



ESG Report of the ENEA Capital Group for 2020



ABOUT US



Letter from President of the Management Board


This report summarizes our efforts in the area of responsible management, social engagement and environmental protection in 2020.

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Dear Stakeholders,

I am happy to present to you first ESG report of the ENEA Group.

The COVID-19 epidemic has made this a unique time in the history of our Group. The new circumstances, in which the society and the economy functioned, required us to reorganize our work urgently and comprehensively. Our priority was to ensure safety of our employees and customers and guarantee stable supply of electricity to households, businesses and public institutions. At the same time we actively supported the measures taken at the government as well as grassroots level for combating the epidemic and its effects. The aggregate amount given, among others, to hospitals, sanitary and epidemiological centers and hospices, exceeding PLN 5.3 million, is a good measure of our involvement. What is important, ENEA's activities were not limited to financial support only, but also included involvement of our volunteers.



In spite of the difficult social and economic conditions, we managed to generate stable financial results, including EBITDA of PLN 3.3 billion, which is similar to that earned in 2019.

We also continued our efforts to move away from traditional coal-based power production towards low-emission and renewable technologies. This is confirmed by our figures, such as: a 5% increase in the total volume of energy from renewable sources, a 2% decrease in the volume of CO₂ per 1 MWh of electricity generated, or PLN 273 million that we designated for environmental projects, including connection of commercial wind farms to our distribution grid and projects adapting our power plants to the requirements of the industrial emissions directive.

The topics of climate are very important for us and we take a very responsible approach to our impact on the natural environment. This is why we designated the ENEA S.A.'s Vice-President of the Management Board for Operational Affairs as the person responsible for managing the Group's climate impact and decided to create a dedicated team responsible for ENEA's climate transition.

In December 2020, we started working on the ENEA Group's new development strategy, which will be fully adjusted to the current external conditions and will enable our reliable and effective transition. In the same period, our subsidiary Lubelski Węgiel Bogdanka presented its new strategy. The two documents will form the foundation mainly for our continued support for sustainable growth of the energy sector our active participation in the strengthening of the Polish economy.

We have not forgotten about the remaining dimensions of our responsibility. In 2020, among other things, we continued to improve our corporate governance to ensure an even more effective prevention of all types of abuse. We adopted a document setting out our basic requirements from suppliers in terms of their compliance with the law and market and ethical standards, and we partnered with our stakeholders to implement numerous social projects. We continued to observe the principles of responsible sales and provided our staff with the sense of stability of employment and being able to influence the company.

In 2021 we will continue to pursue the goals described above and the report presented below describes the effects of our actions taken last year. What gives us the sense of special satisfaction is the fact that ENEA Group's social and environmental activities are directly supportive of the UN Sustainable Development Goals. We also support another important commitment of the international community, which is the Ten Principles of the Global Compact, which are embedded in the management of our organization, its organizational culture and stakeholder relations. Our success in following those principles is confirmed by the many awards and titles that we received last year in areas such as human rights, protection of the environment, Customer care, prevention of abuse or social engagement. They included, among others, POLITYKA'S CSR Silver Leaf, the "Friendly Workplace 2020" award from the MarkaPracodawcy.pl portal, or the Patron of Wielkopolska's Sports in the poll organized by "Głos Wielkopolski".

Please read the following summary of the non-financial aspects of the ENEA Group's activity in 2020.

Yours faithfully,
President of the Management
Board of ENEA S.A.



Our business model

We supply a comprehensive range of energy products and services to about 2.6 million individual and institutional customers across Poland.

As a vice-leader of the electricity production segment, we contribute materially to the strength of Poland’s energy security and development of the economy. We conduct our business in four core areas, tapping into the coordinated collaboration of specialized companies, which are autonomous undertakings in the civil law sense. These areas are as follows:

17.5 k
Employees

PLN 18.2 bn
revenue

PLN 3.3 bn
profit (EBITDA)

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Mining

% in EBITDA in 2020: PLN 470 million

• **Lubelski Węgiel “Bogdanka” S.A. Group**

- Production of bituminous coal
- Sales of bituminous coal
- Securing the Group’s raw material base

19,7%
share in the steam coal
market in Poland

439 million tons of mining
potential in 4 mining
concession areas

7.6 million tons
net coal production

Lubelski Węgiel “Bogdanka”, a company controlled by the ENEA Group (holding a total of 66% of votes at the company’s General Meeting), is a leader on the domestic market of hard coal producers, standing out due to its financial performance, mining efficiency and plans to access new deposits. The buyers of the company’s products are for the

most part entities operating in the power sector, including electricity generation companies of the ENEA Group. stkim podmioty prowadzące działalność w branży elektroenergetycznej, w tym spółki wytwórcze Grupy ENEA.

Generation

% in EBITDA in 2020: PLN 1,530 million

- Electricity generation based on bituminous coal, biomass, gas, wind, water and biogas
- Heat generation
- Heat transmission and distribution
- Electricity trading
- **ENEA Elektrownia Połaniec S.A.**
- **ENEA Wytwarzanie Sp. z o.o.**
- **ENEA Nowa Energia Sp. z o.o.**
- **ENEA Ciepło Sp. z o.o.**
- **Miejska Energetyka Ciepła Piła Sp. z o.o.**
- **Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.**

6.3 GW
of total installed capacity

443 MW
installed RES capacity

22.5 TWh
net energy production

Electricity is generated in the power plants in Kozienice (11 high-efficiency upgraded power units) and Połaniec (7 coal-fired units and the world's largest biomass-fired unit), in the CHP plants in Białystok, Piła and Oborniki, in the wind farms in Bardy, Darżyno and Baczyna, and in 21 hydro power plants and a biogas plant located in Liszków (the biogas plant in Gorzestaw is currently being shut down).

Distribution

% in EBITDA in 2020: PLN 1,313 million

- Electricity supply
 - Planning and ensuring expansion of the distribution network, including by connecting new customers
 - Operation, maintenance and repairs of the distribution grid
 - Management of metering data
 - **ENEA Operator Sp. z o.o.**
 - **ENEA Pomiary Sp. z o.o.**
 - **ENEA Serwis Sp. z o.o.**
- Distribution of electricity
- Distribution of heat:
- **ENEA Ciepło Sp. z o.o.**
 - **Miejska Energetyka Ciepła Piła Sp. z o.o.**
 - **Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.**

2.7 million
users of distribution
services

119,3 thousand km
of distribution lines,
including connections

19.4 TWh
of electricity supplied

ENEA Operator distributes electricity and expands and maintains related grid infrastructure.

Trading

% in EBITDA in 2020: PLN -15 million

Retail trading:

- Retail trading in electricity and gaseous fuel
- Product and service offer adjusted to customers' needs
- Comprehensive customer service

Obrót hurtowy:

- Optimization of wholesale contracts portfolio for electricity and gaseous fuel
- Operations on product markets
- Ensuring access to wholesale markets

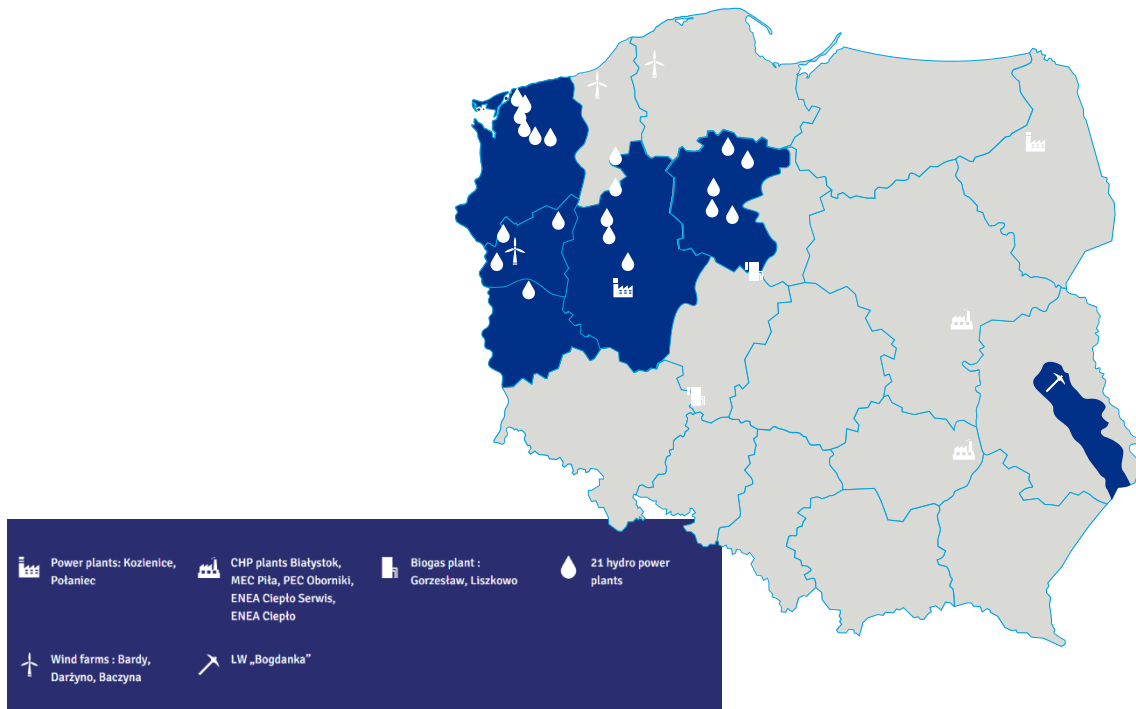
- **ENEA S.A.**
- **ENEA Trading Sp. z o.o.**

**2.6 million
customers**

**21.1 TWh
sales of electricity and
gaseous fuel to retail
customers**

**32
Customer Service Offices**

Retail sales of electricity and gaseous fuel are carried out by ENEA S.A. through Account Managers and trade partners across Poland and through ENEA Centrum on behalf of ENEA S.A., consisting of 32 modern Customer Service Offices and the Electronic Customer Service Center (eBOK). In total, the ENEA Group provides commodity and energy-related products and services to approx. 2.6 million individual and institutional customers.



Creation of corporate value

We are building our market position based on a collection of tangible and intangible benefits offered to its customers. The acquisition of customers and the maintenance of their satisfaction level are pursued, among others, by combining the Group's products and services into attractive bundles and persistently striving to ensure failure-free supplies of energy. In 2020, we improved the appeal of our offering by expanding the range of products and services available to customers without the requirement to enter into an electricity purchase agreement.

The model of increasing the Group's value and the manner in which the Group creates value for its customers are derived directly from the mission and vision that we have adopted.

Mission

ENEA provides reliable products and services to its customers by building lasting relationships based on respect for the environment and shared values.

Vision

ENEA is a leading supplier of integrated products and services valued for quality, comprehensive approach and reliability.



Structure of the ENEA Group

There are 7 leading entities
within the Group

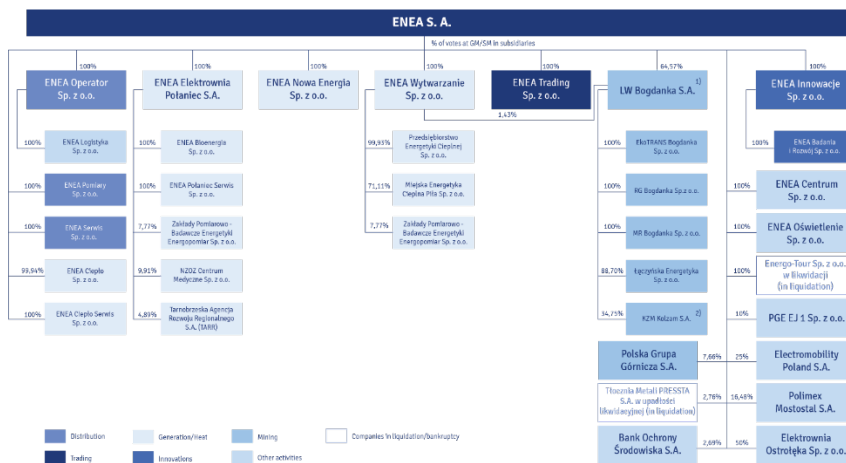
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ENE S.A. is the parent company of the ENEA Group. Its majority shareholder, the State Treasury holds 51.50% in its share capital.

There are 7 leading entities within the Group:

- ENE S.A. (electricity trading)
- ENE Operator Sp. z o.o. (electricity distribution)
- ENE Wytwarzanie Sp. z o.o., ENE Elektrownia Połaniec S.A. and ENE Nowa Energia Sp. z o.o. (generation and sales of electricity and heat)
- ENE Trading Sp. z o.o. (electricity wholesale)
- Lubelski Węgiel “Bogdanka” S.A. (coal mining)

The Group’s structure includes also minority interests held by ENE S.A. and its subsidiaries



Major changes in the ENEA Group's structure in 2020

- 24 February – Annacond Enterprises Sp. z o.o. was deregistered from the National Court Register.
- 9 September – transfer of ownership of the 100% stake in ENEA Logistyka Sp. z o.o. owned by ENEA S.A. in favor of ENEA Operator Sp. z o.o.

The work also started on the merger of ENEA Innowacje and ENEA Badania i Rozwój.



Directions of development

We are committed to a sustainable and responsible transformation towards zero- and low-emission energy sources and a greater diversification of the existing value chain.

103-1, 103-2, 103-3

As a responsible utility group, we conduct and develop our business in such a manner that we achieve our business objectives and, at the same time, satisfy the social needs and minimize the negative impact on the environment. We are committed to a sustainable and responsible transformation towards zero- and low-emission energy sources and a greater diversification of the existing value chain. We are constantly adjusting to the market environment and our stakeholder expectations, e.g. by developing innovative technologies and new business lines.

Stakeholder environment and key stakeholder expectations

- Value growth
- Competitive advantage
- Climate protection
- Green energy
- Financial stability
- Energy securit

In accordance with the Development Strategy of the ENEA Group until 2030 with an outlook to 2035, updated on 12 December 2019, in 2020 we focused on transformation to a low-emission concern and on investments in new products and services featuring advanced IT and digital solutions.

Currently we are working on a new strategy, which will fully address the challenges that the energy industry is facing. It is our ambition that this document accentuates even more the increasing importance of RES for the future of the sector and shows our horizon for moving away from hydrocarbon fuels, which will have a significant effect on the environment and the country's socio-economic development.

Paweł Szczeszek
President of the Management
Board of ENEA S.A.

Key directions of Group's development



These development directions form a foundation which is used to define strategic objectives for the Group supporting its transformation. These are :

- Diversification of the Group's generation portfolio in the direction of zero-emission technologies,
- Reliability and continuity of electricity supply;
- Responsible partner in sustainable management of relations with local communities, the environment and customers;
- Ensuring financial security of the Group;
- Innovation in all aspects of the Group's activity.

Additional information on the assumed effects of the current strategy may be found in Current Report No. 36/2019.

ENEA Group's Strategy vs. climate

In 2020, ENEA S.A. entities responsible for strategic management, growth management, risk management and social responsibility continued internal consultations, launched in 2019, regarding the possibility of conducting analyses of the company's business model on the climate and vice versa as well as analyses of resilience of the business model and strategy, taking into account various climate-related scenarios. As at the date of publication of this Statement, no final executive decisions have been made in this respect. However a decision has been made that the issues associated with minimizing the climate impact will have a significant place in the Group's new strategy. Our new, more ambitious approach to this challenge will be shown through the priority given to investments in zero-emission energy sources. On the other hand, investments in low-emission sources will be focused on replacing coal-fired units with gas-fired installations that may flexibly cooperate with renewable energy sources.

LW Bogdanka strategy

On 2 December 2020, the Management Board of LW Bogdanka adopted the Development Strategy of LW Bogdanka S.A. in the Mining Area of the ENEA Group until 2030 (with an outlook to 2040), which was a response to the challenges posed by Poland's Energy Policy until 2040. The Company will focus chiefly on maintaining its production capacity, upholding high profitability ratios, demonstrating respect for the natural environment and preserving the position of the region's economic and social stronghold.

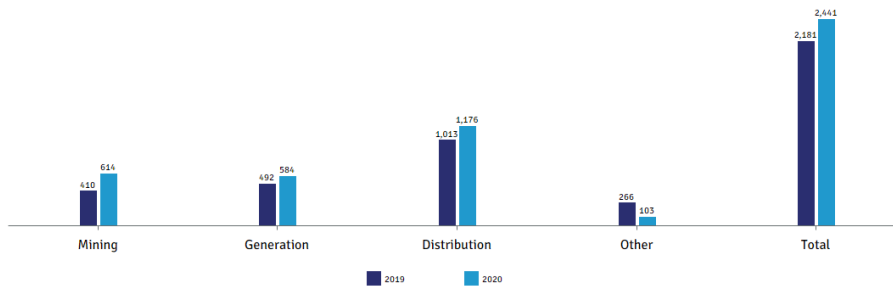
Key strategic actions in 2020:

In 2020 we carried out a number of initiatives, which are particularly relevant with regard to the objectives set out in our current development strategy. Special attention should be given to the following:

- ENEA Nowa Energia took over the management and development of projects based on renewable energy sources along with assets previously owned by the RES Segment within ENEA Wytwarzanie,
- the modernization of units 1, 4 and 5 in the Kozienice Power Plant and unit 5 in the Połaniec Power Plant was completed; the project increased the efficiency and reliability of operation of those units and reduced their environmental impact significantly,
- ENEA S.A. opted out from participation in the implementation of the Ostrołęka C Project to build an approx. 1000 MW unit (in the meantime a decision was made to change the unit's fuel source from coal to gas). The reasons behind the decision to opt out of its capital involvement in the construction of the unit are related in particular with the intention to intensify capital expenditures in RES and to allocate expenditures related to the conversion of coal to gas-firing in the generation area to the existing generation assets that are fully owned by ENEA S.A..



Capital expenditures



Capital expenditures [PLN million]	Q4 2019	Q4 2020	Actuals Q4 2020 / Plan Q4 2020	2019	2020	Actuals 2020 / Plan 2020	Plan 2020
Mining	115.7	117.9	132.2%	410.4	613.8	93.8%	654.2
Generation	203.3	185.9	81.3%	491.7	548.0	72.9%	751.6
Distribution ¹	335.0	428.5	105.1%	1,013.3	1,176.2	99.3%	185.0
Support and other ¹	35.7	71.4	142.4%	265.7	103.3	58.4%	176.9
Total plan performance	689.7	803.7	103.6%	2,181.1	2,441.3	88.2%	2,767.7

¹Presentation change compared to previous reports; the expenditures of ENEA Logistyka sp. z o.o. are not included in the Distribution segment (previously in the Support and other segment). Inwestycje związane z ochroną środowiska

Item	Actuals 2020 [PLN million]
Adaptation to BAT conclusions (Połaniec Power Plant)	103.7
Connections of commercial wind farms (ENEA Operator)	79.2
SCR development for units 9 and 10 (Kozienice Power Plant)	27.8
Adaptation to BAT conclusions (Kozienice Power Plant)	27.1
Other environmental investments (Połaniec Power Plant)	22.3
Other environmental investments (Kozienice Power Plant)	5.8
Other	6.6
Total investments related to environmental protection	272.5



Key non-financial performance indicators in ENEA Group

Economic area

Ratio	2019	2020	Change 2020/2019
Payments to the state budget by virtue of dividends	0	0	-
Payroll-related expenses and benefits	PLN 1.9 billion	PLN 2.0 billion	+3%
Confirmed incidents of corruption	2	0	-100%

Environmental area

Ratio	2019	2020	Change 2020/2019
Direct greenhouse gas emissions (Scope 1) ¹	22,039,576 Mg CO ₂	18,671,299 Mg CO ₂	-15%
Intensity of greenhouse gas emissions ²	774 kg/MWh	757 kg/MWh	-2%

Produkcja energii ze źródeł odnawialnych	2,279 GWh	2,392 GWh	+5%
Generation of energy from renewable source	PLN 238 billion	PLN 272.5 billion	+14%
Amount earmarked for investments in the environmental area	PLN 0.999 billion	PLN 1.165 billion ³	+17%
Amount earmarked by ENEA Operator for investments in the area of energy efficiency and energy security	0	0	-

1 Total emissions related to the generation of electricity and heat by the Kozienice Power Plant, the Połaniec Power Plant, the Białystok CHP Plant, the "Zachód" Heat Plant, MEC Piła, PEC and Łęczyńska Energetyka.

2 Ratio of total CO₂ emissions associated with electricity generation to total gross electricity generation.

3 Total amount of investments made by the company.

Social area

Ratio	2019	2020	Change 2020/2019
• Total amount earmarked for social causes ⁴	PLN 3,262,127	PLN 8,040,797	+146%
including support provided to counteract the COVID-19 epidemic		PLN 5 339,271	
including other expenditures for socially beneficial purposes	PLN 3,262,127	PLN 2,701,526	
Number of beneficiaries of competence volunteerism	None reported	3,412 ⁵	-
Number of volunteers under voluntary work contracts as at 31 December 2020	None reported	359	-

4 Total funds donated by companies to the ENEA Foundation, the "Solidarni Górnicy" [Solidary Miners] Foundation, directly to the beneficiaries and to community involvement projects.

5 Measure implemented only in Q1 2020, that is until schools switched to distance learning.

Customer-related area

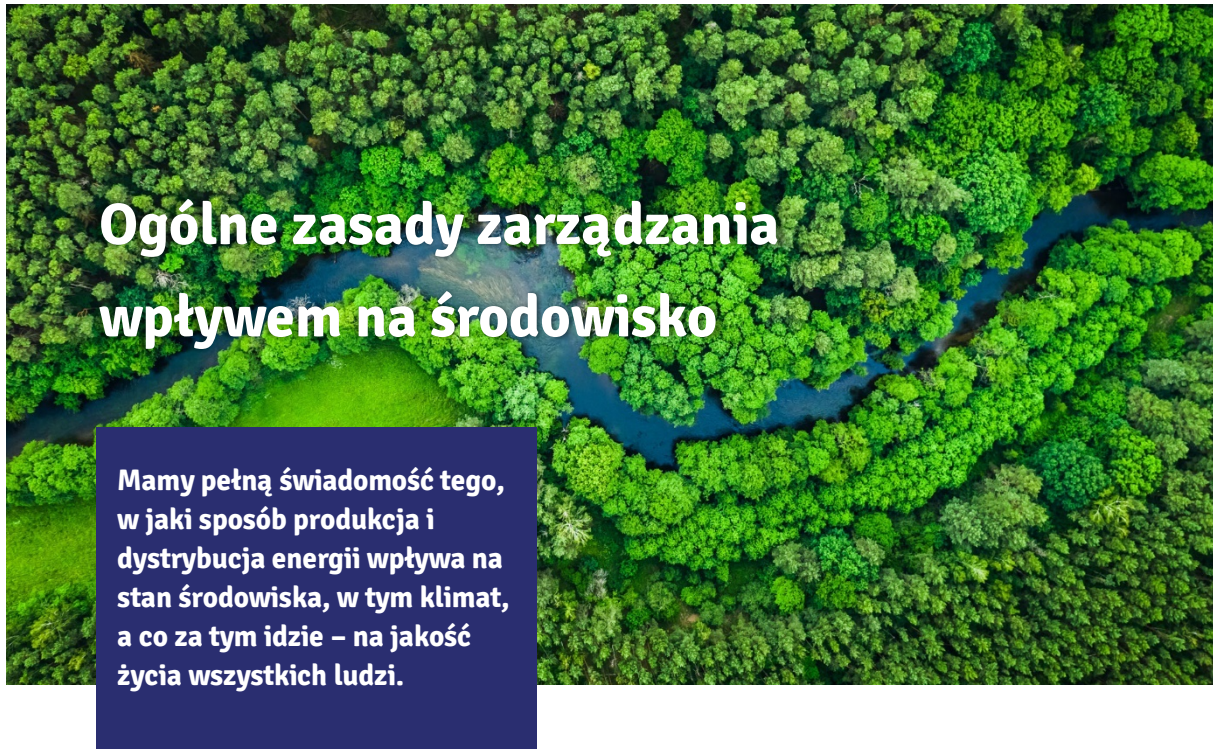
Ratio	2019	2020	Change 2020/2019
Number of individual customers (electricity and gaseous fuel consumers)			Number of individual customers (electricity and gaseous fuel consumers)
2,535 thousand	2,565 thousand	+1%	2,535 thousand
Distribution Segment: number of customers/energy consumers ⁷			Distribution Segment: number of customers/energy consumers ⁷
2,626 thousand	2,661 thousand	+1%	2,626 thousand
Sales of electricity and gaseous fuel to retail customers			Sales of electricity and gaseous fuel to retail customers
20.3 TWh	21.1 TWh	+4%	20.3 TWh
SAIDI – System Average Interruption Duration Index ⁸			SAIDI – System Average Interruption Duration Index ⁸
98 min.	77 min.	-21%	98 min.

Aktywnie współpracujemy z United Nations Global Compact, a efekty naszych wysiłków w sferach takich, jak prawa człowieka, ochrona środowiska, dbałość o klienta, przeciwdziałanie nadużyciom czy zaangażowanie społeczne uzyskały w 2020 r. zewnętrzne potwierdzenie w postaci przyznanego trzeci rok z rzędu Srebrnego Listka CSR POLITYKI, a także 2. miejsca w kategorii branżowej: paliwa, energetyka, wydobywanie oraz 8. w klasyfikacji generalnej Rankingu Odpowiedzialnych Firm.



Anna Lutek
dyrektor Departamentu PR i Komunikacji
ENEA S.A.

ŚRODOWISKO



102-11

Dlatego w przemyślany sposób wdrażamy kolejne rozwiązania pozwalające monitorować i minimalizować emisje gazów cieplarnianych i innych zanieczyszczeń oraz racjonalnie zarządzamy zasobami przyrody. Dbamy również, by prowadzona przez nas działalność wydobywcza i wytwórcza nie zagrażała różnorodności biologicznej oraz trwałości procesów ekologicznych.

Główne obszary wpływu Grupy ENEA na środowisko

103-1, 103-2, 103-3, 413-2

- emisje gazów cieplarnianych i innych zanieczyszczeń związane ze spalaniem surowców energetycznych
- pobór zwrotny znaczących ilości wody z Wisły na cele chłodnicze
- powstawanie odpadów paleniskowych (popiół, żużel)
- powstawanie dużych ilości odpadów wydobywczych
- osiadanie terenu w związku z eksploatacją węgla kamiennego metodą na zawal, co może prowadzić do degradacji użytków rolnych
- oddziaływanie działalności wydobywczej na stosunki wodne (m.in. zrzut zmineralizowanych wód dołowych do rzeki Świnki)
- wpływ realizowanych inwestycji liniowych na ekosystemy i krajobraz sąsiadujących terenów rolnych i leśnych
- zakłócenie ciągłości morfologicznej rzek poprzez stosowanie piętrzeń wody na potrzeby hydroelektrowni
- oddziaływanie związane z transportem surowców (spaliny, hałas, kurz)

Wszystkie powyższe oddziaływania są monitorowane i minimalizowane przez jednostki ochrony środowiska spółek wydobywczych i wytwórczych. W razie potrzeby dokonywane są działania naprawcze i lub wypłacane rekompensaty (np. za utracone plony).

W Grupie ENEA funkcjonuje szereg polityk i procedur odnoszących się do kwestii środowiskowych. Wspomniana sfera została także uwzględniona w zasadach postępowania Grupy ENEA, określonych w Kodeksie Etyki Grupy ENEA. Zgodnie z nimi Grupa:

- dba o środowisko naturalne i podejmuje wszelkie niezbędne działania w celu jego ochrony, niezależnie od miejsca i rodzaju wykonywanej pracy,
- w sposób racjonalny korzysta z zasobów naturalnych i energii,
- dąży do zapewnienia należytej ochrony środowiska naturalnego stosując się do przepisów prawa powszechnie obowiązującego, a także wewnętrznych regulacji,
- włącza się do działań i aktywnie uczestniczy w akcjach edukacyjnych na rzecz ochrony środowiska naturalnego i budowania świadomości ekologicznej,
- podejmuje działania mające na celu zapobieganie wystąpieniu awarii zagrażających środowisku naturalnemu.

Dbałość o zrównoważony rozwój i środowisko naturalne uwzględnia również Polityka Compliance Grupy ENEA, która nakazuje nam m.in.:

- działania minimalizujące emisję zanieczyszczeń i gwarantujące rozsądne gospodarowanie zasobami naturalnymi,
- inicjatywy na rzecz zachowania równowagi pomiędzy działalnością Grupy a środowiskiem naturalnym,
- prowadzenie inwestycji uwzględniających technologie przyjazne środowisku,
- wspieranie odnawialnych źródeł energii,
- współpracę z organizacjami odpowiedzialnymi za dbanie o środowisko naturalne.

Z kolei Polityka komunikacji w Grupie ENEA zawiera zapisy mówiące, że komunikacja Grupy jest prowadzona w sposób promujący wartości proekologiczne, a jej działania sponsoringowe będą się koncentrować m.in. na obszarze ochrony środowiska.

W 2020 r. Grupa ENEA nie posiadała opracowanego osobnego dokumentu dotyczącego polityki klimatycznej wspólnego dla wszystkich spółek ani polityki adaptacji do zmian klimatu. Do momentu publikacji Oświadczenia nie zostały podjęte wiążące rozstrzygnięcia w tej sprawie, jednak na początku 2021 r. zapadła decyzja, że za zarządzanie kwestiami związanymi z wpływem Grupy na klimat będzie odpowiedzialny Wiceprezes Zarządu ds. operacyjnych – Marcin Pawlicki.

W poszczególnych spółkach obowiązują, dopasowane do ich specyfiki, polityki, procedury, instrukcje oraz regulaminy, obligujące je do ochrony i zrównoważonego korzystania ze środowiska, które są na bieżąco aktualizowane (w 2020 r. m.in. w związku z nowelizacją Ustawy o odpadach). Do wybranych zasad, np. określających sposób postępowania z wytworzonymi odpadami, muszą się ponadto stosować firmy zewnętrzne wykonujące prace na terenie i na rzecz naszych spółek. Dodatkowo, w podmiotach Grupy ENEA stosowane są metodyki monitorowania i dokumentowania określonych oddziaływań na środowisko oraz osiągniętych efektów działalności prośrodowiskowej.



Wybrane polityki, standardy i procedury należytej staranności z obszaru zarządzania środowiskowego w spółkach Grupy ENEA

ENEA S.A. - Polityka środowiskowa

ENEA Wytwarzanie - Polityka Zintegrowanego Systemu Zarządzania Jakością, Środowiskiem i BHP
- Księga Zintegrowanego Systemu Zarządzania Jakością, Środowiskowego i BHP, oparta o wymagania norm PN-EN ISO 9001:2015, PN-EN ISO 14001:2015 oraz PN-N-18001:2004/OHSAS 18001:2007
- Procedura „Nadzór nad wymaganiami prawnymi i innymi”
- Procedura „Identyfikacja i ocena aspektów środowiskowych”

- Procedura „Monitorowanie środowiska”
- Procedura „Identyfikacja potencjalnych wypadków i sytuacji awaryjnych oraz reagowanie w przypadku ich wystąpienia w ENEA Wytwarzanie sp. z o.o. w lokalizacji Świerże Górne”
- Plan działań ratowniczych na wypadek zagrożenia dla życia i zdrowia ludzi oraz mienia lub środowiska w ENEA Wytwarzanie sp. z o.o. w Świerżach Górnych (Elektrownia Kozienice)
- Procedura gotowości i reagowania na awarie w lokalizacji Koronowo
- Procedura „Zarządzanie celami”
- Procedura „Przegląd zarządzania, analiza i doskonalenie”
- Pozostałe szczegółowe procedury i instrukcje postępowania określające zasady prowadzenia działań oddziaływujących na środowisko, a także monitorowania, prowadzenia pomiarów oraz sprawowania nadzoru metrologicznego nad urządzeniami służącymi do monitorowania efektów działalności środowiskowej

**ENEA Ciepło,
ENEA Ciepło Serwis**

- Polityka Systemu Zarządzania Środowiskowego, a także oparte o nią procedury:
 - > Nadzór nad dokumentacją (SZŚ)
 - > Nadzór nad zapisami (SZŚ)
 - > Monitorowanie procesu (SZŚ)
 - > Zarządzanie celami (SZŚ)
 - > Audyty wewnętrzne (SZŚ)
 - > Postępowanie z niezgodnościami – działania korygujące (SZŚ)
 - > Okresowa ocena z wymaganiami prawnymi i innymi (SZŚ)
 - > Przegląd zarządzania (SZŚ)
- Procedura PŚ-4.3-01 „Identyfikacja aspektów środowiskowych”
- Procedura PŚ-4.4-01 „Reagowanie na sytuacje niebezpieczne i awarie”
- Procedura PŚ-4.4-02 „Gospodarka odpadami”
- Procedura PŚ-4.5-01 „System monitorowania i pomiarów parametrów mających wpływ na środowisko”
- Instrukcja jakości QI-7.5-11 „Program zapobiegania poważnym awariom przemysłowym związanych z magazynowaniem i użytkowaniem substancji i materiałów niebezpiecznych na terenie Ciepłowni Zachód”
- Instrukcje wewnętrzne dotyczące monitorowania i raportowania emisji CO₂:
 - > Instrukcja I-OŚ-01 „Zarządzanie zapisami i dokumentacją”
 - > Instrukcja I-OŚ-02 „Określenie zmian mających wpływ na przydział uprawnień do emisji dla instalacji”
 - > Instrukcja I-OŚ-03 „Obliczanie emisji CO₂”
 - > Instrukcja I-OŚ-04 „Jakość systemu informatycznego wykorzystywanego w działaniach w zakresie przepływu danych”
 - > Instrukcja I-OŚ-05 „Szacunkowe określenie zużycia paliwa w czasie uszkodzenia wagi taśmowej”
 - > Instrukcja I-OŚ-06 „Kontrolowanie procesów zleczanych na zewnątrz”
 - > Instrukcja I-OŚ-07 „Identyfikacja zainstalowanych przyrządów służących do wyznaczania wartości danych”
 - > Instrukcja I-OŚ-08 „Zarządzanie personelem dla celów ETS”
 - > Instrukcja I-OŚ-09 „Ocena adekwatności planu monitorowania”
 - > Instrukcja I-OŚ-10 „Zarządzanie działaniami w zakresie przepływu danych”
 - > Instrukcja I-OŚ-11 „Przeprowadzanie korekt i działań naprawczych”
 - > Instrukcja I-OŚ-12 „Nadzór nad wyposażeniem pomiarowym do monitorowania emisji CO₂”
 - > Instrukcja I-OŚ-13 „Wewnętrzne przeglądy i walidacja danych”
 - > Instrukcja I-OŚ-14 „Ocena niepewności”
 - > Instrukcja I-OŚ-15 „Analiza ryzyka monitorowania emisji CO₂”
 - > Instrukcja I-OŚ-16 „Analiza ryzyka planu metodyki monitorowania PMM”
 - > Instrukcja I-OŚ-17 „Monitorowanie danych podstawowych i działania kontrolne do wniosku o bezpłatny przydział uprawnień do emisji CO₂”
- Procedura „Monitorowanie emisji CO₂ w Elektrociepłowni Białystok ”
- Instrukcja organizacji działań ratowniczych na terenie ENEA Ciepło sp. z o.o. – Oddział Elektrociepłownia Białystok
- Procedura „Identyfikacja zagrożeń i ustalenie sposobów reakcji na awarie środowiskowe ENEA Ciepło sp. z o.o. – Oddział Elektrociepłownia Białystok”
- Procedura „Zapobieganie i zmniejszanie wpływu sytuacji awaryjnych na środowisko ENEA Ciepło sp. z o.o. – Oddział Elektrociepłownia Białystok”
- Procedura „Działania w przypadku awarii środowiskowych Elektrociepłownia Białystok”
- Instrukcja gospodarki substancjami i mieszaninami niebezpiecznymi i stwarzającymi zagrożenie
- Instrukcja postępowania z odpadami na terenie Elektrociepłowni Białystok

ENEA Ciepło Oddział Elektrociepłownia Białystok	<ul style="list-style-type: none"> - <i>Polityka Zintegrowanego Systemu Zarządzania Jakością, Środowiskowego i BHP</i> - <i>Księga Zintegrowanego Systemu Zarządzania Jakością, Środowiskowego i BHP</i> - <i>Procedura „Zarządzanie celami”</i> - <i>Procedura „Identyfikacja i ocena aspektów środowiskowych”</i> - <i>Procedura „Monitorowanie środowiska”</i> - <i>Procedura „Identyfikacja zagrożeń i ustalenie sposobów reakcji na awarie środowiskowe Elektrociepłownia Białystok”</i> - <i>Procedura „Zapobieganie i zmniejszanie wpływu sytuacji awaryjnych na środowisko Elektrociepłownia Białystok”</i> - <i>Procedura „Działania w przypadku awarii środowiskowych Elektrociepłownia Białystok”</i> - <i>Procedura „Monitorowanie emisji CO₂ w Elektrociepłowni Białystok”</i>
Miejska Energetyka Ciepła Piła	<ul style="list-style-type: none"> - <i>Instrukcja „Postępowanie z odpadami”</i> - <i>Procedury wymienione w planie monitorowania emisji CO₂</i>
Przedsiębiorstwo Energetyki Ciepłej	<ul style="list-style-type: none"> - <i>Polityka środowiskowa</i>
ENEA Operator	<ul style="list-style-type: none"> - <i>Program Zakładowy Bank Zanieczyszczeń Środowiska SOZAT</i> - <i>Procedura wypełniania obowiązków wobec podmiotów finansujących inwestycje ENEA Operator sp. z o.o.</i> - <i>Procedura ewidencjonowania urządzeń elektroenergetycznych zawierających gaz SF₆ w ilości co najmniej 6 kg oraz czynności na nich wykonywanych</i>
ENEA Oświetlenie	<ul style="list-style-type: none"> - <i>Gospodarka odpadami w ENEA Oświetlenie sp. z o.o.</i>
ENEA Elektrownia Połaniec, ENEA Bioenergia	<ul style="list-style-type: none"> - <i>Procedura identyfikacji i oceny aspektów środowiskowych</i> - <i>Procedura monitorowania środowiska</i> - <i>Program zarządzania środowiskowego</i>
Lubelski Węgiel „Bogdanka”	<ul style="list-style-type: none"> - <i>Polityka Zintegrowanego Systemu Zarządzania Jakością, Środowiskiem i BHP oraz związane z nią procedury środowiskowe</i>

103-1, 103-2, 103-3, 307-1

The activities of Group companies are conducted in strict compliance with the accepted internal regulations, general provisions of law as well as all permits and administrative decisions, such as the right to release emissions into air, decisions on environmental conditions of a permit to carry out a project, or water permits.

In 2020, ENEA Ciepło won the ECO LAUREL 2020 award from the Polish Ecology Chamber in the category of protection of the air and renewable energy sources and received an Eco-certificate awarded to institutions and individuals showing special care for the environment by organizers of the ECO FORUM International Congress

103-1, 103-2, 103-3, 308-1

Supplier Environmental Assessment

103-1

The ENEA Group Procurement Policy contains a rule that, when selecting suppliers of products and services, non-price criteria should be taken into account, including environmental factors such as energy efficiency of the subject of contract. However, bid evaluation criteria are defined individually for each tender procedure and selected environmental aspects are included only when deemed suitable for the subject of contract. At the same time, contracts with all our suppliers contain an undertaking to observe the provisions of the ENEA Group’s Code of Conduct for Contractors adopted in 2020, which contains our expectations, among others in respect to environmental protection.

In proceedings conducted by ENEA Operator for the supply of means of transport, CO₂ emission is one of the evaluation criteria. The Company has also adopted a rule that it rules out from proceedings any suppliers who are natural persons legally convicted for crimes against the environment under Article 181-188 of the Criminal Code.



Generation of energy using renewables [GWh]	2018	2019	2020	Change 2020/2019
Total production from renewable energy sources, including:	2,025	2,279	2,392	+5.0%
ENEANowa Energia: hydro power plants	159	130	130	0.2%
ENEANowa Energia: wind farms	130	185	183	-0.7%
ENEANowa Energia: biogas farms	6	5	9	+87.9%
ENEACiepło: biomass firing	172	204	255	+25.0%
ENEAPołaniec Power Plant: biomass co-firing	180	314	371	+18.3%
ENEAPołaniec Power Plant: biomass firing	1,378	1,441	1,442	+0.1%

103-3

In addition to developing our own RES capacity, we are involved in endeavors aimed at ensuring the country's energy transition:

- by connecting RES to ENEA Operator's grid

- in 2020 the company connected nearly 43 thousand (including micro-installations); as a result, the total number of RES connected by the company was nearly 63 thousand at yearend 2020. The total capacity of the sources installed during this period was over 546 MW, owing to which the total capacity of connected renewable energy sources surpassed 2,043 MW;

by supporting other RES sector entities in fulfilling the reporting duty arising from European law (SOGL guidelines)

- ENEA Operator's experts share their knowledge and experience, supporting entities generating electricity from renewable sources in providing data on electricity generated and introduced to the distribution grid.

ENEA started the work on creating, together with the TAURON Group and Polska Grupa Energetyczna, a joint venture to develop offshore wind power projects. In January 2021, the partners signed a letter of intent, in which they emphasized their intention to cooperate in building joint competence in the offshore segment.

Current carbon dioxide emission levels

We report on the volumes of direct greenhouse gas emissions (Scope 1) related to the activities of our electricity and heat generating companies. By 28 May 2021, i.e. the date of publication of this report, no management decisions have been made on the schedule of implementing full emission reporting in the Group and in its supply chain (Scope 1 + Scope 2 + Scope 3).

Carbon dioxide emissions from ENEA Group's generation sources

305-1, 305-5

CO ₂ emissions [Mg]	2018	2019	2020	Change 2020/2019
Kozienice Power Plant	14,076,969	14,883,265	13,786,235	-7%
Połaniec Power Plant	8,219,329	6,751,791	4,555,879	-33%
Białystok CHP Plant	280,147	253,522	174,755	-31%
"Zachód" Heat Plant (Białystok)	19,753	12,254	14,588	+19%
MEC Piła	84,107	80,450	81,089	+1%
PEC	14,576	13,597	13,490	-1%
Łęczyńska Energetyka	49,217	44,697	45,263	+1%
	22,744,098	22,039,576	18,671,299	-15%

Free CO₂ emission allowances awarded to the ENEA Group

Sector EU index 5

Kozienice – Power Plant [t]		Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	14,883,265	1,719,943	834,265,665.03
2020	13,786,235	55,833	1,455,081,507.83
MEC Piła [t]		Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	80,450	14,954 ⁹	6,276,583.02 ¹⁰
2020	81,089	11,827 ¹¹	6,670,018.02 ¹⁰
Białystok – CHP Plant [t]		Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	253,522	87,180 ⁹	16,867,573.66
2020	174,755	70,157 ¹¹	11,525,145.94
Białystok – “Zachód” Heat Plant [t]		Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	12,254	682 ⁹	1,480,174.14
2020	14,588	668 ¹¹	1,546,186.44
Połaniec – Power Plant [t]		Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	6,751,791	126,099 ⁹	411,162,326.88

	Kozienice – Power Plant [t]	Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2020	4,555,879	1,241,357 ¹¹	398,680,605.31
	Łęczyńska Energetyka [t]	Allocation of free CO ₂ emission allowances [t]	Costs of allowances [PLN]
2019	44,697	8,261	3,480,764.42
2020	45,263	6,535	3,901,740.30
Total 2019	22,025,979	1,957,119	1,273,533,087.15
Total 2020	18,657,809	1,386,377	1,877,405,203.84

9. Single allocation of free-of-charge allowances for 2019.

10. Accounting treatment.

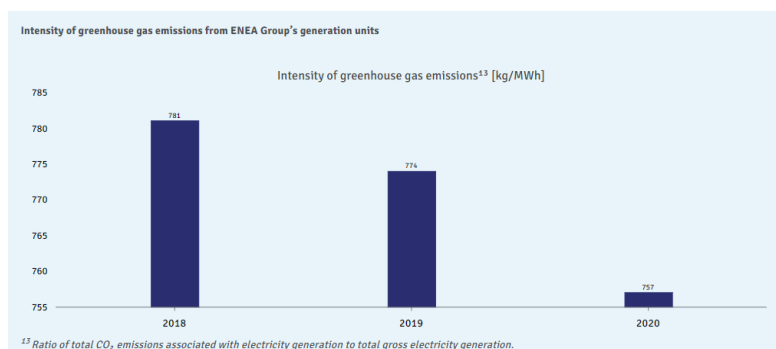
11. Single allocation of free-of-charge allowances for 2020.

What is important, the greenhouse gas emission intensity ratio continues to decline – it is the volume of CO₂ accompanying production by us of a unit of electricity. It is a measurable confirmation of our progress to becoming a low-emission company.

Marcin Pawlicki

Vice-President of the ENEA S.A. Management Board for Operational Matters, responsible for managing climate-related issues in the ENEA Group since 2021

305-4





103-3

Our ambition is to lower as much as possible emissions of pollutants generated during production processes, which is served by further infrastructural investments performed.

Due to them, continued progress is possible with limiting emissions of sulfur dioxide, dust and nitrogen oxides.

305-7

Level of emissions of sulfur dioxide (SO₂), dust and nitrogen oxides (NO_x) generated by companies from the Generation Segment in 2020

Company name	Emission rate [Mg]					
	SO ₂		Dust		NO _x	
	2019	2020	2019	2020	2019	2020
ENEA Wytwarzanie ¹⁴	9,035.9	10,433.3	369.6	523.2	10,670.8	10,450.7
ENEA Elektrownia Połaniec	5,895.8	7,272.5	484.2	378.7	6,452.8	5,184.7
Białystok CHP Plant	206.3	101	44	41	406	443
“Zachód” Heat plant (Białystok)	18.3	13.6	1,3	1,0	11.7	12.8

14. Including emissions for the start-up boiler house of Unit 11 at the Kozenice Power Plant.

Pursuant to the IED Directive, as of 1 January 2016, more stringent limits for emissions of pollutants will be in force, to which, among others, energy producers using coal technologies had to adjust. To address the problems of businesses, the Directive provided for a temporary mitigation of its requirements in the form of derogations; this meant an extra time for adaptation to the new emission standards. One of such derogations was the Transition National Plan (TNP), in which ENEA Group's generation units participated: the Kozenice Power Plant (with respect to sulfur dioxide and dust) and the Białystok Combined Heat and Power Plant (with respect to sulfur dioxide, dust and nitrogen oxides). According to the rules of TNP, in the period from 1 January 2016 to 30 June 2020, the reported generation units were adapting to the emission limits as they decreased year over year in respect to their assigned pollutants. The Kozenice Power Plant and the Białystok Combined Heat and Power Plant have fully fulfilled all the assumptions within the required deadline.

Emissions of the pollutants under TNP and the utilization of the permitted pollutant emission cap for 2020

2020		ENEA Wytwarzanie (Elektrownia Kozenice)	ENEA Ciepło (Białystok CHP Plant) ¹⁵	ENEA Group (Total)
	Emissions [Mg]	3092.64	61.96	3154.59
SO ₂	Annual permitted cap [Mg]	3756.75	355.07	4111.82
	% utilization	82.3%	17.5%	76.7%
	Emissions [Mg]	72.62	16.45	89.07
Dust	Annual permitted cap [Mg]	375.65	35.52	411.17
	% utilization	19.3%	46.3%	21.7%
	Emissions [Mg]		203.81	203.81
NO _x	Annual permitted cap [Mg]	N/A.	293.12	293.12
	% utilization		69.5%	69.5%

15. The compilation includes also the Białystok CHP Plant, since it participates in the TNP together with the Kozenice Power Plant.

ENEA Ciepło was awarded PreQurs certificate, class A described as "NE" (NO EMISSION) as well as the NO SMOG quality sign. This confirms that it produces heat in a more environmentally friendly manner than coal-fired home boiler systems.

More information on the emissions of pollutants is provided on pages 90-92 of the *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020*.

Management of raw materials and consumables

We manage the raw materials and consumables used in our activity in the most efficient and environmentally safe manner.

Energy resources

As we produce electricity and heat, we consume significant amounts of energy resources: bituminous coal, gas, biomass and fuel oils. The basic fuel used by us to generate electricity is bituminous coal. Biomass fired by us is mainly energy wood chips, energy willow and poplar chips as well as by-products of agricultural production and agricultural product processing industry.

301-1

Major raw materials used by the Generation Segment in 2020

Fuel type	Generation Area			
	2019		2020	
	Quantity [000s of tons]	Cost [PLN million]	Quantity [000s of tons]	Cost [PLN million]
Bituminous coal	11,345	2,924	8,719	2,144
Biomass	1,913	538	1,957	515
(Heavy) fuel oil ¹⁶	15	23	13	16

(Light) fuel oil¹⁷ 7 20 6 15

Gas [thous. Nm³]¹⁸¹⁹ 18,105 27 21,507 25

Total 3,533 2,715

16. Light up fuel in U1-10 of the Kozienice Power Plant and U1-7 of the Połaniec Power Plant

17. Light up fuel in U11 of the Kozienice Power Plant and U9 of the Połaniec Power Plant.

18. Used for generation of electricity and heat in MEC Piła and heat in PEC Oborniki

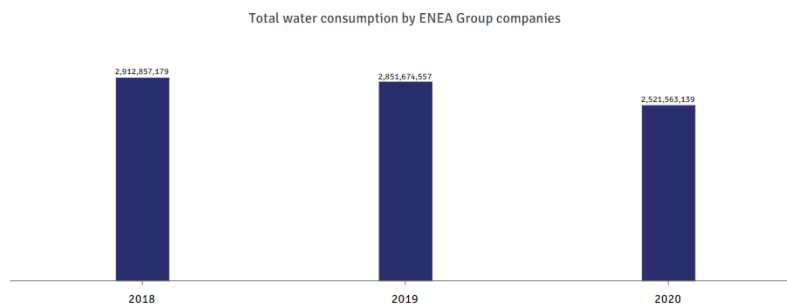
19. Used for production of heat in "Zachód" Heat Plant.

Water

103-1, 103-2, 103-3

Water is necessary to produce electricity, we use water, among others, in power plant cooling systems. We apply a number of technological solutions which allow us to return water to the Vistula river, preserving its quantity and quality.

303-3



In respect to water management, our companies develop solutions in the area of a circular economy concept. Examples of good practices include actions carried implemented in connection with coal mining, such as the use of mine water for firefighting and technological purposes.

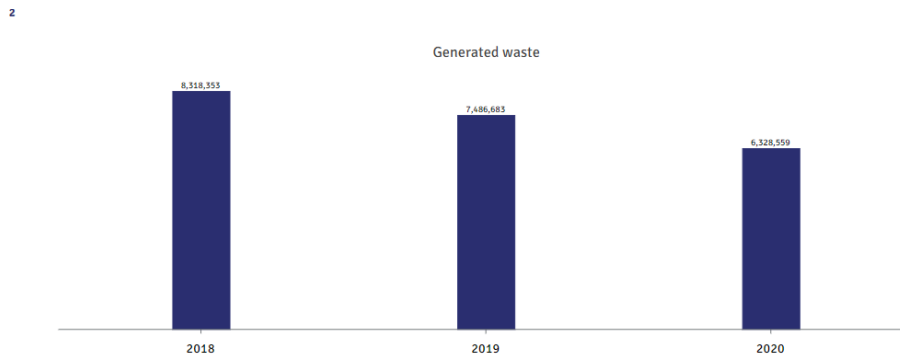
Water withdrawal [m ³]	2018	2019	2020
Total water consumption by ENEA Group companies:	2,912,857,179	2,851,674,557	2,521,563,139
including water withdrawal from water intake/municipal water supply system	241,504	231,654	204,558
including surface water withdrawal	2,896,571,028	2,834,572,229	2,504,441,015

Water withdrawal [m ³]	2018	2019	2020
including deep water withdrawal	841,364	867,398	833,748
including drainage water withdrawal	12,565,217	12,872,658	12,928,105
including water withdrawal from another source	2,638,066	3,130,618	3,155,395

Waste

Production of various waste products is a natural consequence of our activities, primarily mining and generating activities. We strive to produce as little waste as possible and each year we manage to reduce the quantities.

306-2



Generated waste [Mg] ²²	2018	2019	2020
Total mass of waste generated in the ENEA Group:	8,318,353	7,486,683	6,328,559
including hazardous waste	824	5,464 ²³	833
of which: non-hazardous waste	8,317,529	7,481,219	6,327,726

22. Real properties for which there are no detailed data on generated waste (e.g. because the respective companies settle their accounts with administrators on a lump sum basis) have not been taken into account.

23. This includes waste collected by ENEA Logistyka from other ENEA Group entities and those resulting from the provisions of the Act on worn-out electric and electronic equipment.

103-1, 103-2, 103-3

We make effort not only to minimize the amount of waste but also to utilize it:

- the power plant in Połaniec sells gypsum from flue gas desulfurization as well as ash and gravel which are by-products of combustion,
- Lubelski Węgiel “Bogdanka” uses mining waste for land reinstatement, road and square hardening and for the production of cement, and also provides authorized units with, among others, wood and used oils, for management.
- ENEA Bioenergia sp. z o.o. produces full-value construction aggregate using ash and slag mixture obtained from wet furnace waste disposal.

Paper

We are developing measures to reduce paper consumption. The greatest responsibility in this respect rests with ENEA Centrum, which provides other ENEA Group companies with, among others, accounting, HR, customer service, collection, procurement and administration services. The measures implemented by the company include, among others, extending the possibility of electronic signing of contracts, enabling transmission of documents by e-mail, through a chat and the Electronic Customer Service Office (i.e. it is no longer necessary to print them out and send by traditional mail), combining documents (invoices, corrections, interest notes are sent in a single envelope to a contractor with the same correspondence address on several contracts) or e-invoice promotion campaign.

ENEA Centrum

13,473,322	12,374,636	1,276,225	2,137,187
paper invoices issued in 2019	paper invoices issued in 2020	e-invoices issued in 2019	e-invoices issued in 2020

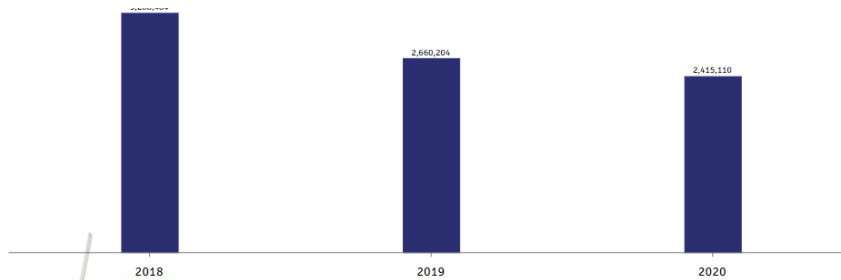


103-3

Our main priority relating to energy efficiency is to reduce electricity losses incurred in the distribution process.

ENEA Operator implements the assumptions of the initiative entitled *Implementation of comprehensive actions contributing to the reduction of balance difference*, which forms part of the Strategy of the ENEA Group's Distribution Area and implemented the *Balance difference reduction program at ENEA Operator Sp. z o.o.* In 2021 the company plans to define the assumptions for a system for rewarding proposed energy efficiency measures and to analyze the feasibility of and the rationale for implementing the Energy and Energy Economy Management System.

302-1



²⁴ Real properties for which there are no detailed data on electricity consumption (e.g. because the respective companies settle their accounts with administrators on a lump sum basis) and the network needs of ENEA Operator have not been taken into account. Data reported by ENEA Nowa Energia are estimates.



Protection of biodiversity and landscape

103-1, 103-2, 103-3

We take care that the activity conducted by us neither disrupts the working of ecosystems nor impoverishes the diversity of plants and animals or values of the landscape.

If needed, we restore the right condition of natural habitats and other components of nature.

304-3

We strictly comply with provisions of the Nature Conservation Act and other regulations and administrative decisions imposing on us obligations concerning protection of ecological processes and biodiversity. The activities which follow from the above include:

- continuous ecological supervision in the area of the Koziencice Power Plant and in its vicinity making it possible to, among others, protect confirmed sites of protected species of plants, fungi and animals,
- long-term monitoring of the impact of wind power plants on bird and bat populations,
- building fish ladders to make free migration of fishes possible.

304-1

Some of our plants are located in protected natural areas. The Koziencice Power Plant is adjacent to two Natura 2000 sites, Mid Vistula Valley and Koziencice Sanctuary as well as the Vistula Landscape Park. Many of our 21 hydro power plants are located in protected areas (e.g. Drawa National Park, landscape parks in the valleys of the Gwda, Wda and Brda rivers). In addition, about 5% of mining areas owned by Lubelski Węgiel "Bogdanka" are protected within the Natura 2000 network (special habitat protection area of Uściwierskie Lakes and special birds' protection area of Polesie). Due to appropriate ways of management, we do not exert an adverse influence on the nature of any of the above areas.



103-3

They include large capital expenditures and minor changes in daily operations in individual companies. We also strive to increase environmental awareness of our employees and their knowledge about the rational use of the environment. Moreover, we also provide environmental education to the Group's communities and execute projects to actively protect the nature.

Custom index 7, Custom index 8, Custom index 22, Custom index 25

ENEA Group's environmental investments in 2020

Item	Actuals 2020 [PLN million]
Adaptation to BAT conclusions (Połaniec Power Plant)	103.7
Connections of commercial wind farms (ENEA Operator)	79.2
SCR development for units 9 and 10 (Kozienice Power Plant)	27.8
Adaptation to BAT conclusions (Kozienice Power Plant)	27.1
Other environmental investments (Połaniec Power Plant)	22.3

Item	Actuals 2020 [PLN million]
Other environmental investments (Kozienice Power Plant)	5.8
Other	6.6
Total environmental investments	272.5

304-3

In 2020 ENEA Wytwarzanie executed a number of investment projects that limited the environmental impact of the Kozienice Power Plant. The most important of them were: upgrade of the wastewater treatment plant from the flue-gas desulphurization installation of the third 500 MW unit no. 10, modernization of electrostatic precipitators for 200 MW unit nos. 1, 4 and 5, and draft cooling tower of 500 MW units (cells CB21 and CB22).

Moreover, a system for continuous measurement of NH₃, HCl, HF and Hg emissions was installed on the emitters behind flue-gas desulphurization installations I-V, part of the power plant's lighting system was upgraded and the rain and industrial wastewater treatment plant was equipped with an oil separator to reduce the release of petroleum substances in the event of a failure of installations using light oil. The company also made efforts to maximize sales of combustion byproducts and funded a campaign for active environmental protection under which more than 100 noble crayfish were introduced to the Krypianka River in Garbatka-Letnisko township. In turn, the campaign "Flower garden with ENEA Wytwarzanie and the Ornithological Society of Mazowieckie and Świętokrzyskie Voivodships" was aimed at strengthening the food base of pollinating insects and generating interest in these animals and the abundance of honey plants. Moreover, the company co-organized environmental workshops for children as well as contests, lectures and other events on recycling and also financially supported the publication of a monograph on birds of the Kozienice Forest.

ENEA Elektrownia Połaniec completed the modernization of Unit 5 aimed at improving the economics and reliability of its operation, extend its life and adapt its emission parameters to the standards required in the future. During the modernization, the unit was equipped with a selective catalytic reduction system, which reduces nitrogen oxide emissions by 60%. Other projects aimed at ensuring compliance with BAT conclusions included completion of the work to modernize electrostatic precipitators in Units 2 and 7, which will result in reduced dust emissions. The company also upgraded absorber D in the flue gas desulphurization system, which will enable compliance with SO₂ emission limits in flue gases as required by BAT conclusions. It also completed upgrades of two cooling water pumps, PCH2 and PCH9, which increased energy efficiency of their operation. The Power Plant also received 13 white certificates for the thermomodernization of the office building.

The company also implemented numerous projects aimed at building environmental awareness among children and youth. As part of the "Local Forum: environment for the power plan, power plant for the environment" campaign, it organized contests, activities and lectures on environmental topics for a total of over 200 pre-schoolers and students of primary schools in the region. Other important educational initiatives included an awareness campaign conducted in partnership with "Tygodnik Nadwiślański" the main topic of which was the need to save water and electricity (as part of the campaign, a photo contest was held for children and youths) as well as communication support given for the campaign pursued by employees, focused on the significance of bees and threats to these insects (#EneaKwiatyDlaPszczół [#EneaFlowersForBees]). Additionally, the power plant became involved, for the second time, in the #TrashChallenge campaign, in which its Employees took it upon themselves to clean the Czarna river.

ENEA Ciepło was involved in a host of activities aimed at improving the efficiency of heat energy transmission and distribution. These activities included the replacement of approx. 9 km of conduit heat distribution networks with pre-insulated networks, an upgrade of several dozen heating nodes and the installation of a telemetric system, enabling remote reading of operating parameters, at approx. 100 nodes.

The company continued its upgrade of coal boilers in the "Zachód" Heat Plant, aimed at aligning them with the requirements of BAT conclusions. In turn, the Białystok CHP Plant Division of ENEA Ciepło sp. z o.o. modernized the

electrostatic precipitator of boiler K8 and expanded its system of continuous flue gas monitoring of Hg, NH₃ and HCl emissions.

ENEA Centrum pursued many initiatives that translated into a significant decrease in the volume of waste consisting of paper and used toner cartridges. These initiatives included a promotion of the e-BOK and e-invoices, an extension of the scope of matters available for online handling by customers and a pilot project of Customer Service Offices called "Optional sending of attachments to comprehensive contracts by e-mail".

ENEA Logistyka and MR Bogdanka replaced traditional lighting sources with energy-saving solutions.

ENEA Pomiary also upgraded its lighting system, insulated the roof in its head office and set up a photovoltaic installation on it, and purchased three more electric vehicles cars for the purposes of assembly work in large urban agglomerations. Moreover, the company transformed a portion of its grounds into a flower meadow and placed boxes for beneficial insects.

ENEA Operator built and upgraded transformer bowls in a manner preventing the contamination of soil with spilled oil. In the area of active environmental protection, the company installed 121 stork nest platforms on the poles of its own lines and on additional poles, and continued cooperation with the Directorate General of State Forests in the protection of ospreys by installing 22 new breeding platforms for these birds on its 110 kV line poles. The company also took part in a program aimed at cleaning nests and marking chicks of white storks in the Warta River Mouth Landscape Park in collaboration with the Lubuskie Voivodeship Landscape Park Complex and in the campaign of ringing and returning to the natural environment of 6 barn owls (strictly protected species) with a nest located on a transformer substation (joint initiative with the Wild Ostoja Foundation for Animals and the SOS Association for the Protection of Owls).

MEC Piła reduced its volume of emissions of harmful substances into the atmosphere owing to the construction of a cogeneration source. The company also increased its energy efficiency by installing energy-saving equipment and automatic control systems and by optimizing the operation of its heat sources and heating network.

ENEA Bioenergia obtained a National Technical Assessment under which it may now produce full-value construction aggregate using ash and slag mixture obtained from wet furnace waste disposal.

Lubelski Węgiel "Bogdanka" initiated a comprehensive environmental efficiency improvement program entitled "Cross-sectoral cooperation for LWB's sustainable development" and a research and educational project called "Soil - agricultural space. Sustainable agriculture around LWB's mining areas" in collaboration with the Institute of Soil Science and Plant Cultivation - State Research Institute in Puławy. In a joint effort with the Foundation for Nature, the Company executed a project called "Rare and endangered animals species of the Lublin region", focused on active protection of rare species of owls and environmental education. Another project was the creation, in collaboration with the "Landscapes" Foundation and Łęczna township, of the Esthetics Municipal Program Laboratory, a platform for dialog between residents and the town in matters related to the development of green infrastructure.

Łęczyńska Energetyka launched the first photovoltaic installation established on a pro-consumer basis, upgraded the thermal insulation of buildings and replaced the insulation on various sections of heating networks.

The ENEA Foundation financed a number of projects carried out by companies and provided funding for the establishment of an educational path called "In search of green energy" in a park in Radojewo by the Łopuchówko Forest Authority. It also supported the Po-Dzielnia Sharing Economy Center, an Poznań-based educational and cultural initiative aiming to extend the useful life of objects, limit consumerism and promote upcycling. Within the framework of the project, a "Repair Cafe" was established where, under the slogan "Repair! Do not throw away", the ideas of a circular economy are promoted, including the learning of skills to repair devices, instead of throwing them away and generating electronic waste.



Customer relations

The quality and availability of our services are vital for the comfort of life and work of millions of Poles, therefore we adjust our actions to their needs and expectations every year.

103-1, 103-2, 103-3

All the time, we continue to extend the offering and raise the service standards, develop activities for reliability of energy supplies, analyze the level of customers' satisfaction and care for security of their data.

Our offer

102-2, Custom index 13

We offer to individual customers both electricity and packages including additional services and products such as assistance of professionals in removing failures at home or innovative devices for smart home management. On the other hand, corporate customers may take advantage of services supporting their businesses, e.g. consulting on optimizing electricity consumption.

In 2020 we updated our offer for both individual and business customers, mainly by extending the possibility of purchasing additional products and services without having to sign an electricity purchase agreement.

Selected products for households

The products and services included in the offer in 2020 are marked in navy blue

- **Enea Smart** – electricity as part of the package of solutions which will allow for more effective use of electricity and protection of the home against fire, flooding or burglary
- **ENERGIA+ Fachowiec [Repairman]** – electricity with the small household repairs service (electrician, heating and gas equipment repairman, plumber, glazier, household appliance repairman; the range of services depends on the choice of one of the three options),
- **Fachowiec [Repairman]** – the small household repairs service not linked to an electricity sales agreement
- **ENERGIA+ Pewna cena [Sure price]** – electricity with a guarantee of its unchanged prices during the term of the agreement,
- **Mądra Energia [Smart Energy]** – consulting, audit and sale of storage heaters or heat pumps, or a discount on the purchase of air purifiers, or help in analyzing the needs and technical options, audit and installation of

photovoltaic panels, along with support with connection to the grid and obtaining government grants and the modernization tax relief

- **Enea Eco** – offering of lower rates for electricity used at night provided it is used for the purpose of ecological heating of the home or charging an electric car,
- **ENERGIA+ Office 365** – electricity together with an annual subscription of Microsoft 365 Family pack and a two-year access to a training platform devoted to using the software,
- **Office 365** – subscription of the Microsoft 365 Family or Personal package for 12 months and access to a training platform for 12 months, not linked to an electricity sales agreement
- **Photovoltaics for Large Families** – special discount for holders of Large Family Card for purchasing photovoltaic installation from our partner,
- **Pewna cena GAZ [Sure GAS Price]** – a package including, apart from electricity, also gas at a price guaranteed until the end of 2021.

Selected products for companies

The products and services included in the offer in 2020 are marked in navy blue

- **ENERGA + Constant price** – guarantee of unchanged electricity prices during the term of the agreement
- **ENERGIA+ Professional** – electricity as part of a package with consulting services making it possible to optimize its consumption
- **Enea Smart Business** – electricity as part of the package of solutions which will allow for more effective use of electricity and protection of the company against fire, flooding or burglary
- **ENERGIA + Fachowiec PRO [Repairman PRO]** – electricity at a price guaranteed for 36 months with the service of small household repairs
- **Fachowiec PRO [Repairman PRO]** – the small household repairs service not linked to an electricity sales agreement
- **ENERGIA+ Office 365** – electricity together with an annual subscription of Microsoft 365 Business Premium pack and a two-year access to a training platform
- **Office 365** – subscription of the Microsoft 365 Business Standard package for 12 months and access to a training platform for 12 months, not linked to an electricity sales agreement
- **Stała cena GAZ [Sure GAS Price]** – a package including, apart from electricity, also gas at a price guaranteed until the end of 2022.
- **ENEA OPTIMA** – a monthly flat-fee subscription for software, which, through remote transmission of metering data, offers a 24/7 control over and optimization of costs from any online device
- **ENERGIA+ Trend** – electricity at prices based on the quotations on the Polish Power Exchange (Towarowa Giełda Energii S.A.), with the possibility of deciding freely about when the purchase is made
- **ENERGIA+ Indeks** – guarantee of protection against a sudden and uncontrolled increase in prices adopted in the 2021 offer.

Our customers have the possibility of registering in the Shopping Zone loyalty program to obtain attractive discounts from our partners. The detailed offering can be found at strefa.enea.pl.

Responsible sales

103-1, 103-2, 103-3

We apply the *Best Practices of Electricity and Gaseous Fuel Suppliers* of the Energy Trading Association, as well as our: *Code of Best Practices for the processing of personal data in the sales area* and the *Sustainable Direct Marketing Policy at ENEA S.A.*, due to which our customers have the guarantee of fair treatment and respecting their rights. We carefully comply with the terms and conditions of agreements signed with them. We analyze in detail complaints and other reports of recipients of our services and based in the analysis, we modify processes and educate employees.

417-2

ENEA Operator implements the unbundling guidelines of the Energy Regulatory Office for separating distribution and sales activities by taking the following measures:

- It does not promote or recommend any companies involved in the generation or sale of electricity to third parties; it does not display promotional or advertising materials of energy companies while performing processes related to customer service.
- It has its own visual identity.
- It uses separate communication channels (website, e-mail address domain, telephone numbers).

Cases of non-compliance with regulations and non-mandatory codes related to the health and safety impact of products and services

416-2

2	0	90
Number of incidents of non-compliance with regulations leading to a penalty or a fine	Number of incidents of non-compliance with regulations leading to a warning	Number of incidents of non-compliance with voluntary codes of conduct

Power supply continuity

103-1, 103-2, 103-3, Custom index 13

Reliability of electricity and heat supply to customers is one of the priorities of our activity. To ensure it:

- we introduce state-of-the-art technical standards,
- we operate strictly in accordance with procedures,
- we maintain the required state of the infrastructure,
- we perform preventive diagnostic measurements,
- we invest in the development of production assets,
- we modernize and automate the electrical grid,
- we continue to improve all the time the qualifications of our team,
- we appropriately plan shutdowns during modernization works,
- we analyze the causes of breakdowns.

The regulations of activities to improve reliability of energy supply are in effect in ENEA Operator include the following:

As part of the measures applied to improve the reliability of grid operation, especially of the MV grid, which has the greatest influence on the indicators of duration and frequency of interruptions in electricity supply, the following program and supporting activities are carried out, among others:

- implementation of the *MV Grid Development Concept*, which takes into account development of automated solutions within the grid,
- cables of MV grids passing through forest areas,
- elimination of short-circuit hazards in the MV grid in order to increase the cross-section of the MV line where it leaves the main supply points, which will consequently increase reliability of power supply to consumers,
- implementation of the FDIR (Fault Detection, Isolation & Restoration) function in selected MV line sections,

- liquidation of the 6 kV grid in the Poznań urban area,
- ENEA Operator's activities in respect to measurements and diagnostics of medium voltage cable lines,
- works aiming to take systemic measures related to the removal of trees and bushes within the zones under power lines.

ENEA Operator makes all efforts to limit the consequences of failures and restore power supply to customers as quickly as possible. In order to ensure continuity of electricity supply, the company may supply energy to a separate electric power grid using electricity generators, provided that it is technically feasible. In order to limit interruptions in power supply to users to the minimum, the company systematically increases the scope of work performed in the live-line working technology (and), carries out preventive diagnostic measurements and cooperates with other transmission and distribution system operators. The work on locating damage in the grid, making the necessary switching and repairs to restore power supply to the consumers is undertaken immediately after the failure occurs, by ENEA Operator employees or by external contractors.

Whenever a failure occurs, a cause analysis is conducted as an element of the assessment of the technical condition, which forms the basis for making operational decisions and for determining the scope of an upgrade/replacement of devices under the modernization and capital expenditure programs in place in the company.

Jarosław Ziobrowski

Director of the Grid Assets Management
Department at ENEA Operator sp. z o.o.

Custom index 23

The safety of electricity supply to customers is also improved by introducing standards for any materials used and works performed on the company's distribution network. The use of standardized network equipment enables a faster removal of failures. During the process aimed at developing such standards, each proposed solution is subjected to an in-depth analysis and technological tests. As a result of this work, practical documents are created that incorporate the requirements for the distribution grid across the company. All standards are then subjected to regular annual analyses enabling their detailed formulation and updating in a manner that makes the requirements and guidelines contained therein reflect the current changing needs of the power grid operation.

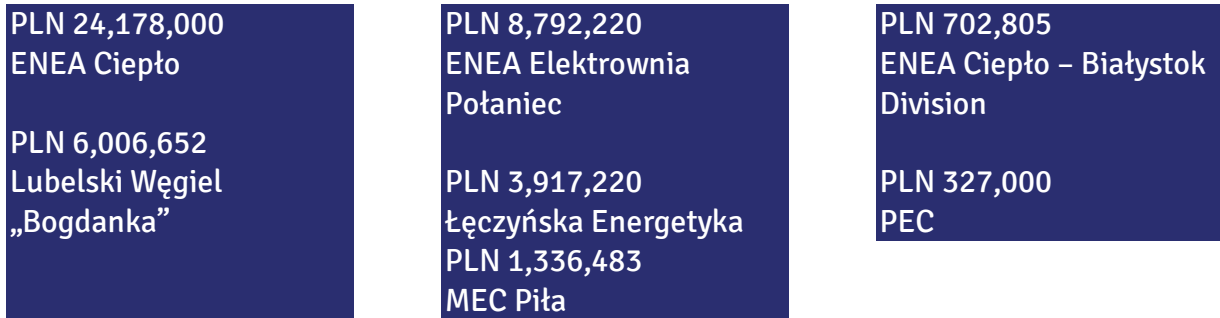
ENEA Operator continues its comprehensive broad activities for improving reliability of the electricity distribution grid, which include, among others, modernization programs, operating work and appropriate organization of work (including extension of the scope of live-line working), buying additional equipment and tools. The directions and the scope of these efforts are closely linked to the quality regulation introduced by the Energy Regulatory Office President. The regulator has defined the goals, which included reliability of energy supply, that the company must implement by 2025, under the pain of financial sanctions.

Major investment tasks executed by ENEA Operator in 2020 in the area of grid investments:

- Construction of the 110kV overhead line Środa – Kromolice;
- Construction of the 110kV overhead line Babimost – Zbąszynek;
- Construction of the 110/15 kV Kostrzyn II substation;
- Reconstruction of the 110 kV overhead line Skwierzyna – XSK pole;
- Reconstruction of the 110/15/6 kV Poznań Główna substation;
- Reconstruction of the 110/15 kV Cytadela substation;
- Reconstruction of the 110/15 kV Miasteczko Krajeńskie substation;
- Reconstruction of the 110/15 kV Choszczno substation;

- Reconstruction of the 110/15 kV Jasiniec substation;
- Reconstruction of the 110/15 kV Reclaw substation – adaptation of the automatic protection equipment.

Energy efficiency and energy security investments made in 2020 by selected ENEA Group companies of the Mining and Generation segments

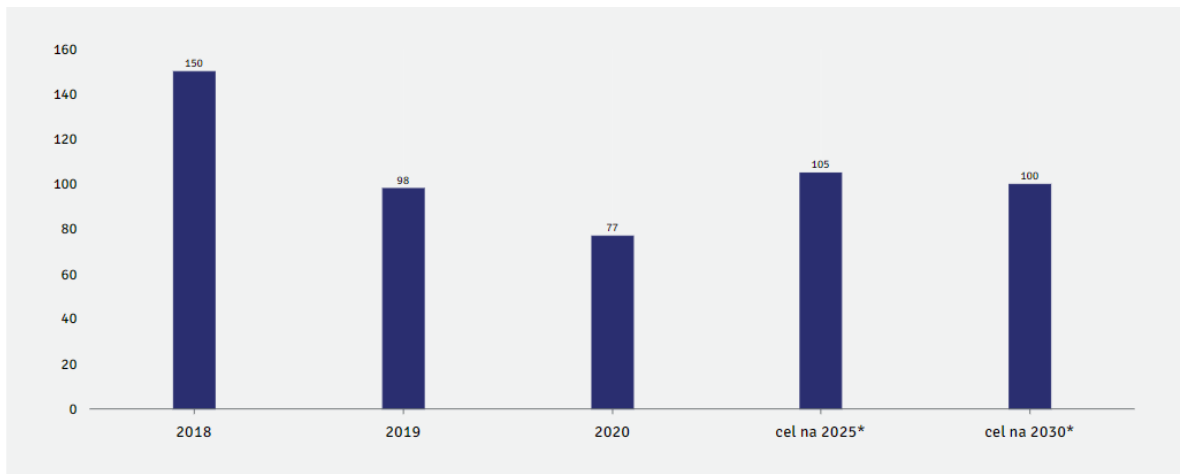


Grid reliability indicators

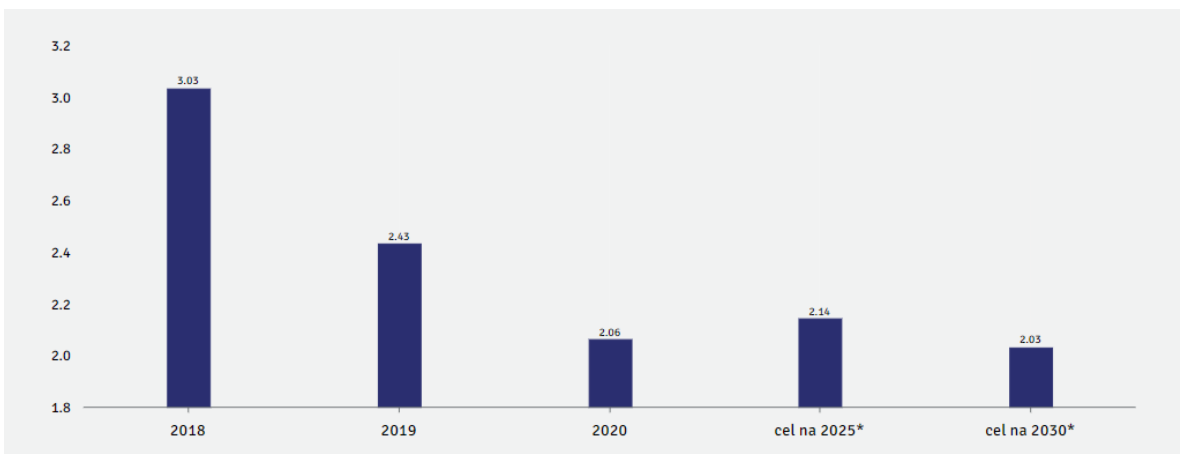
The pace of improvement of the electricity supply reliability indicators is a result of a consistent implementation of extensive efforts in the areas of capital expenditures, operation and work organization.

Sector EU index 28, Sector EU index 29

SAIDI – System Average Interruption Duration Index



SAIFI – System Average Interruption Frequency Index



* As adopted in the Group's strategy

²⁶ Reflects scheduled and unscheduled interruptions in electricity supply for high and medium voltages.

Service quality

103-1 , 103-2, 103-3

High service quality for our customers is guaranteed by detailed internal regulations. These include:

- *Standards of Customer Service in Customer Service Offices,*
- *Standard of Telephone Service in the Distribution Contact Center,*
- *Book of Complaint Process and Key Quality Guidelines for employees of Post-sale Service Divisions.*

The direction of further standard raising in the above regard are defined by the *Strategy of the Customer Service Area for 2020-2024* performed by ENEA Centrum.

Customer data security

103-1, 103-2, 103-3, Custom index 10

We respect our customers' privacy and care for the security of stored data. We are guided here by the prevailing laws and internal procedures.

Group companies comply with the requirements provided for by the *Act on the National Cybersecurity System*. The organization has deployed advanced IT solutions enabling quick and efficient responding to cybersecurity incidents and counteracting risks in this area, with particular emphasis on the newest threats resulting from the need to adapt the security of systems to operation in a pandemic period. Furthermore, pursuant to the GDPR requirements, Data Protection Officers have been appointed in companies. They monitor compliance with personal data protection regulations and are contact persons for any matters in that area, also for customers.

Implemented internal regulations:

- *Personal Data Protection Policy in the ENEA Group,*
- *ICT Security Principles in the ENEA Group,*
- *Personal Data Processing Principles in the ENEA Group,*
- *Risk Management Methodology for Personal Data Processing in the ENEA Group*

The companies also adopt their own regulations, for example the *Information Security Policy for ICT Systems at Lubelski Węgiel "Bogdanka" S.A.*

The Group has also developed:

418-1

- *The Code of Best Practices for the processing of personal data in the sales area* – it is a set of practical rules pertaining to direct marketing, personal data processing and the fulfillment of obligations under the GDPR, the Telecommunications Law and the Act on the Provision of Electronic Services. It was created in collaboration with the Inspector for Personal Data Protection and is applicable to all sellers.
- *The Sustainable Direct Marketing Policy at ENEA S.A.* is a form of a public declaration regarding its compliance with the laws governing the protection of personal data and the privacy of customers. It provides for the exercise of due diligence on the part of ENEA S.A. in its marketing activities targeted at customers.

Selected activities in 2020

In 2020, the Personal Data Protection Policy in the ENEA Group was reviewed and updated.

ENEA Trading carried out a review of processes related to the processing of data contained in identity documents. Under this review, an opinion was obtained from the President of the Office for Personal Data Protection confirming that the practices adopted by the company are in full compliance with the applicable regulations. Moreover, due to the increased level of risk of data security incidents caused by the adoption of distant work solutions, the company and ENEA S.A. increased the frequency of messages aimed at raising awareness of the obligations and threats related to data processing among employees. Duties in the area of information security have been included in agreements on the performance of remote work entered into with employees by most companies at the beginning of the COVID-19 epidemic.

At ENEA Serwis, the Safety rules for home office work have been implemented.

Responsibility in the context of the epidemic

In order to minimize the risk of COVID-19 infection, in 2020 we actively promoted remote communication channels among the buyers of our products and services, in particular the eBOK (electronic Customer Service Center). We expanded the range of matters that may be handled without leaving home. For instance, we allowed retail customers to enter into product contracts via electronic channels, we simplified the process of changing the electricity vendor by permitting the provision of scanned terminations, we permitted customers of ENEA Trading to send scans of documents instead of using a qualified electronic signature, and we worked out arrangements with Pekao S.A. and PKO BP to accept electronic authorizations of newly received consents to direct debits. For a significant part of 2020, the ENEA Group's Customer Service Offices were either closed or were operating in compliance with the full sanitary regime, only by appointment. Moreover, employees did not have to read the electricity meters, because customers were able to provide the meter reading by phone, via the eBOK and on the www.operator.enea.pl website. For with smart meters, the readings were carried out remotely.

From March to the end of December 2020:

42%	32%
the number of accounts in the electronic Customer Service Office increased	the number of cases related to electricity handled through this channel increased

ENEA Pomiary reduced to a minimum the range of activities requiring direct contact with the customer, such as debt collection or meter readings. During any unavoidable fulfillments of orders in the homes of customers, electrical equipment installers kept a distance of at least 2 m, disinfected their hands and equipment and did not request a signature confirming the completion of the order.

Communication and satisfaction surveys

Customers may contact us, among others, via:

- Customer Service Offices and Sales Offices,
- our commercial partners and account managers,
- [eBOK](#),
- [chat with a consultant](#),
- information line (+48 611 11 11 11),
- email address: kontakt@enea.pl,
- social media ([Facebook](#), [YouTube](#), [LinkedIn](#), [Twitter](#), [Instagram](#)).

We continue to modernize the technical facilities for our hotline and adjust it to our customers' expectations and changes to the business environment.

Custom index 11

In 2020, the following events took place:

- launched a fully automatic process of entering into product agreements online,
- launched the process of selling by phone with contracts signed by e-mail,
- improved the functioning of the livechat application, among others by introducing the ability to add a larger number of attachments and saving the conversation with the consultant.

In Customer Service Offices, we added an information bar at the bottom of LED screens, which is used for scrolling important information, such as customer satisfaction surveys, e-invoices, or estimated wait times for appointments. We also introduced e-mail notifications sent when a new paper invoice is issued and when we receive a return of correspondence sent by regular mail. We also conducted work on implementing chatbots and voicebots to operate chat rooms and hotlines and enable quickly switching to consultants, as well as on automatic answering of failure notifications on the 991 emergency line.

Custom index 12

To constantly improve the quality of provided services, we carry out customer satisfaction surveys.

Customers selected at random after completing the service through the information line or at a Customer Service Office receive a telephone call with an automatic satisfaction questionnaire. The aim of the survey is to obtain information on customers' satisfaction level with regard to how their matter was handled and on the consultant's involvement. Satisfaction index is the number of persons satisfied from the service compared to all the customers who filled out all the survey correctly.

The surveys are usually carried out continuously and their results are aggregated on a monthly basis. In 2020, because of the epidemiological situation, the surveys were suspended from 13 March to 1 November.

In 2020, we conducted another edition of the customer satisfaction survey (CSI).

76.2%

Clients satisfied with our offer and cooperation (according to CSI research)

The following entities also carried out satisfaction surveys among their customers:

- Lubelski Węgiel "Bogdanka" (among the so-called authorized coal sellers),
- ENEA Pomiary (level of satisfaction of ENEA Operator's coordinators with cooperation with the company and survey of satisfaction of internal clients – installation technicians engaged as subcontractors – with the quality of service in Field Replacement Points),
- ENEA Oświetlenie.



Community relations

Because of the COVID-19 epidemic, in 2020 communication with stakeholders was carried out mainly using remote channels.

102-43

Communication with stakeholders

We strive to ensure that our key decisions take into account the needs and expectations of our socio-economic environment. For this purpose, we engage in continuous communication with our stakeholders, adapting the communication channels and language to each group. We not only inform about our activities, but also gather opinions and conduct an open dialog.

Łukasz Nowakowski
Manager of External Relations Office

Key stakeholders of the ENEA Group



EMPLOYEES

- surveys, including satisfaction surveys,
- corporate Intranet and Intranet sites of the specific companies,
- “ENEA News” and “ENEA Flash” newsletters (from March 2020 as a web platform),
- company newspapers,
- radio station,
- mailings,
- meetings (also with the management boards),
- tele- and videoconferences,
- employee evaluations,
- training and workshops, including online,
- cooperation with trade unions and employee councils,
- e-mail box for submission of ideas to improve work and processes (inicjatywy@enea.pl),
- e-mail box for questions on employee matters (HRnapiszdonas@enea.pl),
- meetings and newsletters addressed to managers,
- sustainability reports.

CUSTOMERS

- satisfaction surveys;
- Customer Service Offices and Sales Offices,
- trade partners and account managers,
- product training;
- Electronic Customer Service Office (eBOK),
- chat with a consultant,
- customer information line (+48 611 11 11 11),
- social media (Facebook, YouTube, LinkedIn, Twitter, Instagram),
- information inserts sent together with invoices,
- sustainability reports.

SUPPLIERS

- procurement platform and tenders,
- meetings and other forms of direct communication with selected employees,
- trade meetings, fairs,
- ENEA Group’s annual activity reports,
- sustainability reports.

INVESTORS, SHAREHOLDERS, ANALYSTS

- Investor Relations Department,
- website for investors of the ENEA GROUP and a website for investors of LW “Bogdanka”,
- Electronic Information Transmission System (ESPI) and Electronic Information Database (EBI),
- direct meetings, e.g. held as part of the Investor Days,
- performance meetings, during which questions are also answered,
- newsletter for investors with a personalization option,
- newsletter for analysts and fund managers (from the end of 2020),
- General Meetings,
- current and periodic reports,
- sustainability reports.

LOCAL COMMUNITIES< GENERAL PUBLIC

- Investor Relations Department,
- website for investors of the ENEA GROUP and a website for investors of LW “Bogdanka”,
- Electronic Information Transmission System (ESPI) and Electronic Information Database (EBI),

- direct meetings, e.g. held as part of the Investor Days,
- performance meetings, during which questions are also answered,
- newsletter for investors with a personalization option,
- newsletter for analysts and fund managers (from the end of 2020),
- General Meetings,
- current and periodic reports,
- sustainability reports.

PUBLIC ADMINISTRATION

- statements and reports for the specific institutions,
- ENEA Group's annual activity reports,
- sustainability reports,
- direct communication,
- conferences.

INDUSTRY ORGANIZATIONS

- membership, participation in working groups and bodies,
- direct meetings,
- fairs and conferences,
- ENEA Group's annual activity reports,
- sustainability reports.

LOCAL AUTHORITIES

- direct meetings, participation in local events,
- conferences,
- sustainability reports,
- non-financial statements.

SOCIAL PARTNERS AND BENEFICIARIES

- contacts and cooperation with the ENEA Foundation,
- request form for beneficiaries,
- direct contacts, individual meetings,
- sustainability reports.

NATURAL ENVIRONMENT

- statements and reports sent to administration bodies,
- sustainability reports,
- non-financial statements.

MEDIA

- press office and ongoing communication,
- correspondence via biuro.prasowe@enea.pl,
- live broadcasts via our YouTube channel,
- media.enea.pl website,
- press conferences,
- sustainability reports,
- non-financial statements.

In 2020, [our investor relations site](#) was among 5 best ones in the category of large companies in the Issuer's Golden Website contest

Because of the COVID-19 epidemic, in 2020 communication with stakeholders was carried out mainly using remote channels (tele- and videoconferencing, websites, social media, etc.). Direct meetings, occurring in keeping with the sanitary regime, were organized only when strictly necessary.

Supply chain

102-9

The power plants in Kozienice and Połaniec, the CHP plant in Białystok and heat production plants in Piła and Oborniki lie at the heart of production processes in the ENEA Group. The generation units mentioned above use bituminous coal, biomass, gas and fuel oils.

Purchase of raw materials

The demand for bituminous coal is covered, for the most part, by Lubelski Węgiel "Bogdanka", while other materials are purchased from external suppliers. ENEA Wytwarzanie, ENEA Elektrownia Połaniec, ENEA Ciepło, MEC Piła, PEC and Łęczyńska Energetyka used Polish coal only.

ENEA Nowa Energia, for the needs of the Liszków biogas plant, purchases silage, pulp and fruit and vegetable waste that is not suitable for consumption or processing.

Raw material supply

Coal from the Bogdanka mine is delivered to the power plants in Kozienice and Połaniec by trains and to the Białystok CHP Plant and the "Zachód" Heat Plant in Białystok by trains and by road. The Połaniec Power Plant and the Białystok CHP Plant in their production processes also use biomass, which is supplied by road and by rail. Deliveries of fuel oil (light-up fuel) to the Połaniec power plant are effected by rail and road transport. The "Zachód" Heat Plant in Białystok owned by ENEA Ciepło, in addition to 4 coal-fired boilers, also has a K1 boiler, in which heat is produced based on grid-supplied gaseous fuel.

PEC produces heat using coal purchased from a supplier outside the ENEA Group. The coal is supplied by rail from the mine to the Oborniki railway station and then by road in Oborniki to boiler houses K1 and K4.

MEC Piła produces heat from coal and electricity and heat through combustion of natural gas and heat in gas engines. Coal purchased from a supplier out of the ENEA Group is delivered by rail, and then by road transport. The gas is supplied through a gas pipeline.

The components to the Liszków biogas plant are supplied by road.

Rules of cooperation with suppliers

In 2020, we adopted the ENEA Group Code of Conduct for Contractors – a document setting out our basic requirements from suppliers, regarding their compliance with the law and market and ethical standards in respect to human rights and work safety, protection of the natural environment, prevention of corruption and conflict of interest and compliance with the rules of fair competition. The code transfers the values and rules of conduct set out in other documents to the area of broadly-defined cooperation with suppliers. The document is available to all potential contractors and other stakeholders on our website. Suppliers confirm their acceptance of its provisions in the clauses of contracts they sign.

In the ENEA Group Procurement Policy, one of the rules for structuring procurement processes is to use criteria other than price, with special consideration for social aspects (including professional and social integration of the unemployed, the youth and the disabled), environmental aspects (including energy efficiency of the subject of contract) and innovativeness. The offer evaluation criteria are determined on the basis of procurement regulations, for each procurement process individually. In each procurement process, the same criteria are applied to all contractors.

Supplier environmental assessment is described here .

Participation in initiatives and membership in organizations

102-12

We support initiatives promoting broadly-understood sustainability and corporate social responsibility:

- United Nations Global Compact
- Declaration on sustainable development in the power industry in Poland
- Sustainable Development Declaration of the Polish Business
- Partnership for achieving Sustainable Development Goals in Poland
- Responsible Business Forum (where ENEA S.A., and since 2020 also Lubelski Węgiel „Bogdanka”, have the status of strategic partners)
- GÓRNICTWO OK Joint Social Initiative Group
- Economic Security of Poland Consortium

The UN Sustainable Development Goals (SDGs) are an important reference for our business. We support the implementation of eight SDGs :



Goal 3

- Ensure healthy lives and promote well-being for all at all ages
- Task 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Goal 4

- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Task 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Goal 7

- Ensure access to affordable, reliable, sustainable and modern energy for all
- Task 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
- Task 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

Goal 8

- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Task 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.
- Task 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Goal 9

- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Task 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
- Task 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

- Task 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Goal 11

- Make cities and human settlements inclusive, safe, resilient and sustainable
- Task 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Goal 12

- Ensure sustainable consumption and production patterns
- Task 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Goal 17

- Strengthen the means of implementation and revitalize the global partnership for sustainable development
- Task 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

The ENEA Group identifies with, adheres to and implements in its activities the 10 Global Compact principles, which are embedded in the management of our organization, in its organizational culture and relations with stakeholders. The principles are as follows:

- Principle 1. Support and respect the protection of internationally proclaimed human rights.
- Principle 2. Eliminate any instances of being complicit in human rights abuses.
- Principle 3. Uphold the freedom of association.
- Principle 4. Eliminate all forms of forced and compulsory labor.
- Principle 5. Abolish child labor.
- Principle 6. Effectively prevent discrimination in respect of employment and occupation.
- Principle 7. Support a precautionary approach to environmental challenges.
- Principle 8. Undertake initiatives to promote greater environmental responsibility.
- Principle 9. Apply and encourage the diffusion of environmentally friendly technologies.
- Principle 10. Work against corruption in all its forms, including extortion and bribery.

Membership in organizations

102-13

ENEA Group companies are active members of various organizations for which activities promoting sustainable development constitute an important statutory objective. They initiate and promote technical progress in the power industry, participate in consultations on draft legislation, take part in preparing analyses and publications, exchange information and experience, and organize events.

The organizations to which our companies belong, among others:

- Polish Chamber of Power Industry and Environmental Protection
- Polish Power Plants Association
- Association of Polish Power Sector Employers
- Energy Trading Association
- Polish Heating Sector Chamber of Commerce
- Polish Association of Commercial Combined Heat and Power Plants
- Hydro Power Plant Society
- Polish Wind Energy Association
- Polish Mining Chamber of Industry and Commerce
- Association of Polish Committee of the World Mining Congress

- Polish Electricity Committee
- Polish Committee of the World Energy Council
- Polish Association for Electricity Transmission and Distribution
- Association of Polish Electrical Engineers
- POLLAB Polish Research Laboratory Club
- STELEN Association of Producers of Power Structures and Devices
- Association for Energy Development of Lubuskie Voivodeship
- Wielkopolska Chamber of Industry and Commerce
- Employers of Poland
- Polish Association of Listed Companies
- United Nations Global Compact Network Poland
- Nature Conservation Association

We also take part in the works of international organizations:

- European Energy Forum
- The Union of the Electricity Industry (Eurelectric)
- European Biomass Association (AEBIOM)
- European Distribution System Operators for Smart Grids
- European Federation of Energy Traders
- Coal Industry Advisory Board
- EURACOAL

In 2020, Paweł Szczeszek, President of the Management Board of ENEA S.A. joined the Program Council of Global Compact Network Poland.



We are a large employer, a significant payer of taxes and charges to the state budget and local budgets as well as the creator of technological innovations.

Through the ENEA Foundation and employee volunteerism programs, we undertake initiatives responsible for important social problems. We provide financial support for Polish sport and national culture.

In 2020, we actively supported governmental and non-governmental endeavors to combat the coronavirus, and also we launched our proprietary projects involving local communities and employees in order to mitigate the adverse social and economic effects of the pandemic.

Significance of the ENEA Group for the economy

103-1, 103-2, 103-3, 203-2

Our contribution to the Polish economy is multi-dimensional:

- we deliver electricity and heat and provide innovative services,
- we employ people,
- we generate jobs in the value chain,
- we pay taxes and charges,
- we expand regional and local infrastructure,
- we develop new technologies,

we support education of future staff, especially engineers.

In March 2020, Fitch Ratings affirmed ENEA S.A.'s long-term foreign- and local-currency issuer default ratings at 'BBB' with a stable outlook. The affirmation reflects ENEA's business profile as an integrated utility with large electricity generation and distribution businesses, and moderate financial leverage.

Creating innovation

Our strategy provides for numerous initiatives aimed at developing new technologies. The structure of our ecosystem of innovation is based on the *ENEA Group Innovation Policy*. In 2020, the management board of ENEA Innowacje adopted a resolution introducing the Procedure for Evaluating Innovative Projects and a submission form was placed on the company's website, which may be used by innovators to propose their projects online. The Company also cooperated closely with the Poznań Science and Technology Park. During the process, which lasted several months, 14 innovation projects were selected, which qualified for additional evaluation with the company's support.

Ecosystem of innovation in the ENEA Group

Before launching projects, initiatives are selected and assessed, among others, from a technical and economic perspective.

Those involved in the management of the ecosystem of innovation are employees of the ENEA S.A. Development Management Department, employees of ENEA Innowacje, research and development sections and innovation offices of the other companies, engineers, constructors and technologists.

Developing innovation, we cooperate, among others, with the government of the Republic of Poland (especially the Ministry of State Assets), its agencies (e.g. the Polish Development Fund), industry associations, higher education institutions and technical high schools, local self-government, accelerators, start-ups and inventors.

203-1, 203-2

In 2020, we performed or started the following research and development programs potentially significant for the economy:

Nowe projekty zaznaczono kolorem granatowym

- **Innovative system services of energy storage increasing the quality and efficiency of electricity usage,**
- **System of power and energy balancing and monitoring quality of electricity supply of dispersed energy sources and storage facilities (MoBiSys)** – performed in cooperation with the AGH University of Science and Technology,
- **A flexible system of increasing competences of employees of technical services using virtual reality technology** – performed jointly with the Poznań University of Technology and the Poznań University of Economics and Business.
- **P94: Energy Storage and Distributed Generation** – implemented on the basis of an agreement signed with the Electric Power Research Institute (EPRI),
- **DRES2Market** – the main goal of this European program is to facilitate active participation of distributed generation based on renewable energy in the electricity market,
- **eNeuron** – this European program is aimed at developing innovative tools for optimizing the design and operation of local energy systems integrating dispersed energy resources and multiple energy carriers,
- **Development of a smart unmanned system for stabilizing the operation of distribution power grids based on modular installations for electrolytic conversion of electricity into hydrogen with prospects for commercial use of hydrogen** – implemented in a consortium with the University of Szczecin and the West Pomeranian University of Technology,
- **Concept of Distributed Energy Production in a Circular Economy from local biomass and waste,**
- **Concept of a scalable wind turbine system generating low-cost and environmentally-friendly electricity.**

Significance of the ENEA Group for regional and local development

103-1, 103-2, 103-3, 203-1

Increasing connection capacity by us makes it possible for regions and local communities to develop, among others, facilitating the acquisition of investors by local governments. Expansion and modernization of electrical grids makes it possible to improve the spatial development of cities, towns, townships and regions, allows for connecting RES installations and develop energy clusters. We also exert influence on the life of local communities by

creating jobs (as an example, ENEA Połaniec Power Plant is the key employer in the Staszów region) and paying taxes and charges to local government's budgets. On the other hand, connecting new clients to our CHP plants improves the living conditions of local communities by improving the microclimate.

ENEA S.A. is an operator of publicly available electric car charging stations and provides the charging service. The stations are located in Poznań and in Szczecin and during the pilot (until revoked) charging is free. More on this topic [is available here](#).

In 2020, ENEA Badania i Rozwój executed the pre-investment phase of the approx. 550 MW integrated gasification combined cycle (IGCC) unit construction project located in Stara Wieś in the Łęczna township. Simultaneously, in consultation with the township's authorities, the company executed the preparation phase of the railway line construction project on the route from LW Bogdanka to Łęczna. In the future, the railway line may become an element of a broader program of fighting communication exclusion.

In 2020, Lubelski Węgiel "Bogdanka" received an innovation award granted by the Polish Mining Chamber of Industry and Commerce for the innovative longwall management technology.

Several years of the company's efforts produced the first "smart" longwall in the coal mining sector in Poland. It features:

- load management systems selecting optimum operational parameters for the longwall shearer and conveyor,
- a cutting memory system,
- an Internet of Things platform for real-time monitoring of the operational parameters of machines in the longwall shearer and longwall haulage system,
- predictive machine learning algorithms to assess the condition of machines and their parts,
- haulage control room and unmanned haulage of winnings,
- systems for monitoring lengthwise failures and joints of conveyor belts

103-1, 103-2, 103-3, Custom index 29

Workplace, traineeships and apprenticeships created for the youth

We are cooperating with local vocational and technical schools, including schools preparing for work in power industry, in our endorsed schools program, as well as ensure practical education to students in cooperation with their universities (dual studies). We conduct paid traineeships and unpaid or paid apprenticeships for students under the "Get Installed at ENEA" program,

Within the framework of cooperation with endorsed schools, the company funds scholarships for the most talented students, co-finances equipment for classrooms and organizes trips and contests. The students are obliged to have mandatory apprenticeships in Group companies.

Industry schools with which the ENEA Group cooperates:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Power Engineering Technical School in Poznań • Technical School Complex – Vocational and Adult Education Center in Leszno • Electrical and Power Engineering Technical School in Bydgoszcz • Electrical School Complex in Gorzów Wielkopolski • Electrician Vocational and Adult Education Center in Nowa Sól • School Complex in Chodzież • Secondary and Vocational School Complex in Sulęcín | <ul style="list-style-type: none"> • Electrical and Electronic Engineering School Complex in Szczecin • Vocational and Adult Education Center in Złotów • Technical School in Połaniec • 1st Degree Industry School in Połaniec • School Complex No. 4 in Szczecin • Technical School Complex in Gniezno • Electrical Engineering School Complex No. 2 in Poznań • School Complex No. 1 in Kozienice • Mining School Complex in Łęczna • School Complex in Ostrów Lubelski |
|---|--|

- Power Engineering and Transportation
School Complex in Chełm

Tertiary education institutions collaborating with the ENEA Group in the field of vocational training:

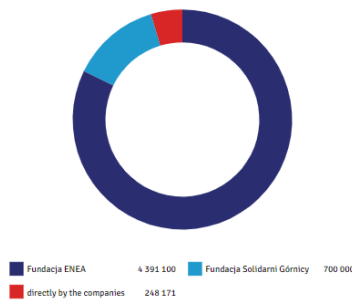
- University of Lodz,
- Maria Curie-Skłodowska University in Lublin,
- University of Warsaw,
- Warsaw University of Life Sciences,
- Wrocław University of Science and Technology,
- University of Technology and Humanities in Radom,
- War Studies University,
- Kielce University of Technology,
- Kazimierz Wielki University in Bydgoszcz,
- AGH University of Science and Technology,
- Military University of Technology,
- Warsaw University of Technology,
- Cardinal Stefan Wyszyński University in Warsaw,
- Adam Mickiewicz University in Poznań,
- West Pomeranian University of Technology in Szczecin,
- Białystok University of Technology.

Due to the COVID-19 epidemic, apprenticeships and traineeships were suspended in some Group companies.

Our contribution to fighting the epidemic and its consequences

Custom index 28

In 2020, we earmarked a total of over PLN 5.3 million for support to other organizations, chiefly public health care institutions, in their fight against COVID-19.



ENEA Group's support for the fight against the COVID-19 epidemic [PLN]

Total 5,339,271

including funds transferred:

through the ENEA Foundation 4,391,100

through the "Solidarni Górnicy" Foundation 700,000

ENEA Group's support for the fight against the COVID-19 epidemic [PLN]

directly by the companies

248,171

Activities for the benefit of the healthcare system

We provided financial and material assistance (including over 40,000 protective masks) chiefly to healthcare centers operating in the area covered by our business, and directed it in the first place to hospitals transformed into infectious units, as suggested by the Ministry of Health. These earmarked funds were allocated, among other causes, to purchases of specialized medical equipment, including ventilators, and hygiene and protection products. The whole process was coordinated by the Ministry of State Assets. We also joined the Health Ministry's information campaigns concerning safety principles, collection of plasma or vaccinations.

Moreover, we supported our employees in joining campaigns to help health care institutions. Under the "Mission: Prevention" program, they sewed almost 10,000 face masks for hospitals and hospices.

Selected initiatives pursued by Group companies

ENEA Centrum seconded 10 employees of the Contact Center to help the National Health Care Fund in handling the hotline set up to provide information on the coronavirus. In turn, since October, 15 employees of the company have been supporting the hotline of the Chief Sanitary Inspectorate.

ENEA Elektrownia Połaniec donated over 5,000 protective masks and disinfectants to hospitals in Kielce, Opatów and Staszów, Borowa township and the Sandomierz military unit. Also, owing to the company's financial support, a coronavirus testing laboratory was established in the Sanitary Inspectorate in Kielce.

ENEA Wytwarzanie funded a modern fumigation device for rescuers from Kozienice, enabling them to disinfect their ambulances effectively.

ENEA Operator lent 8 cars to medical institutions for the purpose of transporting personnel and medicines.

Activities for the benefit of local communities

In August 2020, we launched the #DoZobaczenia [#SeeYou] campaign aimed at minimizing the economic consequences of the COVID-19 epidemic for the hospitality sector in the region by promoting regional tourism and popularizing electromobility. For the purposes of the campaign, we developed an online platform do-zobaczenia.pl, on which we held a contest: participants sent photos of their favorite tourist attractions in Poland, encouraging other Web users to visit and vote for the most beautiful ones. Over 150 photos were submitted for the contest, and over 7,000 votes were cast. Based on the suggested attractions, we developed a travel guide for the Group's employees and Internet users.

We became involved in the #CONTRA19 campaign organized by the Exempt from Theory Foundation, encouraging ENEA Group employees to support the acquisition of knowledge and experience among young people facing the consequences of the epidemic in the form of quick challenges, including the provision of assistance to senior citizens and local entrepreneurs and counteracting fake news.

Selected initiatives pursued by Group companies

ENEA S.A. provided financial support to the "naGranie nad Rusałką" project, a series of outdoor concerts broadcast on the Internet by youth bands from Poznań in response to the needs of the local community during the lockdown period.

MEC Piła in collaboration with social activists donated face shields, aprons, masks and disinfectants to residents and employees of social welfare homes in Wieleń and Trzcianka.

ENEA Wytwarzanie donated personal protection equipment to educators and children from care and educational institutions in the Mazowsze region.

Group companies also supported the following initiatives pursued by their employees for the benefit of local communities:

- ENEA S.A. sent over 17,000 text messages to customers in Poznań county, informing them about the possibility of participating in the Enea for Generations campaign, i.e. availability of the Group's volunteers to assist seniors with grocery shopping,
- ENEA Pomiary sp. z o.o. coordinated the organization of employee collections of cleaning products and gifts for orphanages in Bydgoszcz and Szamotuły and a hospice in Licheń.

Social projects and employee volunteerism

103-1, 103-2, 103-3

The ENEA Group pursues various initiatives in response to the needs and expectations of its stakeholders, locally, regionally and nationally.

The key documents regulating the rules of the Group's social involvement include:

- *Rules for handling applications for support in the social involvement area in the ENEA Group,*
- *Rules for conducting public relations activities and social partnership activities in the ENEA Group,*
- *Rules and Regulations of Employee Volunteerism in the ENEA Group,*

LWB Social Engagement Policy.

Social involvement is coordinated by the Corporate Social Responsibility Office, which is part of the PR and Communication Department at ENEA S.A. The ENEA Foundation, which is a public benefit organization, is the competence center for the Group's social initiatives; it provides financial support for social objectives using donations received from Group companies. Its goals and principles of operation are defined by:

- *Charter of the ENEA Foundation,*
- *Organizational Rules and Regulations of the ENEA Foundation,*
- *Rules and Regulations on granting support by the ENEA Foundation.*

The ENEA Foundation, implementing the policy of corporate social responsibility of the ENEA Group, becomes involved primarily in activities that have lasting social effects. For this purpose, it carries out well thought-out and innovative projects in areas such as safety, education for children and youth, protection of the environment, assistance for the needy and sports, culture and art. In emergency situations, such as epidemics or natural disasters, the Foundation provides direct aid to the victims and to the health care units.

Piotr Ludwiczak

Management Board Member at the ENEA Foundation

Another entity conducting active social involvement activities is the "Solidarni Górnicy" [Solidary Miners] Foundation established by Lubelski Węgiel "Bogdanka" S.A. Its objective is to support financially company employees and their families, victims of accidents, people suffering from illnesses or those in a difficult financial situation. The organization also supports talents, cultural, environmental and health promotion initiatives. In 2020, the concept of and introduction to the Foundation's growth strategy were developed.

Group companies hold various charitable campaigns and educational projects in areas that include the promotion of a healthy lifestyle or the dissemination of knowledge about the nature. Our employees are also involved in the life of local communities. The Group supports their activities, including those pursued within the framework of charitable campaigns and employee volunteerism undertakings.

Custom index 16, Custom index 17, Custom index 18, Custom index 19

Social involvement and volunteerism in the ENEA Group

2020

Funds donated by companies²⁷ for socially beneficial purposes other than counteracting COVID-19²⁸ PLN 2,701,526

Number of beneficiaries of competence volunteerism²⁹ 3,412

Number of volunteers under voluntary work contracts as at 31 December 2020 359

Total number of hours spent on voluntary work by employees 660

27. Through the ENEA Foundation, the “Solidarni Górnicy” Foundation or directly (in the form of donations and own social programs).

28. For more information on this subject, refer to the section entitled Responsibility of the ENEA Group in the context of the COVID-19 epidemic in the Statement.

29. Without the “Socially Involved Bogdanka” program.

Including aid provided to counteract the COVID-19 epidemic, the ENEA Group earmarked PLN 8,040,797 for socially beneficial purposes, up by 146% compared to 2019.

Examples of the ENEA Group’s social involvement

Custom index 21

- ENEA for Generations. Together on safety**
an educational program on safety and consumer awareness rolled out by the ENEA Foundation. A new initiative launched in 2020 was TeleAdvice (TeleRada) – a free-of-charge helpline with on-duty experts in various fields (physician, lawyer, dietitian, social worker, representative of the consumer ombudsman).
- The Power of Help (Potęga poMocy)**
a grant contest addressed to employees of the ENEA Group involving submission of ideas for activities benefiting local communities. Volunteering employees make repairs, renew gardens, organize festivals or sports competitions, fulfill dreams of children from orphanages, support the elderly, sick and needy and also help animals. In 2020, 7 projects were selected for PLN 25,000 in financial support from the ENEA Foundation. The completed initiatives included hortitherapy workshops for children threatened with social exclusion and renovation of a school day-room.
- Run – Collect – Help**
a charitable campaign carried out by the ENEA Foundation and ENEA Group employees. The kilometers covered during running, cycling and Nordic walking competitions and during charitable competitions and sports events sponsored by the Group are converted into Polish zloty and the resulting amount is used to organize activities and events for local communities to support sports development among children and youths.
- Competence volunteerism program**
in 2020, within the framework of this project, coordinated by the ENEA Foundation, Group employees continued educational activities for children by explaining how electricity is generated and how to save it (“Electricity is not so scary” campaign) and carried out social education on appropriate responses to accidents (“First aid – pre-medical rescue” campaign).

- Action volunteerism program**
 under this program, the ENEA Foundation invites Group employees to participate in its various initiatives aiming to support local communities. In 2020, volunteers devoted their time to provide help to children and people in need, including by making purchases for senior citizens from Poznań county under the “ENEA for generations” campaign, through participation in charity fundraisers and sharing their knowledge under the #CONTRA19 project.
- Buy for your loved ones, help everyone**
 during the pre-Christmas period, the ENEA Group organized a traditional charity fair, which in 2020 was held online. It enabled the Group’s employees to purchase Christmas gifts and decorations made by participants of occupational therapy workshops for people with intellectual disabilities in Poznań, Piła and Police, while encouraging responsible shopping habits. Proceeds from the fair were used to support medical treatment of individuals taken care of by these institutions.

Apart from conducting its own activities, the ENEA Foundation supports socially beneficial initiatives pursued by other parties. In 2020, due to the epidemic, most funds in this area were earmarked for projects related to the protection and promotion of health. The remaining funds were spent on supporting smaller projects, including charitable endeavors aimed at supporting professional and social integration and reintegration of people at risk of social exclusion, physical exercise, amateur sports and rescue and civil protection undertakings (including Volunteer Fire Brigades).

Actions taken with a view to counteracting the pandemic and its consequences are described in the section entitled *Responsibility of the ENEA Group in the context of the COVID-19 epidemic* in the Statement. In turn, selected environmental projects addressed to local communities are described in this report in the section entitled *Selected environmental activities in the ENEA Group in 2020*.

Sponsorship

An important element of building relationships with our present and potential customers is sponsorship activity. As a socially-responsible company, we engage in sponsorship projects in the area of professional and amateur sports, culture and corporate social responsibility locally, regionally and nationally. For a large majority of our cooperating entities, our sponsorship in 2020 ensured their survival.

Sponsorship activity of the ENEA Group is regulated by:

- Rules for conducting sponsorship activities in the ENEA Group,*
- Best practices for conducting sponsorship activities in State Treasury-owned companies.*

In 2020,

in the area of sports:

- we continued the sponsorship of the Polish national team in rowing and we sponsored the most important rowing event in the world – the European championship held in Poznań,
- we became a sponsor of the Polish Olympic Committee,
- we were a title sponsor of the biggest triathlon contests in Poland – Enea Ironman 70.3 Gdynia,
- we supported men’s and women’s sport teams appearing in various classes of games, including basketball (Enea AZS Poznań, Enea Zastal BC Zielona Góra, Enea Astoria Bydgoszcz, PolskaStrefaInwestycji Enea Gorzów Wielkopolski, Podlaski Klub Koszykówki Żubry Białystok), volleyball (Cerrad Enea Czarni Radom, Enea Energetyk Poznań, Enea PTPS Piła, BKS Visła Bydgoszcz), football (Górnik Łęczna, Radomiak Radom), handball (MKS Lublin), speedway (Motor Lublin) and table tennis (Enea Siarka Tarnobrzeg),
- we continued the Enea Sports Academy project, in which we financed the projects: Enea Handball Szczecin, Enea Liga Mini Siatkówki, Enea Basket Piła, Akademia Warty Poznań, Enea Junior Poznań Triathlon,
- we sponsored sports activities for children from the lubelskie voivodship, Regional Youth League Enea Cup, a round of chess tournaments named Enea Operator Międzyszkolna Liga Szachowa and an intergenerational project named “Football Training with Enea”.

in the area of culture, we sponsored:

- musical festivals: Enter Enea Festival and Enea Edison Festival,

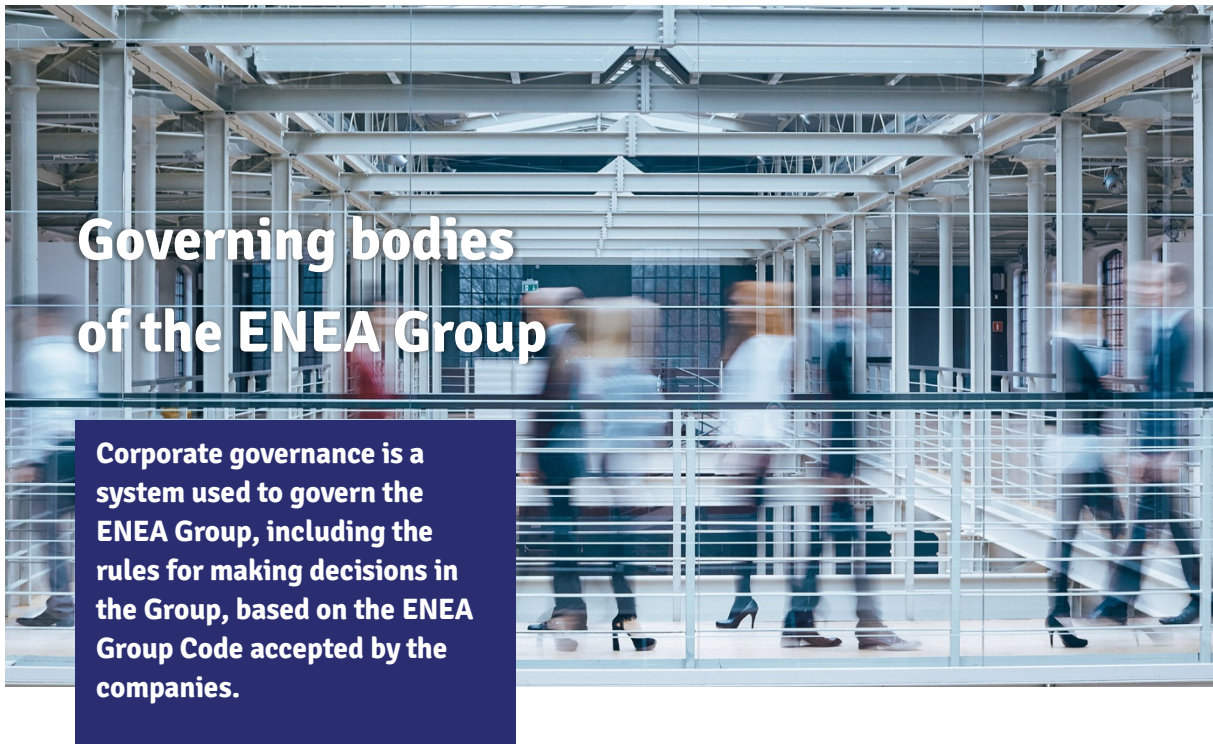
- biggest historic show in Poland – “Eagle and Cross” in Murowana Goślina,
- “1920. Grateful to Heroes” event commemorating the 100th anniversary of the Battle of Warsaw and celebration of the 81st anniversary of the Battles of Tomaszów Lubelski,
- patriotic project entitled “Hero of the November Night” executed by the Kościuszko Society in Połaniec,
- publication of the “Polska Lubelska” audiobook devoted to the history of the Lublin region,
- high culture institutions: Grand Theatre in Poznań, Pomeranian Philharmonic in Bydgoszcz, H. Ch. Andersen Puppet Theatre and the Music Theatre in Lublin (cooperation with the two latter started in 2020).

In 2020:

ENEA S.A. received the title of the Wielkopolskie Sports Patron in the plebiscite of “Głos Wielkopolski” and the DEMES Sports Business award for its cooperation with the Polish Federation of Rowing Societies

Lubelski Węgiel “Bogdanka” received the title of the 2019 Sports Patron in the Lublin region

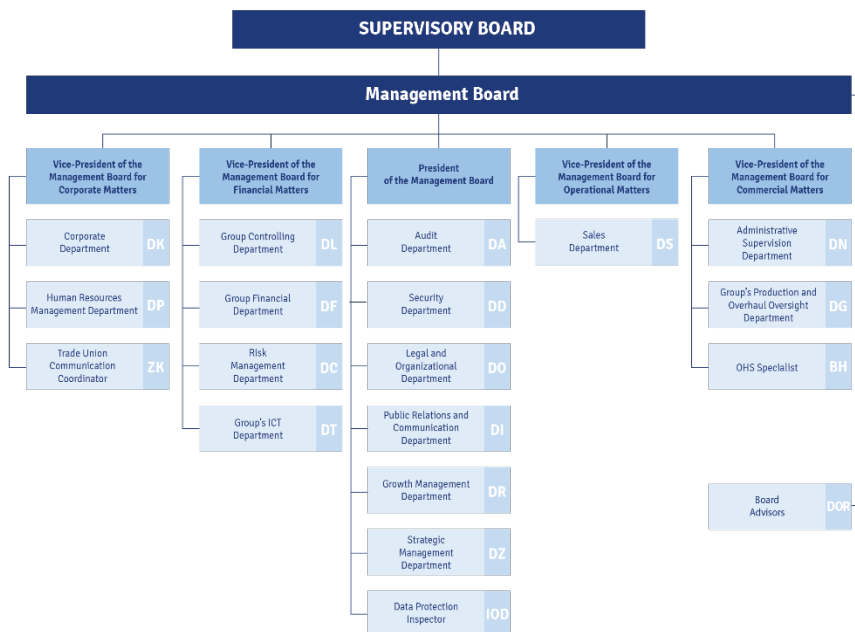
CORPORATE GOVERNANCE



Governing bodies of the ENEA Group

The above document defines the creation, organization and operation of companies owned by the Group. One of the key assumptions of the corporate governance in the Group, reflected in the provisions of agreements and articles of association of companies, is the assumption that the purpose of the company is to carry out activities to pursue the ENEA Group's mission and strategy, which determine the interests of the ENEA Group.

The activity of the ENEA Group is managed by the Management Board of ENEA S.A., i.e. the parent company. The highest supervisory body in the company is the Supervisory Board of ENEA S.A.



405-1

Management Board of ENEA S.A.

- Paweł Szczeszek – President of the Management Board
- Tomasz Siwak – Vice-President of the Management Board for Commercial Matters
- Tomasz Szczepielniak – Vice-President of the Management Board for Corporate Matters
- Marcin Pawlicki – Vice-President of the Management Board for Operational Matters
- Rafał Marek Mucha – Vice-President of the Management Board for Financial Matters

Supervisory Board of ENEA S.A.

- Rafał Włodarski – Supervisory Board Chairman,
- Roman Stryjski – Supervisory Board Deputy Chairman,
- Michał Dominik Jaciubek – Supervisory Board Secretary,
- Mariusz Fistek – Supervisory Board Member,
- Paweł Andrzej Korobłowski – Supervisory Board Member,
- Ireneusz Kulka – Supervisory Board Member,
- Maciej Mazur – Supervisory Board Member,
- Piotr Mirkowski – Supervisory Board Member,
- Mariusz Pliszka – Supervisory Board Member,
- Dorota Szymanek – Supervisory Board Member.

The presented compositions of the Management Board and Supervisory Board are current as at the date of publication of this report, i.e. as at 28 May 2021. More information on the changes in 2020 and from 1 January to 25 March 2021 is provided on Pages 69-80 of the *Management Board Report on the Activity of ENEA S.A. and ENEA Group in 2020*.

102-18

In accordance with the provisions of the Rules and Regulations of the Supervisory Board, the following standing committees operate within the Supervisory Board:

- Audit Committee,
- Nominations and Remuneration Committee,
- Strategy and Investment Committee.

The Committee is composed of at least three members appointed and dismissed by the Supervisory Board from among its members for the period equal to its term of office. The committee members elect from among their number a chairman who directs and supervises its work, in particular the organization and conduct of its meetings.

103-1, 103-2, 103-3

The appointment of ENEA S.A.'s governing bodies and key managers is each time conducted pursuant to the generally applicable provisions of law and preceded by a thorough analysis of the experience, competence and skills of each candidate, without regard for other non-substantive criteria, such as, in particular, sex or age.

ENEA Group Committees

The powers of the committees include making decisions or recommending decision to the Management Board of ENEA S.A. There are six committees functioning in the Group:

- Investment Committee,
- Risk Committee,
- Finance and IT Committee,
- Commerce and Promotion Committee,
- Risk Committee,
- Compliance Committee.

Management divisions

A management division is a formal communication channel between each department of ENEA S.A. and corresponding units in the subsidiaries.

Through a division, a department at ENEA S.A. oversees and manages a specific area of the Group based on the formalized standards of cooperation with the specified units.

There are five management divisions operating in the ENEA Group:

- Communication Management Division (managed by the PR and Communication Department at ENEA S.A.),
- Safety Management Division (managed by the Safety Department at ENEA S.A.),
- Compliance and Legal Support Management Division (managed by the Legal and Organizational Department at ENEA S.A.),
- Procurement Management Division (managed by the Administrative Supervision Department at ENEA S.A.),
- HR Management Division (managed by the Human Resources Management Department at ENEA S.A.).



Organizational culture

We have been building our organizational culture on shared values, account being taken of stakeholders' expectations.

ENEA Group's values

The ENEA Group has in place the Code of Ethics which defines the model conduct for all employees and introduces standards for relations with customers, business partners, shareholders, local communities and associates. Supervision over the implementation of its provisions is exercised by the Human Resources Management Department at ENEA S.A. Any identified cases of potential breach of the Code are objectively investigated by the Ethics Committee, which also deals with resolving any ethical doubts raised by the employees. The Committee operates on the basis of its rules and regulations, which define, among others, the procedures for reporting concerns and violations, as well as the handling of investigations.

Lubelski Węgiel "Bogdanka" S.A. has an internal Code of Ethics for GK LW "Bogdanka" S.A. which is consistent with the principles adopted for the entire Group. The units in charge of monitoring of compliance with its regulations are the Ethics Officer, who is also responsible for ethical education of employees, and the CSR Inspector.

Our day-to-day work values

Integrity

- conduct in line with ethical rules, the law and internal procedures,
- mutual respect and openness in expressing views and opinions,

Responsibility

- acting in compliance with our declarations with respect to quality, timeliness and reliability of services, performing employee obligations and performing the obligations set forth in social contracts,

Safety:

- sharing knowledge and continuous upskilling, enabling employees to gain new experience,

Competence:

- taking preventive and corrective actions in order to ensure a safe working environment, protection of the natural environment and protection of sensitive data, personal data and protected information.

Supporting diversity

103-1, 103-2, 103-3

We are introducing clear and transparent principles of our joint cooperation and we also create an atmosphere which is favorable for all employees and associates. We strictly observe the principle of equal treatment irrespective of gender, age, origin, social status, health, sexual identity or beliefs, We consider diversity of our staff as value in itself but also as a driver of the organization’s development.

Our diversity policy has not been adopted as a separate document (Lubelski Węgiel “Bogdanka” S.A. is the only company with such a policy), but for years we have made efforts to ensure that diversity among employees, e.g. diversity of experience, knowledge or interests, is taken into account in our practices. The diversity issues are addressed in various documents, such as the *ENEA Group Code of Ethics*, internal collective bargaining agreements, *Policy against mobbing, discrimination and other unacceptable conduct* and *the ENEA Group Compliance Policy*.

So far, no diversity figures have been reported to the management boards and supervisory boards of the companies.



In 2020, ENEA S.A., ENEA Operator, ENEA Centrum, ENEA Wytwarzanie and ENEA Elektrownia Połaniec signed cooperation agreements with the State Fund for the Rehabilitation of the Disabled as part of the “Work – Integration” pilot program. It aims to increase its ratio of employment of people with disabilities on the open labor market. Within this initiative, the above companies declared their readiness to take action aimed at hiring the disabled and maintaining their employment – for a total of 25 FTEs for at least 18 months.

In 2020 Lubelski Węgiel “Bogdanka” in several of its departments, including the Communication Unit, Blasting Technique Department and the Cost Estimate Department, created jobs for people with disabilities resulting from workplace accidents.

Counteracting undesirable practices

We promote appropriate attitudes and point out to those unacceptable, inter alia, through e-learning and webinars and regularly announce where and how potential irregularities may be reported. All employees are obliged to monitor their surroundings in the context of the applicable regulations and standards and to report any situations that raise their concern. We react strongly to all identified irregularities.

The ENEA Group Breach Reporting Form enables notification of all irregularities, also anonymously and confidentially.

In our relations with Employees, Customers and counterparties, we abide by the applicable laws and the market's strictest ethical standards, in particular in respect of counteracting corruption and avoiding conflicts of interest. We build an open and friendly corporate culture that reduces the likelihood of the emergence of any irregularities to a minimum.

Ewelina Kutermankiewicz

Director of the Legal and Organizational Department at ENEA S.A.,
ENEA Group Compliance Officer

Counteracting mobbing and discrimination

103-1, 103-2, 103-3

We have formulated and implemented the Group-wide *Policy against mobbing, discrimination and other unacceptable conduct*, which identifies unacceptable conduct, the procedures for reporting it and handling the reports, as well as preventive measures. We provide full support to employees who feel they suffer from mobbing to have their case objectively investigated. If the allegations are confirmed, we apply corrective measures laid down in the Labor Code and the internal regulations.

Other regulations that are important for combating discrimination and mobbing include:

- *ENEA Group Code of Ethics*,
- *ENEA Group Compliance Policy*, which emphasizes, among others, the need for building a friendly working environment;
- *Policy for reporting breaches and protecting whistleblowers in the ENEA Group* (document adopted in 2020) – defines channels through which breaches may be reported, roles and persons responsible for their examination, and measures applied to protect persons reporting such breaches.

406-1

The Human Resources Management Department is responsible for counteracting mobbing and discrimination. Additionally, special teams have been established in most companies to issue opinions in this area. Their task is to investigate all the allegations reported by employees and issue recommendations regarding alleged incidents of mobbing, discrimination or other behavior that is unacceptable in the workplace.

ENEA S.A. has cooperated with ENEA Centrum to prepare an e-learning training for the employees and webinars (for managers) entitled "Building a friendly working environment – prevention of mobbing, discrimination and other unacceptable conduct". In 2020, the training was attended by employees of ENEA S.A., ENEA Operator, ENEA Wytwarzanie, ENEA Centrum, ENEA Oświecenie, ENEA Trading, ENEA Serwis, ENEA Pomiary and ENEA Bioenergia. ENEA S.A. also passed a mobbing prevention audit, which allows it to use the "Company without mobbing" certificate issued by PCC Cert. It confirms the high degree of protection provided to employees and correct preventive measures and informational and educational activities.

Selected anti-discrimination and anti-mobbing measures undertaken in 2020

In 2020, the following documents were prepared and put into practice: Procedure for Reporting Breaches in Lubelski Węgiel "Bogdanka" S.A. and Compliance Policy of Lubelski Węgiel "Bogdanka" S.A.

In 2020, ENEA S.A. and ENEA Wytwarzanie updated their internal regulations on counteracting mobbing, discrimination and other unacceptable behaviors. Corresponding internal regulations will be subsequently updated in other Group companies, in line with the principle of a uniform policy in this area.

Members of the anti-mobbing team at ENEA Pomiary sp. z o.o. participated in a training course on "Counteracting Mobbing and Discrimination".

Prevention of corruption

We consider it a priority to prevent and eliminate all corrupt practices and to prevent the occurrence of conflicts of interest. We believe in transparency in our relations with business partners and educating employees in the area of

Anti-corruption regulations

The key document governing issues related to preventing the acceptance of financial and personal gains is the *Rules for Offering and Receiving Gifts in the ENEA Group*, providing for an obligation to obtain consent to accept gifts with a value greater than PLN 200. Issues related to counteracting corruption have also been standardized in the *ENEA Group Compliance Policy* and the *ENEA Group Code of Ethics*.

Provisions that support the Group's efforts aimed at counteracting corruption are also included in the following documents:

- *Policy for reporting breaches and protecting whistleblowers in the ENEA Group* (adopted in 2020),
- *ENEA Group Procurement Policy*,
- *ENEA Group Code of Conduct for Contractors* (adopted in 2020), defining the fundamental requirements for contractors in terms of their compliance with the law and with ethical and market standards.

The elimination of breaches in this area is also expedited by the application of pertinent provisions of the internal documents in all Group companies, such as the rules for awarding contracts (containing a requirement that members of management boards and tender committees must submit statements confirming the absence of any relations on their part with contractors participating in the tenders), rules and regulations for creating lists of qualified contractors, principles governing the conduct of emergency purchases and work regulations.

ENEA Group's anti-corruption system

The Organization and Compliance Unit, which is part of the Legal and Organizational Department at ENEA S.A., is responsible for the implementation of anti-corruption regulations. Since December 2019, the department's director has also been the Compliance Officer of the ENEA Group.

In 2019, we divided the legal service, administration and security management between separate units, which until now had been handled by a single department within ENEA S.A. This allowed for a more precise division of responsibilities and facilitated enforcement of anti-corruption standards.

The duties of the Organization and Compliance Unit include, without limitation, issuing opinions on internal regulations prepared by various organizational units and cells (rules and regulations, instructions, principles, procedures, etc.) in terms of their consistency with other internal regulations. Additionally, the Department:

- conducts periodic reviews of statutory and derivative acts,
- provides ethics and compliance-related information on the intranet, with particular emphasis on counteracting corruption,
- provides support in the interpretation of regulations in the compliance area.

In 2020, activities were completed on the adaptation of the ENEA Group's anti-corruption system to the *Standards recommended for the compliance management system on counteracting corruption and the whistleblower protection system in companies listed on markets organized by the Warsaw Stock Exchange*. The Organization and Compliance Unit was responsible for the performance of this assignment.

Anti-corruption education

A particularly significant component of the anti-corruption system is the creation of a proper organizational culture within the ENEA Group. This objective is pursued, among other measures, by direct and e-learning training for

employees, promoting ethical and lawful behaviors, and information available on the intranet. The Rules for Offering and Receiving Gifts and endeavors aimed at preventing conflicts of interest and corruption offenses are elements of the mandatory initial training in all Group companies. In addition, training courses on this topic are regularly updated and repeated, especially when a document that governs anti-corruption issues is amended or when a new one comes into life.

Selected anti-corruption measures in 2020

- In 2020, the following documents were prepared and put into practice: *Procedure for Reporting Breaches in Lubelski Węgiel "Bogdanka" S.A.* and *Compliance Policy of Lubelski Węgiel "Bogdanka" S.A.*
- Materials on the compliance system and the Code of Conduct for Contractors were uploaded to the enea.pl website. Moreover, the website was supplemented with a form for the reporting of breaches.
- ENEA Centrum adopted the *Rules for the development, adoption, amendment, withdrawal and publication of internal regulations at ENEA Centrum sp. z o.o.*, and a process for monitoring changes in the legal environment was developed.
- The *Contracting Rules and Regulations at ENEA Elektrownia Połaniec S.A.* have been amended to contain an obligation to attach declarations of no conflict of interest to agreements signed with contractors.
- Employees of ENEA Trading participated in various training courses on ensuring compliance with the EU Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) and on preventing manipulation in the financial instruments market.
- ENEA Ciepło put in place instructions for counteracting the emergence of conflicts of interest and cases of fraud in connection with the execution of projects co-funded under the Infrastructure and Environment Operational Programme for 2014-2020.
- The Extraordinary General Meeting of ENEA Pomiary amended the company's articles of association by introducing the obligation to prepare and submit to the Supervisory Board and the General Meeting an annual report on the application of best practices, as referred to in Article 7(3) of the *Act on the Rules for Managing State Property*.

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Indicators of the effectiveness of anti-corruption policies	2019	2020
Number of confirmed cases of corruption in ENEA Group companies	2	0

In February 2020, an anonymous report was filed regarding alleged corruption cases in ENEA Bioenergia related to biomass supplies. To investigate the case, the company appointed a special team which, after its examination, presented its final report on the assessment of the situation to the supervisory units. The report was presented to the Security Department of ENEA S.A., the Management Board of ENEA Elektrownia Połaniec, the Supervisory Board of ENEA Bioenergia and the Management Board of ENEA Bioenergia. The document contained proposals for improvements in the process of handling biomass supplies with a view to minimizing the risk of undesirable incidents. At the same time, the team found no evidence to support the allegations of corruption.



Shares and shareholders

ENE A S.A. stock has been listed on the Warsaw Stock Exchange (WSE) since 17 November 2008

Equity and shareholding structure

As at 31 December 2020 and as at the publication date of this report, the share capital of ENEA S.A. amounts to PLN 441,442,578 and is divided into 441,442,578 ordinary bearer shares with a nominal value of PLN 1 each. The total number of votes resulting from all outstanding shares of the Issuer corresponds to the number of shares, translating into 441,442,578 votes.

All shares in the Company are book-entry bearer shares registered in the Central Securities Depository of Poland.

Since the date of publication of the previous periodic report, no changes have been made to the Issuer’s shareholding structure.

The table above presents the shareholding structure of ENEA S.A. as at the date of the periodic report for 2020.

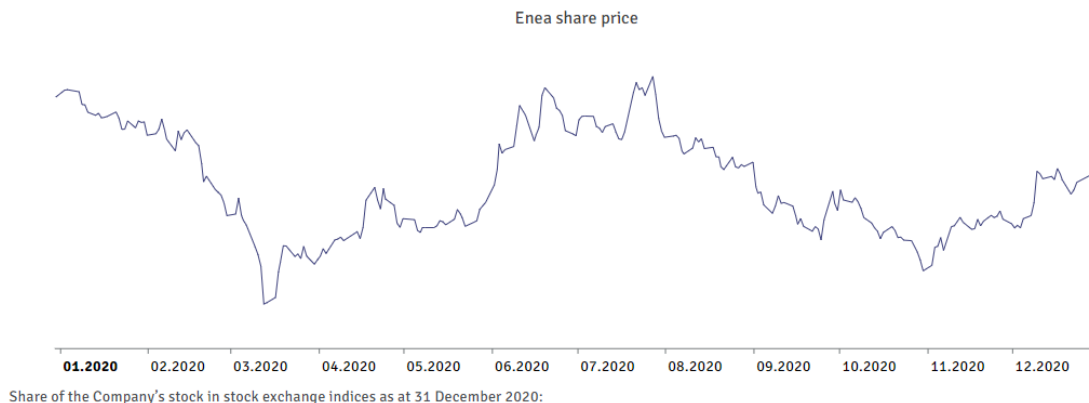


Shareholder	Number of shares / number of votes at the Shareholder Meeting	Interest in the share capital / share in the total number of votes
State Treasury	227,364,428	51.5%
Others	214,078,150	48.5%
TOTAL	441,442,578	100.0%

ENEA S.A. stock prices on the Warsaw Stock Exchange

ENEA S.A. stock has been listed on the Warsaw Stock Exchange (WSE) since 17 November 2008

In 2020, the ENEA S.A. stock price fell from PLN 7.915 to PLN 6.54, that is by PLN 1.38, or 17%. The highest closing price of ENEA S.A. stock in 2020 was recorded on 27 July 2020 (PLN 8.32), while the lowest price was recorded on 12 March 2020 (PLN 3.87).



0.7	2.5	12.3	0.6	0.4
WIG 30	mWIG40	WIG energia	WIG Poland	WIG ESG

Potential changes in the shareholding structure

The Company is not aware of any contracts or events, which could potentially cause future changes in the structure of shares held by its current Shareholders. Nevertheless, the unique nature of the process of acquiring employee shares from the State Treasury by eligible employees and their heirs may cause slight changes in the number of shares held by the State Treasury.

Treasury shares

Neither ENEA S.A. nor ENEA Group companies purchased the Company's treasury shares in 2020.

Employee shares system

The Articles of Association of ENEA S.A. provide for the package of so-called employee shares. All of ENEA S.A.'s Series B registered common shares, i.e. 41,638,955 shares, were designated for that purpose. Under the applicable provisions

of law, there were 8,818 people eligible for a purchase of ENEA S.A.'s shares free of charge, to whom 33,239,235 shares were allocated.

The right to acquire ENEA S.A.'s shares free of charge by eligible persons from the State Treasury expired on 16 May 2012. After that date, only the heirs of the beneficiaries may sign the agreements in the specific instances described in the above legal act.

In 2020, ENEA S.A. did not launch the standard control systems of employee share programs.

ENEA and WIG-ESG

Since 3 September 2019, ENEA has also been included in the Warsaw Stock Exchange's WIG-ESG index, established as the WSE's response to the surge in global interest in socially responsible investing. The index is comprised of companies included in the WIG20 and mWIG40 indices, that is the largest companies listed on the Warsaw Stock Exchange. Each company's rank depends on its weight in the WIG-ESG index. In turn, a company's weight is contingent on the quantity of its shares in free float adjusted for two factors:

- the outcome of the ESG ranking prepared by [Sustainalytics](#) – an independent research company providing ESG data to the world's largest investment and index firms,
- assessment of applying the corporate governance principles contained in the *Best Practice for WSE Listed Companies 2016*.

ESG stands for *environmental, social, and (corporate) governance*, and is a concept focusing on the criteria applied to measuring a company's impact in these areas. The primary objective of the WIG-ESG index is to draw the attention of companies and investors to these issues in the investment decision-making process.



Non-financial risk management

We identify non-financial risks related to our operations and manage them properly, ensuring maximum protection against their consequences.

We intend to devote special attention to risks related to the advancing climate change.

The risk management process in key ENEA Group companies is carried out in a systematic and coordinated manner. The unit overseeing this process is the Risk Management Department at ENEA S.A. consisting of two offices responsible for, respectively, managing financial risk and managing business risk, business continuity and insurance. The individual Group companies operate units responsible for risk management, which cooperate with the Risk Management Department at ENEA S.A. This model is supplemented by the business continuity management system in place in the Group, which identifies the critical processes in individual companies, evaluates business continuity risks and implements mechanisms and procedures to ensure continuity of processes when they are interrupted.

The process for managing enterprise risks (including non-financial risks) is governed by the applicable policies, procedures and methodologies. The overriding document governing the whole risk management area is the *ENEA Group Enterprise Risk Management Policy*.

The effectiveness of the enterprise risk management process is ensured by:

- ongoing identification of risks, including non-financial risks (e.g. risks related to climate change) at the level of individual Group companies;
- implementation of guidelines for policies, procedures and methodologies regarding the management of specific risk areas;
- three-stage approach to the process: identification and assessment of new risks, monitoring of existing risks and reporting;
- operational risk management by companies within the boundaries granted to them, on the terms approved by the ENEA Group's Risk Committee, composed of selected members of the ENEA S.A. Management Board, selected members of the management boards of key subsidiaries and directors of ENEA S.A. departments responsible for risk management, compliance and audit-related matters;
- business continuity management system.



The cyclical risk assessment is performed by the risk owners in consultation with the risk manager. It involves updating the assessment of the likelihood of risk materialization and the potential implications in the financial and reputational dimensions and in terms of health and safety impact.

The estimation of the likelihood of risk materialization and potential implications enables the classification of risks as key, significant and insignificant. The register of risks identified for a company is adopted by its management board along with the risk manager's report at least once per quarter.

More information on the risk management model in the ENEA Group is provided on pages 31-33 of the *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020*.

Identified non-financial risks

We have identified non-financial risks for key ENEA Group companies that may exert an adverse impact on the labor, social, environmental, human rights and anti-corruption areas.

Labor area

- risk of a generation gap,
- risk of social unrest if the social stakeholders fail to reach an agreement when the provisions of the internal collective bargaining agreement are revised or when new methods of human resources management are introduced,
- risk of accidents at work or occupational diseases,
- risk of disputes with employees, groups of employees, trade unions,
- risk of unavailability of employees as a result of an epidemic,
- risk of a loss of competence,
- risk of inflicting personal injury on employees or third parties.

Social area

- risk of social unrest, additional trade union demands and deterioration of relations with social partners,

- risk of the absence of communication between internal and external customers and/or delays in the provision of necessary documents/information due to e-mail failure,
- risk of improper management of information in a crisis situation (failure to adapt the content of the message and communication channels to stakeholders, provision of false information),
- risk of a breach of stock exchange disclosure obligations,
- risk of an increase in the value of claims of property owners for payment of amounts due for transmission easement/tenancy of properties,
- risk of an increase in the value of local governments' tax claims related to land located under power lines,
- risk of non-implementation or delayed implementation of the *Guidelines to the Compliance Programs developed by distribution system operators and the storage system operator*, as published by the President of the Energy Regulatory Office,
- risk of delays in issuing or a failure to issue connection decisions that are of crucial importance to customers,
- risk of delays in the completion of key connection investments,
- risk of delayed execution of the project "Special radio communication system for the energy sector".

Human rights area:

- risk of infringement of personal data protection provisions (e.g. as a result of human error; unfamiliarity with or violation of the law and internal regulations by employees or associates; failure of an IT system; cyberattack),
- risk of violating the provisions on competition and consumer protection.

Environmental area

- risk of failure to adapt the technology to the requirements of environmental legislation (BAT conclusions, IED),
- risk of unavailability of FGD, SCR and/or electrostatic precipitators due to a failure of these units, which may cause an increase in atmospheric emissions,
- risk of reducing or ceasing the activity due to a failure to obtain valid environmental decisions and permits,
- risk of failure to conform to the terms and conditions of the applicable permissions with respect to:
 - water and sewage management (including the instream flow requirements and the permitted temperature of spent cooling water),
 - waste management, including sludge from flue-gas desulfurization installations,
 - atmospheric emissions, including NO_x, SO₂ and particles,
- risk of causing damage to elements of natural environment in connection with the operation of or execution of investment projects,
- risk of exceeding the mass of stored waste specified in the environmental permit (this applies to waste other than combustion byproducts),
- risk of improper management of hazardous waste,
- risk of biomass fire,
- risk of coal dust ignition caused by a high temperature.

Anti-corruption area

- risk of a potential or real contradiction between the interest of the ENEA Group and the personal interest of an employee,
- risk of employees taking actions that may constitute unfair competition,
- risk of employees engaging in corrupt activities.

Climate risks

103-1, 103-2, 103-3, 201-2

Climate risks are identified and analyzed within the framework of the enterprise risk management process, meaning that they are periodically evaluated in accordance with the ENEA Group Enterprise Risk Management Policy.

Under the non-financial reporting process for 2020, the Group expanded its analysis of risks arising from climate change that may bring about major changes in the operations, revenues or costs of various business areas. The analysis covered the short term (until the end of 2022), the medium term (until the end of 2025) and the long term (until the end of 2035).

Business area of the ENEA Group:

Distribution

Risk resulting from climate change	Risk factor	Mitigating measures
<p>Risk of interruption in the continuity of supplies, loss of revenues and significant costs as a result of catastrophic damage to components of line and point infrastructure on the distribution network</p> <p>Perspective: long term.</p>	<p>Increased frequency of extreme weather phenomena (gusty storms, hurricane winds, icing)</p>	<p>Use of leading-edge technologies during the modernization of power lines, wiring of power lines, monitoring of the condition of the power grid and prompt conduct of maintenance operations.</p>

Generation

Risk resulting from climate change	Risk factor	Mitigating measures
<p>Risk of a decline in or loss of profitability of electricity generation operations resulting from the consolidation of a strong upward trend on the EUA market, with simultaneous disproportionate increases in electricity prices</p> <p>Perspective: short, medium and long term</p>	<p>High price of CO₂ emission allowances potentially resulting in a low or negative value of the clean dark spread (CDS)</p>	<p>Greater share of biomass co-firing. Substitution of coal with low-emission fuels.</p>
<p>Risk of interruption in the continuity of operations, loss of revenues and significant costs as a result of extreme weather phenomena</p> <p>Perspective: short, medium and long term</p>	<p>Increased frequency of extreme weather phenomena (droughts, floods affecting the water level on the Vistula River, heavy snowfalls, frosts, icing, hurricanes)</p>	<p>Vistula River water level monitoring system. Annual assessment of the technical condition of power plant facilities.</p> <p>Continuous supervision of staff over the operation of the power plant.</p> <p>Flood protection system in the event of an increase in the water level on the Vistula River (stoplogs).</p>

Risk resulting from climate change	Risk factor	Mitigating measures
		Ongoing supervision of devices and optimal overhaul management.
<p>Risk of construction disasters in hydro power plants (damage to hydro-engineering equipment as a result of erosion and water pressure) Perspective: medium to long term</p>	<p>Partial or complete damage to hydro-engineering equipment affected by torrential rains increasing the adverse impact of water on hydrotechnical facilities</p>	<p>Continuous execution and preparation of new overhaul and investment projects on hydro-engineering equipment.</p>
<p>Risk of construction disasters on wind farms (damage to generation facilities caused by strong winds) Perspective: medium to long term</p>	<p>Extreme weather conditions such as strong winds, hurricanes, tornadoes</p>	<p>Inability to take preventive actions against the forces (elements) of nature.</p>
<p>Risk of lost revenues or extra costs resulting from the uncertainty of the legislative environment Perspective: medium to long term</p>	<p>Amendments to EU or national regulations, for example resulting from the non-recognition of biomass as a zero-emission energy source</p>	<p>Monitoring of and participation in legislative work</p>
<p>Risk of a decrease in revenues from sales of heat Perspective: short, medium and long term</p>	<p>Temperature rising trends during the heating season causing demand for heat to decline</p>	<p>Diversification of revenue sources through the development of cogeneration.</p>
<p>Risk of an increase in environmental fees Perspective: short term</p>	<p>Absence of environmental decisions required by law or failure to fulfill the conditions specified therein</p>	<p>Ongoing monitoring of regulations. Ongoing monitoring of the validity of decisions held, thereby enabling an early preparation of requests for changes.</p> <p>Ongoing supervision over the manner of implementation and compliance with the conditions specified in the decisions held.</p>
<p>Risk of suspension of electricity/heat generation as a result of technological misalignment with the requirements of environmental protection regulations Perspective: short term</p>	<p>Need to adapt generation units to the requirements of the IED and future BAT conclusions, the Water Law, etc.</p>	<p>Regular upgrades of and investments in:</p> <ul style="list-style-type: none"> • units for generation of energy from renewable sources • heat accumulation systems, • flue gas heat recovery units, • flue gas desulphurization units,

Risk resulting from climate change	Risk factor	Mitigating measures
		<ul style="list-style-type: none"> boilers. <p>Upgrade of transmission infrastructure and heating nodes, gradual extension of the extent of application of telemetric systems.</p> <p>Use of proper cooling systems in electricity and heat generation.</p> <p>Taking care of the proper technical condition of equipment using fluorinated gases.</p>
<p>Risk of interruption or curtailment of business continuity and loss of revenues resulting from failure to maintain continuity of fuel supplies Perspective: short, medium and long term</p>	<p>Unavailability or limited availability of biomass resulting from natural disasters such as hurricanes, floods, droughts or freezes Unavailability or limited availability of coal resulting from natural disasters in the mining sector or in the supply process</p>	<p>Optimization of fuel supplies. Diversification of the fuel portfolio.</p> <p>Emergency fuel purchases.</p> <p>Gradual shift of all or part of the fuel shipment process to the supplier. Performance monitoring with deviation analysis and update of plans for the performance of contracts for the supply of generation fuels and logistics services.</p>
<p>Risk of an increase in the costs of procurement of plant-based substrates necessary for biogas production Perspective: medium term</p>	<p>Hydrological drought potentially affecting the availability and prices of corn silage, which is the key input substrate in biogas production</p>	<p>Adoption of and early preparation for a comprehensive substrate procurement action.</p>
<p>Risk of an increase in the cost of raising capital and/or property insurance Perspective: short, medium and long term</p>	<p>Global climate crisis making it increasingly difficult for fossil fuel-based businesses to access finance, insurance undertakings treating coal-based power generation as a higher-risk industry</p>	<p>Use of the Group's transformation strategy in consultations with the reinsurance market. Search for new methods of securing assets.</p>
<p>Risk of reducing or ceasing the operation of power plants due to difficulties in obtaining or maintaining valid environmental decisions and permits. Perspective: short, medium and long term</p>	<p>Activities of environmental organizations conducting aggressive campaigns against power plants by:</p> <ul style="list-style-type: none"> appealing against and demanding the cancellation of integrated permits or 	<p>Cooperation with leading law firms. Cooperation with environmental organizations.</p>

Risk resulting from climate change	Risk factor	Mitigating measures
	<p>environmental decisions held by power plants,</p> <ul style="list-style-type: none"> referring to the public interest and joining proceedings aimed at amending integrated permits, thereby delaying or preventing the issue of favorable decisions 	

Trading

Risk resulting from climate change	Risk factor	Mitigating measures
<p>Risk of unplanned costs arising from erroneous assumptions for long-term financial projections Perspective: medium to long term</p>	<p>Progressing climate change affecting the climate policy of various countries and organizations, thereby potentially shaping the operating principles of the system and price of CO₂ emission allowances</p>	<p>Periodic updates of price paths</p>
<p>Risk of additional costs or losses resulting from commodity price volatility on the futures market Perspective: short, medium and long term</p>	<p>Potential deviations of electricity and gas prices on the Polish Power Exchange in relation to prices agreed upon in previous months, due to temperatures in the summer and winter seasons different from the originally assumed ones</p>	<p>Maintaining and developing risk management competences in the ENEA Group. Internal risk optimization procedures.</p> <p>Monitoring and analysis of factors affecting prices on the Polish Power Exchange.</p> <p>Adjustment of orders placed, both in terms of price and volumes, to the current market situation.</p>

Mining

Risk resulting from climate change	Risk factor	Mitigating measures
<p>Risks related to the need to change the company's operations are run, which would entail</p>	<p>Climate change causing an increasingly restrictive EU climate policy, directly and indirectly translating into a number of more stringent environmental standards imposed on mines</p>	<p>Ongoing supervision over compliance with environmental standards.</p>

Risk resulting from climate change	Risk factor	Mitigating measures
<p>additional capital expenditures Perspective: medium to long term</p>		<p>Continuous monitoring of changes in the EU's climate policy and the resulting amendments to national regulations.</p> <p>Active participation in consultations on new regulations.</p> <p>Continuous search for technical and organizational solutions minimizing the company's impact on the climate, e.g. by energy efficiency improvements.</p>
<p>Risk of inability to perform coal purchase contracts due to a decline in demand for steam coal in Poland and globally Perspective: medium to long term</p>	<p>Probable gradual decrease in demand for the products offered to date, resulting from changes in the country's energy mix, including the ENEA Group's energy mix, and from a decrease in demand for electricity generated from coal (e.g. as a result of measures favoring energy efficiency, elimination of retail customers from the portfolio, more frequent switching to own sources of energy and heat generation, higher average atmospheric temperatures in winter)</p>	<p>Implementation of a new business strategy, including through diversification of revenues towards the extraction of coking coal, which is a strategic commodity in the EU.</p>
<p>Risk of an increase in operating costs due to the need to pay greater compensations for losses in grasslands and agricultural land caused by the need to repair of mining damage to the environment Perspective: short, medium and long term</p>	<p>The conduct of mining activities is associated with the occurrence of mining damage and may lead to the formation of subsidence basins and disruption of local water relations, thus causing occasional local flooding</p>	<p>Effective mining damage management policy. Ongoing dialog with local communities.</p> <p>Continuous monitoring of rock mass movements using of modern measurement methods.</p> <p>Monitoring of environmental aspects through the Integrated Quality, Environment and Safety Management System.</p> <p>Ongoing reclamation of areas adversely affected by mining activities</p>
<p>Risk of an increase in the cost of raising capital and/or property insurance Perspective: short, medium and long term</p>	<p>Global climate crisis making it increasingly difficult for fossil fuel-based businesses to access finance, insurance undertakings treating the mining sector as a high-risk industry</p>	<p>Use of the Group's transformation strategy in consultations with the reinsurance market. Search for new methods of securing assets.</p>

Risk resulting from climate change	Risk factor	Mitigating measures
<p>Risk of obstruction in the progress of various administrative procedures conducted with the participation of non-governmental environmental organizations Perspective: medium to long term</p>	<p>The activities of environmental organizations may affect the social acceptance of the company's activities, including by the occurrence of potential protests related to investment and development activities</p>	<p>Execution of project activities in partnership with environmental organizations. Ongoing communication of activities aimed at improving environmental safety.</p> <p>Enhanced environmental measures taken by the company and additional investments in this area (energy efficiency improvements, water treatment plant, construction of a photovoltaic farm).</p> <p>Respect for state-imposed forms of nature protection (e.g. no mining and no future mining plans under the Polesie National Park)</p>
<p>Reputation risk related to the conduct of business in the fossil fuel industry Perspective: medium to long term</p>	<p>Due to the climate crisis, the EU's policy and the activities of environmental organizations, the mining industry may be perceived as the perpetrator of climate change</p>	<p>Participation in business initiatives, involvement in local socially beneficial and pro-development activities, intense communication activities, focusing chiefly on demonstrating the role played by the company in the Lublin region along with its environmental efficiency and openness to change.</p>
<p>Risk of a decrease in revenue from sales of steam coal Perspective: medium to long term</p>	<p>Increase in average atmospheric temperatures, especially during the heating season An increase in atmospheric temperatures during the heating season may translate into a decrease in demand for heat generated from coal in favor of wind energy and other sources</p>	<p>Reduced impact of the company's business on global warming. Taking into account the forecasts of climate models in determining the scope of contracts with customers.</p>

By 28 May 2021, i.e. the date of publication of this report, we have not performed an analysis of opportunities related to climate change or of climate risks and opportunities in the whole supply chain.



We are aware that it is because of our staff that we achieve our objectives. This is why our approach to employees highlights equal treatment and application of transparent criteria for hiring, remunerating and promoting, compensation and promotion, supporting professional and personal growth and commitment to friendly atmosphere fostering cooperation. Health and well-being of our employees is another area of critical importance for us. This is shown in our day-to-day activities and in our response to the challenges associated with the COVID-19 epidemic.

Our efforts aimed at creating a friendly workplace was confirmed by the “Friendly Workplace 2020” awarded to us by the MarkaPracodawcy.pl portal.

Aneta Pelczarska
Director of the HR Management Department at ENEA S.A.

Group staff

102-8, 401-1

Employment structure in the ENEA Group

Total number of staff employed under employment contracts	17,480 ⁽³⁰⁾
full-time employees – women	3,077
full-time employees – men	14,354
part-time employees – women	27

Total number of staff employed under employment contracts	17,480 ⁽³⁰⁾
part-time employees – men	22
persons employed under employment contracts for an indefinite term – women	2,816
persons employed under employment contracts for an indefinite term – men	12,368
including other contract types (probationary period, fixed term, traineeship and replacement contracts) – women	288
including other contract types (probationary period, fixed term, traineeship and replacement contracts) – men	2,008

³⁰Total number of persons employed under an employment contract in the ENEA Group companies as at 31 December 2020, including persons with a temporary suspension of employment, i.e. on parental leaves, unpaid leaves above 30 days and those receiving rehabilitation benefits.

17,480
In 2020, the ENEA Group employed

3104
women (18%)

14 376
men (82%)

405-1, 401-1

Gender diversity of groups of positions

Gender diversity of groups of positions	Number of employees	%
senior management – women ⁽³¹⁾	4	9%
senior management – men ⁽³³⁾	40	91%
directors – women ⁽³³⁾	41	20%

Gender diversity of groups of positions	Number of employees	%
directors – men ⁽³³⁾	161	80%
junior managers – women ⁽³²⁾	229	20%
junior managers – men ⁽³⁴⁾	925	80%
operational staff – women	2,562	46%
operational staff – men	3,046	54%
administrative staff – women	274	3%
administrative staff – men	10,243	97%

³¹This additionally includes individuals employed under contracts other than employment contracts, e.g. under management contracts.

³²Including head foremen and dispatchers

³³Number of new employees hired by ENEA Group companies through external as well as internal recruitment.

³⁴The ratio of new employees to all employees.

Men and women under an employment contract, broken down by age groups

Men and women under an employment contract, broken down by age groups	Number of employees	%
Employees under 30 – women	562	3%
Employees under 30 – men	2,772	16%
Employees aged 30-50 – women	1,715	10%
Employees aged 30-50 – men	7,441	43%
Employees over 50 – women	827	5%
Employees over 50 – men	4,163	24%

Staff hired in 2020

Total number of new employees hired in 2020 under employment contracts³³	1187
women	217
men	970
employees under 30	562
employees aged 30-50	524
employees over 50	101
New staff employment ratio³⁴	6.8%

33. Number of new employees hired by ENEA Group companies through external as well as internal recruitment.

34. The ratio of new employees to all employees

Number of staff leaving the company in 2020

Total number of employees working under employment contracts who left in 2020³⁵	998
women	162
men	836
employees under 30	191
employees aged 30-50	332
employees over 50	475
Employee turnover³⁶	5.7%

³⁵The number of employees who left during the year refers to the termination of employment contracts between the ENEA Group companies and their employees

The ratio of the number of employees that left to all employees

We are taking action to counteract the generation gap and maintain continuity of employment, which includes:

- monitoring of the schedule of departures of Employees as they reach the retirement age or the entitlements to take early retirement for working in special conditions or work of special nature,
- cooperation between Group companies and local vocational and technical schools, including schools preparing for work in power industry (endorsed schools program),
- occupational training for students in cooperation with universities (dual university education),
- paid traineeships and unpaid or paid apprenticeships for students under the “Get Installed at ENEA” program,

- organization of educational meetings and trips for students,
- promotion of the ENEA Group as a trustworthy employer at universities and job fairs.

Work rules

Labor issues within the Group level are governed primarily by:

- internal collective bargaining agreements,
- *ENEA Group Code of Ethics* setting out the Group's values,
- *Rules and Regulations of the ENEA Group Ethics Committee*, a document describing the procedure for reporting, accepting and verifying breaches of the Code of Ethics and clarifying any ethical concerns,
- *ENEA Group Compliance Policy*, which describes, among others, the desired conduct and attitudes of employees but also points to the need for building a friendly working environment and commitment to the protection of employee health and safety of employees as well as respect for their personal life and time off work,
- *Policy against mobbing, discrimination and other unacceptable conduct*,
- *Rules of adaptation in the ENEA Group*,
- *Procedure for implementing human capital development activities in the ENEA Group*, which describes and unifies the approach to improvement of professional qualifications of employees,
- *Estimate Budgets of Common Social Activity in the ENEA Group*, setting out the scope and the principles for awarding social benefits to employees for the year,
- *Procedure of the ENEA Group Management Committee on the personnel policy for appointing Management Boards and Supervisory Boards of Companies*.

Additionally, each company has adopted policies and procedures suitable to their characteristics. They define, among others, the recruitment process, rules for awarding bonuses, registration of work time, registration and settlement of business trips or the rules for parting with employees. The accepted internal regulations ensure compliance of the companies with provisions of the Labor Code and other laws relating to employee rights and obligations.

Additionally, every year managers of the organizational units, in consultation with employees, prepare lists defining the need for training improving the competence of the staff.

Material internal regulations in the labor area adopted in selected ENEA Group companies

102-41

ENEA S.A.

- *Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector*
- *Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement*
- *ENEA S.A.'s Work Rules and Regulations*
- *Policy against mobbing, discrimination and other unacceptable conduct in ENEA S.A.*
- *Rules and Regulations for Awarding Bonuses to ENEA S.A. Employees*
- *Rules and Regulations for Awarding Bonuses to ENEA S.A. Employees based on the Management by Objectives System*
- *ENEA S.A. Competence Model*
- *ENEA S.A. Recruitment Procedure*

ENEA Operator

- *Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector*
- *Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement*

- Work Rules and Regulations for Employees of ENEA Operator sp. z o.o.
- Policy against mobbing, discrimination and other unacceptable behaviors at ENEA Operator sp. z o.o.
- Recruitment Procedure
- Rules and Regulations of the Management-by Objectives System in ENEA Operator sp. z o.o.
- Rules and Regulations for Organizing Business Trips in ENEA Operator sp. z o.o.

Lubelski Węgiel “Bogdanka”

- Work Rules and Regulations
- Internal Collective Bargaining Agreement
- Rules and Regulations of the Company Social Benefit Fund
- Policy of conduct in the process of employee recruitment and selection at Lubelski Węgiel “Bogdanka” S.A. for production jobs and for managerial and specialist positions

ENEA Centrum

- Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector
- Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement³⁷
- Work Rules and Regulations in ENEA Centrum sp. z o.o.
- Policy against mobbing, discrimination and other unacceptable behaviors at ENEA Centrum sp. z o.o.
- Rules and Regulations for Granting Bonuses to Employees of ENEA Centrum sp. z o.o. based on the Management by Objectives System
- Rules for parting with Employees in ENEA Centrum sp. z o.o.

³⁷ Applicable based on the agreement on the application of the Internal Collective Bargaining Agreement for ENEA S.A. Employees, which means that the company may amend it by itself (though it is bound by its interpretation).

ENEA Elektrownia Połaniec

- Work Rules and Regulations for ENEA Elektrownia Połaniec S.A. Employees
- Internal Collective Bargaining Agreement for ENEA Elektrownia Połaniec S.A. Employees
- Rules and Regulations for Compensating Management Staff
- Health Protection Program and agreement on its performance
- Policy against mobbing, discrimination and other unacceptable conduct in ENEA Elektrownia Połaniec S.A.
- Agreement with Trade Unions of 30 December 1999 on principles of cooperation
- Agreement on the participation in costs of trade union activities signed with Companies spun-off in the restructuring process
- Agreement on the participation in costs related to the conduct of PKZP signed with Companies spun off in the restructuring process
- Rules and Regulations of the Company Social Benefit Fund and the Agreement on Common Social Activity
- Instruction for employee evaluation
- Company agreement regarding the Employee Pension Plan
- Rules and Regulations for giving awards and distinctions in ENEA Elektrownia Połaniec S.A.

ENEA Wytwarzanie

- Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector
- Internal Collective Bargaining Agreement for Employees of ENEA Wytwarzanie sp. z o.o., Social Agreement for Employees of ENEA Wytwarzanie sp. z o.o.
- Work Rules and Regulations for ENEA Wytwarzanie sp. z o.o. Employees
- Rules and Regulations of the Company Social Benefit Fund
- Policy against mobbing, discrimination and other unacceptable conduct in ENEA Wytwarzanie sp. z o.o.
- ENEA Wytwarzanie sp. z o.o. Personnel Management Procedure
- Rules and Regulations for Granting Bonuses to Employees of ENEA Wytwarzanie sp. z o.o.

- Rules and Regulations for Granting Annual Bonuses to Employees of ENEA Wytwarzanie sp. z o.o.
- Recruitment Procedure

For more detailed information on counteracting mobbing and discrimination, see the Section entitled Counteracting undesirable practices

Motivation and support

103-1, 103-2, 103-3, 401-2

We recruit highly qualified employees, and then we take efforts to increase the motivation to continue their employment and professional development. This is achieved, among others, by a wide range of benefits, including:

- right to annual bonus,
- long-service bonus,
- an award and a day off on the Power Engineer's Day,
- jubilee award,
- subsidy to costs of electricity consumed in the household,
- medical care, which can be extended to family members on preferential terms,
- right to group insurance,
- attractive pension and similar benefits,
- right to participate in the Employee Pension Plan,
- loans, non-refundable or refundable benefits under the Intercompany Employee Benefit and Loan Fund,
- financing of sanatorium stays,
- financing of participation in training courses, certification courses and co-financing of university education,
- co-financing of holidays,
- co-financing of crèche/kindergarten stays and recreation for children and youth,
- co-financing of costs of sporting activities,
- tickets/passes to cinema, theater, museum, and sports events,
- low-interest loans for housing purposes.

Part-time or fixed time employees have the same rights as the other full time employees. However, the right to some of the benefits depends on the length of service or the value of income. Retired employees also receive selected benefits.

Our employees are given the possibility to work on a flexible basis, to get involved in projects benefiting local communities they propose (for example, in the "Potęga poMocy" (The Power of Help) grant program), and to submit proposals for improvements in their day-to-day work, the best of which are implemented (the 'Pomysłodajnia' program). We offer our employees' children the opportunity to participate in sports and theater classes and contests.

Joanna Kamoś

Director of the HR Strategy and Development Department at ENEA S.A.

Integration meetings as well as special events are an important element in the lives of our companies (e.g. Christmas meetings, farewells to retiring employees, celebrations of anniversaries important for specific companies). They provide an opportunity for the staff members to get to know each better outside the workplace.

Changes in the employee motivation area in 2020

In 2020, in light of the COVID-19 epidemic, most employee integration meetings and events for employees' children were canceled.

At Lubelski Węgiel “Bogdanka”, amendments to the internal collective bargaining agreement were negotiated to improve the employee compensation structure and roll out a new bonus system. At ENEA S.A., the Rules and Regulations for Awarding Bonuses to ENEA S.A. Employees based on the Management by Objectives System were updated. At ENEA Elektrownia Połaniec, amendments were made to the internal collective bargaining agreement, whereby an employee pension scheme was deployed along with the granting of additional one-off awards for employees (as part of endeavors aiming to unify the solutions applicable across the Group).

Communication and participation in decision making

We strive to offer all employees access to full and current information on the actions undertaken and key events happening in their companies, the Group as a whole and in its surroundings. We listen carefully to their opinions, so that we can improve our work environment. We respect the right of its employees to associate in trade unions and to be actively involved in their activities.

Channels of communication with employees

Efficient flow of information to employees is ensured in particular by:

- corporate Intranet (Group news, e.g. “Enea News” and “Enea Flash”) and Intranet sites of individual companies,
- Employee Zone in the ENEA Group’s Intranet (news, information and documents related to employee matters),
- company newspapers (“Echo Elektrowni” in the Połaniec Power Plant, “Bogdanka”, “Information Package of MEC Piła Employees”, “Info Express” in ENEA Operator sp. z o.o.),
- mailing (to selected groups or to all employees),
- screens, noticeboards, leaflets and posters,
- radio station.

We encourage employees to submit questions about employee matters as well as comments, reservations and ideas. The tools promoting dialog in the Group include, among others:

- meetings and videoconference calls,
- discussions between employees and their direct superiors,
- questionnaire surveys (e.g. evaluation of satisfaction with various areas: IT, HR, procurement, etc.; evaluation of individual activities undertaken by companies),
- satisfaction surveys,
- Pomysłodajnia mailbox, inicjatywy@enea.pl initiatives (used by employees to send in their work improvement ideas),
- “HR write to us” mailbox HRnapiszdonas@enea.pl (used by employees to send in questions about labor issues; responses are published in the Employee Zone),
- Mam Pomysł (I Have an Idea!) platform available on the ENEA Group intranet.

In 2020, for epidemic reasons, face-to-face meetings were replaced with remote communication to the maximum extent possible. Moreover, every Friday, the PR and Communication Department of ENEA S.A. sent out to the company’s employees information about the current epidemic situation within the Group.

Satisfaction surveys

ENEA Group companies conduct, with varying frequency, surveys of employee opinions on different topics. In 2018, the first satisfaction survey was conducted with an identical scope and at the exact same time, covering most of the Group’s companies, covering elements of assessment of immediate superiors and other issues. The survey will be repeated in the future. The time between the surveys will be devoted to the implementation of improvement measures.

In 2020, a work engagement and satisfaction survey was conducted at the Białystok CHP Plant Division of ENEA Ciepło among the employees of the Laboratory Department. An opinion poll was also conducted at ENEA Innowacje on the work of the Organization and Management Department.

Impact of Employees on the functioning of the Group

We take strategic decisions in consultation with the trade unions. The management boards of ENEA Group companies are engaged in continuous dialog with them.

In 2019, a social contract was signed, which among others set out the rules of stabilization of employment. Additionally, in response to postulates of trade unions in respect to salary growth, annual salary negotiations are conducted. Social stakeholders actively cooperate with employers in amendments to internal labor regulations.

Lubelski Węgiel “Bogdanka” S.A. has appointed a Committee on Amendments to the Internal Collective Bargaining Agreement, through which it conducts the process of the employer’s continuous negotiations with trade unions. In other companies, task forces are appointed when the bargaining agreements need amending.

ENEA Group employees influence the operation of their companies and the Group also by electing their representatives to supervisory boards (of most of the Group companies³⁸) and through the possibility of electing employee representatives to employee councils (currently in ENEA Elektrownia Połaniec S.A.).

³⁸In ENEA S.A. and ENEA Wytwarzanie Sp. z o.o., this right is derived directly from the Act on Commercialization and Certain Employee Rights.

Trade unions operating in key companies and in companies with the largest headcounts in the ENEA Group

ENEA S.A.

- Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENEA S.A.
- Inter-Company Power Engineering Trade Union of ENEA Wytwarzanie sp. z o.o.
- Inter-Company Trade Union of ENEA Group Employees
- “Synergia” Inter-Company Trade Union of ENEA Group Employees
- NSZZ “Solidarność” Inter-Company Organization of ENEA

ENEA Operator

- Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENEA S.A.
- Inter-Company Power Engineering Trade Union, Company Trade Union Organization in ENEA Operator sp. z o.o.
- Inter-Company Trade Union of ENEA Group Employees
- Inter-Company Trade Union of Continuous Operation Employees of the ENEA S.A. Group
- “Synergia” Inter-Company Trade Union of ENEA Group Employees
- NSZZ “Solidarność” Inter-Company Organization of ENEA

ENEA Elektrownia Połaniec

- Energetyk” Inter-Company Trade Union Organization
- NSZZ “Solidarność” Inter-Company Trade Union of Employees of the Połaniec Power Plant and of Companies
- Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant
- Inter-Company Trade Union of Continuous Operation Employees
- Połaniec Power Plant Inter-Company Trade Union

ENEA Wytwarzanie

- NSZZ “Solidarność” Company Commission at ENEA Wytwarzanie
- Inter-Company Power Engineering Trade Union of ENEA Wytwarzanie sp. z o.o.
- Inter-Company Trade Union of Shift Workers of ENEA Wytwarzanie sp. z o.o.

ENEA Centrum

- NSZZ “Solidarność” Inter-Company Organization of ENEA
- Inter-Company Trade Union Organization of ENEA Ciepło sp. z o.o. with its registered office in Białystok at the National Union of Heat Sector Employees
- Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENEA S.A.
- Inter-Company Power Engineering Trade Union of ENEA Wytwarzanie sp. z o.o.
- Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant
- Inter-Company Trade Union of ENEA Group Employees
- Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant in Zawada
- “Synergia” Inter-Company Trade Union of ENEA Group Employees

Lubelski Węgiel „Bogdanka”

- NSZZ “Solidarność”
- Trade Union of Miners in Poland
- “Kadra” Trade Union
- “Przeróbka” Trade Union of Employees of Mechanical Coal Processing Plants in Poland

Occupational health and safety

103-1, 103-2, 103-3, 403-1

As regards occupational health and safety, the ENEA Group companies operate in accordance the applicable regulations while constantly adjusting its internal policies in this respect to the regulatory environment. They strive to eliminate accidents at work and occupational diseases and to raise awareness of occupational hazards among Employees (among others through training and knowledge contests), as well as to increase their responsibility and involvement in improving safety at work. They also introduce further ergonomic improvements (e.g. equipping workstations with footrests or wrist pads, replacing office chairs with ones with adjustable armrests).

We monitor new technical solutions affecting the OHS level, among others through annual participation of a designated employee in seminars and lectures organized during the Work Safety Expo. The state of occupational health and safety is continuously monitored and improved, which is guaranteed by the accepted policies, procedures and instructions. They require, among others, regular inspections of tools and equipment, ongoing monitoring of working conditions and observance of regulations by employees. Some units have social labor inspectors appointed in accordance with the *Rules and Regulations for appointing Social Labor Inspectors in the ENEA S.A. Group*, who inspect the OHS conditions on behalf of employees and put forward improvement proposals. Employee representatives also sit on OHS committees operating in some of the companies.

Examples of OHS documents in selected ENEA Group companies

ENEA S.A.

- *ENEA S.A.’s Work Rules and Regulations*
- OHS training programs for ENEA S.A.
- Occupational risk assessment
- Other instructions (instruction on occupational risk assessment and documentation; first aid instruction; fire safety instruction)

ENEA Operator

- Procedure for occupational risk assessment and documentation in ENEA Operator sp. z o.o.
- Fire safety procedure in ENEA Operator sp. z o.o.
- Procedure defining the principles of cooperation in OHS area between ENEA Operator sp. z o.o. and Contractors
- Periodic OHS training procedure in ENEA Operator sp. z o.o.
- Training procedure for live-line working in ENEA Operator sp. z o.o.
- Fall protection procedure for working at height in ENEA Operator sp. z o.o.
- Procedure for the organization of safe work with power generators in ENEA Operator sp. z o.o.
- Procedure for record-keeping and inspection of electrical insulation protective equipment and voltage indicating devices in ENEA Operator sp. z o.o.
- Document circulation procedure for specialist instructions on the fall protection and evacuation rules while working at height in ENEA Operator sp. z o.o.
- First Aid Procedure in ENEA Operator sp. z o.o.
- Premedical Rescue Organization Procedure in ENEA Operator Sp. z o.o.
- Rules and Regulations for Professional Preparation of New Energy Post Employees
- Instructions (Instruction on organization of safe work with power devices in ENEA Operator Sp. z o.o.; Instruction on organization of work installing and replacing balancing meters and communication modules in MV/LV transformer substations for the AMI project, operating instructions of power facilities and devices, job instructions)
- Other instructions (Standard equipment for Energy Posts and vehicles of Energy Posts teams; Methods and rules of fall protection for works at height in ENEA Operator sp. z o.o.; Notification to the National Labor Inspectorate/District Prosecutor's Office of a fatal, serious, collective accident; Notification of an accident; Standardization – safety tables and signs and rules of their use in ENEA Operator sp. z o.o.)

ENEA Elektrownia Połaniec

- Integrated Management System including the Occupational Health and Safety Management System
- *Instruction on Safe Work Organization in ENEA Elektrownia Połaniec S.A.*
- *Instruction on dealing with accidents and sudden illnesses and post-accident procedure*
- *Instruction on conducting and documenting OHS training sessions*
- *Instruction on the assignment of working clothes and footwear, personal protective equipment and cleaning products to employees*
- *Fire safety instruction in ENEA Elektrownia Połaniec S.A.*
- *Instruction on the tobacco smoking ban, including novel tobacco products and electronic cigarettes*
- *Occupational health and safety monitoring procedure*
- *Procedure to identify hazards, assess occupational risk and other risks for the OHS management system*

ENEA Wytwarzanie

- *Policy of the Integrated Quality, Environmental and OHS Management System*
- *Procedure OHS monitoring*
- *Procedure "Emergency preparedness and response at the Koronowo site"*
- *Procedure Hazard identification and occupational risk assessment*
- *Instructions (Instruction on the assessment of occupational risk at workplace; Instruction on the investigation of accidents at work, occupational diseases and potential occurrences; Instruction on the Safe Work Organization; job and OHS instructions, OHS instructions on the operation of devices)*

- *Work Rules and Regulations for ENEA Wytwarzanie sp. z o.o. Employees*
- *Policy against mobbing, discrimination and other unacceptable conduct in ENEA Wytwarzanie sp. z o.o.*
- *Ordinance on the employer's responsibility for OHS*
- Induction, on-the-job and regular training programs for employees
- *Rules and Regulations of Organizational Units of ENEA Wytwarzanie sp. z o.o*

Lubelski Węgiel „Bogdanka”

- *Strategy for the Work Safety Area*
- *Mine Safety Document*
- Procedures, rules, guidelines and instructions of the *Integrated Quality, Environmental and OHS Management System*
- *Work Rules and Regulations*
- Ordinance of the Management Board and the Mining Operations Manager

ENEA Serwis

- *Procedure for reporting accidents at work and accidents while traveling to or from work in ENEA Serwis sp. z o.o.*
- *Procedure for live-line working*
- Instructions (*Office/administrative job instruction; Electrical equipment installer job instruction; other job instructions*)

ENEA Oświetlenie

- *Work Rules and Regulations for ENEA Oświetlenie sp. z o.o. Employees*
- *Procedure for live-line working with power devices in ENEA Operator sp. z o.o.*
- OHS-related instructions (among others: *Instruction on the organization of safe work with power devices in ENEA Oświetlenie sp. z o.o.; Electrical equipment installer job instruction; Non-electrician job instruction; Instruction on the use of lines and road lighting devices in ENEA Oświetlenie sp. z o.o.; Electrical equipment installer job instruction on measurement of power devices of a portable measuring laboratory; instructions on marking of road lane works; OHS instruction on transport, unloading/loading, storage and assembly of lighting poles; OHS instruction on warehousing and storage of materials; OHS instruction on transport works; OHS instruction on the ladder use; OHS instruction on the use of a computer and a printer*)
- OHS instruction on the use of office equipment (e.g. binder machines, photocopiers) and OHS instruction on the use of other equipment (e.g. drills, circular saws for wood cutting, grinders)
- *Rules of operation of power devices in ENEA Operator sp. z o.o.*

OHS issues are also taken into consideration in internal collective bargaining agreements.

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Selected OHS activities taken by ENEA Group companies in 2020

At the Połaniec Power Plant, a recertification audit was conducted by TÜV NORD Polska Sp. z o.o. for compliance of the occupational health and safety management system with the PN-ISO 45001 standard. In connection with the amendment to the ordinance issued by the Minister of Health, as a result of which the list of carcinogenic agents or technological processes was extended, the company developed a program of organizational and technical steps aimed at reducing the exposure of its employees to dusts containing crystalline silica. Additionally, the campaign “We only engage in safe work” was continued to improve the work safety of contractors, with 5,480 people trained in 2020 and the occupational health and safety page on the company’s intranet updated.

In ENEA Połaniec Serwis, an update of the *Instruction on the Organization of Safe Work at ENEA Elektrownia Połaniec S.A.* was implemented, and safe modern equipment (including welding devices and electric tools) was purchased along with certified gear to protect employees against falling from a height.

The Białystok CHP Plant Division of ENEA Ciepło purchased radiotelephones for members of its emergency rescue group to improve the quality of communication during rescue operations.

ENEA Ciepło Serwis updated its *Instruction on fire safety for the “Zachód” Heat Plant in Białystok at ul. Starosielce 2/1, Document on explosion protection of buildings of the “Zachód” Heat Plant in Białystok at ul. Starosielce 2/1 and Occupational health and safety instruction for manual transport works.*

ENEA Logistyka invested in new cable rewinders, which improved not only the efficiency but also the comfort of work for employees of the company’s branches in Gorzów Wielkopolski and Zielona Góra. Moreover, the company made a decision to extend its mandatory periodic fire evacuation exercises in the Poznań head office with the participation of (state and voluntary) fire brigades and other services and companies specializing in fire prevention.

ENEA Oświetlenie improved its office working conditions, including by purchases of more ergonomic seats and upgrade of air conditioners. Moreover, the company replaced its fall protection equipment for working at heights and its shock protection equipment.

ENEA Operator conducted training sessions on the organizational rules of work with power equipment and installations based on amended occupational health and safety regulations in this area, supported with especially prepared self-study materials.

In ENEA Bioenergia, a recertification took place from the PN-N 18001:2004 standard to the PN-ISO 45001:2018 standard, which involved, among others, the requirement to update the *Book of the Occupational Health and Safety Management System and the Occupational Health and Safety Policy* along with the training program for internal auditors. Moreover, purchases were made of equipment intended to minimize selected risks (e.g. a limestone crusher and a set of machines for the crimping of high-pressure hydraulic hoses), a training course was held to improve the knowledge of occupational health and safety principles applicable to work at heights, better lighting was installed at selected biomass storage yards and the ergonomics of work for operators of biomass processing equipment was improved (purchases of new furniture, replacement of monitors).

Lubelski Węgiel “Bogdanka” established collaboration with the Medical University of Lublin on specialized first aid training for employees.

Łęczyńska Energetyka made numerous purchases of equipment to improve its occupational health and safety standards, including devices for safe work in wells and at heights as well as an anti-fatigue mat for the turnery.

403-9

Accidents at work in the ENEA Group

Number of fatalities		Number of all the reported accidents	
2019	2020	2019	2020

Employees	0	1	176	163
Subcontractors	2	0 ³⁹	129	95 ³⁹

³⁹No data available for employees of ENEA Serwis' subcontractors.

Structure of accidents in 2020

Employees



Subcontractors



In 2020, a fatal accident occurred at the Kozienice Power Plant. As a result of a fall from height, an employee died on the spot. A regulation was issued with post-accident recommendations and its provisions were subsequently implemented. Also, in connection with the accident, the National Labor Inspectorate carried out an inspection in the plant; the resulting order has been implemented.

Mitigating the impact of the COVID-19 epidemic on employees

On 4 March 2020, the first case of infection with a coronavirus causing COVID-19 was detected in Poland. In the first half of March 2020, the ENEA S.A. Management Board established a crisis management and coordination center for coordinating all activities aimed at protecting employees against a SARS-CoV-2 infection. At the level of distinct companies, local crisis centers have been established to monitor the epidemic situation, provide employees with personal protective equipment and implement safe work rules. The safe work rules category of activities includes, in particular, deployment, where possible, of remote work, and in other cases, rotation (planned so that groups of employees do not meet each other) and the establishment of limits on the number of employees permitted to be present in a room at the same time. Moreover, mandatory temperature measurements were taken before employees were permitted to enter the buildings, hand disinfectant dispensers were placed in passageways, common areas, toilets and at office workstations, and periodic disinfections of rooms or disinfections on an as-needed basis were performed. Direct contacts between employees and the quantity of face-to-face meetings were reduced to a minimum, with any unavoidable face-to-face meetings held using protective masks and maintaining a minimum distance between participants of 1.5 m. The vast majority of internal meetings and meetings with external counterparties were conducted

in the form of teleconferences or videoconferences using the Group's own software tools. Internal training courses were also conducted using the Group's own e-learning platform. At the same time, during the pandemic, the accessibility of remote training, webinars and industry meetings for employees, held on communication platforms or training platforms, was increased, in line with the rules ensuring the stability and security of the Group's information systems. All rules of conduct were written in the form of procedures and instructions (defining, for instance, the steps to take in the event of the outbreak of an epidemic in the work establishment), and were continuously adjusted in accordance with the guidelines issued by the Ministry of Health and the Chief Sanitary Inspectorate. Moreover, occupational risk assessments were updated to incorporate all risks related to the spread of SARS-CoV-2 virus.

Employees were regularly provided with key information on infection prevention methods in and outside the workplace. Via text messages and internal communication channels, including e-mails, posters and a separate tab on the intranet website, employees were continuously provided with information by the PR and Communication Department about the epidemic situation within the Group, decisions made by crisis centers and new guidelines issued by the government and sanitary inspection services. Employees were encouraged to ask questions about COVID-19 using a dedicated e-mail address.

Paweł Piwowarczyk
Head the ENEA S.A. Crisis and Coordination
Team, Director of the Risk Management
Department at ENEA S.A.

To minimize the impact of the epidemic on employees, we provided them with:

psychological support

- they had the opportunity to take advantage of gratuitous telephone consultations with specialists who helped them deal with problems related to isolation, etc.;

protective masks

- also for use outside the workplace;

education on disease prevention

- including through the ongoing prevention program of the ENEA Foundation called "Mission: Prevention", information cycles "Healthy Spine" (habits to reduce the adverse effects of prolonged sitting) and "Health begins in the head" (webinar and workshops on reducing stress, including through breathing exercises, and immune-boosting nutrition options).

Selected initiatives of the ENEA Foundation and companies

In the Group's companies, using all available communication channels (intranet, external screens, and, in ENEA Elektrownia Połaniec S.A., also an internal public announcement system), information campaigns were conducted to encourage employees to turn up for vaccinations against COVID-19 and to donate plasma by individuals who had been infected with the SARS-CoV-2 virus. An element of the campaign was a video and a series of publications prepared by the ENEA Foundation, which encouraged recovered patients to donate their plasma and contained information on how to prepare for such donation properly.

Employees of ENEA Wytwarzanie reporting COVID-19 symptoms were not allowed at their workstations and were immediately admitted to the company clinic.

At ENEA S.A., e-learning training courses were developed entitled "Health and safety rules during remote work for ENEA S.A. employees" and "Rules for a safe return to work".

ENEA Operator reorganized and broke down its technical services with a view not only to ensuring the continuity of the power grid management and the supply of electricity, but also to ensuring a maximum safety for employees. Persons hired by the Contact Center may render their work remotely.

At ENEA Centrum, new procedures for dealing with correspondence were introduced: incoming mail is subjected to a one-day quarantine, and then disposable gloves must be used for opening any letters.

Lubelski Węgiel “Bogdanka” introduced an additional ad-hoc bonus for disciplined behaviors in the field of COVID-19 prevention.

Health promotion programs

Many ENEA Group companies provide their employees with access to private medical services and health care not directly linked to the professional area, purchasing appropriate subscriptions for them. Employees usually receive a basic package allowing them to use a specific set of specialist consultations and prevention programs (tests, vaccinations). The employees may pay for an extension of this package and also for the medical care to cover their family members. Moreover, some companies offer the possibility of taking out a medicine insurance, including for family members.

ENEA Połaniec, ENEA Połaniec Serwis and ENEA Bioenergia pay for above-standard medical services provided to employees, their family members and retired employees, in the medical center located near the work establishment. Employees of those companies may also apply for the employer’s support in case of a severe or a long-lasting illness (e.g. for purchasing medicines or rehabilitation equipment, financing a surgery).

The Group companies and the ENEA Foundation organize regular prevention campaigns for Employees, which include advice, lectures or tests; however, due to the epidemic situation in 2020, the scope of these actions was reduced.

102-10, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

It covers the period from 1 January to 31 December 2020 and includes non-financial data of ENEA S.A. as the parent company and all subsidiaries covered in the *Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2020*. The document has been prepared by the Office for Relations with the Socio-Economic Environment, which forms part of the PR and Communication Department of ENEA S.A.

The data presented in the report have been developed based on the Core option of the (non-financial) Global Reporting Initiative (GRI) Standards. The publication has been prepared in accordance with the Ten Principles of GRI for defining report content (Materiality, Sustainability Context, Stakeholder Inclusiveness, Completeness) and for defining data quality (Balance, Reliability, Comparability, Accuracy, Timeliness, Clarity).

In the reporting period, no significant changes occurred in the Group's size, structure, form of ownership or value chain. Compared to the report for the previous year, no significant changes have been made to the scope, extent or methods of measurement and no previously published information has been corrected or amended. This report has not been subjected to a third-party review, but has been prepared in cooperation with an independent consulting company.

Non-financial reporting of the ENEA Group is carried out on an annual basis. The previous report was published on 12 August 2020 and is available at <https://raport2019.csr.enea.pl/>

Report content development process

The drafting of the Report was preceded by the assessment of materiality of individual aspects of ENEA Group's operations related to economic, environmental, social and market topics. It was conducted on the basis of anonymous web surveys for the Group's external stakeholders and management. The results of these surveys as well the analysis of trends in non-financial reporting in the energy industry have been the basis for identifying important aspects of reporting.

Material aspects of reporting

- ECONOMIC
 - Impact on the Polish economy
 - Contribution to services for the society, improvement of the infrastructure, improvement of the local market
- SOCIAL
 - Headcount, number of new employees, employee turnover, employee benefits
 - Occupational health and safety
 - Diversity and equal opportunities in access to jobs, including management positions
 - Limitation of potential instances of discrimination
 - Jobs, traineeships and apprenticeships created for the youth
 - Preventing the negative influence of the company on local communities
 - Employee initiatives and volunteerism
- MARKET
 - Customer satisfaction
 - Confidentiality in relations with customers, measures preventing loss of data
- ENVIRONMENTAL
 - Sustainability strategy and activities

- Energy consumption in the company and methods of reducing it; activities promoting energy efficiency
- Raw materials and supplies used by the company, recycling and reuse
- Water withdrawal and consumption, reuse, information on wastewater discharged
- Quantity of wastewater, waste produced and spillages as well as hazardous waste created in the production process.
- Emissions and reduction methods
- Production of electricity from renewable sources
- Risks and opportunities resulting from climate change
- Impact of operations on biodiversity and landscape
- Compliance with environmental regulations, prevention of abuse, non-compliance with environmental laws and regulations
- Amount of capital expenditures in the environmental protection area
- Supplier environmental assessment

Profile indicators

Organization profile

GRI 102-1	Name of the organization
GRI 102-2	Activities, brands, products, and services
GRI 102-3	Location of headquarters
GRI 102-4	Location of operations
GRI 102-5	Ownership and legal form
GRI 102-6	Markets served
GRI 102-7	Scale of operations
GRI 102-8	Information about Employees and other persons providing work for the organization
GRI 102-9	Supply chain
GRI 102-10	Significant changes in the reporting period regarding size, structure, ownership form or value chain
GRI 102-11	Precautionary Principle or approach
GRI 102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses
GRI 102-13	Memberships of associations

Strategy

GRI 102-14	Statement from senior decision-maker
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Ethics

GRI 102-16 Values, principles, code of ethics, status standards and standards of behaviour

Management

GRI 102-18 Organizational supervisory structure with committees under the highest supervisory body Management

Stakeholder management

GRI 102-40 List of stakeholder groups engaged by the organization

GRI 102-41 Employees covered by collective bargaining agreements

GRI 102-42 The basis for identifying and selecting stakeholders with whom to engage by the organization

GRI 102-43 The organization's approach to stakeholder engagement

GRI 102-44 Key topics and concerns raised by stakeholders

Reports

GRI 102-45 Entities included in the report

GRI 102-46 Process of defining report content

GRI 102-47 Material topics identified in the process for defining report content

GRI 102-48 Changes and corrections in relation to the previous report

GRI 102-49 Significant changes from previous reporting periods

GRI 102-50 Reporting period

GRI 102-51	Date of most recent report
GRI 102-52	Reporting cycle
GRI 102-53	Contact person
GRI 102-54	Claims of reporting in accordance with the GRI Standards
GRI 102-55	GRI content index
GRI 102-56	Policy and current practice in external verification of the report

Economic topics

Economic performance

GRI 201-1	Direct economic value generated and distributed
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Impact on the Polish economy

GRI 103-1	Explanation of the topics identified as significant
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GRI 103-2	The management approach and its components
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GRI 103-3	Evaluation of management approach
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GRI 203-2	Significant indirect economic impacts
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Contribution to services for the society, improvement of the infrastructure, improvement of the local market

GRI 103-1	Explanation of the topics identified as significant
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GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 203-1 Infrastructure investments and services supported

Custom index 1 Number of Energy Consumption Points, i.e. the number of Clients Rotation Segment

Custom index 2 Installed production capacity

Activities undertaken to eliminate instances of corruption

GRI 205-3 Confirmed incidents of corruption and actions taken

Environmental topics

Sustainable development strategy and activities

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

Custom index 7 List of key investments that reduce the scale of the organization's impact on the environment

Energy consumption in the company and methods of reducing it; activities promoting energy efficiency

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 302-1 Energy consumption in the organization

Custom index 8 Key actions are implemented to reduce energy consumption and energy efficiency

Raw materials and supplies used by the company, recycling and reuse

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 301-1 Raw materials by weight or volume

Water uptake and consumption, reuse, information on wastewater

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 303-3 Total water consumption by source

Quantity of wastewater, waste produced and spillages as well as hazardous waste created in the production process

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 306-2 Total waste weight by type of waste and methods of waste management

Emissions and reduction methods

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 305-1 Direct GHG emissions (Scope 1)

GRI 305-4 GHG emissions intensity

GRI 305-5 Reduction of GHG emissions

GRI 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Custom index 25 List of key investments that affect the reduction of emissions

Sector EU index 5 Allocation of CO₂ emissions allowances

Production of electricity from renewable sources

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 The management approach and its components

Custom
index 24 Production of energy from renewable source

Risks and opportunities resulting from climate changes

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 201-2 Financial implications and other risks and opportunities due to climate change

Impact of operations on biodiversity and landscape

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

GRI 304-3 Habitats protected or restored

Compliance with environmental regulations, prevention of abuse, non-compliance with environmental laws and regulations

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 307-1 The amount of significant penalties and non-financial sanctions for non-compliance with laws and regulations regarding environmental protection

Amount of capital expenditures in the environmental protection area

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

Custom index 22 Total amount for investments in the area of environment

Supplier environmental assessment

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 308-1 New suppliers that were screened using environmental criteria

Social topics

Headcount, number of new Employees, employee turnover, employee benefits

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 401-1 New Employees and departures

GRI 401-2 Benefits provided to full-time Employees

Occupational health and safety

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 403-1 Occupational health and safety management system

GRI 403-6 Promotion of worker health

GRI 403-9 Work-related injuries

Custom index 14 Examples of actions and solutions to increase safety in the workplace and Employee education in this area

Diversity and equal opportunities in access to jobs, including positions in the management board

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 405-1 Diversity of governance bodies and employees

Non-discrimination

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 406-1 Incidents of discrimination and corrective actions taken

Workplace, traineeships and apprenticeships created for the youth

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

Custom index
29 List of schools and universities with which the company cooperates in the field of vocational training

Preventing the negative impact of the company on local communities

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

GRI 413-2 Operations with significant actual and potential negative impacts on local communities

Sponsorship and charitable activity

Custom index 28 The total amount allocated by the ENEA Group to support local communities in the fight against COVID-19

Custom index 16 Total amount earmarked by ENEA Capital Group for all social involvement activities

Custom index 21 Charity initiatives supporting society

Employee initiatives and volunteering

GRI 103-1 Explanation of the topics identified as significant

GRI 103-2 The management approach and its components

GRI 103-3 Evaluation of management approach

Custom index 17 Number of Employees involved in Employee volunteering projects

Custom index 18 Number of beneficiaries of Employee volunteering activities

Custom index 19 Total number of hours allocated by Employees for Employee volunteering

Market topics

Customer satisfaction

GRI 103-1	Explanation of the topics identified as significant
GRI 103-2	The management approach and its components
GRI 103-3	Evaluation of management approach
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling
Custom index 11	New channels of communication with Customers
Custom index 12	Level of Customer satisfaction – examples of surveys of Customers and their results
Custom index 13	Main activities for Customer satisfaction and ensuring continuity of service provision
Custom index 23	Total amount spent on investments in the area of energy efficiency and energy security
Sector EU index 28	SAIFI – frequency of power off
Sector EU index 29	SAIDI – average duration of power off

Confidentiality in relations with Customers, measures preventing loss of data

GRI 103-1	Explanation of the topics identified as significant
GRI 103-2	The management approach and its components
GRI 103-3	Evaluation of management approach

GRI 418-1

Substantiated complaints concerning breaches of Customer privacy and losses of Customer data

Custom index 10

Actions implemented to ensure the security of personal data of Customers

Customer health and safety

GRI 416-2

Incidents of non-compliance concerning the health and safety impacts of products and services

Dictionary

BAT (Best Available Techniques) – A document drawing conclusions on best available techniques for the installations concerned and indicating the emission levels associated with the best available techniques.

Blockchain – A decentralized platform with a dispersed network infrastructure used to account for transactions, payments or accounting entries. Advantages of this technology include, among others, safety, which is ensured by the application of cryptographic algorithms, resilience to failures and transparency of transactions, while maintaining anonymity of users. The list of possible applications includes, among others, cryptocurrencies, the Internet of Things, exchange transactions without intermediaries and institutions, land and mortgage registers without notaries and mortgage courts, electricity trading between prosumers and buyers without intermediaries, accounting ledgers.

CDS (Clean dark spread) – Difference between revenue from sales of electricity produced and the variable costs related to production of that electricity (unit CO₂ cost and unit cost of coal including transportation).

Circular economy – An economic system, which aims to minimize the consumption of raw materials, production of waste, emissions and loss of energy, and in which waste from some processes is used as inputs in others.

CO₂ – Carbon dioxide.

Combined heat and power generation – A technological process of simultaneous generation of electricity and useful thermal energy in a CHP plant.

Compliance – Assurance of compliance of the organization's activities with the applicable law and internal regulations.

CSR (Corporate Social Responsibility) – Responsibility of an organization for the impact exerted by its decisions and actions on society and the environment; it is ensured by transparent and ethical conduct, which:

- contributes to sustainable development, including wellbeing and health of the society,
- takes stakeholder expectations into account,
- complies with the applicable law and consistent with international standards of conduct,
- is integrated with the organization's activities and is practiced in its relations.

EBITDA – Earnings before deduction of interest on liabilities, taxes, depreciation of property, plant and equipment and amortization of intangible assets.

Employee Council – Employee representation body established by the Act of 7 April 2006 on Informing Employees and Consultations with Them (Journal of Laws 2006 No. 79 Item 550). Employee Council should be established in employers who conduct business activity and have at least 50 employees. This obligation does not apply among others to

employers subject to the provisions of the Act who had signed, by 24 May 2006, an agreement with employee representatives ensuring the degree of information and consultation at least equal to the conditions required by the act.

EUA – (EU Emission Allowance) – Emission allowance under the European Emissions Trading System.

FDIR – Fault Detection, Isolation, Restoration, a system enabling automatic detection of faults, isolation of the damage site and restoration of power supply.

FGD – Flue gas desulfurization and heavy metal reduction installation.

Forward market – Electricity market where forward products are quoted.

GPZ – Main Supply Point.

GWh – Gigawatt hour.

HCl – Hydrogen chloride.

HF – Hydrogen fluoride.

Hg – Mercury.

Hortitherapy – Therapeutic method based on the use of gardens in the treatment of patients.

HR – Human resources.

HV – A high-voltage grid with phase-to-phase voltage of 110 kV, used for long-distance transmission of electricity.

IED – Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 concerning industrial emissions. It tightens the standards for emissions of sulfur dioxide, nitrogen oxides and dust from combustion plants.

Internal Collective Bargaining Agreement – An agreement between an employer and the company trade union organization defining the mutual rights and obligations of the parties to the employment relationship, including in particular the terms of work conditions and wages.

Internet of Things – A concept according to which various items, such as household appliances, lighting and heating products, may directly or indirectly collect, process or exchange data via a power installation or a computer network. The purpose of this concept is to create smart cities, transport, products, buildings, power supply systems, health systems or daily life systems.

LV – A low-voltage network supplying electricity to individual users.

Mg – Megagram, or a ton.

Mobbing – Bullying, persistent harassment and intimidation, psychological violence against a subordinate or co-worker in the workplace.

MV – A medium-voltage grid with phase-to-phase voltage ranging from 1 kV to 60 kV, used for medium-distance transmission and distribution of electricity.

MWh – Megawatthour (1 GWh = 1,000 MWh).

NH₃ – Ammonia.

NO_x – Nitrogen oxides.

PKZP – Employee Loan and Benefit Fund.

Prosumer – Person who generates electricity from renewable energy sources for own needs using a micro-installation, capable of storing energy and transferring surplus energy to the power grid.

RES – Renewable Energy Sources.

SAIDI – System Average Interruption Duration Index – indicator of the average system duration of a long and very long break in the supply of electricity (expressed in minutes per Customer).

SAIFI – System Average Interruption Frequency Index – indicator of the average system frequency of long interruptions in energy supply (expressed in the number of breaks per Customer).

Scope 1 – Direct CO₂ emissions resulting from fuel combustion in stationary or mobile sources owned by an organization or under its control, emissions resulting from manufacturing or processing or fugitive emissions of coolants.

Scope 2 – Electricity indirect CO₂ emissions resulting from the generation of consumed electricity, heat, processing steam and cooling, purchased or supplied from outside.

Scope 3 – Other indirect CO₂ emissions created in the company's entire value chain, e.g. in the production of raw materials, semi-finished products, management of waste, transportation of raw materials and products, business trips of Employees or the use of products by final users.

SCR (Selective Catalytic Reduction) – An installation for catalytic denitrification of exhaust gases. It operates based on the principle of reduction of nitrogen oxides to atmospheric nitrogen on the surface of a catalyst, using substances containing ammonia.

Skills-based volunteering – A form of voluntary and unpaid work for the public, in which volunteers share their knowledge, experiences and skills associated with their professional specialization.

Smart Grid – Smart electrical grids, which feature communication between all the participants on the energy market, in order to supply energy services at lower costs, enhance efficiency and integrate dispersed energy sources, including renewable energy sources.

SO₂ – Sulfur dioxide.

Social labor inspection – Social service provided by Employees to ensure that the company ensures safe and healthy working conditions and to protect employee rights specified in labor law. Social labor inspectors cooperate with the National Labor Inspectorate and other authorities overseeing and inspecting working conditions. The principal scope of their activity is defined in the Social Labor Inspection Act of 24 June 1983 (Journal of Laws 2015, Item 567).

Stakeholder – A person or group of persons interested in decisions or activities of an organization. A stakeholder is anyone who influences an organization and anyone influenced by it.

Supply chain – A sequence of actions or parties supplying products or services to an organization.

Sustainable development – Development that meets the needs of the present without compromising the ability of future generations to meet their own needs and considers the expectations of the surrounding communities and societal, environmental and economic challenges. It enables permanent increase of the value of an organization and rational management of resources.

Transmission easement – Limited right in property allowing for the use of devices for transmitting energy, substances etc.

TWh – Terawatt hour.

Upcycling – Form of processing of raw materials resulting in obtaining higher-value products..

Whistleblower – A person who exposes activities that are deemed likely to be illegal or unethical.