The Management Board of the Company is responsible for the preparation and presentation of the indicators presented in the Sustainability Report in accordance with Sustainability Reporting Guidelines GRI Standards for "Core" option, issued by Global Reporting Initiative (GRI). This responsibility includes establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management Board of the Company is also responsible for reliable, correct and fair information and for correct preparation of the documentation provided to us.

#### Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In compliance with International Standard on Quality Control No 1, issued by International Federation of Accountants Deloitte maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the indicators as marked in the GRI index presented in the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected indicators presented in the Sustainability Report are free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

In order to form our conclusion on the indicators as marked in the GRI index presented in the Sustainability Report, we undertook in the period 18 February 2020 – 20 April 2020 the following procedures:

- Through inquiries, obtained an understanding of Energia S.A. control environment and information systems relevant to reporting the indicators under review, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.

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- Obtained an understanding through inquiries, analytical procedures, observation and other applicable evidence gathering procedures on a sample basis on the key structures, systems, processes, procedures and internal controls relating to collation, aggregation, validation and reporting of data for the indicators under review.
- Evaluated whether Energia S.A. methods for developing estimates are appropriate and had been consistently applied. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Energia S.A. estimates.
- Compared the information included in the Sustainability Report to internal documentation of the Company.
- Undertook site visits to assess the completeness of the indicators under review, data collection methods, source data and relevant assumptions applicable to the indicators.

#### Limitations

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our limited assurance engagement has been limited to the indicators as marked in the GRI index presented in the Sustainability Report and does not extend to the rest of the information included in the report nor the report as a whole. Accordingly, our conclusion below covers only these indicators and not all data presented or any other information included in the Sustainability Report.

The process the organization adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the Sustainability Report are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information.

#### Conclusion

Based on our work we have obtained limited assurance that the information concerning the indicators as marked in the GRI index included in the Sustainability Report developed by the Energia S.A. are not in compliance with Sustainability Reporting Guidelines GRI Standards for 'Core' level issued by Global Reporting Initiative and no matters has come to our attention to cause us to believe that the reviewed indicators presented in the Sustainability Report are materially misstated.

Deloitte Advisory sp. z o.o. sp.k.  
Warsaw, 20<sup>th</sup> April 2020