EP **Infrastructure**

Sustainability Report

Year 2020 in review

ADJUSTED EBITDA
€ 1.5 billion

CO_2 EMISSIONS REDUCTION
8 %

REVENUES
€ 3.2 billion*

ELECTRICITY FROM RENEWABLE SOURCES
205 GWh

GROUP CASH CONVERSION RATIO
69 %

HEAT FROM RENEWABLES
173 GWh

ADJUSTED FREE CASH FLOW
€ 1.0 billion

IMPROVED WATER EFFICIENCY
49 %

PAID IN INCOME TAXES
€ 382 million*

TOTAL EPH FOUNDATION CONTRIBUTION
€ 1.3 million

* This data has received limited assurance from the independent auditing firm KPMG.

Report contents

1 Foreword

EPIF's Value chain (10)

EPIF's Decarbonisation strategy (12)

EPIF's choice in natural gas (16)

2 About this Report

Changes in reporting (22)

Reporting period and information (23)

Our stakeholders (25)

Materiality matrix (26)

Sustainable Development Goals (28)

3 EPIF and its Business

Timeline (32)

Our geographical presence (34)

Business segments overview (35)

Operational efficiency and economic performance (38)

4 Environment

Reduction of emissions (50)

Mitigation of environmental impact (60)

5 Governance

Corporate governance structure (78)

Key people (82)

Fair conduct (86)

Supply chain management (92)

Risk and crisis management (94)

6 Social

Health & safety (102)

Employment and employee development (108)

Customer relationship management (112)

Development of communities and social action (118)

7 Assurance

8 Annex

Abbreviations (134)

List of graphs, tables and figures (136)

Methodology note (138)

GRI Content Index (142)

Foreword

1 **Foreword**

EPIF’s Value chain

EPIF’s Decarbonisation strategy

EPIF’s choice in natural gas

2 **About this Report**

3 **EPIF and its Business**

4 **Environment**

5 **Governance**

6 **Social**

7 **Assurance**

8 **Annex**

1

Dear Stakeholders,

It is my great pleasure to introduce to you the third Sustainability Report of EP Infrastructure, a.s. ("EPIF"), which covers the 2020 calendar year. EPIF's mission is to provide essential infrastructure for the energy transition and at the same time deliver energy infrastructure services and commodities, both vitally needed to our customers and businesses in regions where we operate. We provide the energies in a very responsible way and efficiently, so they remain affordable. In everything we do we apply the strictest criteria of responsibility along the following four dimensions: quality and security of supply, social aspects, regional aspects, and environmental protection. In April 2021, our sustainability efforts translated into formal ESG targets, affirming our commitment to gradual decarbonization of our operations and active role in the energy transition. We aim to achieve carbon neutrality by 2040 and reinforced this long-term goal with several medium-term targets – (I) to reduce CO_2 emissions by 60% from our existing heating plants by 2030, (II) to abandon coal as a primary source of generation by 2030 and (III) to become a frontrunner in the transition to a hydrogen economy, while already implementing projects guiding our assets to accomplishment of these objectives.

With decarbonization efforts, new technologies, and the transformation of energy systems, the security of supply, social and regional aspects, and environmental protection are becoming ever more important. Our role is to participate actively and contribute to energy transformation while carefully balancing the above-mentioned dimensions of responsibility. The energy assets we operate are often vitally important not only in their energy supply role but also socially and regionally. Hence, in decarbonization, we strive to seek real solutions – not merely offloading (as sometimes conveniently done), but truly decommissioning the most carbon-intensive sources while investing and actively converting our plants to low-carbon sources.

Even though the cornerstone of EPIF operations is centered around midstream and downstream infrastructure assets with marginal carbon footprint (these segments contributed 91% of Adjusted EBITDA, but only produced 6% of EPIF's total CO_2 emissions), we are fully conscious of the carbon footprint of our heating plants and have laid down a clear transition roadmap setting us on path to substantial reduction of CO_2 emissions by 2030 when we expect to abandon coal as a primary source of energy generation. However, we strongly believe that the energy transition is about much more than abatement of current emissions. We aim to fully deploy our existing gas infrastructure for a potential transport, storage, and distribution of green gases such as hydrogen and have already commenced projects to assess readiness of our assets.

In 2020, we realized or commenced projects at all our heating plants which will ensure we are on the right track to fulfil our long-term decarbonization goals, while ensuring continuity of affordable supplies to end consumers. The key investment projects included

In everything we do we apply the strictest criteria of responsibility along the following four dimensions: quality and security of supply, social aspects, regional aspects, and environmental protection.

a replacement of the major cogeneration steam turbine in the heating plant in Opatovice nad Labem, increasing the production efficiency and reducing the emission intensity, and a reconstruction of the main heat feeding line to Litvínov. Our energy mix in the following years will be shaped by our current investments in refurbishments of existing boilers to enable partial or full biomass combustion, specifically in our heating plants in Plzeň and Komořany where the projects already commenced. This will complement the already existing biomass unit and a waste incinerator plant operated by Plzeňská teplárenská. By gradual transition towards fuels with lower carbon footprint such as biomass, communal waste, or natural gas, we aim to actively contribute to the ongoing energy transition and decarbonization in Europe.

We also believe that a vital link for a successful energy transition are adequate capacities to store and transport the energy produced by intermittent renewable generation sources once these are deployed on a large scale. Should green gases such as hydrogen be the dominant technology to provide this missing link, we are convinced that our gas transmission, distribution, and storage assets are very well positioned to accommodate the excess energy. Therefore, we have embarked on several projects along our entire gas infrastructure to assess its compatibility with hydrogen. In the medium term, our assets will continue to play a critical role in transit, storage, and distribution of natural gas which we view as the key bridging fuel enabling to accelerate reduction of CO_2 emissions without jeopardizing power grid stability and security of supplies. Within development projects focusing on the enhancement of energy security we substantially increased gas transmission capacities from the Czech Republic to Slovakia after the CS05 compressor station was launched in January 2020. Further, we are working on the expansion of our network and on the construction of an interconnection to Poland which is scheduled to commence its operation in early 2022.

As a key player in the Central European energy infrastructure and power generation, we recognized the need to formalize our ESG efforts in a comprehensive set of policies to affirm our commitment to sustainability. In March 2020, we approved our new ESG policies applicable for all EPIF subsidiaries, addressing primarily the environmental impacts, health and safety area and our procurement practices. In April 2021, these were updated and complemented by an additional set of policies, covering our asset integrity management, cybersecurity, workforce diversity, whistleblowing, or biodiversity. Our continuous efforts to improve our ESG performance were reflected in the debut ESG rating from S&P Global Ratings Europe Limited in April 2020, where we scored 65 out of 100 points. Our ongoing interactions with rating agencies help us further improve our disclosure to satisfy growing needs of all stakeholders.

Throughout 2020 and still at the time of writing this report, our society has been challenged by an unprecedented pandemic with profound effects on economy, business, and our way of living. I am glad that we navigated through this crisis without any interruptions in supplies of basic commodities and we confirmed our role of a reliable operator of critical energy infrastructure. Furthermore, we had a chance to substantially participate in a large-scale humanitarian aid providing vital medical supplies to hospitals and healthcare facilities, municipalities, and others in need especially in Slovakia and the Czech Republic.

To conclude, I would like to express my honest thanks to our employees, investors and partners who have been participating in the realisation of our strategy and cooperating with us, thus supporting us to ensure a safe and reliable operation of the energy infrastructure at affordable prices, while being a leading player in true, socially acceptable decarbonization.

Sincerely,

Daniel Křetínský

chairman of the board of directors

Powering Europe's ambition **towards a sustainable future**

We **empower communities** all over Europe by safely transmitting and storing natural gas, as well as by generating and distributing affordable heat and electricity

Consolidated sales

€ 3,195 million*

We show **transparency and commitment** to our customers when faced with unplanned outages, unpredictable natural phenomena or international crises.

households supplied

2,446 thousand

It is our responsibility to offer the **best working conditions** for our employees and to **minimise our impact on the environment**.

total number of employees

6,428 (FTEs)

* This data has received limited assurance from the independent auditing firm KPMG.

Laying a pathway to Energy Transition and Affordable Energy

Natural gas for Europe

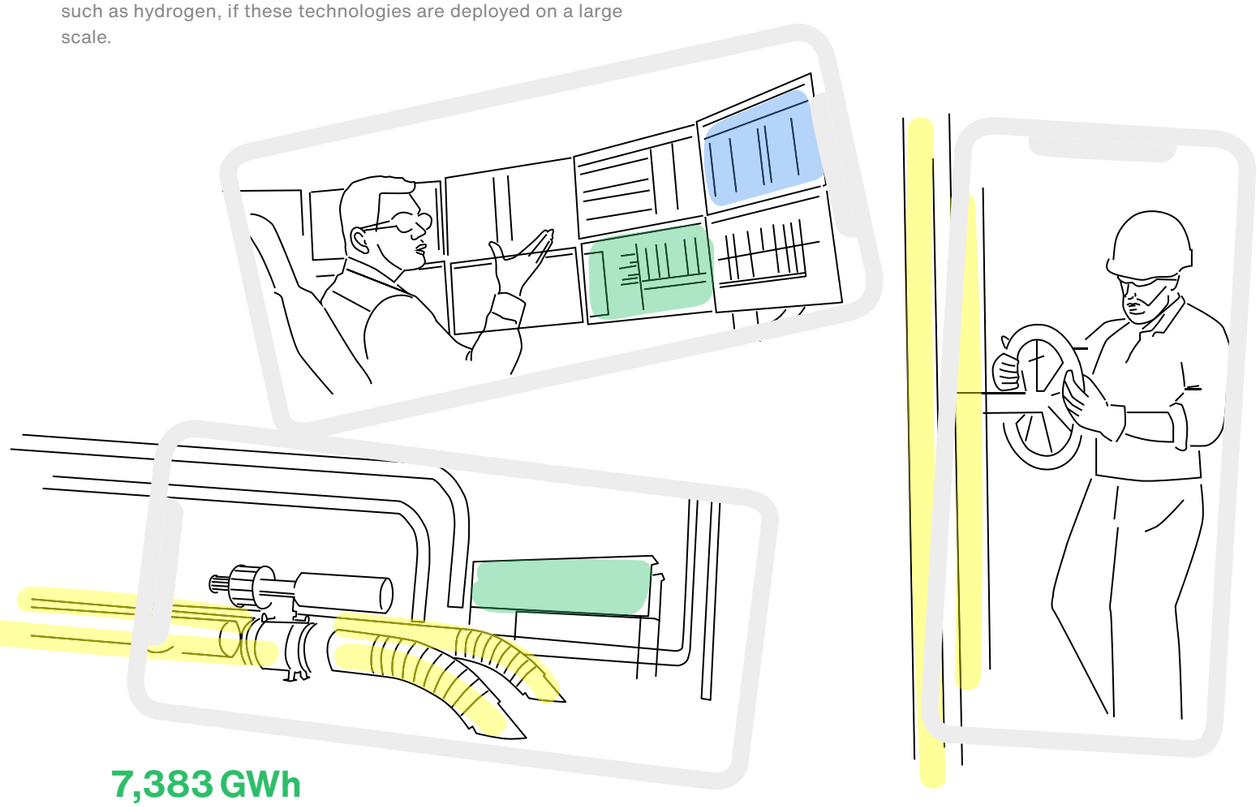
With a steady increase in demand, but a decrease in domestic production, the eustream corridor plays a crucial role in supplying the west, center and south of Europe with natural gas. As coal and nuclear sources are gradually phased out, meeting the basic needs of developed societies will require natural gas, without it, this task becomes virtually impossible. Our infrastructure is very well positioned to secure potential transit and storage of green gases such as hydrogen, if these technologies are deployed on a large scale.

57.0 bcm
Gas transmitted

2.3 ths km
Natural gas corridor length

61.6 TWh
Gas storage capacity

53.9 TWh
Gas distributed



7,383 GWh
Total energy production

968 MWe
Installed capacity in electricity

3,085 MWth
Thermal capacity of boilers

Securing supplies

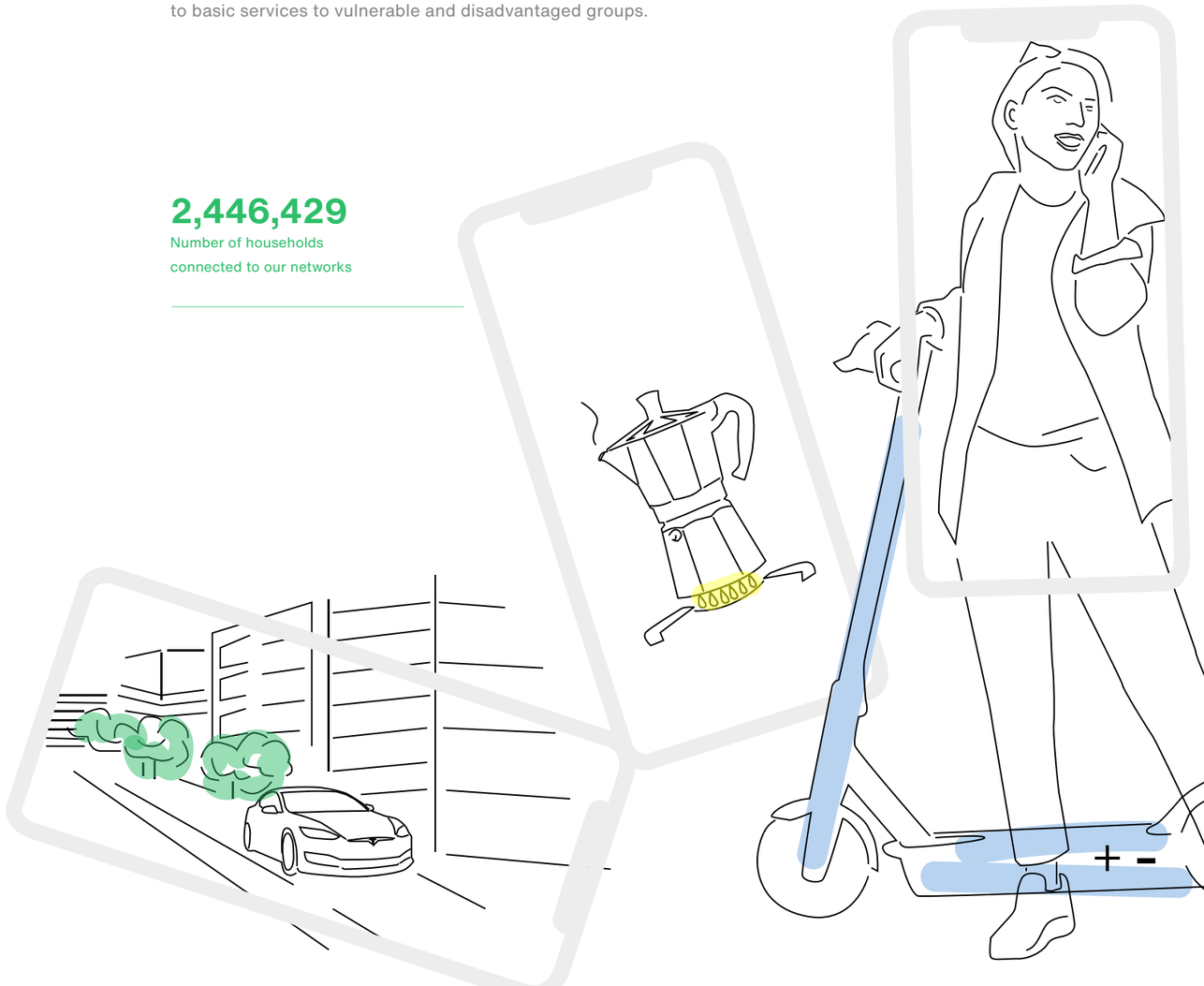
In today's climate of both social and political changes, having failsafe mechanisms in place is more important than ever before. We enhance the energy security of Central Europe by operating its most extensive, modern underground gas storage facilities. We operate alternative side pipelines to minimize interruptions in supply.

Figure 1: Value chain infographic

Powering households

Essential physiological needs and access to basic services are non-negotiable foundations of any thriving society. We provide households and institutions with reliable gas, electricity and heat deliveries while minimising our environmental impact through cogeneration. It is our legal and moral obligation to provide access to basic services to vulnerable and disadvantaged groups.

2,446,429
Number of households connected to our networks



6,428
Number of employees

30 registered / **0** fatal
Number of H&S incidents

11 million
Hours worked by our employees

It's our employees, who create the value

Over the past 10 years, we have been offering stable conditions for our professionals in five countries. We keep their health and safety as well as their personal and career development at the forefront. We fully appreciate our mutual dependencies — as our employees rely on EPIF's future sustainable development, no innovation is possible without their top talent.

EPIF's ESG Targets and Decarbonisation strategy

In 2021, the EPIF Group announced its ESG targets aimed at reinforcing its ongoing decarbonisation efforts. EPIF acknowledges the serious threat posed by climate change and is ready to play a major role in the energy transition, while ensuring continuity and affordability of supplies of basic commodities. EPIF aims to achieve carbon neutrality by 2040, going beyond the official 2050 EU carbon-neutrality objective. This long-term goal is further supported by following medium-term and more specific targets

carbon neutrality
by 2040

Reduce CO_2 Emissions by 60% from existing generating plants by 2030

We have created a clear and resilient transition roadmap for our assets, thereby guiding our generating plants to a 60% reduction in CO_2 emissions compared to our 2020 levels[1]. The roadmap is illustrated on the following page.

Become a European frontrunner in the transition to a Hydrogen Future

EPIF believes that storage of energy in the form of green gases represents an important link to accelerate deployment of intermittent renewable power sources. Therefore, EPIF Group has embarked on several projects to ensure that its midstream and downstream infrastructure is ready for large-scale transit, distribution and storage of hydrogen.

Zero Coal as a primary source of generation by 2030

Our existing and predominantly lignite-fired heating plants will be converted to a balanced mix of gas and biomass units by 2028/2029, and will be potentially complemented by waste incinerator plants. Although no official coal phase-out date has been announced by the Czech government, we strive to accelerate the transition and complete conversions of all our assets several years ahead of the coal exit deadline currently contemplated to be set at 2033 or 2038.

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

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

1 Emissions from entities disposed of in 2020 are excluded from the calculation of 2020 emissions, which serve as a benchmark level for our reduction target.

Decarbonisation roadmap

In our decarbonisation efforts, we strive to seek real solutions. **Our aim is not to merely offload our emissions, but to truly decommission our most carbon intensive sources, while investing and actively converting our plants to low carbon or renewable sources.** We have created a roadmap, serving as a basis for conversion of our heating plants which are vital suppliers of heat and major providers of grid-balancing services.[2]

Short-term actions

Disposal of BERT with CCGT technology in December 2020
We achieved absolute reduction of our carbon footprint from Q4 2020, while a temporary increase in emission intensity is expected.

Refurbishment of existing lignite boiler at United Energy
The boiler will combust 100% biomass, with its expected commissioning in the summer 2021.

Shutdown of 2 out of 6 lignite units at Elektrárny Opatovice

Refurbishment of a boiler at Plzeňská teplárenská
We are increasing the share of biomass co-combusted (along with lignite) in one of the main boilers up to 80% (commissioning in summer 2021).

Medium-term actions

Gradual replacement of 4 remaining lignite units at Elektrárny Opatovice
We plan to install 4 CCGT units (**4×75 MWe**) between 2025 and 2028.

Gradual replacement of lignite units at Plzeňská teplárenská
We plan to install 2 CCGT units (**2×75 MWe**) at facility "Teplárna" between 2026–2030, complementing the biomass unit and the waste incinerator plant already in place. At facility "Energetika", one CCGT unit (**1×75 MWe**) is planned to be installed around 2029.

Replacement of remaining lignite fired units at United Energy
We plan to install a medium CCGT unit (**75 MWe**), complementing the biomass boiler, which will be in operation from summer 2021.

Waste incinerator plants
We contemplate developing waste incinerator plants (**11 MWe**) at EOP and UE (discussions with local authorities are currently held, commissioning expected around 2030).

Figure 2: Decarbonisation strategy infographic

2 Projections of future development of emissions and emission intensity are only indicative and are based solely on management estimates in respect of refurbishments of individual plants. This forward-looking information is subject to future management decisions, market development as well as numerous risks and uncertainties.

EPIF's choice in natural gas

As we continue to commit our Group to lowering its emissions, we have found that natural gas is an excellent energy source for helping us achieve our mid-term emission reduction goals. By relying more on natural gas and potentially on green gases, such as hydrogen, we can help transform the European Energy System.
EPIF Group has commenced several projects along its entire value chain to ensure that its infrastructure is ready for large-scale transit, distribution and storage of hydrogen.

At EPIF, we have focused on several programmes and initiatives that we believe will bring long-term and transformational solutions to the energy system, as highlighted below. Our aim is to focus on initiatives that will complement green energy sources, while ensuring energy accessibility and security.

Storage innovations: Hydrogen pilot projects

EPIF entities are constantly seeking innovations that could further help the Group achieve its decarbonisation goals and support the energy transition efforts in Europe. We believe that adequate energy storage capacities are a vital prerequisite for mass deployment of intermittent electricity generation sources, such as solar and wind. Power to gas technology enables the conversion of electricity to hydrogen, which can be subsequently stored for longer periods of time and used for power production when needed.

NAFTA has already participated in several projects focused on storage innovations. Because of its experience in this field, NAFTA has been able to commence internal projects focused on assessing the impact of various concentrations of hydrogen on gas storage facilities. NAFTA is working on the assessment of hydrogen impact (2% vol.) on its infrastructure (reservoirs, wells and surface technology).

Near future challenges:

Identifying suitable locations for hydrogen storage in Slovakia.

NAFTA is a partner in the H2-Infrastructure (H2-I) project, which is a joint project with Eustream, SPP-D and NAFTA, who have all applied for IPCEI (Important Project of Common European Interest) status.

NAFTA's focus on the project is divided into 3 main phases:

Phase 1	Phase 2	Phase 3
Selecting suitable reservoirs for storing hydrogen in Slovakia. This will be based on laboratory research of core samples. Additionally, the maximum allowable hydrogen concentration will be defined.	Building, designing and operating plant technology.	Evaluating project result.

The project is scheduled to start in 2022 and finish in 2029; however, this is also dependent on support at national and EU level.

Our role:

Leverage our long-term experience in the traditional gas storage business segment through NAFTA, and position ourselves as a leader in the storage of renewable energy.

Case Study

Ensuring energy supply stability through EPIF's gas storage facilities

New legislation in Germany (within the frame of the „Energiewende") intends to **phase-out nuclear (until 2022) and coal fired power plants (until 2038)**, currently representing cca 1/5 of the total installed electricity generation capacity[3].

Near future challenges

1. Significant reduction of nuclear and coal fired power plants will lead to an increase of both the volume of consumed gas, and its volatility on the electricity and gas markets. This will drive demand for additional services to balance out this network.
2. The share of renewables (mainly photovoltaics and wind) will increase in the primary energy mix, meaning that there will be a significant increase in the share of intermittent sources of energy.

Our role: Securing supplies

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

3 https://www.bundesnetzagentur.de/EN/Areas/Energy/Companies/SecurityOfSupply/GeneratingCapacity/PowerPlantList/PubliPowerPlantList_node.html;jsessionid=F76838E8AF8C940FC6D8E8498761D1F7

Case Study

H2PILOT project of SPP-D: Natural gas – hydrogen blend

As eustream and other gas transmission operators in Europe take actions to accommodate hydrogen in their pipelines, it is essential for downstream network operators to assess and adapt their infrastructure as well. SPP-D is in a position to significantly contribute to the reduction of our society's environmental footprint by combining natural gas with hydrogen, bio-methane or synthetic gas.

Based on own tests performed by SPP-D and numerous studies and trials carried out abroad, SPP-D believes that the transported gas can contain up to 20% hydrogen without having to make major modifications to the existing gas grid. Blending 20% of hydrogen into the natural gas stream will eventually reduce the carbon footprint of consumption by 7%, given the lower calorific value of hydrogen.

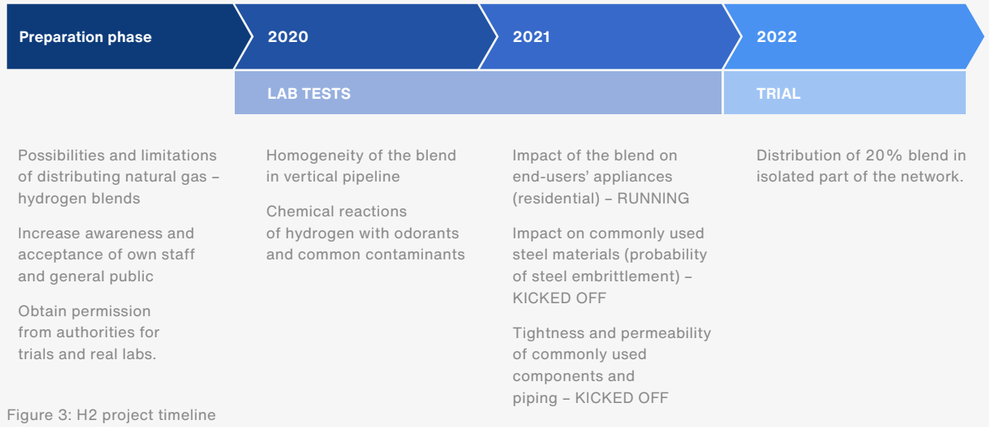


Figure 3: H2 project timeline

Near future challenges

1. Due to lower calorific value of hydrogen compared to natural gas, the energy amount will vary depending on the share of hydrogen blended into natural gas. It is likely that the level of hydrogen will not be stable over time and that it will fluctuate within the set range, ca 0–20%.
2. There is a need for online monitoring of gas quality, requiring sensor measuring of actual pressure and flow--rate, including online data from entry and exit points.

Our role:

Future research project, working title: **GasQualityTracking**. The aim is to setup a functioning system for continuous monitoring of gas quality with volatile portion of blended hydrogen.

About this report

This is the third annual Sustainability Report published by EPIF where environmental, social and governance aspects of our operations are highlighted and addressed. The aim of this Report is to respond to the expectations of our stakeholders and to provide information on our commitment to sustainability, especially as our operations continue to grow.

Data and case studies from our operations can also be found in the Sustainability Reports of our parent company, EP Holding, who have annually been reporting since 2015. However, this Report allows EPIF to provide further detail on the information regarding our business strategy, operations, and commitments, while following Global Reporting Initiative standards, GRI, and incorporating EPIF alignment with the United Nations Sustainable Development Goals, SDGs, and the 2030 Agenda.

1 Foreword

2 About this Report

Changes in reporting

Reporting period and information

Our stakeholders

Materiality matrix

Sustainable Development Goals

3 EPIF and its Business

4 Environment

5 Governance

6 Social

7 Assurance

8 Annex

2

Changes in reporting

At EPIF, we are committed to continually improving the public communication of our Group's business activities and performance.

Last year, our reporting strategy was to ensure that all relevant information was included in the body of our Report. After thorough analyses, we determined that this strategy made key information hard to find, and ultimately created a long narrative for our readers.

This year, we have taken a different approach to creating our Report. As you read through it, you will find that the majority of our supporting data can now be found in the Annex. This allows for a condensed, yet still informative read. Additionally, we have incorporated more infographics and relevant case studies, as we believe this further adds to the ease of read and information comprehensibility.

Overall, our reporting process this year had a greater emphasis on the identification and mapping of material topics. This was important in ensuring that all stakeholder concerns and EPIF impacts were considered, and respectively reflected in our Report. Additionally, we heavily focused on the visualisation of our Report, so as to create a more inviting read. Further information regarding our reporting process can be found in the graphic below.

Our reporting process

Figure 4: Reporting process infographic

Reporting period and information

EPIF reports on operational data and information that has been collected throughout the 2020 calendar year (same as the fiscal year). Comparative analyses are completed using data from previous calendar years.

Financial and non-financial information is presented within this Report. The information acquired follows the logic of IFRS consolidated financial statements. Therefore, a company acquired on June 30th will be included in the financial performance data that is presented in the period from July 1st to December 31st.

The Report content includes all our operations in the Czech Republic, Slovakia, Hungary[4], and Germany. For more information on our countries of operation and legal entities, please refer to the EPIF and its Business of this Report.

We plan to issue our next Sustainability Report for 2021 in 2022.

Restatements of information

- Gas distributed and gas storage capacities have been recalculated to TWh historically.
- Scope 2 emissions reported by EP Energy Trading in 2019 were restated from 40 kt of CO_2-eq. to 33 tonnes of CO_2-eq.
- Water withdrawn and discharged at Plzeňská teplárenská in 2018–2019 was restated to exclude the water resold as drinking water to its customers (i.e. not consumed by Plzeňská teplárenská in the technological process).
- Gas consumption of eustream for 2019 was restated to also include gas consumed during trials and also gas lost through network leakages.
- Waste intensity calculation: As waste is primarily generated by SPP-D, SSD, NAFTA which are non-generating companies, there is a not a strong link between waste production and energy generation. Therefore, we decided to exclude the non-generating companies from the calculation of waste intensity and we also added another KPI for waste intensity per revenues to Output tables in the Annex.

4 Our operating entities in Hungary were disposed on 2 December 2020.

Reporting standards

This Report has been prepared in accordance with the GRI Standards[5]: Core option. It was created with **GRI's principles for content and quality** in mind. Further information regarding our materiality and stakeholder engagement approach can be found in the following sections of this chapter and the Annex.

Principles for report content

	Stakeholder inclusiveness	Sustainability context	Materiality	Completeness
EPIF Group approach	Mapping stakeholders at a local and global level. Assessing stakeholder relevance and engagement. Analysing stakeholder concerns and expectations.	Analysing sustainability frameworks at a global, European and country level. Studying trends in the utility and energy sector, and benchmarking with peers and competitors. Defining future risks and challenges at a local and global level.	Identifying material topics and defining the approach to creating our materiality matrix. Analysing the material topics at all major entities in the scope of our operations.	Conducting a detailed analysis of the data provided by all major entities under management control. Including information on newly acquired companies

Principles for report quality

	Balance	Comparability & Accuracy	Timeliness	Clarity & Reliability
EPIF Group approach	Identifying the strengths and weaknesses of our operations based on 2020 assessments and aspiring long term goals.	For the majority of indicators, identifying 2016–2020 trends. As well as providing comments on changes made to the scope of the report and any further restatements. Conducting an internal quantitative analysis of identified material topics.	Issuing the 2020 Sustainability Report around the same time as the 2020 Annual Report.	Consulting entities that closely interact with stakeholders on the accuracy of data that is, and should be, collected. Engaging with external assurance providers.

Figure 5: GRI principles for report content and quality

5 GRI Standards 2016 edition.

Our stakeholders

Hand in hand with our subsidiaries, across different businesses and geographies, we consider open and transparent stakeholder dialogue to be an important part of our business activities.

EPIF's strategy to maintaining strong and effective relationships with our stakeholders is to manage the majority of our cooperation at a local level. This not only allows for greater insight into the particular interests of our stakeholders, but it also allows us to address issues in a timely manner. Overall, we actively engage with our stakeholders at a local and global level, thereby ensuring that we communicate with stakeholders that are interested in the operations of our subsidiaries and parent Group, EPH, respectively.

Because stakeholder groups can be interested in different sets of sustainability issues, EPIF is committed to continuously monitoring their stakeholders throughout the year. This ensures that we fully understand and effectively address the concerns of our stakeholders.

In 2020, EPIF was not involved in any major media cases or controversies.

Further information regarding our stakeholders and monitoring approach can be found in section 'Stakeholder engagement' of the Annex

Our key stakeholders and their expectations

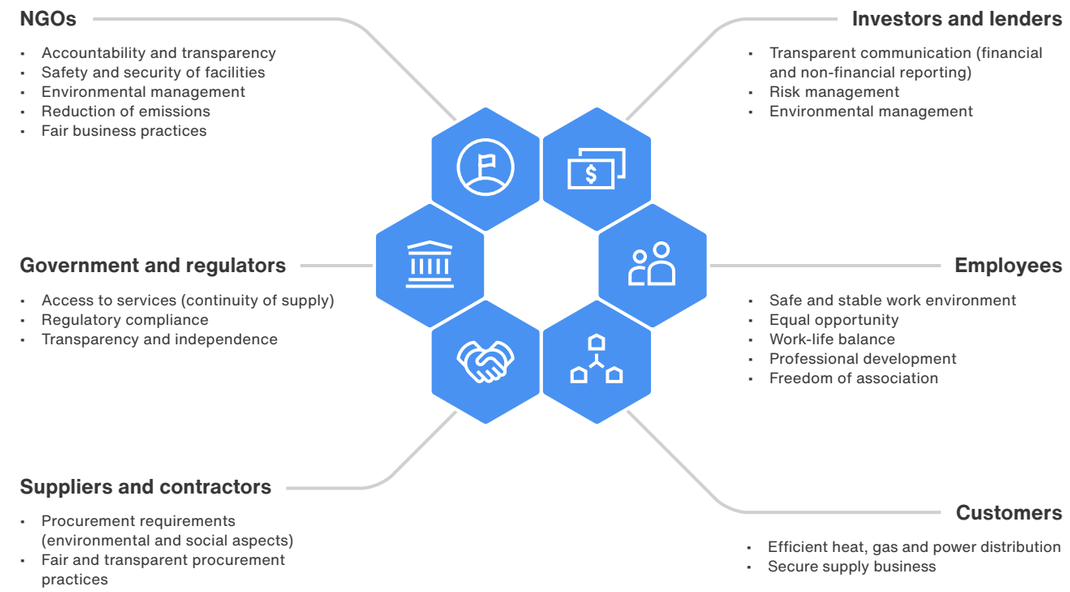


Figure 6: Key stakeholders infographic

Materiality matrix

In 2020, we updated our Materiality matrix so that it considered EPIF's impact on people, the economy and environment, along with the expectations of our stakeholders. The finalised list of material items provided the framework for the content of this Report.

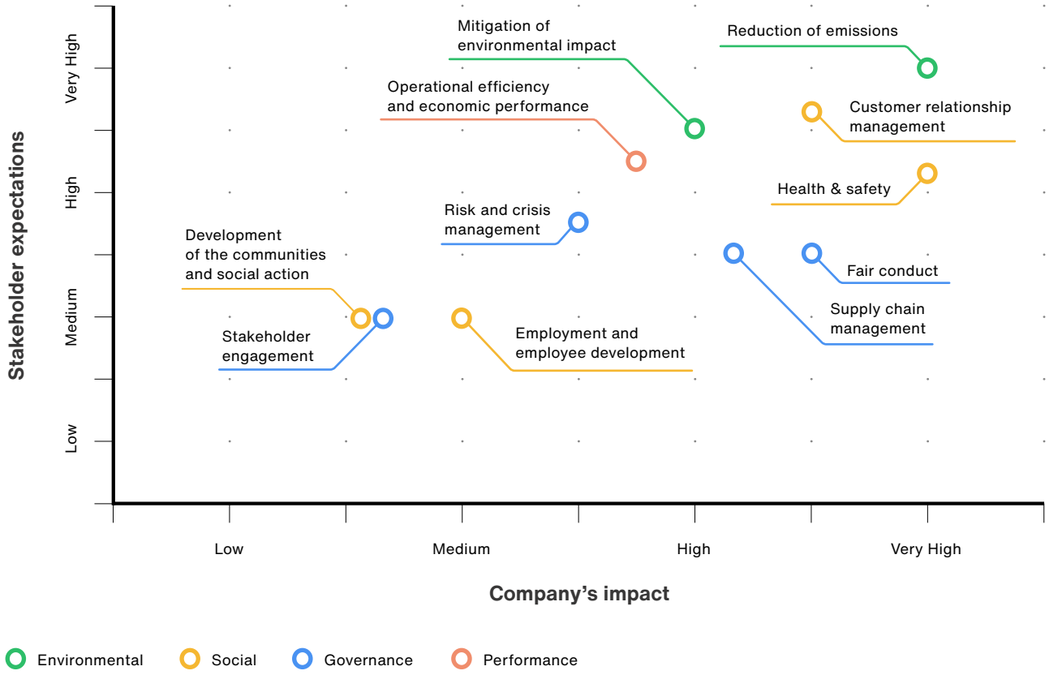


Figure 7: Materiality matrix

Notes on the Materiality matrix

EPIF identified eleven topics that we consider to be material, from both the perspective of the Group's impacts and influence on stakeholders' decisions. Within these topics, there are various material aspects under the GRI Standards that have formed both the quantitative and qualitative basis of this Report.

The horizontal axis demonstrates the significance of EPIF's economic, environmental and social impacts. EPIF conducted a deep analysis of the external and internal factors at a global, European and country level. We also studied trends in the utility and energy sector, and benchmarked our performance with peers and competitors. In addition, we identified future risks and challenges, as further discussed in the section EPIF and its business.

The vertical axis represents the influence of the topics on stakeholder assessments and decision-making. EPIF mapped its stakeholders and updated the assessment of their relevance. Results of this process were analysed, and stakeholders' concerns and expectations were translated into the vertical axis of the matrix.

In the process of updating this year's Report, the topics of economic performance and operational efficiency were merged due to their interrelation. At the same time, the importance of particular topics has been increased in reaction to growing expectations of our stakeholders.

Sustainable Development Goals

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

To fully support our commitment with the 2030 Agenda, we continue to work towards achieving our Decarbonisation Strategy goals and aim to reduce our CO_2 emissions substantially by 2030 compared with 2020 levels.

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

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

SUSTAINABLE DEVELOPMENT GOALS

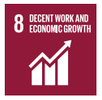
SDGs of high relevance

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

EPIF actively promotes the transition towards a new energy model, one that is more sustainable and inclusive for the energy and utilities sector. Around 91% of EPIF's Adjusted EBITDA is derived from gas transmission, gas and power distribution, and gas storage activities, which are immaterial emitters of GHG emissions (more details provided in the Environmental section of this Report). In the heat infrastructure segment, EPIF puts significant efforts into accelerating our transition to less emission--intensive sources of energy (e.g. biomass, communal waste and natural gas).

Ensure sustainable consumption and production patterns

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



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

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

Take urgent action to combat climate change and its impacts

At EPIF, we are strongly committed to focusing our efforts on climate action. This, for example, is evident in our gradual shift towards a lower emission-intensive energy mix and our aim to reach carbon neutrality by 2040. We are also committed to continuously gathering data and pursuing strategic approaches that would allow us to mitigate the impacts of climate change.

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

One of EPIF's major societal contributions is its operation of reliable, safe, and high-quality energy infrastructure. Notably, EPIF continues to be a key driver of innovation for sustainable industrialisation among its competitors. Our recent efforts include increased digitalisation of activities and services, and enhanced transparency.

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

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

EPIF and its Business

EPIF is a leading European energy infrastructure and utility Group with a large and diverse infrastructure asset base. Our business focus has mainly been on gas transmission, gas and power distribution, heat infrastructure, and gas storage, with principal operations in the Czech Republic and Slovakia. Measured by EBITDA, EPIF is among the largest industrial groups based in the Czech Republic.

EPIF has grown through the acquisition of entities in different countries. Because every entity has its own standards, we have worked hard to align sustainability policies and processes across our Group. This has been challenging, but at EPIF, we understand the value of this commitment to the future of our business.

1 Foreword

2 About this Report

3 EPIF and its Business

Timeline

Our geographical presence

Business segments overview

Operational efficiency and economic performance

4 Environment

5 Governance

6 Social

7 Assurance

8 Annex

3

EPIF timeline

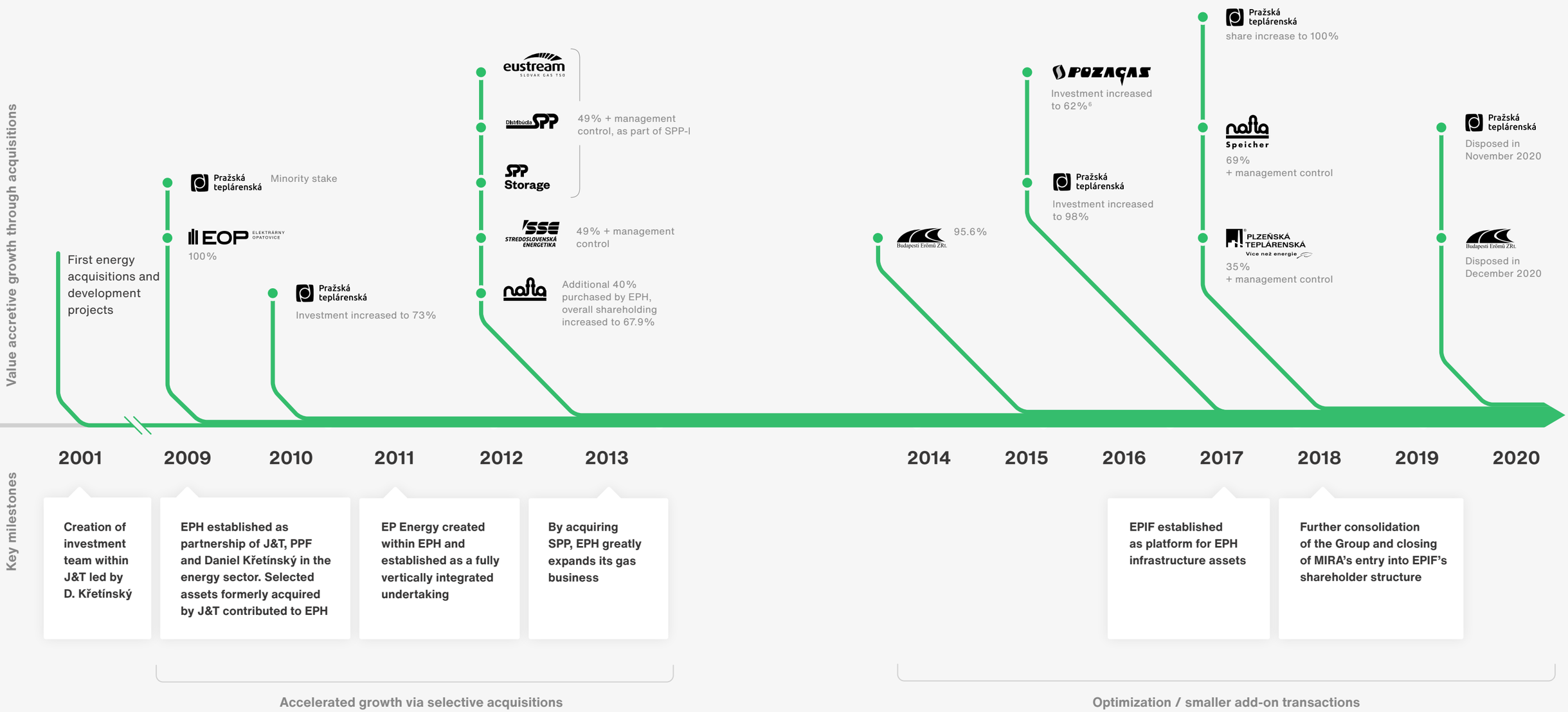
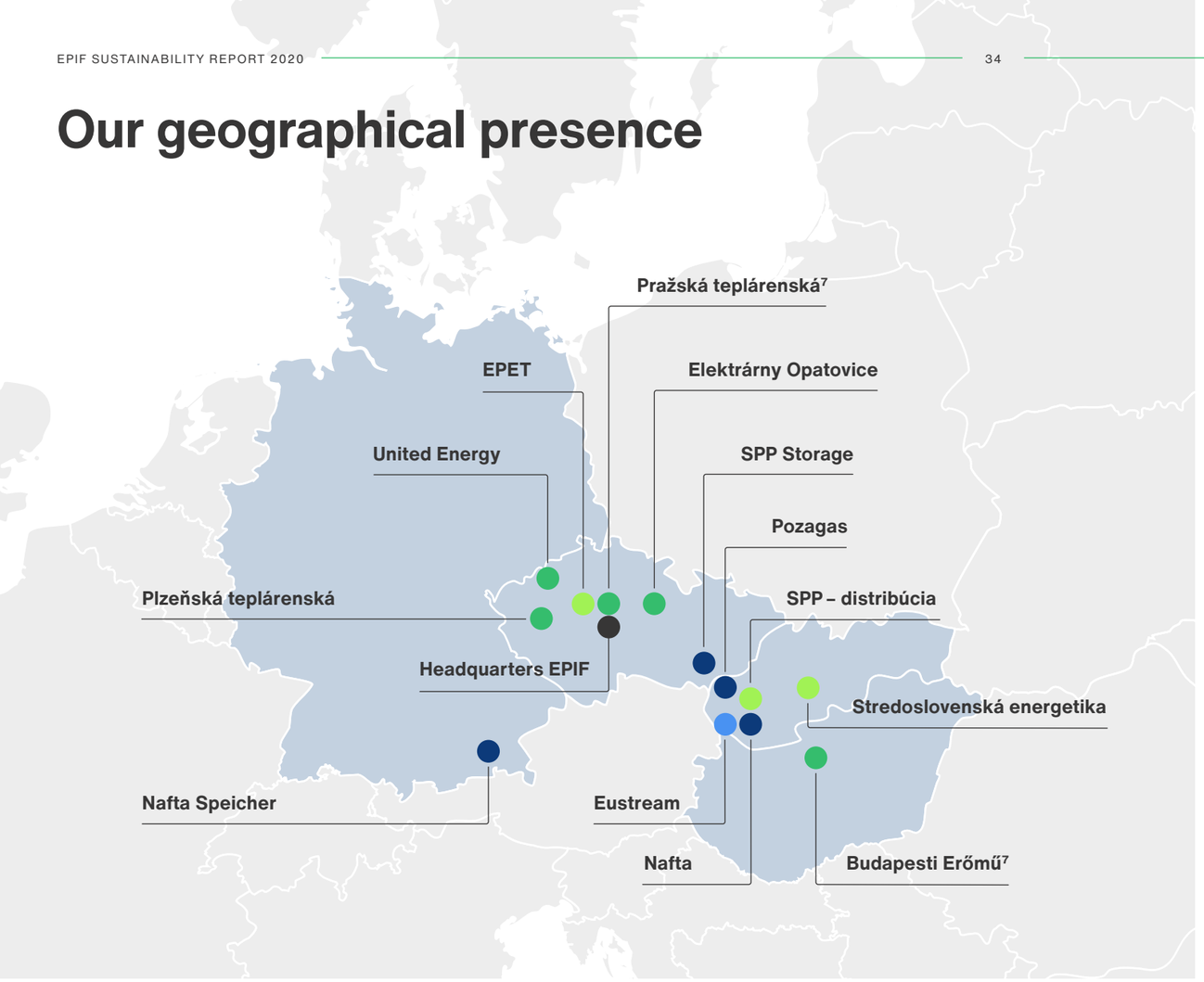
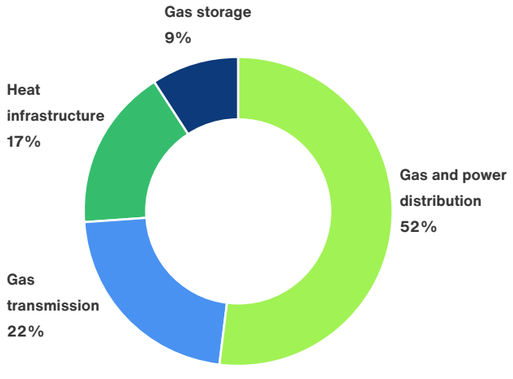


Figure 8: EPIF growth

6 EPIF's effective shareholding.

Our geographical presence





€ 3.2 bn*
Total revenues in 2020

Figure 9: Our geographical presence

7 Note that PT and BERT were disposed of in November and December of 2020 respectively.
* This data has received limited assurance from the independent auditing firm KPMG.

Gas Transmission

Gas & Power Distribution

Gas Storage

Heat Infrastructure

Business segments overview

Gas Transmission

Overview

This business segment is operated through eustream, which is the owner and operator of one of the major European gas pipelines and is the only gas transmission system operator in Slovakia. The transmission network of eustream is part of the Central Corridor, which is one of the largest and most important piped gas import routes in Europe.

Highlights

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

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

Companies

Gas & Power Distribution

Overview

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

Highlights

We focus on traditional distribution services that reflect modern trends.

Our subsidiaries are industry leaders:

1. SSE is the second largest regional electricity distribution company in Slovakia.
2. SPP-D is the leader in Slovak natural gas distribution.
3. EPET is an important supplier of electricity, natural gas, and related services in the Czech Republic and Slovakia.

Companies

Heat Infrastructure

Overview

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

Highlights

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

1. Notably, we are the largest heat and power producer in Western Bohemia of the Czech Republic.

We keep prices affordable for all our customers.

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

Companies

Budapesti Erőmű ZRt.[8]

PLZEŇSKÁ TEPLÁRENSKÁ[8] Více než energie

Pražská teplárenská

UNITED ENERGY

EOP ELEKTRÁRNY OPATOVICE

EP Cargo

EP Sourcing

Gas Storage

Overview

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

Highlights

We operate the largest gas storage capacities in Central Europe.

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

Our subsidiaries are industry leaders:

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

Companies

nafta

nafta Speicher

SPP Storage

POZAGAS

Renewables

Overview

This business segment primarily consists of generating electricity from renewable sources; the Group operates solar, wind and biogas plants. Additionally, Stredoslovenská Energetika (SSE) and Plzeňská teplárenská conduct further activities in this business segment. SSE owns and operates hydropower plants, solar power plants, and holds a majority interest in a wind farm located in the Czech Republic. Plzeňská teplárenská uses biomass as a key fuel for heat and power generation, gradually replacing lignite.

Highlights

Our subsidiaries are industry leaders:

1. VTE Pchery operates a wind power facility that has the highest unit capacity in the Czech Republic.
2. Alternative Energy uses the latest technology in energy exploitation of biodegradable waste.

Companies

VTE Pchery

Triskata

Powersun

Alternative Energy

Arisun

8 Note that PT and BERT were disposed of in November and December of 2020 respectively.

Operational efficiency and economic performance

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

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

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

Our contribution to the SDGs:

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

Business performance

Our 2020 operational results proved that EPIF continues to be an industry leader. The reliability of our Group's performance has allowed us to continue to steadily grow our business through our customers.

Distribution and transmission

We continue to increase the efficiency of our distribution networks through continued monitoring, renovating and reconstructing. This, for example, reduces the amount of leaks in of our gas distribution network and ensures a high level of security.

Generation assets

Our plants primarily operate under a highly efficient cogeneration mode, which allows us to simultaneously generate heat and electricity. Additionally, we continue to focus on shift towards less emission intensive fuels in our conventional power and heat production, as we strive to become less dependent on lignite.

Pipeline protection and safety management

We operate our pipelines, and other parts of our transmission and distribution systems, with the highest degree of due diligence and operational excellency; it is imperative to our business. This is accomplished through technical and third party risk assessments that include, for example, network maintenance and monitoring.

Notably, since 2012, the key indicators measuring network reliability (SAIDI, SAIFI) in the power distribution segment of our business have been well below the requirements of regulators. In the gas distribution segment of our business, we have implemented predictive maintenance processes to help identify the most at risk spots in our network, thereby allowing us to appropriately allocate maintenance.

Renewable energy

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

2020 Highlights

€86 mil

In 2020, the total capital expenditures in our Gas and Power Distribution services exceeded EUR 86 million.

-9%

In 2020, we decreased our energy fuel consumption by 9% compared to last year.

40 MWe

EPIF's installed capacity in renewable power sources increased from 26 MWe in 2015 to 40 MWe in 2020, which is an increase of 52%.

11%

While EPIF's net power and heat production decreased in 2020, our production from renewable energy sources increased by 11% and 2% for power and heat respectively from last year.

13%

2020, EPIF consumed 13% more biomass within its operations compared to last year.

EPIF's 2020 Business performance

Adjusted EBITDA are earnings before interest, taxes, depreciation and amortisation. It is an important indicator to track because not only does it provide information on our operational profitability, but unlike revenues, standardised EBITDA can also allow for greater data analysis amongst our peers and competitors.

In 2020, EPIF recorded total Adjusted EBITDA and revenues at EUR 1,526 and 3,195 million[9] respectively, which are further broken down in the charts below. Overall, EPIF saw a limited change in its total Adjusted EBITDA compared to last year, with a 5% decrease.

It should be noted that the EBITDA and revenue charts depicted do not include holding entities and intersegment-eliminations, but rather focus on our main areas of business: gas transmission, gas and power distribution, gas storage, and heat infrastructure.

2020 Income taxes paid country share [EUR million]

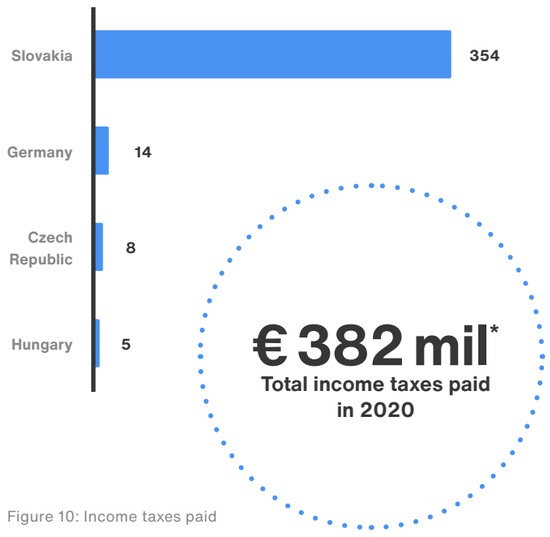
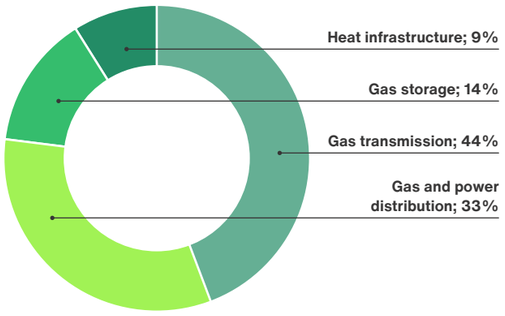


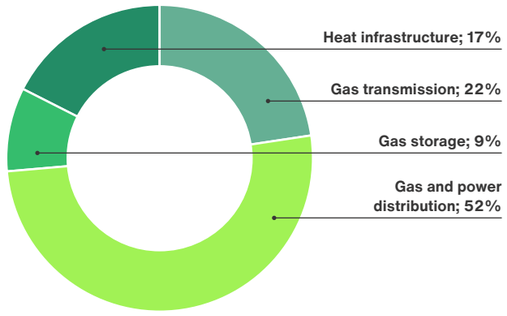
Figure 10: Income taxes paid

2020 Adjusted EBITDA: business segment share



€ 1,526 mil
Total 2020 Adj. EBITDA

2020 Revenues: business segment share



€ 3,195 mil*
Total 2020 revenues

Graph 1: EPIF's 2020 business results

9 Amounts after IC eliminations. When calculating indicators, we use Adjusted EBITDA without considering intercompany transactions.
* This data has received limited assurance from the independent auditing firm KPMG.

Distribution and transmission: Closer look

In 2015 to 2020, gas transmission, and gas and power distribution saw average volumes of 61.1 bcm, 51.6 TWh and 6.1 TWh respectively. Overall, these averages did not significantly deviate from last year, which indicates a steady demand for these segments of our Group's business. Compared to last year, we experienced the greatest change in the volume of gas transmission, with a decrease of 17%. This change was the result of front-loading volumes at the end of 2019, which would have normally occurred in the beginning of 2020. This change in operational activity was caused by the preparation of gas shippers for a potential Russian – Ukrainian crisis, which ultimately did not materialise, as a new gas transit agreement was signed between respective parties in December 2019.

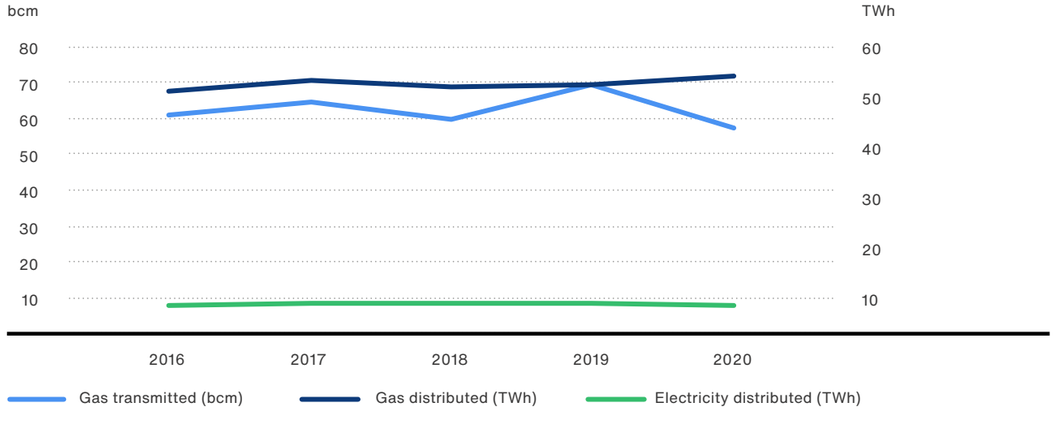
Electricity distribution losses

As one of the key electricity distributors in Slovakia, through our subsidiary Stredoslovenská distribučná ("SSD"), the EPIF Group is conscious of the indirect environmental impact of technical losses caused by network inefficiencies, as these need to be covered by additional electricity generation. SSD purchases electricity to cover losses from renewable generation sources, while ensuring that they are aligned with Slovak legislation. Furthermore, SSD launched several initiatives to reduce their technical losses. As an example, they identified existing inefficient transformers and replaced them with modern transformers or installed smart metering systems to enable better voltage management. As a result, their combined average loss rate saw a reduction from 6.1% in 2016 to 5.6% in 2020.

SSD		2015	2016	2017	2018	2019	2020
ELECTRICITY INFLOWS	GWh	7,820	7,951	7,935	7,751	7,758	7,542
LOSSES	GWh	456	482	429	425	414	421
LOSSES IN %	%	5.8%	6.1%	5.4%	5.5%	5.3%	5.6%

Table 1: Distribution losses

Distribution and transmission



Graph 2: Distribution and transmission

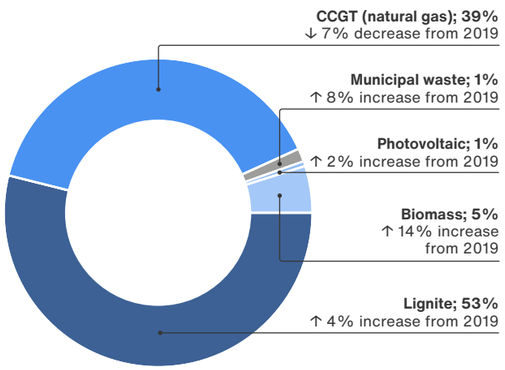
Generation assets:
Closer look

Production

In 2020, EPIF experienced an insignificant decrease in its net power and heat production, with heat generation seeing the largest decrease of 5% compared to last year. As a result, EPIF did not see significant changes in its power and heat production from lignite and natural gas, with an increase of 4% and a decrease of 7% in the power production of lignite and natural gas respectively, and a decrease of 3% and 12% in the heat production of lignite and natural gas respectively. Overall, our production and energy mix saw no real change, with a slight increase in share of generation from lignite due to the disposal of BERT in December 2020, which ultimately reduces our overall carbon footprint moving forward. We find it important to highlight our production from these specific sources, as the Group aims to move away from the use of lignite and towards less emission intensive sources.

With regards to our renewable energy sources, EPIF experienced an increase this year in its power and heat production from almost every source, with biomass seeing the largest increase at 14% and 2% respectively. This highlights the Group's efforts towards relying more on production from cleaner energy sources. In 2021, we aim to increase our use of biomass by increasing its share at Plzeňská teplárenská and refurbishing a lignite boiler at United Energy to 100% biomass. Notably, while our net power and heat productions slightly decreased this year, EPIF managed to increase its power and heat production from renewable energy sources by 11% and 2% respectively from last year.

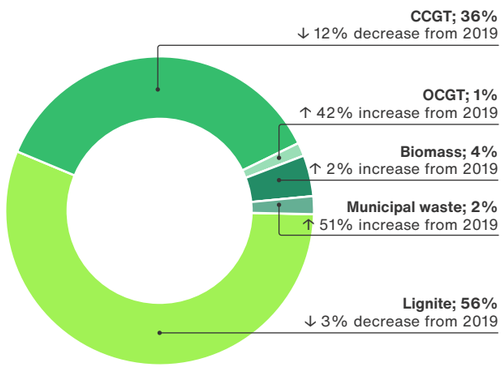
Power production 2020:
energy source share



3,337 GWh
Net power production

Graph 3: Power production by energy source

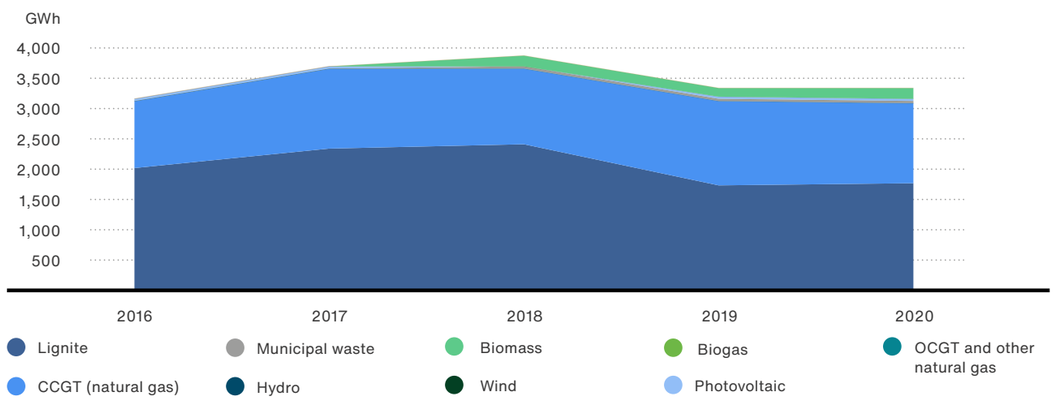
Heat production 2020:
energy source share



4,046 GWh
Net heat production

Graph 4: Heat production by energy source

Net power production



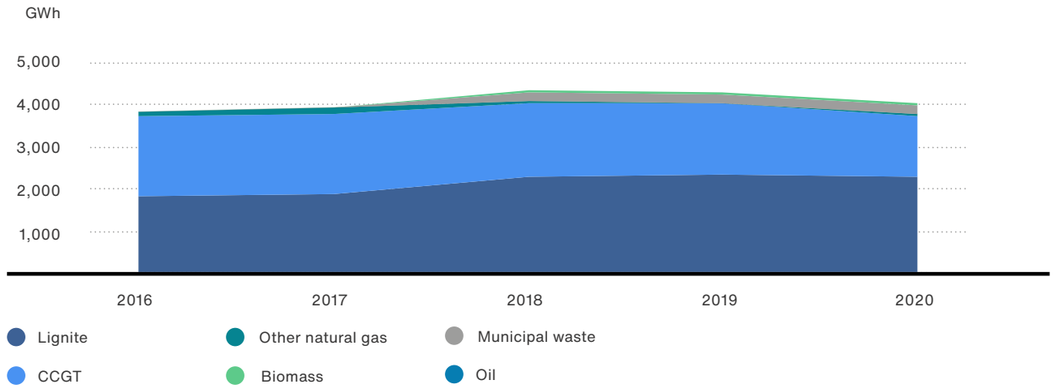
3,337 GWh
Net power production 2020

3,132 GWh
Conventional sources 2020

205 GWh
Renewable sources 2020

Graph 5: Net power production trend

Net heat production



4,046 GWh
Net heat production 2020

3,873 GWh
Conventional sources 2020

173 GWh
Renewable sources 2020

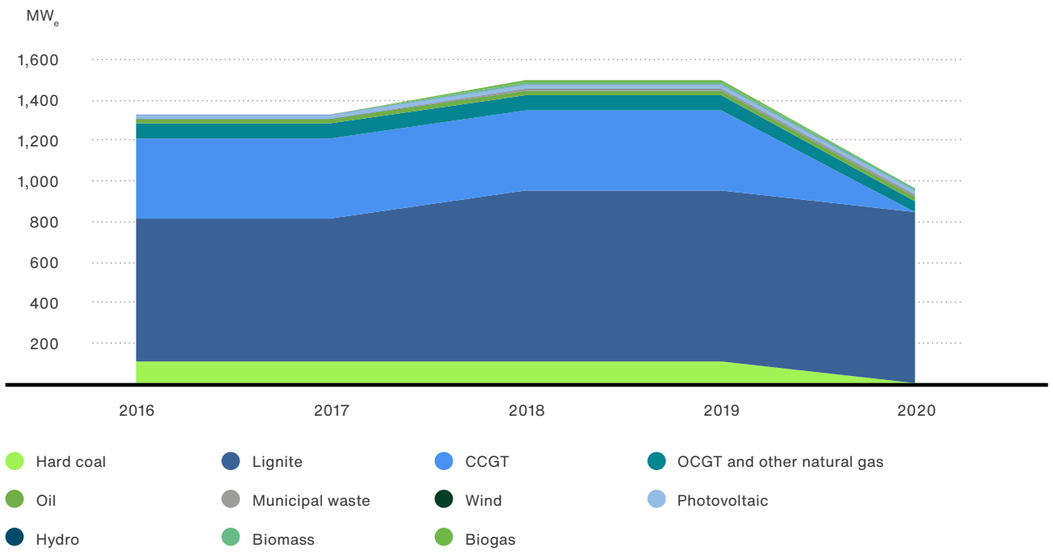
Graph 6: Net heat production trend

Installed capacity

In comparison to last year, we saw a decrease in the Group's installed power and heat capacity, by 35% and 44% respectively. This was mainly due to the disposal of two of our entities, Pražská teplárenská and Budapesti Erömü, which were part of the heat infrastructure segment of our Group. Both entities are industry leaders within their respective countries, making their disposal significant to our 2021 capacities, even though Pražská teplárenská primarily sourced heat externally. Notably, in 2020 EPIF did not acquire any new entities.

With regards to our renewable sources in 2020, EPIF did not see any changes in their capacities. Our renewable power and heat capacities have remained at 40 MWe and 39 MWth respectively for the past 3 years. Moving forward, our renewable capacities will increase as result of current lignite boiler refurbishments, which will enable and increase the share of biomass combustion at two of our heating plants.

Net installed capacity – power



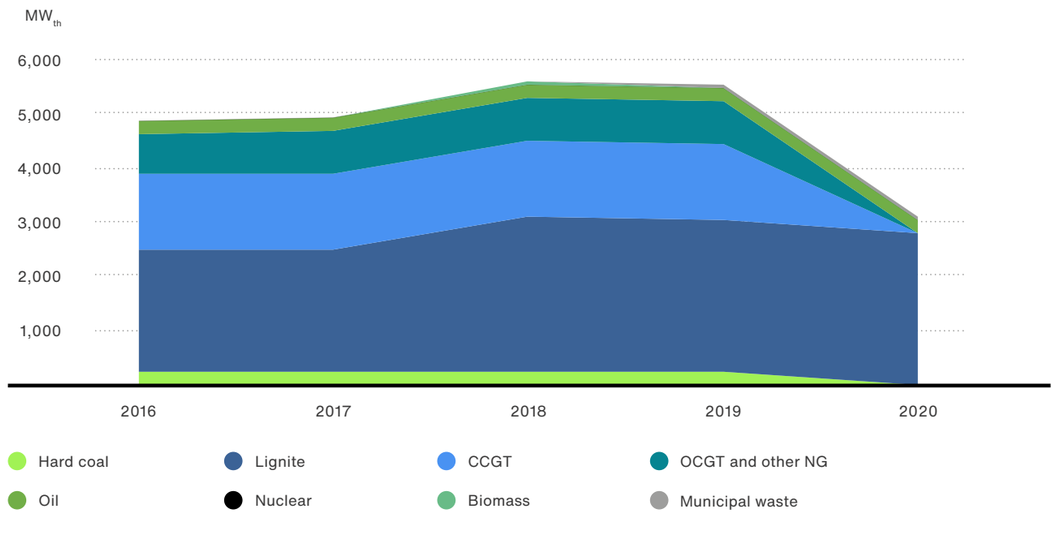
968 MWe
Net installed power capacity 2020

928 MWe
Conventional sources 2020

40 MWe
Renewable sources 2020

Graph 7: Net installed capacity for power

Net installed capacity – heat



3,085 MWth
Net installed heat capacity 2020

3,046 MWth
Conventional sources 2020

39 MWth
Renewable sources 2020

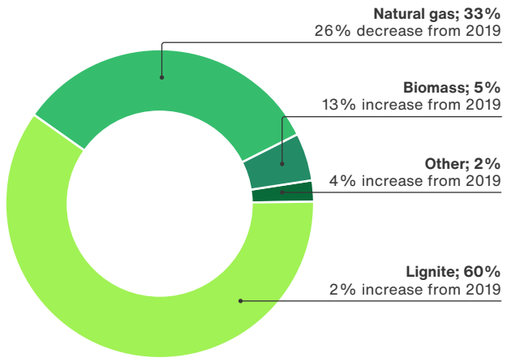
Graph 8: Net installed capacity for heat

Energy consumption and efficiency: Closer look

In 2020, EPIF's total energy consumption did not see much change, with a 9% decrease from last year. On average in 2015 to 2020, we saw 6,896 GWh of energy production and 14,929 GWh of fuel consumption. EPIF also experienced a 54% energy efficiency in 2020, highlighting the key role that our plants, which primarily run in cogeneration mode, have on our operations.

Notably this year, 13% more biomass was consumed compared to last year in line with our long-term goal of gradual lignite replacement, however there was a 26% decline in the use of natural gas. At EPIF, we are aware of the importance our business plays in the future of decarbonisation, especially since the majority of our assets fall into the traditional energy segments. Therefore, we are committed to continually aiming to improve our shift towards cleaner energy.

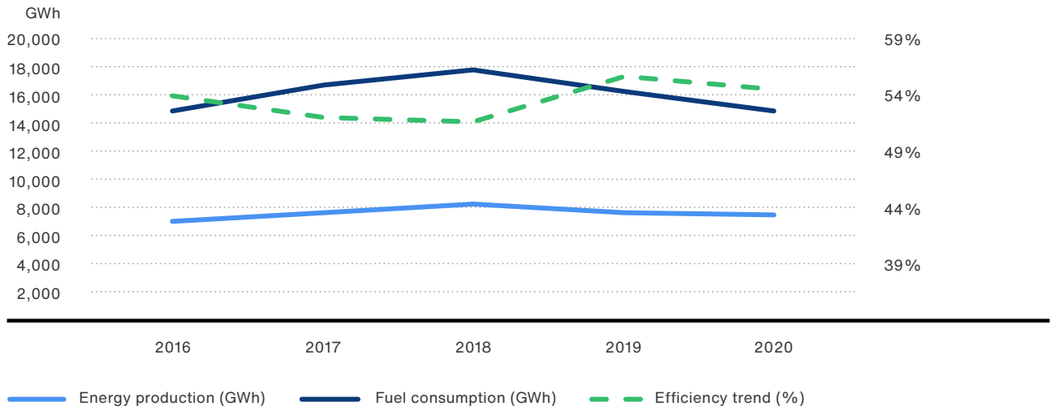
Energy consumption 2020: fuel share



Graph 9: Energy consumption by fuel

14,815 GWh
Total energy consumption

Energy efficiency[10]



7,383 GWh
Total energy production 2020

14,815 GWh
Total fuel consumption 2020

54%
Energy efficiency 2020

Graph 10: Energy efficiency

10 The energy efficiency calculation excludes energy consumed by non-generation companies.

Environment

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

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

1 Foreword

2 About this Report

3 EPIF and its Business

4 Environment

Reduction of emissions

Mitigation of environmental impact

5 Governance

6 Social

7 Assurance

8 Annex

4

Reduction of emissions

In EPIF we recognize having an important role to play in reducing emissions within our industry. We have focused our efforts on internal policies, programs and energy efficiency within the operations of our Group.

EPIF continues to understand the extent to which climate change threatens the well-being of people and the environment. The reality of climate change and its impacts have been the leading drivers in increasing the intensity of our efforts through reduced emissions and increased operational efficiencies across the Group.

This year, EPIF has put a stronger emphasis on internal policies and programs that aim to address the Group's GHG emission reductions.

Our contribution to the SDGs:

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

Climate change and common goals

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

GHG emissions

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

Carbon intensity and efficiency

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

Other air pollutants

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

2020 Highlights

36 %

Since 2015, EPIF has improved its GHG emission intensity by 36%.

-58 %

In 2020, EPIF's gas transmission and storage business segments significantly decreased their CO_2-eq. emissions by 58% and 41% respectively compared to last year.

6 %

In 2020, EPIF's most significant business segments, those that contribute to a total of 91% of our Adjusted EBITDA, only contributed to about 6% of our GHG emissions

15 %

In 2020, we reduced our SO_2 and NO_x emissions by 13% and 15% respectively compared to last year.

Climate change and common goals

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

EPIF welcomes the Paris Agreement and fully supports its goal, as a broad international consensus is the only way of bringing about genuine structural change at a global level, thereby supporting a more sustainable economic model. In 2021, we have formalized our decarbonisation efforts by announcement of formal medium-term decarbonisation targets which shall guide all our assets away from coal as a primary source by 2030 and set us on a path to carbon neutrality by 2040. At the same time, we assess readiness of our infrastructure for transport, distribution and storage of green gases which we view as prerequisite for a future world powered predominantly by renewable energy.

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

1. while historically the environmentally friendly sources were primarily built on the back of huge state subsidies, development of renewables will accelerate owing to continuous decline in construction costs,
2. deployment of intermittent renewable sources on a mass scale need to be supported by dispatchable low-carbon conventional sources (biomass plants, waste incinerator plants, and gas units) and energy storage technologies such as power-to-gas; and
3. other important investments associated with infrastructure will be necessary to support this new system.

Carbon neutrality: EU Goals

In order to achieve carbon neutrality by 2050, the EU set a target of at least a 55% net reduction in GHG emissions by 2030[11]. Part of this strategy includes a heavy focus on auctioning emissions, instead of free allowances, with a focus of decreasing free allocation each year. Notably, since 2014, existing power plants within the Czech Republic, Hungary and other newly joined EU member states in that year, received a free, but continually decreasing, amount of allowances for a transitional period until 2019[12]. With this, EPIF entities were still eligible for free allowances when it came to our heat generation in 2020.

As such, a fully-fledged transition towards purely renewable and carbon free energy sources, that will be able to provide security of supply in reliable base load operations, will be a long and financially intensive process. However, EPIF is prepared to take an active part in this process in our markets of operation.

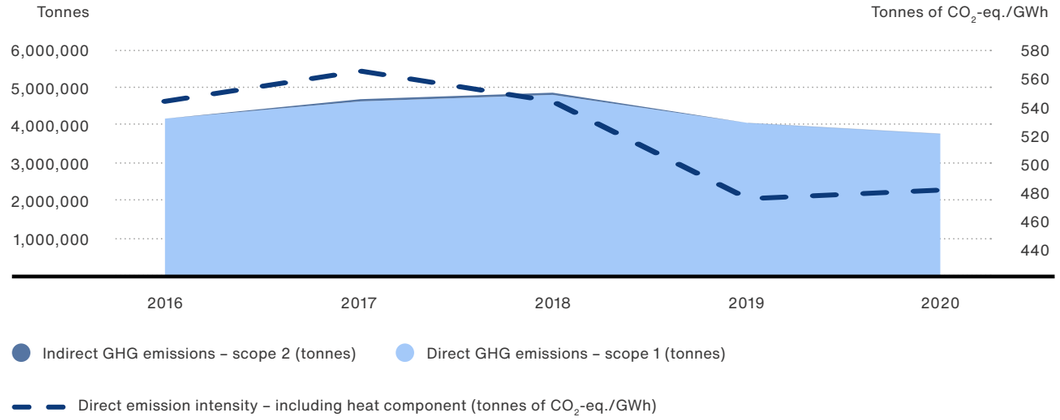
11 https://ec.europa.eu/clima/policies/ets_en
12 https://ec.europa.eu/clima/policies/ets/allowances/electricity_en
13 GHGs are those currently defined by the United Nations Framework Convention on Climate Change and the Kyoto Protocol; they include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and fluorinated gases.

GHG emissions

EPIF recognises that across its business segments, we emit greenhouse gases[13] and other air emissions. As a result, EPIF is committed to tracking and reducing its emissions as outlined in the Decarbonisation strategy. This will align us with the targets set out by the European decarbonisation goals and GHG emission targets, as well as overall reduce our carbon footprint. These goals are highlighted within our internal documents, such as our *Environmental Policy*, and through the modernisation of our operations for achieving greater efficiency.

EPIF's 2020 direct (Scope 1) emissions from its power and heat productions saw an 8% decrease from last year. The Group was granted, and then additionally procured, 13% and 87% of these Scope 1 emissions respectively. We also saw a 14% increase in our indirect (Scope 2) emissions from the power and heat we purchase, which we have only been measuring since 2018. Overall, EPIF experienced minimal change across the Group with respect to its direct and indirect GHG emission intensities from last year, with increases of 1% and 18% in Scopes 1 and 2 respectively. Overall, EPIF is equally committed to addressing the intensities from its direct and indirect emissions.

Direct and indirect GHG emissions



3,751,558 tonnes
Total direct emissions 2020

3,266,135 tonnes
Total procured emission allowances 2020

485,423 tonnes
Total granted emission allowances 2020

480 tonnes of CO_2-eq./GWh
Direct emission intensity, including heat component 2020

5 tonnes of CO_2-eq./GWh
Indirect emission intensity, including heat component 2020

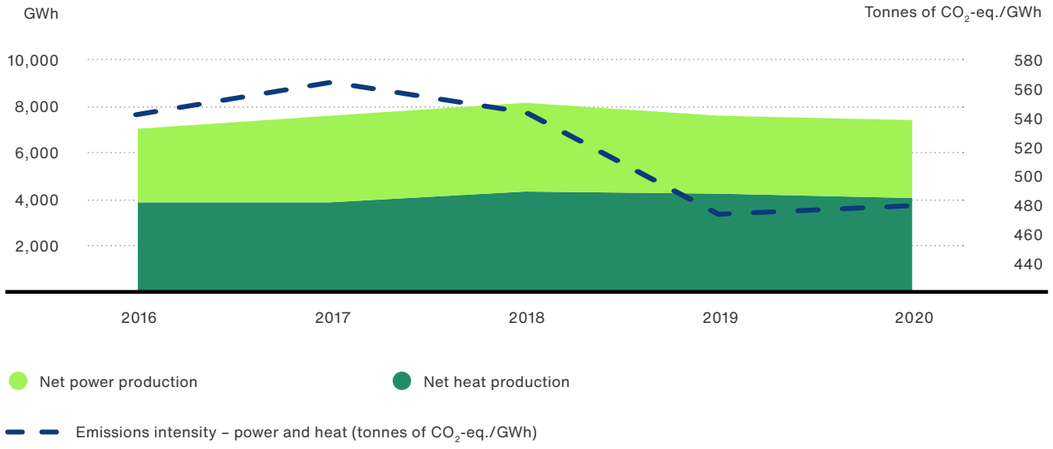
Graph 11: Scope 1 and 2 emissions

Carbon intensity and efficiency

Due to their improved energy efficiency, cogeneration plants, those that simultaneously produce power and heat, are widely supported by the European Commission. EPIF has focused on centralised cogeneration systems within the Group because we understand the significant environmental advantage that they provide over regular systems, which is notably accomplished without compromising our ability to meet customer demands.

For the majority of 2020, EPIF owned three lignite fired cogeneration plants, one plant co-combusting biomass with coal and one waste incinerator plant in the Czech Republic, as well as three gas fired units in Budapest, Hungary[15]. All of these units have cogeneration sources, meaning that they produce heat and electricity simultaneously, allowing for much higher overall efficiencies (70–85%) compared to even the most efficient gas fired units (50–60%). Compared to the average competitor, this has allowed us to reach significantly higher efficiencies within our plants[16]. Our emission intensity in 2020 remained relatively stable, with a 1% increase compared to last year. In line with our commitment to continue the historical trend of emission intensity reduction, all of our heating plants are undergoing refurbishments to increase their production efficiency and gradually move away from lignite to less emission intensive fuels.

Net production and emission intensity[14]



3,337 GWh
Net power production 2020

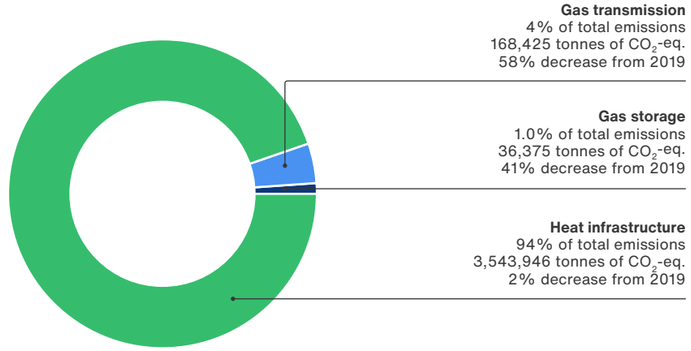
4,046 GWh
Net heat production 2020

480 tonnes of CO_2-eq./GWh
Total emission intensity 2020

Graph 12: Emission intensity of the production

14 Emission intensity only includes generating companies.
15 In December 2020, BERT, the operator of the heating plants in Hungary, was disposed of.
16 Based on the average efficiency of presented technologies.

EPIF CO_2-eq. emissions: business segment share



3,751,558 tonnes
Total CO_2-eq. 2020

Graph 13: CO_2 emissions by segments

Our most significant business segments based on Adjusted EBITDA, consisting of gas transmission, gas storage, and gas and power distribution (contributing to 91% of Adjusted EBITDA and 83% of revenues), only emitted about 6% of EPIF's total emissions.

Compared to last year, EPIF saw an overall slight decrease in the amount of CO_2-eq. emissions within its business segments, by 8%. Notably, in 2020, gas transmission saw a significant decrease in its CO_2-eq. emissions compared to last year by 58% due to lower volumes and different patterns of gas flows which required less gas combusted in the compressor stations.

Case Study

GHG emissions reduction programmes

Increasing the biomass share in our energy production

Provided below is a summary of our current decarbonisation programmes, which are deployed at all our cogeneration plants, accounting for 94% of our 2020 CO_2 emissions.

Plzeňská teplárenská

We will invest a total of **EUR 4.5 million** in the K6 fluid boiler refurbishment at Plzeňská teplárenská. It will allow us to increase the share of **biomass combusted in this boiler to 80%**, substantially limiting the need for lignite as an energy source. We will decrease the consumption of coal by **95,000 tonnes** per year and the production of CO_2 by **108,000 tonnes** per year.

The investment will cover a new unloading station (fuel and biomass storages), internal and external fuel transport, new inputs into the combustion chamber of the boiler, and optimisation of the combustion process based on emissions.

Biomass transportation

To ensure a decrease in supply chain emissions, Plzeňská teplárenská is gradually increasing the share of rail transport on which it relies. This is especially important, as there will be an increased demand for the transportation of material (additional biomass for the newly retrofitted boiler).

In 2020, approximately **16%** of the total volume of purchased biomass was transported by rail. In 2022, this should increase to approximately **30%** of the total volume. Notably, because of the increased demand for transportation, we took into consideration the methods for biomass transportation in the tenders for our biomass suppliers.

United Energy

At our North Bohemian heating plant, one of the existing lignite boilers will be refurbished to enable **100% biomass combustion**. Work has already commenced on its refurbishment, with expected full operating capacities in the summer of 2021.

From a technical standpoint, the investment mainly focuses on making adjustments to the fuel and combustion air feeding systems of UE's operations. As a result, the **share of biomass in the fuel mix of United Energy is projected at approximately 40%**. This should translate into 1**30 thousand tonnes of CO_2 saved annually**, with a substantial decline in sulphur dioxide emissions and dust particles.

Elektrárny Opatovice

As a substantial portion of electricity is generated in **cogeneration mode**, we continuously strive to improve the efficiency of cogeneration production and maximize the volume of electricity for each unit of heat designated for our residential and commercial customers, effectively **reducing our emission intensity**. In 2020, **EOP replaced its main cogeneration steam turbine** for a modern back-pressure steam turbine with a capacity of 65 MWe and 135 MWt, including all accessories such as control systems, primary heat exchangers, equipment for low-pressure regeneration heating of feed water, oil system, interconnecting piping, high pressure hydraulic system and field instrumentation.

In addition to reducing the emission intensity and the environmental footprint, the modernized steam turbine will also enhance the **reliability of heat supplies**.

€ 4.5 mil

We will invest a total of EUR 4.5 million in the K6 fluid boiler refurbishment at Plzeňská teplárenská.

16 %

In 2020, approximately 16 % of the total volume of purchased biomass was transported by rail.

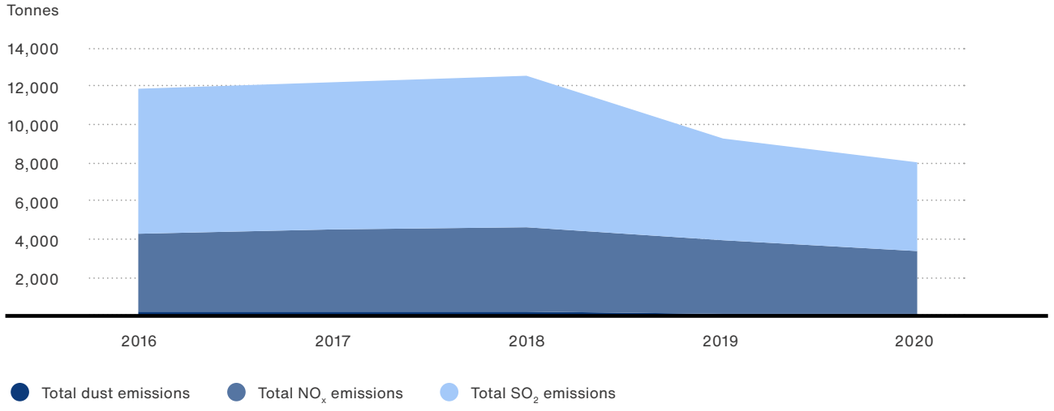
130 ths tonnes

Increased share of biomass in the fuel mix should translate into 130 thousand tonnes of CO_2 saved annually.

Other air pollutants

The most significant atmospheric pollutants associated with our activities are sulphur dioxide (SO_2), nitrogen oxides (NO_x) and dust. However, EPIF managed to reduce these specific emissions from last year, by 13%, 15% and 12% respectively. Table 2 highlights EPIF's approach to achieving these emission reductions.

Total air emissions



Graph 14: Air emissions

8,000 tonnes
Net air emissions 2020

3,237 tonnes
NO_x emissions 2020

4,648 tonnes
SO_2 emissions 2020

115 tonnes
Dust emissions 2020

Investments in desulphurisation and denitrification technology

All of our heating plants are investing in refurbishments in order to reduce their CO_2 and other air emissions.

1. **EOP** – almost EUR 100 million investments made between 2014 and 2016 in desulphurisation and denitrification technology.
2. **PLTEP Energetika** – almost EUR 15 million investments made between 2019 and 2020 in desulphurisation and denitrification technology.
3. **PLTEP Teplárna** – will increase share of biomass in its energy mix in 2021, which will result in the reduction of CO_2, sulphur dioxide and dust emissions.
4. **UE** – will commence combustion of biomass in a dedicated boiler in summer 2021, which will result in the reduction of CO_2, sulphur dioxide and dust emissions.

Emission source	% 2015–2020 change	% 2019–2020 change	EPIF's management approach
SO_2 emissions	61 % ↓	13 % ↓	The combustion of sulphurous coal is the primary source of our SO_2 emissions. EPIF addresses its SO_2 emissions through the improved desulphurisation of our equipment. We are also focusing our efforts on reducing the proportion of coal in our energy mix in favor of biomass, communal waste or natural gas.
NO_x emissions	3 % ↓	15 % ↓	Nitrogen oxide (NO_x) is mainly generated by the combustion of nitrogen contained in the air at high temperatures. EPIF addresses these emissions through the continued monitoring and analyses of stacks in our large power plants. We ensure the same type of commitment to stacks in our small plants, but on a more periodic basis, as we also rely on statistical parameters for analyses.
Dust emissions	47 % ↓	12 % ↓	Dust particles are primarily emitted through our coal-fired power plants. EPIF manages these emissions through highly sophisticated filters.

Table 2: Air emissions management approach

Mitigation of environmental impact

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

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

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

Our contribution to the SDGs:

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

Water

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

Effluents and waste

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

Biodiversity and reclamation

EPIF focuses on protecting local ecosystems and biodiversity surrounding our operations by monitoring and addressing the impacts of our activities. Our aim is actively engage in projects that support and restore our surrounding environment.

Environmental management and monitoring

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

2020 Highlights

33%

We continue to focus on identifying measures that will allow for further efficient water use. In 2020, this resulted in a water intensity reduction of 33% when compared to last year.

35%

In 2020, our water withdrawal and discharge decreased by 35% and 39% respectively from last year.

35%

In 2020, we decreased our production of hazardous waste by 49% when compared to last year, with an increase of 35% in the amount of hazardous waste that was recycled.

25 km

25 kilometers of our power lines in Slovakia were equipped with protective elements.

188 million EUR

At the end of 2020, EPIF reported provisions of EUR 188 million to reclamation and decommissioning projects.

Water

EPIF understands the crucial role that access to clean water plays in our environment and society, be it on the global or local scale. Therefore, we have recognised that there is significant importance in protecting aquatic habitats and other ecosystems when supplying our thermal power plants with cooling water, which is an important aspect to our business.

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

The majority of water that EPIF withdraws is from surface water, with minimal amounts sourced from groundwater. Since water is extensively used in the cooling process of our closed flow-based plants, the water withdrawal and discharge from our operations follow the same trend. This year, we saw a decrease in our total water withdrawal and discharge, by 35% and 39% respectively compared to last year. This trend is significantly linked to Elektrárny Opatovice's reduced water consumption this year, which was primarily driven by a targeted reduction programme, as further described in this section.

In 2020, EPIF significantly decreased its water intensity by 33% when compared to last year. Our continuous efforts to improve our water management have led to a 69% reduction in the amount of water withdrawn from 2017 to 2020.

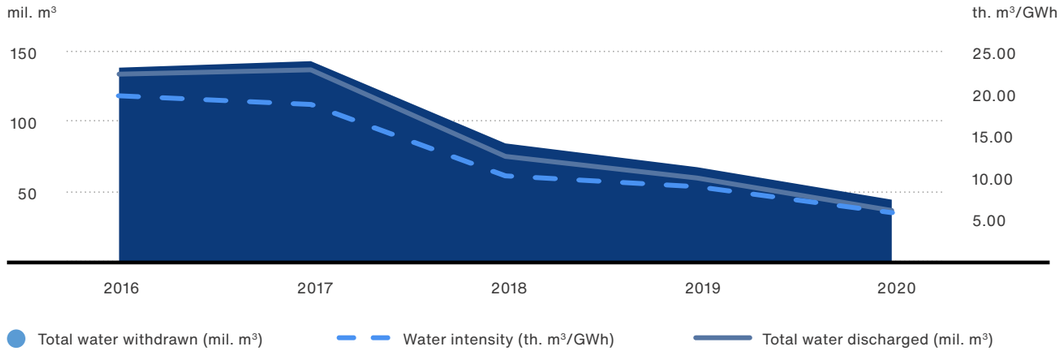
Our water management

EPIF has focused its efforts on reusing and recycling the water that we withdraw, with the ultimate goal of reducing our water footprint. Examples of these efforts include the use of collected rainwater and the reuse of water that already passed through our operations. Additionally, EPIF has an internal wastewater treatment and continuous monitoring system that ensures the quality of the water, thereby eliminating any possibility for contamination.

The amount of water discharged from our plants is not materially different from amount of water withdrawn, i.e. vast majority of water is returned back to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same quality and similar temperature, at which it was withdrawn from the source.

At EPIF, we ensure that untreated water does not get disposed of into any body of water. We provide verifiable compliance with the statutory threshold values, thereby eliminating any potential for adverse impacts on the local environment and communities.

Water withdrawal and discharge



44 mil. m³
Total water withdrawn 2020

5.9 th. m³/GWh
Water intensity 2020

37 mil. m³
Total water discharged 2020

Graph 15: Water withdrawal and discharge

Case Study
Water efficiency programmes
Focusing on the implementation of technical measures

Water withdrawn by EPIF Group companies is primarily represented by the cooling water used in our heating plants, accounting for 99.9% of the total water withdrawn in 2020. Therefore, our water efficiency programmes are concentrated in the Heat Infrastructure segment of our business.

Elektrárny Opatovice

The reduction efforts are primarily concentrated at our Elektrárny Opatovice heating plant (80% of the Group's total water offtake, if the disposed of entities in 2020 are excluded). The water consumption at EOP has experienced a declining trend in recent years, especially between 2015 and 2020. While the immediate water consumption was around 4–6 m^3/s prior to 2015, the current water offtake from the Elbe River is 0.5–2 m^3/s. While this reduction can be partly explained by declining condensation production, one of the main reasons is our continuous effort to treat water as a precious resource and reduce its consumption. As the heating plant is situated in a protected area under the Natura 2000 network, EOP is also fully conscious that not only EOP relies on the Elbe River, but local communities and the environment also require this water system to thrive. Furthermore, recent years were often characterized by exceptional droughts and water scarcity.

EOP has significantly reduced its water offtake from the Elbe River since 2015.

Plzeňská teplárenská

Both heating plants operated by PLTEP fully rely on circular cooling through cooling towers. Offtake from the Mže River is only required to compensate for the loss of water through evaporation within the circular cooling system and is therefore limited. The key measure to reducing offtake of surface water is further utilisation of condensed water from the circular system, as a cooling medium in other technological processes, rather than direct disposal.

United Energy

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

Effluents and waste

EPIF aims to generate the least amount of waste as possible, while still meeting our demand. As a result, we have been focusing our efforts more on recovering our waste and appropriately disposing of it based on its composition. It should be noted that we do not disclose by-products as part of our generated waste because the majority of our by-products have a lifecycle beyond our operations.

In 2020, EPIF increased its total waste by 5% compared to last year. On the other hand, we saw a 49% decrease in our hazardous waste production. Overall, slight increase in total generated waste corresponds to regular maintenance and replacement of our gas and power distribution networks to limit distribution losses and enhance reliability of supplies. The waste intensity of our generation companies increased by 16% from last year. At EPIF, we continue to focus on improving our efforts and subsequently reduce our generated waste.

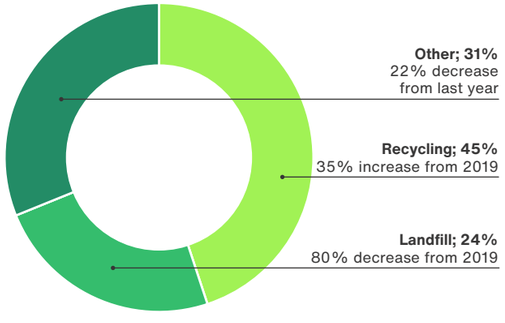
Our waste management

In 2020, EPIF continued to focus its efforts on recycling waste when possible. Compared to last year, these efforts increased our recycled hazardous waste by 35%. We saw a slight decrease in our recycled non-hazardous waste, by 7%, however, we are committed to continually finding better methods for disposing of our waste. In addition to our waste disposal through recycling and use of the landfill, EPIF also disposes of its waste through third parties, where we are limited in tracking its final destination or further use. This aspect of our waste disposal share is identified as “other” in graph 16. Overall, EPIF always tries to opt for the most appropriate means of waste disposal.

As an example, SSD uses recycling facilities for their construction waste, ferrous and non-ferrous metals, cables, and discarded equipment, such as electrometers, batteries and oils. This approach to recycling is implemented across the Group where possible.

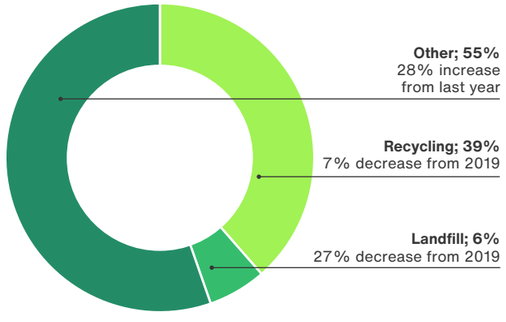
Notably, all residual waste is disposed of in compliance with respective regulations in which our Group operates.

Waste disposal 2020: hazardous share



872 tonnes
Total hazardous waste

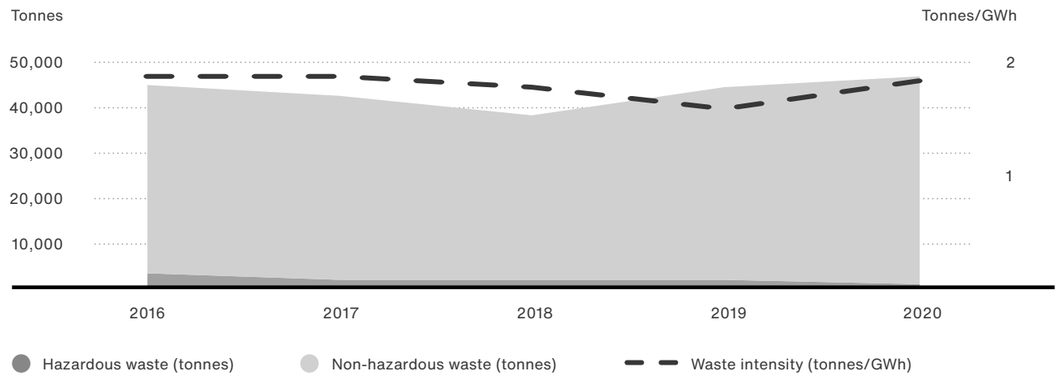
Waste disposal 2020: non-hazardous share



45,914 tonnes
Total non-hazardous waste

Graph 16: Waste disposal by type

Total waste production and intensity[17]



46,786 tonnes
Total waste produced 2020

872 tonnes
Hazardous waste 2020

45,914
Non-hazardous waste 2020

1.8 tonnes/GWh
Waste intensity 2020

Graph 17: Waste production and intensity

17 Waste intensity only includes generating companies. The waste intensity calculation does not include waste of non-generation companies.

Case Study

Waste management programmes and intiatives

Separating metal and creating energy from waste

Plzeňská teplárenská

At Plzeňská teplárenská, we are investing in metal separation, which will increase to 20% compared to 2020. This investment is in part a preparation for the possibility of future non-ferrous metal separation (e.g. copper and aluminium).

The proposed ferromagnetic materials separation will occur in two stages. The first stage separates the coarse fraction of metal waste and in the second stage, remaining slag will pass through the permanent magnet, where other finer metal particles will be separated.

ZEVO – Elektrárny Opatovice & United Energy

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

Forthcoming changes in waste management are led by European legislation, respectively changes made in Czech legislation, which will help realize the potential of different energy sources. Legislation is already considering an increase in recycling and reduction, with the elimination of landfilling starting in 2030. Waste should be preferentially recycled, with the remaining waste used as an energy source.

SPP – distribúcia

As the largest contributor of waste produced by the EPIF Group (almost 60% in 2020), SPP-D implements measures to not only reduce its waste, but to also maximise its share of reusing and recycling waste. The waste is mainly linked to the extension and modernisation of the gas distribution network, and it primarily consists of stone and soil. As we further develop our network, thereby working towards ensuring a reliable supply for all, construction waste will be unavoidable. Therefore, we concentrate our efforts on maximising the amount of waste reused and recycled. As the majority of our construction waste is disposed of by our suppliers, who provide the construction services to our network, we include a binding condition in our supplier contracts. It emphasises a supplier's duty to always follow EPIF's waste disposal hierarchy and, where feasible, to always first dispose of waste through methods of reusing and recycling over landfilling.

Project timeline – ZEVO at Elektrárny Opatovice & United Energy

Figure 11: Project timeline

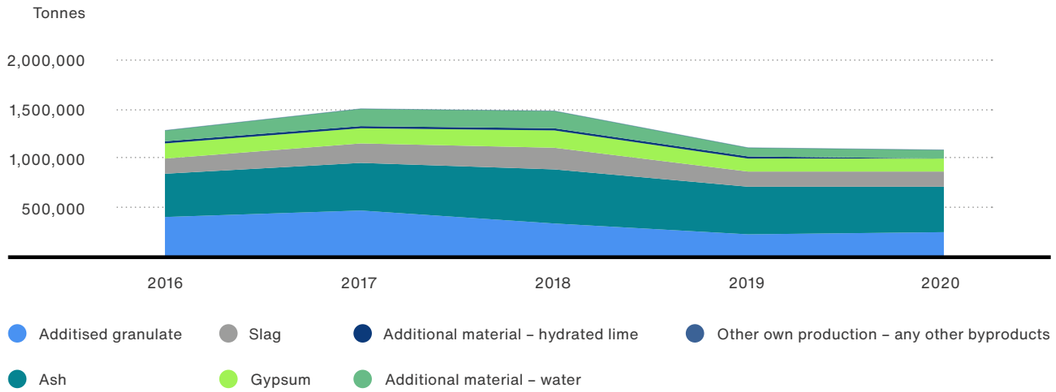
By-products

At EPIF, by-products are an inevitable part of our business operations, which is why we availably sell them for further commercial use. This allows us to reduce the by-product waste that we would have otherwise sent to the landfill. Furthermore, it allows us to provide an option for purchasing these products outside of their direct extraction. This not only eases the process for our stakeholders, but it provides them with further value. We have found that the majority of our by-products are sought out by the construction industry, but ultimately, they can be used by various other business segments. As an example, gypsum can be used as a fertilizer, but it can also be used as a retarder in cement. Overall, EPIF's 3% decrease in by-product generation this year corresponds to the overall decrease in heat and power production by the Group.

Our by-product management

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

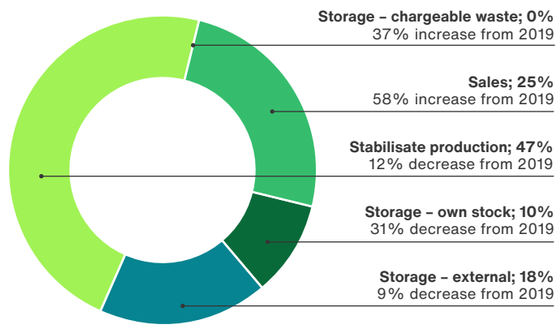
By-products generation[18]



1,083,781 tonnes
Net generated 2020

Graph 18: By-products generation

By-products: means of disposal share in 2020[19]



1,083,781 tonnes
Total means of disposal 2020

Graph 19: By-products by use

18 By-product and waste generation are reported separately.
19 Stored byproducts are typically sold in the following years.

Case Study
Utilisation of secondary energy products

Our heat and power generation assets generate fly ash, slag and gypsum from the combustion of lignite as secondary energy products used either for the reclamation and adjustment of terrains or further sell these products particularly for construction purposes. This is a common practice amongst our companies, particularly in Elektrárny Opatovice, Plzeňská teplárenská or in United Energy.

The companies made sure that all secondary energy products were certified and they continue to explore other options for their use.

Overview of secondary energy products

1. **Ash** – used mainly by construction companies for production of concrete, cement or bricks. Utilization of coal ash in the construction industry saves the primary materials which would be used instead (limestone, clay, sand). The major customers sourcing ash from our companies include concrete plants and cement plants. The ash from pure biomass combustion by PLTEP is also used by farmers as a fertilizer.
2. **Slag** – primarily used for production of bricks and underlayment of roads. Slag is used as a substitute for gravel which would have to be extracted instead. Key customers comprise of brick plants and road construction companies.
3. **Gypsum** – used to produce plasterboards or as a gypsum agricultural fertilizer (reduces gypsum volumes which need to be mined).

Biodiversity and reclamation

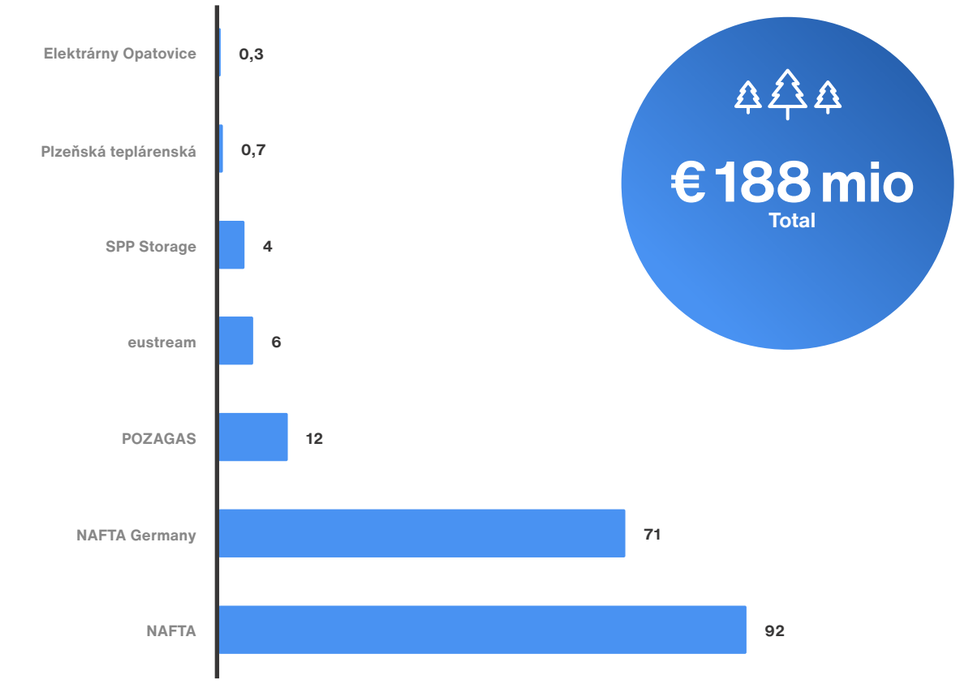
EPIF is well aware of the importance of protecting biodiversity, as we understand the value of ecosystems and the environmental benefits that they provide. Therefore, the direct and indirect impact of our activities on local ecosystems and biodiversity is monitored and evaluated. This process is complemented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

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

Activities within our reclamation process include:

1. dismantling and removing structures;
2. dismantling operating facilities;
3. closing plant and waste sites; and
4. estoring affected areas.

Within the Group, reclamation primarily affects the following entities, who booked provisions in the respective amounts [EUR million]:



Graph 20: Reclamation reserves

Case Study

Biodiversity programmes and initiatives

Protecting natural biodiversity

SSE & SSD

In 2020, we applied protective elements to our power lines in Slovakia that had a total length of 25 km in high-risk sections and to those in nature protected areas.

Protective elements were installed to power lines in critical localities of the Tatra National Park. The aim was to create safe zones in the electrical network and reduce the risk of death posed to raptors, a protected species in Slovakia. In cooperation with the State Nature Conservation, we installed bird diverters on power lines over the Váh River in 5 sections.

In addition, for 12 years we have been cooperating, and continue to cooperate, with the Zázrivá Rescue Station, a rescue centre for injured animals. Despite the Covid-19 pandemic, we still managed to organize volunteer activities at the Zázrivá Rescue Station. At least twice a year, we take part in activities that help prevent serious bird injuries that often occur along our distribution networks. By taking an active stance, our partnership is not limited to financial assistance.

Case Study

Environmental management and monitoring

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

Certifications and standards depend on the scope of each business segment; however, ISO 14001 is the main certification used across the Group. As an example, the trading and supply companies EPET and EP sourcing have no physical operations, therefore they do not require any environmental certifications. Overall, in 2020, 71% and 66% of EPIF's EBITDA and revenues were covered by ISO 14001 respectively. In the area of quality management, 81% and 82% of EPIF's EBITDA and revenues were covered by ISO 9001 respectively, highlighting the emphasis placed on delivery of quality services to our customers.

In 2020, all entities in the Group were fully compliant with current legislation and regulations in their respective countries of operation. Additionally, compliance with all licensing regulations was ensured across our operations. Our entities also comply with our energy management systems and energy audits.

Certifications overview[20]

Certification Standards (environmental and safety)	EPIF Group companies
ISO 14001	eustream, SSE Holding, EOP, Pražská teplárenská, Plzeňská teplárenská, Pozagas, nafta
ISO 50001	eustream
ISO 3834-2	eustream
ISO 9001	eustream, epet, Budapesti Erőmű ZRt., Distribúcia SPP, Plzeňská teplárenská, Pozagas, nafta, SSE Stredoslovenská energetika
OHSAS 18001 / ISO 45001	eustream, SSE Holding, EOP, Pražská teplárenská, Plzeňská teplárenská, Pozagas, nafta

Table 3: Certifications overview

20 Note that PT and BERT were disposed of in November and December of 2020 respectively. SPP-D is in the process is in the process of obtaining its ISO 14001 certification.

Governance

Our well established corporate policies and governance bring greater focus to ESG matters at the EPIF Group level.

Governance is a crucial pillar for corporate sustainability. By developing business principles that are aligned with our long-term strategy, as well as supported by our internal policies, we are able to effortlessly transpose our strategy into our everyday business activities. In March 2020, EPIF introduced sustainability-related corporate policies, together with the centralisation of ESG matters, at the Group level. This showcases EPIF's commitment towards improving its internal governance processes and policies.

1 Foreword

2 About this Report

3 EPIF and its Business

4 Environment

5 Governance

Corporate governance structure

Key people

Fair conduct

Supply chain management

Risk and crisis management

6 Social

7 Assurance

8 Annex

Corporate governance structure

The governance of EPH and its sub-holdings is based on a two-tier management structure consisting of the Board of Directors and the Supervisory Board. To control the ESG agenda more efficiently, EPIF started to centralise the currently decentralised topics.

EPIF shareholder structure

EPIF is a sub-holding of EPH and it was created as a result of reorganisation measures in 2016. In 2017, all the legal reorganisation steps within EPIF were completed. Subsequently, both in 2017 and 2018, a separate layer of various statutory bodies and executive management was established.

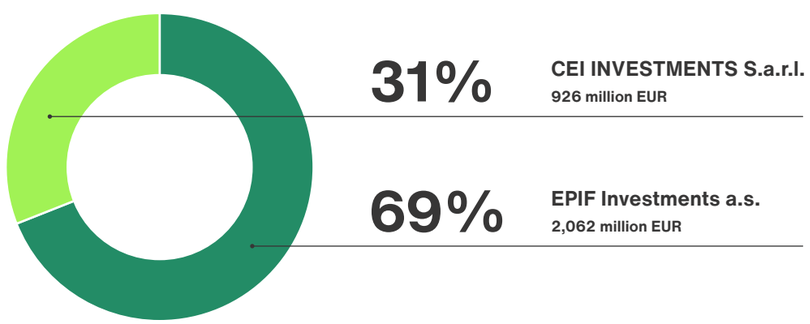
On February 24th 2017, EPH completed the previously concluded agreement with a consortium of global institutional investors led by MIRA on the sale of a 31% stake in EPIF. The remaining 69% of EPIF remains with EPH, which also retains management control over EPIF. Robust corporate governance is reinforced by MIRA's strong minority shareholder rights in the Shareholder's Agreement. MIRA's infrastructure experience complements the regional industry expertise of EPH.

ESG ratings

EPIF is committed to further improving its governance in the ESG areas, including the implementation of new ESG policies and disclosures. This should ultimately lead to an improved ESG rating.

EPIF views the areas of environmental, social and governance matters as being vital to the overall well-being of EPIF Group's stakeholders. In 2019, EPIF, for the first time, obtained an ESG rating classified as "Average Performer" from the renowned ESG rating agency Sustainalytics. Notably, in April 2020, we were the first company in Central Europe with an ESG rating report from S&P, which was also publicly disclosed. The achieved score of 65/100 confirms our commitment and continuous efforts in the ESG areas.

Interest in share capital and voting rights



Graph 21: Shareholder structure

Governance

EPIF Board of Directors

- **Daniel Křetínský**, Chairman of the Board of Directors
- **Jiří Zrůst**, Vice-chairman of the Board of Directors
- **William David George Price**, Member of the Board of Directors
- **Milan Jalový**, Member of the Board of Directors
- **Gary Mazzotti**, Vice-chairman of the Board of Directors (independent director)
- **Pavel Horský**, Member of the Board of Directors
- **Marek Spurný**, Member of the Board of Directors

EPIF Senior Management

- **Daniel Křetínský**, CEO
- **Václav Paleček**, Finance Director
- **Tomáš Mišrácký**, Director of Financing and Treasury
- **Martin Bartošovič**, Director of Gas Storage
- **František Čupr**, Chairman of the BoD of SSD a.s. Chairman of the BoD of SPP-D a.s.
- **Tomáš Mareček**, Chairman of the BoD of eustream a.s.
- **David Onderek**, Director of Heat Infrastructure

EPIF Supervisory Board

- **Jan Špringl**, Chairman of the Supervisory Board
- **Martin Gebauer**, Vice-chairman of the Supervisory Board
- **Jan Stříteský**, Member of the Supervisory Board
- **Rosa Maria Villalobos Rodriguez**, Member of the Supervisory Board
- **Petr Sekanina**, Member of the Supervisory board
- **Jiří Feist**, Member of the Supervisory Board

Figure 12: Governance

Governance

EPIF Board of Directors

Has seven members and the Chairman of the Board of Directors serves simultaneously as the CEO Group.

Directs operations and acts on its behalf, represents EPIF in all matters related to daily business management.

Approves EPIF's sustainability commitment, top ESG challenges and annual sustainability reports. Approves sustainability policies, corporate strategy and monitors progress to achieving targets.

EPIF Senior Management

Responsible for day-to-day operations as well as key business decisions. Drives sustainability commitment, ensuring that it is embedded at every level of the business. Monitors the ESG indicators and analyses the state of EPIF's progress towards its goals and targets through the Health, Safety and Environmental Committee.

Investment Committee (EPIF level)

Oversees and monitors the role over local (subsidiary level) investment committees, who are assessing material investments.

Decisions are driven by environmental requirements and long-term expectations of the Group. They are always carried out by subsidiary boards in the presence of an EPIF member.

Health, Safety and Environmental Committee (EPIF level)

Headed by František Čupr, the Committee reviews relevant policies, provides guidance, and makes recommendations regarding key safety, health, environment and security decisions; provides quarterly updates to the EPIF BoD and monitors targets.

Has five members appointed by the EPIF BoD for an indefinite period of time and it meets around five times a year.

Is responsible for gathering and investigating complaints related to unethical and damaging behaviour.

EPIF Supervisory Board

Has six members elected by the General Meeting of Shareholders.

Responsible for revising the activities of the Group and of the Board of Directors in its management of the Group.

Has the power to inquire into all documents concerning financial matters and reviews year-end financial statements, including profit allocation proposals.

Compliance Committee (EPH level)

Focuses on ensuring compliance with new legislation, especially the GDPR and the Market Abuse Regulation.

Reviews existing Group policies and identifies new areas that should be covered by those policies (tax governance policy, discussing how to further advance whistleblower protection on a group level etc.).

Addresses several issues of non-compliance reported by the Group's operational companies and providing support regarding these incidents.

Audit Committee (EPIF level)

The Committee has three members appointed by the General Meeting of Shareholders of EPIF for an indefinite period of time and meets as necessary.

Oversees the external audit processes, the effectiveness of internal controls and informs the supervisory body.

Risk Committee (EPIF level)

Headed by Pavel Horský, the Committee oversees that the executive team has identified and assessed all the risks that the organisation faces.

Defines risk review activities regarding the initiatives and risk exposures, discusses the Group's major risk exposures with the management, and reviews the steps management has taken to monitor and control such exposures. This risk assessment, as well as the mitigation measures, are subject to regular reviews and are continuously refined and improved.

Figure 13: Governance

Key people

EPIF Board members

Daniel Křetínský

Chairman of the Board of Directors and Chief Executive Officer

Mr. Křetínský was involved through his role as a partner in the J&T Group in the founding of EPH, the EPIF's parent company, where he has served as Chairman of the Board of Directors since 2009 and currently is also the majority owner of EPH. Mr. Křetínský serves on the boards of several companies that are affiliated with EP Infrastructure, including its parent company EPH and its sister company EP Investment Advisors. He also holds positions at companies unaffiliated to EP Infrastructure, including Chairman of the Board of AC Sparta Praha.

Mr. Křetínský holds a bachelor's degree in political science as well as a master's degree and a doctorate in law from Masaryk University in Brno.

Gary Mazzotti

Vice Chairman of the Board of Directors and ESG Officer

Gary Mazzotti is Vice Chairman of the Board of Directors of EP Infrastructure, he also holds positions throughout the Group namely Vice Chairman of the Supervisory Boards of NAFTA and SSD, Member of the Board of EOP, UE, EP Cargo, and a Member of the Supervisory Board of SPP-D. He also is an independent director of International School of Prague, EP Power Europe and Czech Grid Holding.

Gary Mazzotti has more than 30 years of experience in finance and operations. Mr. Mazzotti joined EPIF from Vienna Insurance Group where he was a Member of the Board and CFO of Kooperativa and Česká podnikatelská pojišťovna and was responsible for VIG groups' operations in Ukraine. Prior to this Mr. Mazzotti held the positions of Senior Investment Director and CFO of PPF Private Equity Division. Mr. Mazzotti graduated in Economics from the University of Reading in the United Kingdom and is also a member of the Institute of Chartered Accountants (ACA).

William David George Price

Member of the Board of Directors

Mr. Price has been a member of the Board of Directors since October 2020. Before October 2020, he was a member of the Supervisory Board since February 2017 and its Vice Chairman since June 2017.
Mr. Price is also a member of the board of directors of EPE. Outside the Group, Mr. Price is also a vice-chairman of the board of directors of Towercom, a.s., pobočka Česká republika and a member of the board of directors of Czech Grid Holding, a.s.
Mr. Price is a representative of CEI Investments S.à r.l., a consortium managed by MIRA, which owns a 31 per cent. stake in the Issuer. Mr. Price has over ten years of experience in infrastructure investment and management, primarily in the utilities and energy sector. This experience is primarily across the UK, Germany and Central Europe. He also holds non-executive board positions at various other MIRA-managed investments.

Mr. Price holds a bachelor's degree in economics and politics from the University of Bristol and a master of finance degree from INSEAD Business School.

Marek Spurný

Member of the Board of Directors

Mr. Spurný has been working for EPH group and its legal predecessors since 2004. His background is legal. As such, he holds the position of Chief Legal Counsel of the Group, with main responsibilities for transaction execution, negotiations and implementation of merger and acquisition transactions, restructurings, and legal support in general. Within EP Energy, he also chairs the compliance committee. Mr. Spurný holds several positions in the corporate bodies of the Group companies on the parent holding levels (member of the boards of directors of EPH, EP Energy, member of supervisory board of EPIF), as well as the subsidiaries of the Group, including subsidiaries in EPIF. Before joining the Group, Mr. Spurný had been working for five years for the Czech Securities Commission, the former capital markets regulatory authority in the Czech Republic.

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

Jiří Zrůst

Vice Chairman of the Board of Directors

Jiří Zrůst is Head of Continental European Team and Senior Managing Director at Macquarie Infrastructure and Real Assets (MIRA). Mr. Zrůst oversees MIRA's coverage and origination activities and management of existing portfolio investments in Continental Europe. He joined MIRA in 2011 and led several key transactions in CEE and Southern Europe. Prior to joining MIRA, Mr. Zrůst spent 17 years in the transport and logistics sector, firstly as a CFO and later as a CEO managing large-scale turnaround and market consolidation projects.

Mr. Zrůst has an industrial engineering background and holds a Master of Business Administration from The Open University Business School.

Pavel Horský

Member of the Board of Directors

Mr. Horský serves on boards of directors and supervisory boards of several of EPH's subsidiaries and affiliates, including EP Infrastructure a.s. and EP Power Europe a.s. and chairs EPH and EPIF risk committees. Mr. Horský is also a member of the Management Board and of EP Corporate Group, a.s. and EP Equity Investment S.a.r.l. Prior to joining EPH, Mr. Horský held the market risks advisory position at the Royal Bank of Scotland.

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

Milan Jalový

Member of the Board of Directors

Milan Jalový holds the position of Controlling Director and Head of Analytical Team at EPH. He has been working within the Group since its establishment. He is also a member of the Supervisory Board of Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG.

Mr. Jalový holds a master's degree from the University of Economics in Prague and also the CEMS MIM degree.

EPIF Senior management

Václav Paleček

Finance Director

Mr. Paleček is the Chief Financial Officer of EP Energy. He has been employed at EPH since September 2014 and in his previous role he served as the Head of Group Controlling and Financial Reporting in EP Power Europe, an energy utility focusing on power generation, lignite mining and renewables with operations across Western and Central Europe. Before joining EPH, Mr. Paleček spent five years at KPMG, where he held various positions focused on financial reporting.

Mr. Paleček holds a master's degree in economics from the University of Economics in Prague and is a member of Association of Chartered Certified Accountants (ACCA).

Tomáš Mareček

Director of Gas Transmission

Mr. Mareček is the Chairman of the Board of Directors of Eustream. In his previous roles, Mr. Mareček was a senior Mergers and Acquisitions analyst at J&T and held the position of Chief Financial Officer at Kablo Elektro.

Mr. Mareček holds a master's degree from the Faculty of Finance of the University of Economics in Prague.

David Onderek

Director of Heat Infra

Mr. Onderek has been the Director of Heat Infra Segment since 9 May 2016.

He has also been the Director of Heat and Cogeneration division and the head of investment committee of EPE since March 2013.

Mr. Onderek is also the chairman of the Board of Directors, holding various positions within the Group and is a member of the management board of Nadační fond pro rozvoj vzdělávání.

Prior to joining the Group, Mr. Onderek worked as the head of portfolio development at ČEZ, a.s., a leading Czech energy company.

Tomáš Mišrický

Director of Financing and Treasury

Mr. Mišrický has been the Director of Financing and Treasury since 1 March 2017.

Mr. Mišrický is also Deputy CFO of EPH and holds other positions outside of the Group. He has been employed in the EPH group since November 2012.

Mr. Mišrický is also a member of the board of directors of Pozagas and serves on the EPIF's risk committee. Prior to joining the Group, Mr. Mišrický worked for over eight years on different positions at The Royal Bank of Scotland (previously ABN AMRO Bank).

Mr. Mišrický holds a master's degree in law from Masaryk University in Brno and a bachelor's degree in business administration from University of New York in Prague.

František Čupr

Director of Gas and Power Distribution

Mr. Čupr is the Chairman of the Board of Directors of SPP – distribúcia and Stredoslovenská distribučná. In his previous roles, Mr. Čupr was a member of the Supervisory Board of Pražská energetika, Pražská teplárenská and focused at J&T on energy sector projects, especially energy trading, supply and renewables.

Mr. Čupr holds a master's degree in economics from the Faculty of Business and Economics of Mendel University in Brno and an M.B.A. from Nottingham Trent University.

Martin Bartošovič

Director of Gas Storage

Mr. Bartošovič serves as CEO of NAFTA, member of the Board of Directors of Pozagas and Managing Director of SPP Storage. Prior to joining EPIF Mr. Bartošovič was a Member of the Board of Directors of SPP – distribúcia, Senior Executive Director of SPP, Chairman of the Supervisory Board of the SPP Foundation and Chairman of the Board of Directors of SLOVGEOTERM. In the past he worked for A.T. Kearney and ING Barings.

Mr. Bartošovič holds a master's degree from the Faculty of Economics and Management at the Slovak University of Agriculture in Nitra. During his university studies he was awarded scholarships at West Virginia University, and took part in the Cornell University program at the Institute of Economic Studies.

Fair conduct

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

EPIF's approach to fair conduct encompasses the implementation of strong principles and values, transparency throughout our business activities, and compliance with local laws and regulations. We have ensured to support these approaches with preventative mechanisms, internal governance and policies.

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

Our contribution to the SDGs:

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

Compliance

We always ensure that we act in accordance with the local legislation in which we operate, as well as readily cooperate with regulators. However, we believe it is important to go beyond mere compliance. This is why we have created and implemented internal Group policies, thereby ensuring responsible business and activities throughout EPIF.

Principles and business ethics

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

ESG governance

In 2020 and 2021, the EPIF Board approved a set of Group policies; some have already been implemented, while others are in the process of implementation this year. We ensure compliance with these policies through various committees, specifically by our HSE Committee and independent ESG Officer, Gary Mazzotti.

Lobbying and political engagement

We ensure that our funding is transparently managed, that it does not support any illegal or unethical activities, and that it is aligned with our sustainability commitments. We consider ourselves responsible investors, as we do not support political parties, neither directly or through the funding of other groups' activities. We also actively participate in discussions with governments and organisations regarding the development of proposed legislation and regulations that affect our business.

Investigations, litigations and sanctions

To our knowledge, all companies are fully compliant with the current legislation and regulation in their respective countries of operation. Currently, there are no open material cases of investigation, litigation or sanction. For further details, please refer to the EPIF Annual report 2020.

2020 Highlights

At EPIF, we ensure compliance with all licensing regulations across our Group's operations. As a result of our commitment to oversee our subsidiaries' legal requirements, in 2020, none of our subsidiaries faced material incidents or fines.

As a step forward within our sustainability commitment, a new set of policies were introduced at the beginning of 2021 and are on the path of being fully implemented throughout the Group.

- Assets integrity management policy
- Whistle-blower policy
- Biodiversity policy
- IT Cybersecurity policy
- Diversity policy
- KYC directive

Our principles and business ethics

EPIF is committed to its behavioural standards, which is managed as a practical value for its day-to--day business. This standard sets employee expectations, which are reflected in the performance and reputation of the Group, and it ensures that we have good standing relationships with all of our stakeholders.

EPIF maintains high ethical standards throughout its operations and supply chain, and we do not tolerate corruption or inappropriate behaviour; breaches could cause major and serious reputational damage for the Group. We notably perform regular bribery and corruption risk assessments, which is overseen by the HSE Committee, and we adjust our internal processes accordingly. Adjustments may relate to bookkeeping guidelines, supplier approval procedures and monitoring systems, and whistleblower programmes. We ensure that all of our employees partake and signoff on annual trainings relating to relevant policies.

These commitments and standards were partly approved in March 2020 and were complemented with additional policies in April 2021. They are all applied at the Group level, with implementation planned throughout the 2021 year.

Notably, most of our subsidiaries already individually uphold these standards. All of them also have their own Code of Conducts in place, which are provided in their native languages. The new *ESG Master Policy* and *EPIF Code of Conduct* are not designed to replace these, but rather to bring general concepts to the Group level, to have them presented in English, and to make them available on one convenient and accessible platform.

Environment

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

Society

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

Governance

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

Figure 14: Our ESG principles

ESG governance at EPIF

In March 2020, the EPIF Board approved a comprehensive set of EPIF Group policies, specifically the *ESG Master Policy, Code of Conduct, Environmental Policy, Operational Policy* and *Procurement Policy*. All these policies have already been implemented across our Group companies.

In April 2021, the EPIF Board approved additional policies, created over the course of 2020, specifically the *Asset integrity management policy, IT Cybersecurity policy, Whistle-blower policy, Diversity policy and Biodiversity policy*. These policies are to be implemented across EPIF Group companies throughout the 2021 year.

In order to highlight the importance ESG topics and show our commitment, Gary Mazzotti, an independent BoD member, has been installed as an ESG Officer, carrying the responsibility for sustainability and ESG related agenda.

As the EPIF Group is committed to sustainable development, our principles are in place to create shareholder value over the long-term, in cooperation with local communities, while protecting the environment within which EPIF operates.

Together with our subsidiaries, we are committed to conducting business activities in a transparent and operationally excellent manner, and we expect the same behaviour from our employees. We value transparent and open dialogue with all of our stakeholders. In order to further develop and improve the interaction internally, as well as externally, we commit to following our values; they are the foundation on which we build relationships with our partners, employees and society.

The HSE Committee and the independent ESG Officer, Garry Mazzotti, supervise compliance with our values and principles laid out in all EPIF policies.

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

Figure 15: EPIF ESG policies

Supply chain management

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

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

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

Our contribution to the SDGs:

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

Procurement practices

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

We thoroughly screen our potential suppliers in an effort to understand how we can become fully aligned in our business approaches. Screening includes our commitments to laws and regulations, ethical business conduct, human rights and working conditions, health and safety, and environmental protection.

A new *KYC Directive*, which provides acceptance guidelines for all business partners, including suppliers, has been approved.

2020 Highlights

In March 2020, EPIF approved a procurement policy focused on monitoring our supply chain. With this policy, we aim to ensure that we encourage our suppliers to not only comply with local regulations, but to also comply with the principles in our Group polices relating to human rights, employees and environmental matters.[21]

What do we expect from our suppliers?

In 2020, there were no significant changes to EPIF's supply chain. Additionally, there were no reported environmental incidents this year.

21 Key tenders from across the EPH Group (incl. EPIF Group) are published on the EPH web page (http://www.epholding.cz/en/suppliers/). This has led to increased supplier participation and transparency.

Risk and crisis management

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

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

Our contribution to the SDGs:

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

Risk Committee

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

Financial risks

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

Operational risks

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

Strategic risks

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

Climate change related risks

We identified two types of climate related risks, physical and transition risk. Physical risk arises from extreme weather events, which may lead to supply interruptions. Transition risk poses a threat of increasing operating costs if not being ready for the new energy system to come.

2020 Highlights

Strategies

EPIF's senior management analyses possible risk through various lenses trying to assess possible development scenarios, preparing contingency strategies and plans.

Information

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

Group culture

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

Figure 16: Risk matrix

Financial risks

Management approach to risk mitigation

Credit risk
The primary exposure to credit risk arises from conducting business with unreliable counter-parts.

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

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

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

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

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

Operational risks

Management approach to risk mitigation

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

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

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

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

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

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

Table 4: Risk management overview

Strategic risks

Management approach to risk mitigation

Socio-economic and political risk The Group's business is exposed to political, economic and social developments in Slovakia, Czech Republic, Central and Eastern Europe regions, and elsewhere.	▪ Open dialogue with local communities and authorities, with timely communication of our business intentions.
Concentration risk A large part of our gas transmission, gas and power distribution, and gas storage revenues, are concentrated to a small number of customers.	▪ Strict control of counterparty credit risk. ▪ We have a *Know Your Customer ("KYC") Directive* in place to ensure that all potential business partners are thoroughly checked prior to committing to a business relationship or transaction.
Reputational risk Reputational damage may arise from miscommunication, or lack thereof, and low transparency with stakeholders.	▪ We only present information about our business that is based on facts, and we do so in a clear and reliable manner. ▪ We constantly monitor public media so that we may be able to timely warn our stakeholders about any false information related to EPIF and the Group that was released. ▪ We promote a responsible marketing approach, making all information regarding our business, such as our services and their possible risks, available and factual.
Competition risk Many of the markets in which the Group's business operates are increasingly competitive and as such, the Group is exposed to the risk of not being able to compete effectively on an on-going basis.	▪ Focus on transmission, distribution and storage of key commodities where the existing infrastructure cannot be easily replicated by competitors. ▪ Within the heat infrastructure segment of our business, we keep prices of heat affordable to attract and retain customers. At the same time, we emphasise environmental benefits of district heating compared to decentralised local boilers.
Employment related risk The Group's ability to maintain its competitive position and to implement its business strategy is largely dependent on its ability to attract and retain qualified personnel, such as managers and senior executives.	▪ Regular dialogue with employees and union representatives (96% of our employees are covered by collective bargaining agreements). ▪ We ensure to delegate main responsibilities across multiple executives to reduce the amount of risk managed by one position. ▪ Engagement with schools, universities and talent recruitment programmes at our subsidiaries and with our union representatives.

Table 4: Risk management overview (continue)

Climate change related risks

Management approach to risk mitigation

Physical risks More frequent and extreme weather events are a risk as they can cause damage to our infrastructure assets, leading to interruptions in the supply of vital commodities. In some of our operating regions, the offtake of cooling water may be reduced, which could affect our heat and power generation capacities.	▪ Guided by our *Asset Integrity Policy*, we ensure that the decisions we make consider all life-cycle stages of our assets, thereby recognizing the interconnectedness of the systems. ▪ Our short-term investment decisions are always based on the rigorous analysis of long-term projections of investment needs. ▪ There are predictive maintenance processes in place to identify spots in our network where maintenance should be preferentially performed. ▪ We adequately insure key infrastructure. ▪ We continuously monitor the water offtake at our individual sites and consult with local water authorities. ▪ We continuously implement measures to reduce our water offtake and use circular cooling as well to limit our reliance on flow-based cooling.
Transition risks Growing operating costs due to pricing pressures on emission allowances. Substitution of existing products and technologies with lower emission alternatives.	▪ We continuously work to reduce the overall carbon footprint and emission intensity of our business activities, such as through our gradual shift in energy mix towards biomass and communal waste. ▪ We aim to focus pilot projects on testing the compatibility of our infrastructure with green gases (gas transmission, distribution and storage) to support integration of new renewable capacities. ▪ Regular update and public announcements relating to our plant conversion plans.

Table 4: Risk management overview (continue)

Social

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

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

1 Foreword

2 About this Report

3 EPIF and its Business

4 Environment

5 Governance

6 Social

Health & safety

Employment and employee development

Customer relationship management

Development of communities and social action

7 Assurance

8 Annex

Health & safety

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

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

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

Our contribution to the SDGs:

EPIF ensures that the health, safety and well-being of all of our stakeholders is at the core of the Group’s business activities.

Health & safety management

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

We are continuously working towards improving our management of H&S. Our largest focus within EPIF’s operations remains on our plants, as they pose a much greater risk to our stakeholders’ health and safety.

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

Health & safety certifications

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

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

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

2020 Highlights

OHSAS 18001/ ISO 45001 certifications highlight the health and safety management systems in place within the Group. In 2020, 59% of EPIF’s employees worked in companies that held these certifications.[22]

2020: Employees covered by OHSAS 18001/ISO 45001

3,807	total employees covered
6,428	FTE
59%	covered employees
2%	decrease of total covered employees from 2019

Figure 17: Employees covered by OHSAS 18001/ISO 45001

EPIF works to provide a safe working environment, not just for its employees, but also for its contractors. In 2020, this commitment resulted in 18% and 20% injury frequency rate decreases for these stakeholders respectively.

2020	Employees	Contractors
Total worked hours	11 mil. 1% decrease from 2019	14 thd. 25% increase from 2019
Registered injuries	30 19% decrease from 2019	1 25% increase from 2019
Fatal injuries	0 no change from 2019	0 100% decrease from 2019
Injury freq. rate[23]	2.83 0.64 point decrease from 2019	0.07 0.02 point decrease from 2019

Figure 18: Injuries overview

22 This does not mean that the rest of our employees work in unsafe and unhealthy environments. In particular, SPP-D (20% of EPIF Group employees) is currently in the process of obtaining the certification.

23 Injury frequency rate defined as number of registered injuries per million hours worked.

Health and safety management at EPIF

EPIF's H&S data results have not significantly changed throughout the Group's operating years, but efforts for achieving our safety goals and maintaining the well-being of our employees has.

With each year, we further strive and commit to maintaining a "**zero harm**" environment throughout all of our business activities. Because of the extensive scope of our Group, this is not an easy feat, but we are committed to ensuring a safe environment in which all aspects of our business are conducted – for all of our stakeholders.

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

In 2020, we included these commitments into our Code of Conduct, thereby further aligning us with our ultimate H&S goals. We also continue to support our entities, such as through the reinforcement of strong governance, effective H&S protocols, sharing of best practices, and eliminating unsafe and unhealthy work behaviour.

At EPIF, we pride ourselves on the fact that our top priority is the health and safety of our employees. In 2020, we recorded no fatal injuries and registered injuries were mostly the result of a fall caused by uneven, slippery or icy surfaces.

8 Pillars of health & safety management

Commitment from top management	We take the reporting on H&S issues very seriously; top management is actively involved in H&S issues and ensures that they are carefully considered in every decision-making process. This level of commitment is expected from all of our entities. Additionally, semi-annual and annual reports on H&S are presented directly to the Board of Directors. As an example, SSE has weekly updates on its H&S indicators, which are discussed at management meetings.
H&S integration into our emuneration system	We integrate H&S into our incentive schemes, such as within our employee performance assessments. We believe that this allows for greater insight on employee approaches to maintaining a safe and healthy working environment. It also allows us to identify any gaps within our H&S training or even policies.
Prevention	We aim to not only reduce the number of accidents within our Group, but also prevent them from ever occurring. As a result, several of our entities focus their preventive based approaches on keeping detailed recounts of all accidents and "near-misses," and defining the remedial actions taken to prevent similar reoccurrences. We also focus on reducing near-misses and incidents through monitoring and analyses processes, as we believe that reduction will ultimately lead to the prevention of severe and even fatal accidents.
Risk control and reduction	At EPIF, H&S management requires regular on-site risk assessments and inspections. As an example, BERT performs work-related risk assessments for every work activity, including those performed by contractors and subcontractors. They also run enhanced controls for work that has higher exposure to risk. Every BERT supervisor is required to pass an examination on its safety rules. As another example, SPP – distribúcia receives third party safety inspections relating to the H&S of its projects and technological processes.
Focus on behaviour	Studies show that 80–90% of accidents are caused by human error (Heinrich et al, 1980). At the same time, changing unsafe behaviours is one of the most difficult challenges a company can face when trying to achieve a goal of "zero harm." Behaviour Based Safety (BBS) can reinforce corrective action that should be taken by an organisation's management to address unsafe work behaviour. BBS aims to understand the root causes of unsafe behaviour and apply corrective measures accordingly.
Training and communication	At EPIF, H&S training, as well as communication, are recognised as important channels for distributing relevant knowledge, awareness and expectations amongst our employees and contractors; we ensure to facilitate periodical retraining. The EPIF Group also provides general training programmes on employee safety. When selecting or assessing potential suppliers, the Group also takes into account their approach and attitude towards safety issues.
Emergency response and fire protection procedures	EPIF's entities have dedicated fire protection and emergency response plans. We continuously work to improve our preparation for these situations, such as through regular drills and training sessions. As an example, eustream and NAFTA regularly perform controlled emergency drills through their HSEQ department. These drills are conducted in collaboration with the dispatch department and fire safety brigades.
Health protection	EPIF's entities have various initiatives that aim to promote the health and well-being of its employees while at work. As an example, SPP – distribúcia regularly provides medical examinations for its employees.

Table 5: Pillars of H&S management

Employment and employee development

EPIF values the diversity within its talent, as a matter of fact, we believe our people are at the core of what strengthens our work. We encourage openness and honesty amongst our employees, so that we may understand how to better support them in reaching their full potential within the Group.

At EPIF, we approach employment practices and procedures with inclusion and equal opportunity in mind. It is important that we not only hire the best talent, but also the right talent, regardless of personal differences and backgrounds.

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

Our contribution to the SDGs:

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

Our employees

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

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

Training and development

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

EPIF recognises its employees as the Group's top asset, and as a result, we place great emphasis on their development. Our hope is to highlight the importance our Group places on our most precious asset – our people.

2020 Highlights

154 persons

EPIF does not discriminate within its employment process, and as a result, we proudly employ 154 persons with various disabilities. We commit to fully understanding their working needs so that we may provide the most appropriate support for their day-to-day activities.

6,428 professionals

In 2020, EPIF employed 6,428 professionals across 5 countries, 7% of which held top or middle management positions.

96 %

Almost 96% of our employees are covered by various collective bargaining agreements.

150,000 hours

In 2020, EPIF provided its employees with over 150,000 training hours.

EPIF employment and employee standards

In 2020, EPIF further committed to upholding fair employment and treatment of its employees through the creation of an Equality, Diversity and Inclusion Policy. Its implementation throughout the entire Group will be completed in 2021.

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

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

As much as we ensure to equally employ our talent, we still see a disproportionate amount of women to men in our Group. As in most energy focused fields, this is currently the norm, where most positions held in this particular industry are typically occupied by men, especially within management. This is further represented in the rates experienced by our peers[24], with roughly 20% and 15% of women in non-executive, and top and middle management respectively. Overall, in 2020, EPIF had a 4:1 ratio of men to women within the Group, where 94% and 6% of all female positions were held in non-executive, and top and middle management positions respectively, with a 6% increase in the number of executive positions held compared to last year. We encourage our female employees to take part in projects' leadership to support their personal and professional growth. This way the Group easily discovers new female leaders.

Headcount by country

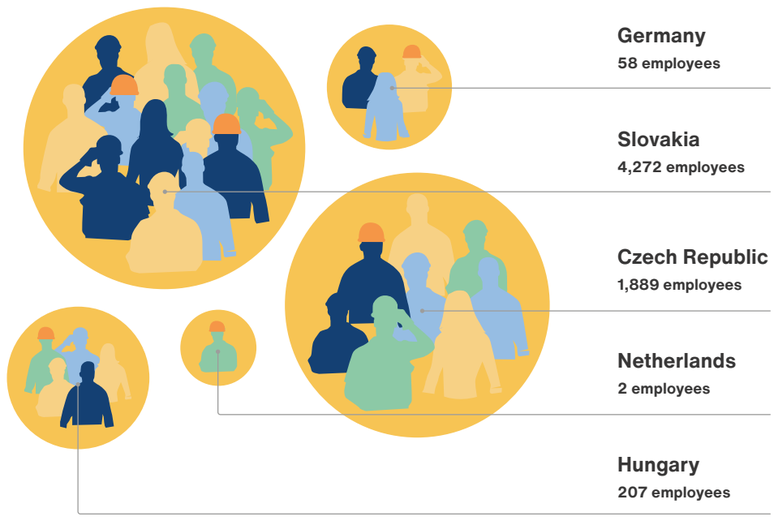


Figure 20: Headcount by country[25]

24 The figures represent average full-time equivalent employees in 2020.
25 Based on the analysis of 5 main comparable energy groups in Europe.

Employee data by gender[26]

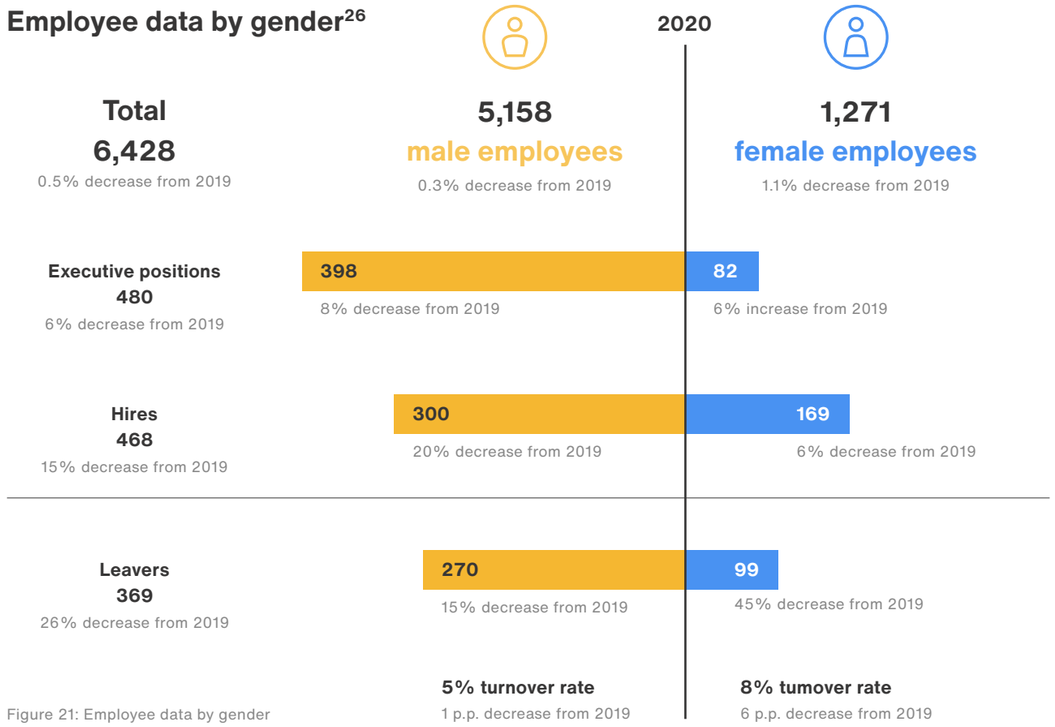


Figure 21: Employee data by gender

2020 Total employees by age group

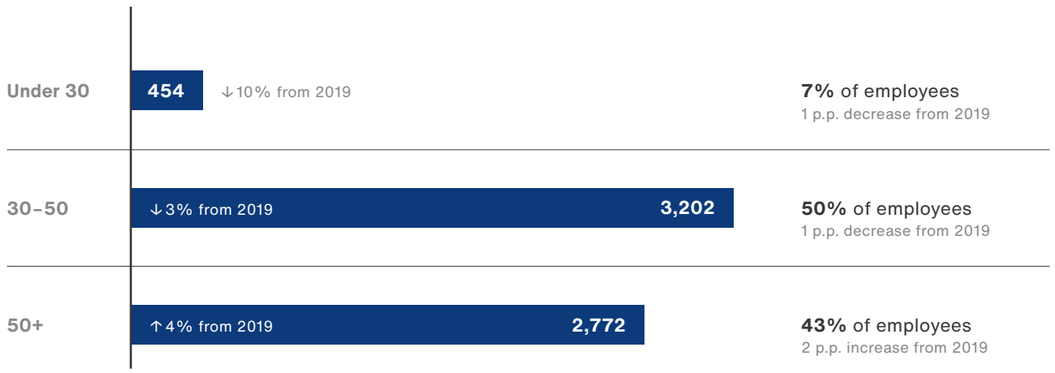


Figure 22: Employee data by age groups

26 Executive positions refer to workers in top or middle management.

Employee development

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

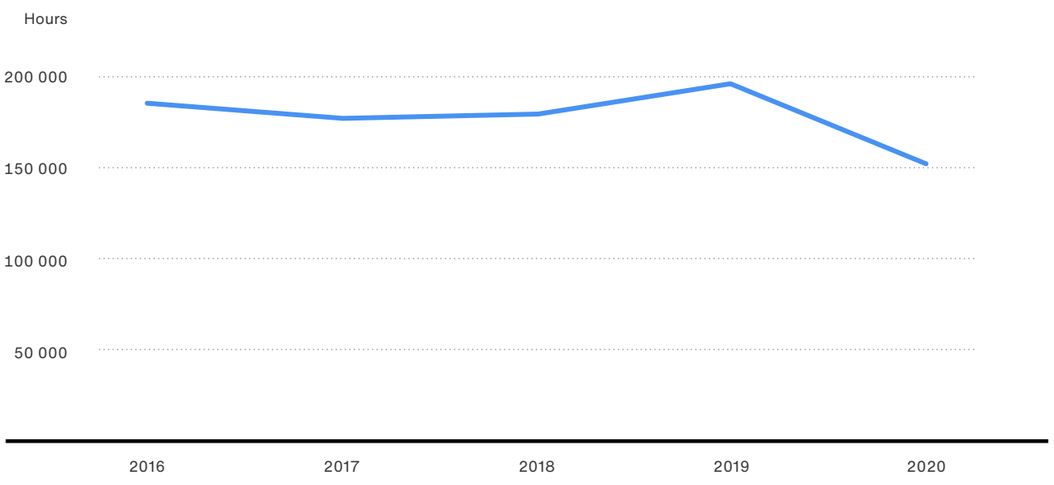
We are committed to providing our employees with the right tools and environment in which they can professionally grow and develop. As an example, in an effort to better understand the strengths of our employees, we provide them with regular work assessments and evaluations. This not only allows us to better allocate their talents within the Group, but it allows us to understand where our employees could benefit with further support.

In 2020, we experienced a decline in employee training hours due to the COVID-19 pandemic. The majority of our training sessions were held online, however, technical trainings had to be completed through physical attendance.

153,104 hrs.
of employee training
↓ 23% from 2019

23.8
training hrs. / employee
↓ 22% from 2019

Total employee training



Graph 22: Employee training hours

Case Study
Employee and employment programmes
Attracting talent

Stredoslovenská distribučná (SSE subsidiary)

In 2020, we continued to develop two main areas at Stredoslovenská distribučná: workforce renewal and employee retention. Through our cooperation with secondary schools and universities, we have also been able to improve our workforce age diversity by attracting more young professionals.

We also work to increase the number of females entering our industry, and those that continually progress to hold executive positions. We do this through education and training programmes, with an emphasis on providing current and future managers with training in managerial and technical skills.

SPP – distribúcia

In May 2020, 3 students that participated in The Young Gas Worker successfully completed the programme. Following their successful completion, SPP-D offered 1 student a full-time position as a junior measurement and telemetry mechanic with employment commencing in July 2020. In September 2020, 12 new students from 3 secondary schools in Trnava, Prešov and Levice, started their internships. Currently, the programme has been put on hold due to the ongoing world pandemic. However, SPP-D plans to resume their internships as soon as it is safe and possible to do so.

Customer relationship management

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

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

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

Our contribution to the SDGs:

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

Customer and product approach

Energy is essential for a country's economic and social development, as well as for facilitating and enriching people's daily lives in the modern world. We have focused on the use of new technologies and developing projects specifically targeted towards creating shared value, so that we can provide access to basic services to all of the communities in which we operate.

As our business is regulated by the state in which we operate, we always offer our customers reasonable prices. Notably, we offer better prices to vulnerable and disadvantaged customers in Slovakia as required by local legislation.

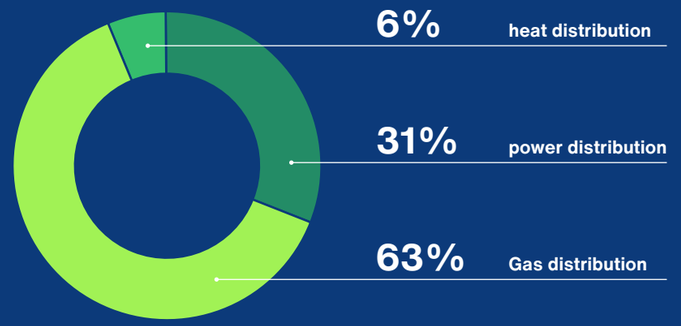
Communication

The majority of companies in the Group have an Ethics Manual or Code of Conduct, however in 2020 we also implemented the *EPIF Group Code of Conduct*, superseding local ones. It contains processes regarding the expected ethical and transparent business conduct with our customers. Because we place such great importance on providing exceptional services, we have created clear and easily accessible communication channels for our customers.

Access to basic services and responsible marketing

We take various measures to regularly update our customers on information relating to the safety risks associated with our products and services. As an example, our companies have hotlines in place where customers can call in case of emergencies. Additionally, our subsidiaries' websites are frequently updated with important and relevant customer information, such as planned outages. In the case of an emergency, the EPIF Group communicates quickly and transparently with all involved stakeholders and governmental bodies. Our emergency plans include an analysis of possible risks and are designed to incorporate best practices with regards to safety management.

2020 Highlights



Graph 23: Connection points

Our customer service is not exclusively limited to the supply or distribution of the aforementioned commodities. We understand that it is equally important to provide sustainable products along with energy savings in order to achieve EPIF's decarbonisation goals.

2.5 million

In 2020, almost 2.5 million end consumers were connected to our gas, heat and power networks.

Case Study
Access to basic services

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

SPP – distribúcia

In our gas distribution business in Slovakia, SPP – distribúcia continues to connect new households or commercial customers every year, although Slovakia is already heavily gasified with 94% of population being connected to the gas distribution network. SPP-D also fulfils the duties of the Slovak national gas dispatching and is responsible for the physical balancing of the network.

Stredoslovenská energetika

Through our subsidiary Stredoslovenská energetika, we operate 2nd largest electricity distribution network in Slovakia. Similarly to SPP-D, the number of connection points has been continuously growing since 2015, while continuity of supplies was ensured through a modern asset base with stable and relatively low SAIDI and SAIFI indices achieved (key indicators measuring network reliability). As some end consumers may critically depend on continuous connection to electricity due to their illness or disability, SSE preferentially communicates with these consumers regarding potential interruptions.

Case Study
Responsible marketing

Through our subsidiaries EP Energy Trading and Stredoslovenská energetika, we supply electricity and gas to more than 700 thousand customers in Slovakia and the Czech Republic. We strongly refuse to engage in any aggressive sales techniques to enhance customer retention or acquire new customers. EPET is a signatory to the ANDE declaration[27] which obliges all its members to enable all their customers a smooth and prompt change of the energy supplier without unnecessary complications. In addition, as EPET is fully conscious of the customers' weak position in contract negotiations, it voluntarily imposes restrictions in respect of maximum contract length and prolongation periods. Similarly, SSE acts in line with its internal code of conduct, refusing any unethical behavior as part of its customer acquisition process. As an example, SSE never consciously exposes a newly acquired customer to the risk of sanctions for preliminary termination of the contract with their existing energy supplier.

700 ths
customers in Slovakia and the Czech Republic

27 https://andecr.cz/deklarace/

Case Study

Customer energy efficiency programmes

Working with our communities to reduce and optimise energy consumption

Stredoslovenská energetika

At Stredoslovenská energetika, we are dedicated to building our online communication through our *Hints and Tips* webpage. This page is dedicated to providing our customers and communities with energy efficiency and energy related advice. In 2020, the time that visitors spent on our energy efficiency webpages rose by **47%** compared to 2019. Additionally, we have been a part of Facebook since 2018, and have to-date attracted more than **11,000** followers.

In 2020, our customers received practical advice on how to quickly and effectively reduce energy consumption in their homes. Customers also had the opportunity to learn about other aspects of energy in their homes, such as the most affordable rates for their homes, how much their electrical appliances consumed and the difference between modern LEDs and classical incandescent bulbs.

In 2020, our online programme was enriched with another SEO content series. This year, our content was read by more than **40,000** customers, and included various article topics, such as the advantages and disadvantages of electrical and gas hobs in Slovakian homes. Another article that attracted a wide group of readers to our website highlighted methods on how to responsibly prepare for the heating season. Overall, we have found that our customers are showing greater interest in renewable sources, along with tips on how to further reduce electricity and gas consumption.

In 2021, we intend to expand SSE's *Hints and Tips* webpage by adding more useful and compelling topics. We are also committed to further educating households in Slovakia about the path to practical and easily achievable energy efficiency.

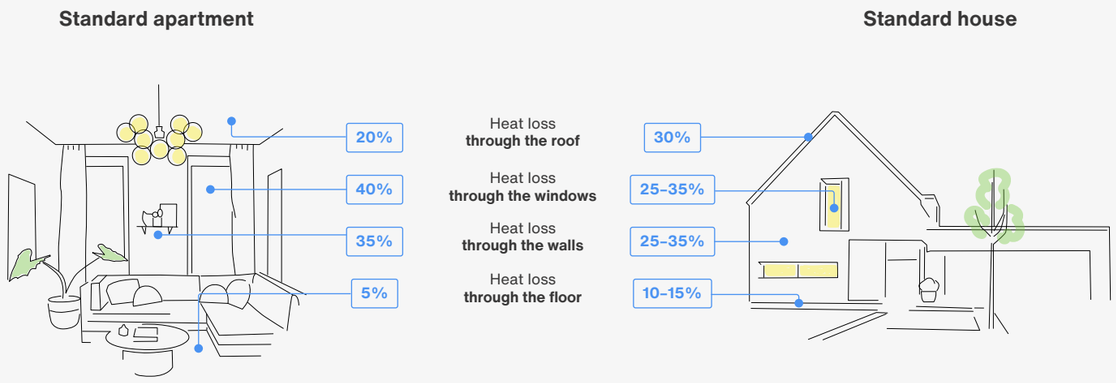


Figure 23: Heat loss infographic

Plzeňská teplárenská

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

Currently, we provide monitoring services that collect data relating to energy consumption; however, it also acts as an alert system in the case of energy failures or accidents. This service allows customers to optimise their energy consumption and reduce energy costs.

As an example, this service is provided in several buildings in the Pilsen region. Additionally, since January 2020, energy consumption monitoring devices were gradually installed in some kindergartens in the city of Pilsen. Notably, in 2019, the project **"Monitoring of energy consumption in kindergartens"** was awarded the Crystal Chimney prize by the Association for District Heating of the Czech Republic during the District Heating and Energy Days.

Development of communities and social action

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

EPIF is proactive in its community partnership efforts. As an example, we promote a number of initiatives through our EPH Foundation, such as those relating to grant and community partnership programmes.

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

Our contribution to the SDGs:

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

Community development programmes and initiatives

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

EPH Foundation

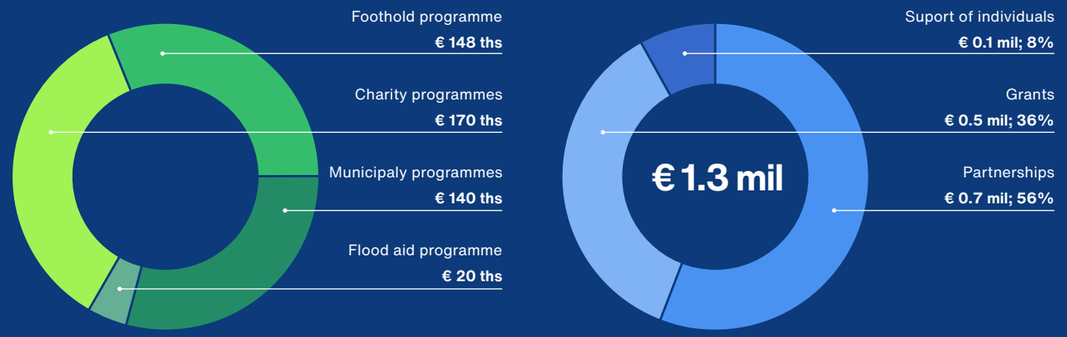
The EPH Foundation is the main facilitator of all of our Group's community activities, such as those relating to the support of local charities, social initiatives and community development programmes. It is important to note that EPIF is the founder and primary benefactor of the EPH Foundation.

The foundation was established mainly to support:

1. human rights and associated humanitarian goals,
2. environmental protection,
3. the preservation of natural values,
4. people's health,
5. children and youth, and their right to have rights,
6. access to humanitarian aid.

2020 Highlights

Grant programmes



Graph 24: EPH Foundation contributions

In an effort to combat the spread of COVID-19, EPH Group, together with J&T donated protective and medical equipment to the Czech Republic and Slovakia in the amount of € 8 million.

€ 1.3 mil

In 2020, the EPH Foundation supported 731 projects and individuals, with an overall amount exceeding EUR 1.3 million.

Partnership programmes

€ 738 ths
total support

In 2020, EPIF supported 101 projects with a total of EUR 738 thousand.

Through our partnerships, we support public benefit projects in 6 key areas: education and innovation, culture, health and sport, disadvantaged groups, environment, and regional development. Additionally, our partnerships focus on innovation, having a nationwide reach and creating lasting impacts in people's lives.

Partner	Project	Activities	Contribution
ADRA ADRA is changing the world through a range of programs and initiatives in four key impact areas.	Let there be light! Electricity backup source in an African hospital.	Itibo Hospital located in the mountains of western Kenya, suffers from an unstable supply of electricity from the public grid. We contributed to building a backup solution for the hospital, where solutions included implementation of a generator, batteries, and solar panels. ● Construction of a new building and installment of a 15kW diesel generator. ● Installment of 12 solar panels and additional batteries. The new back-up system will provide emergency electricity supply to operating rooms and intensive care units.	**€ 10,000**
APPA Helps physically handicapped children and adults.	Improving health through rehabilitation.	Our financial support helped specialised rehabilitation centers accommodate 66 families with disabled children or another family members who could not afford treatment.	**€ 60,000**

Grant programmes

In 2020, most of EPIF's projects were categorised as "Charity programmes," where EUR 170 thousand was distributed among 528 individuals. The largest and most mentionable project was Foothold, to which we granted over EUR 148 thousand. It focuses on supporting local organisations and social services that help people in difficult situations.

Programme	Areas covered	Contribution
Foothold *Oporný bod*	The programme focuses on supporting local organisations or social services helping people in difficult situations.	**€ 148,500**
Slovakia catholic charity	The programme provides support in the form of material or food for those in need.	**€ 110,000**

Nadácia EPH

We provide also grants to individuals, legal entities and non-profit organizations, focusing on projects with the goal to substitute family care, provide emergency assistance, assist people who are sick or disabled, provide hospice care and promote awareness and education.

Organisation	Activity	Contribution
HARMONY rehabilitation center	New treatment methods (robotically assisted) for children with cerebral palsy and musculoskeletal disorders.	€ 30,000
PHYSIO CANIS	Integrated canis therapy for children and adolescents with musculoskeletal disorders involving specialised dogs, TheraSuit® and innovative NASA-inspired methods.	€ 30,000
PLAMIENOK	The project is aimed at families with terminally ill children. It offers professional medical, psychological and social assistance while staying at home, in a familiar environment. This project also aims to raise awareness and educate individuals in these specifically difficult life situations.	€ 20,000
Samaria association	The association is aimed at developing stable infrastructure and networks of volunteers who assist families with children, single mothers and seniors. In 2020, we were able to materially support 126 clients.	€ 25,000
Drahuška and us...	The organisation supports young adults from children's homes through education, qualification and also creation of new job positions as caregivers.	€ 18,000
Blue Angel	The organisation provides psychosocial support, crisis intervention and post-traumatic therapeutic intervention for people affected by a traumatic event.	€ 20,000

Nadácia EPH

Community development programmes and initiatives

Public waste-to-energy plant tours

At Plzeňská teplárenská, there are regular excursions organised for schools and the public, which are accompanied by educational programmes.

The educational programme is aimed at highlighting **waste as an important secondary source for heat and power production**, with a potential to save primary non-renewable sources. **In 2020, a new educational programme focused on waste and its processing** was introduced. All educational programmes are also provided in English.

Green City of Pilsen

The project “Green city” aims to improve the quality of life for Pilsen residents. Particular goals of the project are to have clean air, **clean water, green transport, responsible and environmentally friendly waste management, and a greener city centre**.

This intention united **7 entities**: the city of Pilsen, Pilsen region, company Plzeňské městské dopravní podniky a.s., company Vodárna Plzeň, a.s., company **Plzeňská teplárenská, a.s.**, company Škoda Transportion, a.s., and company Plzeňský Prazdroj, a. s. All of these entities strive to minimise their impact on the environment, while supporting environmental protection.

The ambition of the association is not only to open up the discussion about this topic, but to also expand the association with other entities that could further help **implement the measures for meeting the Green City goals**.

Figure 24: Community programmes and intiatives infographic

Continuous supply of electricity during the pandemic

At SSD, we implemented the following measures to ensure that our business continued meeting its demand during the pandemic: testing on a regular basis, regular disinfection of workspaces, temperature screening of everyone entering the workplace, an increased number of hand sanitizing stations and an implemented policy on wearing masks at the workplace.

The company provided face masks and vitamin supplements to all employees.

The **most critical employees** – dispatchers work under special quarantine conditions. They work and live together for 2 weeks without having the possibility of going home. The company provides accommodation, food and regular testing for these employees.

Our contribution to fighting COVID-19

Over the course of April and May 2020, EPH Foundation provided 5,022 tests for a total price of **EUR 241 thousand**. The test were locally distributed among public servants, social services, retirement homes and other organisations providing support to the elderly population.

J&T and EPH **donated protective aids and medical material** to combat the spread of coronavirus in the amount of **EUR 8 million**. Half of this assistance was distributed across the Czech Republic and the other half across Slovakia, in close cooperation with the crisis staff in both of these countries.

Educating our youth on energy efficiency

The SSE education programme has established itself as one of Slovakia’s most influential energy-related educational activities. The energy efficiency education contest, which is further raising awareness among young professionals about energy efficiency, reaches an average of **100 schools a year**. We have found that this has increased the interest in sustainable energy practices among thousands of young students in Slovakia.

The grown interest that students expressed in further exploring energy related topics is highlighted in the **38% increase** in visits made to www.sse.sk/stukes **compared to last year**. The popularity of the contest has also been visible on **SSE’s YouTube channel**, with over **3,000 video views** since the contest began.

Assurance

1 Foreword

2 About this Report

3 EPIF and its Business

4 Environment

5 Governance

6 Social

7 Assurance

8 Annex

7

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Report of Factual Findings

Board of Directors
EP Infrastructure, a.s.
Pařížská 130/26, 110 00
IC: 02 413 507
Prague 1

Based on the engagement letter dated 9 April 2021 we have been engaged to perform agreed upon procedures relating to below defined indicators included in the EP Infrastructure, a.s. group sustainability report for the year 2020 (hereinafter "the Report") to assist Board of Directors in indicators testing. Our engagement with EP Infrastructure, a.s. (hereinafter "the Company", or in aggregate with its subsidiaries referred as "the Group") was conducted in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements ISRS 4400.

Our procedures were limited in nature and scope to those defined by you as those are most fitting to your current information needs, and as such may not necessarily identify all significant matters relating to the Company or detect any errors or deviations from the norm in the supporting materials. Responsibility for the sufficiency of the performed procedures rests exclusively with the recipients of this letter. The procedures that we have carried out are designed to satisfy the Company's information needs.

Agreed-Upon Procedures

We understand that you required us to carry out the procedures on below specified indicators for Czech Republic and Slovakia or at group combined basis (further "Specified Indicators"):

- Total Energy consumption based on GRI standard 302-1, on page 156 of the Report,
- Total Quantity of water withdrawal based on GRI standard 303-1, on page 162 of the Report,

- Total Quantity of water discharged based on GRI standard 306-1, on page 162 of the Report,
- Total Registered injuries – Employees based on GRI standard 403-2 on page 168 of the Report.

Our procedures are defined as follows:

1. Recalculation of Specified Indicators as included in Group support source data file (test of mathematical accuracy of the data collected from individual entities and summarized in the Report).

2. Comparison of the methodology used for calculating the Specified Indicators presented in the Report to relevant guidance of GRI Standards: Core option as defined for such indicators including the GRI reporting limitations stated in the Report on pages 23, 24.

3. On sample basis, defined at minimum one company from Czech Republic and Slovakia, compare that data provided by individual companies of the Group were properly transferred to the Group support source data file and compare the values reported by the companies to the underlying documentation.

4. For economic and financial data that consist of Total Sales and Income tax paid as of 31 December 2020 and for the year then ended as presented on the pages 1, 9, 34 and 40 in the Report, marked with ("*") (hereinafter "Selected Financial data") reconcile to the Company`s consolidated financial statements as of 31 December 2020 that form part of the Company`s 2020 Annual Report.

Procedures and findings:

1. We recalculated data for the Specified Indicators. Calculation was provided to us by the Company in the form of Group support source data file. We recalculated amounts included in the file and then traced the amounts of Specified Indicators from Group support source data file to respected pages of the Report.
   We did not note any differences.

2. We compared the methodology used by the Group for calculation of Specified Indicators to relevant paragraph of GRI Standards: Core option methodology including the limitations disclosed in the Report on page 23, 24. The Group methodology is defined in the calculation questionnaire. Calculation questionnaire is provided to all companies of the Group.
   The methodology used by the Group for calculation of Specified Indicators, as included in the calculation questionnaire, is in line with the definitions of GRI Standards No. 302 -1, 303 – 1, 306 -1, 403 – 2, Core option including disclosed limitations in the Report on page 23 and 24.

3. Based on the table "EPIF reporting scope entities" included in the Report on the pages no. 138 and 139 and minimum scope requirement as described above, the following entities were

selected for the testing: Eustream, a.s. (Slovakia), Elektrárny Opatovice, a.s. (Czech Republic) and Plzeňská teplárenská a.s. (Czech Republic) hereinafter “the Entities ”.

We compared data reported by the Entities to the Group in respect of Specified Indicators to the Group support source data file. We did not note any differences.

We compared data relevant to Specified Indicators as reported in questionnaires prepared by the Entities to the relevant supporting documentation available at the Entities. Relevant supporting documentation included protocols or minutes from measuring signed by relevant persons responsible for the measuring, invoices from energy or water supplier, details from HR system and reports from internal systems.

We did not note any differences.

4. We reconciled Selected Financial data presented in the Report to Company`s consolidated financial statements as of 31 December 2020, as included in the 2020 Annual report, with no difference noted expect effect of rounding, if applicable.

* * *

Our engagement to apply agreed-upon procedures has been performed in accordance with the International Standard on Related Services (ISRS) 4400 – Engagements to Perform Agreed-Upon Procedures Regarding Financial Information as well as with the Code of Ethics for Professional Accountants issued the International Ethics Standards Board for Accountants. The sufficiency of the procedures is solely the responsibility of EP Infrastructure, a.s. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which our report is being prepared or for any other purpose.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on financial statements of EP Infrastructure, a.s.

Had we performed additional procedures or had we performed an audit or review of the Company’s statutory financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report. Our report is not to be used for any other purpose or to be distributed to any other parties. This report relates only to Specified Indicators defined above and does not extend to any financial statements of the Company.

Prague, 12 May 2021

KPMG Česká republika, s.r.o.

Annex

1 Foreword

2 About this Report

3 EPIF and its Business

4 Environment

5 Governance

6 Social

7 Assurance

8 Annex

Abbreviations

List of graphs, tables and figures

Methodology note

Stakeholder engagement

GRI Content Index

Abbreviations

AA1000	Accountability Stakeholder Engagement Standards
BBS	Behaviour Based Safety
BERT	Budapesti Erőmű Zrt.
CCGT	Combined Cycle Gas Turbine
CE	Central Europe: represents a region of the Czech Republic, Slovakia and Austria
CO_2	Carbon dioxide
COP 21	Paris Climate Conference
ADJ. EBITDA	Adjusted EBITDA ("Adj. EBITDA") represents operating profit plus depreciation of property, plant and equipment and amortisation of intangible assets less negative goodwill (if applicable), adjusted for selected items
EIA	Environmental Impact Assessment
EMS	Environmental Management System
EOP	Elektrárny Opatovice a.s.
EPC	EP Cargo a.s.
EPET	EP Energy Trading a.s.
EPH	Energetický a průmyslový holding, a.s. (Parent company)
EPIF	EP Infrastructure a.s.
EPPE	EP Power Europe a.s.
ESG	Environment, Social, Governance
EU	European Union
EUR	Euro currency
GDPR	General Data Protection Regulation
GHG	Greenhouse gases are those currently required by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. These GHGs are currently: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3)
GRI	Global Reporting Initiative
H&S	Health and safety
HSEQ	Health, Safety, Environment, and Quality
IPCC	Intergovernmental Panel on Climate Change
ISRS 4400	International Standard on Related Services, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information
ISO 14001	Certification of Environmental management system
J&T	J&T Finance Group SE
KYC	"Know your customer" is the process of a business, identifying and verifying the identity of its customers
N_2O	Nitrous oxide
Nafta	NAFTA a.s.
NF_3	Nitrogen trifluoride
NG	Natural gas
NGOs	Non-governmental organisations
NO_x	Nitrogen oxide emissions
OCGT	Open Cycle Gas Turbine
O&M	Operation & Maintenance
OHSAS 18001	Occupational Health and Safety Management Systems (superseded by ISO 45001)
PLTEP	Plzeňská teplárenská a.s.
SDGs	Sustainable development goals
SF_6	Sulphur hexafluoride
SO_2	Sulphur dioxide
SPP	Slovenský plynárenský priemysel, a.s.
SPP-D	SPP – distribúcia, a.s.
SSE	Stredoslovenská energetika, a.s.
SSD	Stredoslovenská distribučná, a.s. (Subsidiary of SSE)
UE	United Energy a.s.
VIG	Vienna Insurance Group

Units

#	number
%	percentage
p.p.	percentage point
bcm	billion cubic meters
CO_2-eq.	carbon dioxide equivalent
GWh	gigawatt-hour
k	thousand
km	kilometer
m	million
mcm	cubic meter
mil. tonnes	million tonnes
MW	megawatt
MWe	megawatt electrical
MWh	megawatt hour
MWt	megawatt thermal
PJ	petajoule
TJ	terajoule
tkm	tonne-kilometre
TWh	terawatt hour

List of graphs, tables and figures

Graph 1: EPIF's 2020 business results 40
Graph 2: Distribution and transmission 41
Graph 3: Power production by energy source 42
Graph 4: Heat production by energy source 42
Graph 5: Net power production trend 43
Graph 6: Net heat production trend 43
Graph 7: Net installed capacity for power 44
Graph 8: Net installed capacity for heat 45
Graph 9: Energy consumption by fuel 46
Graph 10: Energy efficiency 47
Graph 11: Scope 1 and 2 emissions 53
Graph 12: Emission intensity of the production 54
Graph 13: CO_2 emissions by segments 55
Graph 14: Air emissions 58
Graph 15: Water withdrawal and discharge 63
Graph 16: Waste disposal by type 66
Graph 17: Waste production and intensity 67
Graph 18: By-products generation 71
Graph 19: By-products by use 71
Graph 20: Reclamation reserves 73
Graph 21: Shareholder structure 78
Graph 22: Employee training hours 110
Graph 23: Connection points 113
Graph 24: EPH Foundation contributions 119

Table 1: Distribution losses 41
Table 2: Air emissions management approach 59
Table 3: Certifications overview 75
Table 4: Risk management overview 97–99
Table 5: Pillars of H&S management 105
Table 6: EPIF reporting scope entities 133
Table 7: Stakeholder engagement overview 134

Figure 1: Value chain infographic 10
Figure 2: Decarbonisation strategy infographic 14
Figure 3: H2 project timeline 19
Figure 4: Reporting process infographic 22
Figure 5: GRI principles for report content and quality 24
Figure 6: Key stakeholders infographic 25
Figure 7: Materiality matrix 26
Figure 8: EPIF growth 32
Figure 9: Our geographical presence 34
Figure 10: Income taxes paid 40
Figure 11: Project timeline 69
Figure 12: Governance 79
Figure 13: Governance 80
Figure 14: Our ESG principles 89
Figure 15: EPIF ESG policies 90
Figure 16: Risk matrix 96
Figure 17: Employees covered by OHSAS 18001/ISO 45001 103
Figure 18: Injuries overview 103
Figure 20: Headcount by country 108
Figure 21: Employee data by gender 109
Figure 22: Employee data by age groups 109
Figure 23: Heat loss infographic 116
Figure 24: Community programmes and intiatives infographic 124

Methodology note

Report boundaries

The Report boundaries are based on operational control and are applied to all GRI Indicators, with the exception of GRI 200 Economic and GRI 400 Social data. This data was reported using financial control so that the financial data within this Report and the EPIF 2020 Annual Report were aligned. As a result, EPIF has consolidated data from all controlled entities that were deemed material for the purposes of this Report. This list of entities covered by this Report can be found in the table below.

This Report focuses on topics that are most material to our business and stakeholders. These topics are highlighted in different sections of this Report, with supporting information in the GRI Content Index, which can be found in the Annex of this Report. Further detail on our stakeholder analysis and engagement approaches are provided in the Stakeholder engagement section of the Annex.

Organisational boundaries

Table 6 identifies all of the entities within EPIF's portfolio that were deemed material for this Report. According to EPIF reporting approach, data from newly acquired entities is included in the consolidated reporting of information, but only if they were acquired within the first two quarters of the reporting period.

Entity name	Country	Ownership Share	Financial Control	Operational Control
Gas storage				
NAFTA Speicher GmbH & Co. KG	DE	69.0%	Yes	Yes
NAFTA a.s.	SK	69.0%	Yes	Yes
POZAGAS a.s.	SK	62.0%	Yes	Yes
SPP Storage, s.r.o.	SK	49.0%	Yes	Yes
Gas transmission				
eustream, a.s.	SK	49.0%	Yes	Yes
Gas and Power distribution				
EP ENERGY TRADING, a.s.	CZ	100.0%	Yes	Yes
SPP – distribúcia, a.s.	SK	49.0%	Yes	Yes
Stredoslovenská energetika a.s.	SK	49.0%	Yes	Yes
Stredoslovenská distribučná a.s.	SK	49.0%	Yes	Yes
Heat Infra				
Elektrárny Opatovice, a.s.	CZ	100.0%	Yes	Yes
EP Cargo a.s.	CZ	100.0%	Yes	Yes
EP Sourcing, a.s.	CZ	100.0%	Yes	Yes
Pražská teplárenská a.s.	CZ	100.0%[27]	Yes	Yes
United Energy, a.s.	CZ	100.0%	Yes	Yes
Plzeňská teplárenská a.s.	CZ	35.0%	Yes	Yes
Budapesti Erömü Zrt (BERT)	HU	95.6%[28]	Yes	Yes
Renewables				
Powersun a.s.	CZ	100.0%	Yes	Yes
Triskata, s.r.o.	CZ	100.0%	Yes	Yes
VTE Pchery, s.r.o.	CZ	100.0%	Yes	Yes
Arisun, s.r.o.	SK	100.0%	Yes	Yes
Alternative Energy, s.r.o.	SK	90.0%	Yes	Yes

Table 6: EPIF reporting scope entities

Note: We only included the entities that have a major impact on our operations. For a complete list of entities, please refer to our 2020 consolidated Annual Report.

Operational boundaries

For respective subsidiaries, we set the boundary as the core business operations relating to environmental indicators. This means that we excluded some data from administrative and other non-core facilities, such as electricity for administrative buildings, as we deemed these immaterial. In some circumstances, this information was included, as it could not be separated from underlying data. Additionally, boundaries for environmental indicators are restricted to the physical locations of core operations. Therefore, we excluded data from facilities not located in the physical location of their main operation and whose environmental impact was not deemed material compared to the impact of the main operation.

For our future reporting, we will consider these issues as an area in which we can improve our approach.

Assurance

External assurance was obtained for the material information included in this Report. Additionally, financial information regarding our energy consumption, water withdrawal and discharge, and injury data relating to our facilities located in the Czech Republic, Slovakia, and Hungary, were assured by an independent auditor in accordance with the ISRS 4400 (Agreed-Upon Procedures Engagements). Supplementary assurance statements can be found in the Annex of this Report.

27 Disposed of in November 2020, however still included in the scope of 2020 Sustainability report.
28 Disposed of in December 2020, however still included in the scope of 2020 Sustainability report.

Stakeholder engagement

Stakeholder engagement with regard to EPIF's sustainability performance is regularly done through a range of channels, as summarised in Table 6. Presented stakeholder analysis is performed by the EPIF Group based on its local stakeholders' contributions, which play a significant role in mapping their expectations and priorities.

The analysis performed at the EPIF Group level includes relevant consultations with its companies in order to analyse the key topics and concerns raised by local stakeholders.

Table 6 identifies the channels that EPIF uses for successful and meaningful engagements with stakeholders. Based on information provided by local stakeholders, their expectations from EPIF have been included. These expectations and concerns are identified through EPIF's consultations with its subsidiaries.

Stakeholder group	Description	Means of communication	Main expectations
Investors and lenders	These stakeholders are predominantly banks, bond holders and financial institutions, whose capital is crucial for EPIF's successful development. Their interest in EPIF's sustainability performance is demonstrated at both the EPIF level and local level, depending on their involvement in financing within the Group.	• Investor relations • Annual reports • Presentations	• Transparent communication (financial and non-financial reporting) • Risk management • Environmental management
Customers	These stakeholders are very important for EPIF's business, as their decisions determine the Group's success.	• Customer service • Satisfaction surveys • EPIF website	• Efficient heat, gas and power distribution • Secure business supply
Suppliers and contractors	These stakeholders can have both a local and global reach (social and economic performance), which can affect EPIF at the Group or subsidiary level. This holds especially true for contractors who are engaged in centralised processes (e.g. large tenders, IT procurement and pipeline work).	• Technical briefings • EPIF website • Informative training	• Procurement requirements (environmental and social) • Fair and transparent procurement practices
Labour and trade unions	These stakeholders have a relatively moderate interest in the economic and environmental performance of EPIF's entities. They have a greater interest in EPIF's social performance, both at a local and global level. Strategies that EPIF defines for its labour relations (e.g. employment), involve all entities, therefore they are expressed at the Group level.	• Dedicated meetings	• Open dialogue and collaboration • Policies relating to human resources • Legislative compliance
Local communities and municipalities	These stakeholders have varying interests in EPIF's sustainability activities, which is based on their origins. EPIF often interacts with these stakeholders during local consultation, as their concerns tend to be legislation based (e.g. building permits and EIA). The location of these stakeholders predefines the level of their interest in EPIF's sustainability activities.	• Focus groups • Consultations with opinion makers	• Transparency with regards to business activities and their impacts • Local community involvement (active participation) • Crisis risk management
Media	These stakeholders are active at both a local and global level (particularly in the Czech Republic, where EPIF is headquartered).	• Press releases • Press conferences • EPIF website	• Information transparency • Quick inquiry responses
NGOs	These stakeholders are predominantly Environmental NGOs, therefore there is significant emphasis on environmental activities, both at a local and global level. These stakeholders provide valuable information regarding general public concerns and expectations.	• Brochures • Bulletins • Conferences	• Accountability and transparency • Safety and security of facilities • Environmental management • Reduction of emissions • Fair business practices
Competitors	These stakeholders are concerned with EPIF's economic performance and business environment. Their interest depends on their size and business focus.	• Conferences • Sharing of best practices	• Compliance and absence of anti-competitive behaviour • Fair business practices • Exchange of best practices
Government and regulators	These stakeholders consist of various national and transnational institutions, making their interest in EPIF's sustainability commitments quite broad. Therefore, both policy decisions and social change strongly influence EPIF's business activities. For example, local groups are concerned with the performance of individual EPIF entities, while European institutions are concerned with EPIF's business from a transversal perspective.	• Letters to institutions • Direct meetings • Annual reports	• Access to services (continuity of supply) • Regulatory compliance • Transparency and independence
Employees	These stakeholders are engaged in day-to-day business activities; employees are essential to the operations and growth of our business.	• Internal communication • Training	• Safe and stable work environment • Equal opportunity • Work-life balance • Professional development • Freedom of association

Table 7: Stakeholder engagement overview

GRI Content Index

GRI 102 General disclosures 2016

Organisational profile

GRI Standard	Description	Section of the Report	Reference page
102-1	Name of the organization	1 Foreword	4–7
102-2	Activities, brands, products and services	3 EPIF and its business: Business segments overview	35–37
102-3	Location of headquarters	3 EPIF and its business: Our geographical presence	34
102-4	Location of operations	3 EPIF and its business: Our geographical presence	34
102-5	Ownership and legal form	Annual report reference	EPIF Annual report 2020
102-6	Markets served	3 EPIF and its business: Our geographical presence	34
102-7	Scale of the organization	3 EPIF and its business: Our geographical presence	34
102-8	Information on employees and other workers	6 Social	106–111
102-9	Supply chain	5 Governance: Supply chain management	92–93
102-10	Significant changes to the organization and its supply chain	5 Governance: Supply chain management	92–93
102-11	Precautionary Principle or approach	5 Governance: Risk and crisis management	94–99
102-12	External initiatives	6 Social: Development of communities and social action	118–119
102-13	Membership of associations	–	EPH Foundation Annual report 2020

Strategy

GRI Standard	Description	Section of the Report	Reference page
102-14	Statement from senior decision-maker	1 Foreword	4–7
102-15	Key impacts, risks, and opportunities	2 About this report: Materiality matrix	26–27
		5 Governance: Risk and crisis management	94–99

Ethics and integrity

GRI Standard	Description	Section of the Report	Reference page
102-16	Values, principles, standards, and norms of behavior	5 Governance: Our principles and business ethics	88–89
102-17	Mechanisms for advice and concerns about ethics	5 Governance: ESG governance at EPIF	90–91

Governance

GRI Standard	Description	Section of the Report	Reference page
102-18	Governance structure	5 Governance: Corporate governance structure	78–81
102-19	Delegating authority	5 Governance: Corporate governance structure	78–81
102-20	Executive-level responsibility for economic, environmental, and social topics	5 Governance: Corporate governance structure	78–81
102-22	Composition of the highest governance body and its committees	5 Governance	79
102-23	Chair of the highest governance body	5 Governance: Key people	82
102-33	Communicating critical concerns	5 Governance: ESG governance at EPIF	90–91

Stakeholder engagement

GRI Standard	Description	Section of the Report	Reference page
102-40	List of stakeholder groups	2 About this report: Our stakeholders	25
102-41	Collective bargaining agreements	6 Social: Employment and employee development	107
102-42	Identifying and selecting stakeholders	2 About this report: Our stakeholders	25
102-43	Approach to stakeholder engagement	2 About this report: Our stakeholders	25
102-44	Key topics and concerns raised	2 About this report: Materiality matrix	26–27

Reporting practices

GRI Standard	Description	Section of the Report	Reference page
102-45	Entities included in the consolidated financial statements	8 Annex: Methodology note	138–139
102-46	Defining report content and topic Boundaries	8 Annex: Methodology note	138–139
102-47	List of material topics	2 About this report: Materiality matrix	26–27
102-48	Restatements of information	2 About this report: Reporting period and information	23
102-49	Changes in reporting	2 About this report: Changes in reporting	22
102-50	Reporting period	2 About this report: Reporting period and information	23
102-51	Date of most recent report	Colophon	178
102-52	Reporting cycle	2 About this report: Reporting period and information	23
102-53	Contact point for questions regarding the report	investorrelations@epinfrastructure.cz	–
102-54	Claims of reporting in accordance with the GRI Standards	2 About this report: Reporting standards	24
102-55	GRI content index	GRI Content Index	142
102-56	External Assurance	7 Assurance	126–131

GRI 300 Environment Standards 2016

Energy

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	4 Environment: Environmental management and monitoring	75
103-3	Evaluation of the management approach	5 Governance	76
302-1	Energy consumption	4 Environment: Energy consumption and efficiency	46–47

Water and Effluents

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	4 Environment: Environmental management and monitoring	75
103-3	Evaluation of the management approach	5 Governance	76
303-1	Quantity of water withdrawn	4 Environment: Water	62–63

Emissions

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	4 Environment: Environmental management and monitoring	75
103-3	Evaluation of the management approach	5 Governance	76
305-1	Direct GHG Emissions	4 Environment: GHG emissions	53
305-4	Emissions intensity – electricity only + Emissions intensity – including heat component	4 Environment: GHG emissions	53–54
305-7	Emissions	4 Environment: Other air pollutants	58–59

Effluents and waste

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	4 Environment: Environmental management and monitoring	75
103-3	Evaluation of the management approach	5 Governance	76
306-1	Quantity of water discharged	4 Environment: Water	62–63
306-2	Waste produced/Byproducts production	4 Environment: Effluents and waste	66–69
		4 Environment: By-products	70–72

Environmental compliance

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	4 Environment: Environmental management and monitoring	75
103-3	Evaluation of the management approach	5 Governance	76
307-1	Environmental fines	5 Governance: Fair conduct	86–87

GRI 400 Social Standards 2016

Employment

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	6 Social: Employment and employee development	106
103-3	Evaluation of the management approach	5 Governance	76
401-1	New hires and employee turnover	6 Social: EPIF employment and employee standards	108

Occupational health and safety

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	6 Social: Health and safety management at EPIF	104–105
103-3	Evaluation of the management approach	5 Governance	76
403-2	Employee on the job injuries, contractors on the job injuries	6 Social: Health & safety	103

Training and education

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	6 Social: Employee development	110–111
103-3	Evaluation of the management approach	5 Governance	76
404-1	Training	6 Social: Employee development	110–111

Marketing and labeling

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	6 Social: Customer relationship management	112
103-3	Evaluation of the management approach	5 Governance	76
417-2	Incidents of non-compliance concerning product and service information and labeling	5 Governance: Fair conduct	86–87

Socioeconomic compliance

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	5 Governance: Risk and crisis management	98
103-3	Evaluation of the management approach	5 Governance	76
419-1	Other significant fines	5 Governance: Fair conduct	86–87

GRI 200 Economic Standards

Economic performance

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	Annual report reference	EPIF Annual report 2020
103-3	Evaluation of the management approach	5 Governance	76
201-1	Direct economic value generated and distributed	Annual report reference	EPIF Annual report 2020
201-3	Defined planned obligations and other retirement plans	Annual report reference	EPIF Annual report 2020

Anti-corruption

GRI Standard	Description	Section of the Report	Reference page
103-1	Explanation of the material topic and its Boundary	2 About this report: Materiality matrix	26–27
103-2	The management approach and its components	5 Governance: ESG governance at EPIF	90–91
103-3	Evaluation of the management approach	5 Governance	76
205-2	Communication and training about anticorruption policies and procedures	5 Governance: Our principles and business ethics	88

Performance indicators

Data reported for the whole year or from date of acquisition of particular plant excluding share participations. For more information please refer to the Methodology note in the Annex, pages 138–139, Table 6.

EP Infrastructure and its business

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Total**								
EU1	**EP Infrastructure**								
	Czech Republic	MW	900	1,031	1,031	868	868	(131)	(13%)
	Slovakia	MW	68	68	67	67	67	0	0%
	Hungary	MW	–	396	396	396	396	(396)	(100%)
	Total – EP Infrastructure	**MW**	**968**	**1,495**	**1,494**	**1,331**	**1,331**	**(527)**	**(35%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Conventional sources**								
EU1	**EP Infrastructure**								
	Czech Republic	MW	878	1 008	1 008	859	859	(131)	(13%)
	Slovakia	MW	50	50	50	50	50	–	0%
	Hungary	MW	–	396	396	396	396	(396)	(100%)
	Total – EP Infrastructure	**MW**	**928**	**1,454**	**1,454**	**1,305**	**1,305**	**(527)**	**(36%)**

EP Infrastructure and its business

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Renewable sources**								
EU1	**EP Infrastructure**								
	Czech Republic	MW	23	23	23	9	9	(0)	(1%)
	Slovakia	MW	18	18	17	17	17	0	0%
	Total – EP Infrastructure	**MW**	**40**	**40**	**40**	**26**	**26**	**(0)**	**(0%)**

Note: We excluded 3 MW capacity of Greeninvest from EPIF as these are not IFRS consolidated in both 2019 and 2018.

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Heat**								
EU1	**EP Infrastructure**								
	Czech Republic	MW	3,085	4,136	4,223	3,519	3,472	(1,051)	(25%)
	Hungary	MW	–	1,401	1,401	1,401	1,401	(1,401)	(100%)
	Total – EP Infrastructure	**MW**	**3,085**	**5,537**	**5,624**	**4,920**	**4,873**	**(2,452)**	**(44%)**

Fuel

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Total**								
EU1	**EP Infrastructure**								
	Conventional sources	MW	928	1,454	1,454	1,305	1,304.5	(527)	(36%)
	Renewable sources	MW	40	40	40	26	26.5	(0)	0%
	Total – EP Infrastructure	**MW**	**968**	**1,495**	**1,494**	**1,331**	**1,331.0**	**(527)**	**(35%)**

EP Infrastructure and its business

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Conventional sources**								
EU1	**EP Infrastructure**								
	Hard coal	MW	–	110	110	110	110.0	(110)	(100%)
	Lignite	MW	848	848	848	707	707.0	–	0%
	CCGT	MW	–	396	396	396	396.0	(396)	(100%)
	OCGT and other NG	MW	50	71	71	71	70.5	(21)	(29%)
	Oil	MW	20	20	20	21	21.0	–	0%
	Other	MW	11	11	11	–	–	–	0%
	Total – EP Infrastructure	**MW**	**928**	**1,454**	**1,454**	**1,305**	**1,304.5**	**(527)**	**(36%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Electricity – Renewable sources**								
EU1	**EP Infrastructure**								
	Wind	MW	6	6	6	6	6	–	0%
	Photovoltaic	MW	15	15	15	15	15	(0)	(1%)
	Hydro	MW	3	3	3	3	3	–	0%
	Biomass	MW	14	14	14	–	–	–	0%
	Other	MW	3	3	3	3	3	–	0%
	Total – EP Infrastructure	**MW**	**40**	**40**	**40**	**26**	**26.5**	**(0)**	**0%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU1	**Net installed capacity – Heat**								
EU1	**EP Infrastructure**								
	Hard coal	MW	–	242	242	242	242.0	(242)	(100%)
	Lignite	MW	2,767	2,767	2,872	2,239	2,239.0	(0)	0%
	CCGT	MW	–	1,401	1,401	1,401	1,400.9	(1,401)	(100%)
	OCGT and other NG	MW	18	822	804	804	756.8	(804)	(98%)
	Oil	MW	229	234	234	234	234.0	(5)	(2%)
	Biomass	MW	39	39	39	–	–	–	0%
	Other	MW	32	32	32	–	–	–	0%
	Total – EP Infrastructure	**MW**	**3,085**	**5,537**	**5,624**	**4,920**	**4,873**	**(2,452)**	**(44%)**

EP Infrastructure and its business

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Total**								
EU2	**EP Infrastructure**								
	Czech Republic	TWh	2.0	1.9	2.6	2.3	2.0	0.1	4%
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	0.0	3%
	Hungary	TWh	1.3	1.4	1.2	1.3	1.1	(0.1)	(7%)
	Total – EP Infrastructure	**TWh**	**3.3**	**3.4**	**3.9**	**3.7**	**3.2**	**(0.0)**	**0%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Conventional sources**								
EU2	**EP Infrastructure**								
	Czech Republic	TWh	1.8	1.8	2.5	2.3	2.0	0.1	4%
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(43%)
	Hungary	TWh	1.3	1.4	1.2	1.3	1.1	(0.1)	(7%)
	Total – EP Infrastructure	**TWh**	**3.1**	**3.2**	**3.7**	**3.7**	**3.1**	**(0.0)**	**(1%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Renewable sources**								
EU2	**EP Infrastructure**								
	Czech Republic	GWh	174	155	176	11	11.1	19.5	13%
	Slovakia	GWh	31	30	28	29	30.7	1.1	4%
	Total – EP Infrastructure	**GWh**	**205**	**184**	**204**	**40**	**41.8**	**20.7**	**11%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net heat production**								
EU2	**EP Infrastructure**								
	Czech Republic	TWh	2.6	2.6	2.6	2.0	2.0	(0.0)	(1%)
	Hungary	TWh	1.5	1.7	1.7	1.9	1.9	(0.2)	(12%)
	Total – EP Infrastructure	**TWh**	**4.0**	**4.3**	**4.3**	**3.9**	**3.8**	**(0.2)**	**(5%)**

EP Infrastructure and its business

For the year ended 31 December 2020

Fuel

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Total**								
EU2	**EP Infrastructure**								
	Conventional sources	TWh	3.1	3.2	3.7	3.7	3.1	(0.0)	(1%)
	Renewable sources	TWh	0.2	0.2	0.2	0.0	0.0	0.0	12%
	Total – EP Infrastructure	**TWh**	**3.3**	**3.3**	**3.9**	**3.7**	**3.2**	**(0.0)**	**0%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Conventional sources**								
EU2	**EP Infrastructure**								
	Lignite	TWh	1.8	1.7	2.4	2.3	2.0	0.1	4%
	CCGT	TWh	1.3	1.4	1.2	1.3	1.1	(0.1)	(7%)
	OCGT and other NG	TWh	0.0	0.0	0.0	0.0	0.0	(0.0)	(43%)
	Oil	TWh	–	(0.0)	(0.0)	(0.0)	0.0	0.0	(100%)
	Other	TWh	0.0	0.0	0.0	–	–	0.0	8%
	Total – EP Infrastructure	**TWh**	**3.1**	**3.2**	**3.7**	**3.7**	**3.1**	**(0.0)**	**(1%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net power production – Renewable sources**								
EU2	**EP Infrastructure**								
	Wind	GWh	8	9	7	7	8	(1)	(8%)
	Photovoltaic	GWh	17	16	17	17	17	0	2%
	Hydro	GWh	7	6	5	5	7	0	6%
	Biomass	GWh	162	142	166	–	–	20	14%
	Other	GWh	11	10	10	10	10	0	5%
	Total - EP Infrastructure	**GWh**	**205**	**184**	**204**	**40**	**42**	**21**	**11%**

EP Infrastructure and its business

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Net heat production**								
EU2	**EP Infrastructure**								
	Lignite	TWh	2.3	2.3	2.3	1.9	1.8	(0.1)	(3%)
	CCGT	TWh	1.5	1.7	1.7	1.9	1.9	(0.2)	(12%)
	Other natural gas	TWh	0.1	0.0	0.1	0.2	0.1	0.4	8%
	Oil	TWh	0.0	0.0	0.0	0.0	0.0	0.0	1,334%
	Biomass	TWh	0.2	0.2	0.2	–	–	0.0	2%
	Other	TWh	0.1	0.1	0.1	–	–	0.0	51%
	Total – EP Infrastructure	**TWh**	**4.0**	**4.3**	**4.3**	**3.9**	**3.8**	**(0.2)**	**(5%)**

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
EU2	**Total net energy production**								
EU2	**EP Infrastructure**								
	Czech Republic	TWh	4.6	4.5	5.2	4.4	4.0	0.1	1%
	Slovakia	TWh	0.0	0.0	0.0	0.0	0.0	0.0	3%
	Hungary	TWh	2.8	3.1	2.9	3.2	3.0	(0.3)	(10%)
	Total – EP Infrastructure	**TWh**	**7.4**	**7.6**	**8.2**	**7.6**	**7.0**	**(0.2)**	**(3%)**

Note: Includes electric energy and heat production.

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-9	**Heat supplied**								
102-7	**EP Infrastructure**								
	Czech Republic	PJ	13.9	16.5	16.5	15.2	14.9	(2.6)	(16%)
	Hungary	PJ	5.6	6.0	6.2	6.7	6.5	(0.5)	(8%)
	Total – EP Infrastructure	**PJ**	**19.4**	**22.5**	**22.7**	**21.9**	**21.4**	**(3.1)**	**(14%)**

EP Infrastructure and its business

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-9	**Number of connection points**								
	Gas distribution								
	Residential	#	1,450,070	1,445,885	1,442,984	1,438,423	1,438,584	4,185	0%
	Industrial	#	707	717	715	705	689	(10)	(1%)
	Commercial & Institutional	#	79,731	79,290	79,189	78,891	78,858	441	1%
	Total	**#**	**1,530,508**	**1,525,892**	**1,522,888**	**1,518,019**	**1,518,131**	**4,616**	**0%**
	Power distribution								
	Residential	#	674,885	669,224	663,641	658,327	652,409	5,661	1%
	Mid-size	#	5,255	5,287	5,337	5,347	5,362	(32)	(1%)
	Large	#	85,602	85,604	85,128	85,018	86,050	(2)	0%
	Total	**#**	**765,742**	**760,115**	**754,106**	**748,692**	**743,821**	**5,627**	**1%**
	Heat distribution								
	Total	**#**	**150,179**	**383,800**	**381,300**	**333,800**	**333,800**	**(233,621)**	**(61%)**
	Total number of connection points	**#**	**2,446,429**	**2,669,807**	**2,658,294**	**2,600,511**	**2,595,752**	**(223,378)**	**(8%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-9	**Number of customer accounts – Supply**								
	Electricity supply								
	Residential	#	564,885	555,689	555,831	563,260	571,036	9,196	2%
	Mid-size	#	86,926	54,265	53,667	53,369	56,702	32,661	60%
	Large	#	25,150	24,442	22,637	23,591	23,470	708	3%
	Total electricity	**#**	**676,961**	**634,396**	**632,135**	**640,220**	**651,208**	**42,565**	**7%**
	Gas supply								
	Residential	#	55,149	22,075	13,546	9,898	6,549	33,074	150%
	Mid-size	#	7,661	2,713	2,312	1,977	1,649	4,948	182%
	Large	#	878	212	226	265	266	666	314%
	Total gas	**#**	**63,688**	**25,000**	**16,084**	**12,140**	**8,464**	**38,688**	**155%**
	Total number of customer accounts	**#**	**740,649**	**659,396**	**648,219**	**652,360**	**659,672**	**81,253**	**12%**

Environment / Climate change and energy

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN3	**Energy consumption**								
302-1	**EP Infrastructure**								
	Czech Republic	PJ	36.0 (*)	35.2 (*)	44.5 (*)	38.7 (*)	34.0	0.8	2%
	Slovakia	PJ	4.2 (*)	9.0 (*)	6.5 (*)	7.1	6.7	(4.8)	(53%)
	Germany	PJ	0.2	0.3	–	–	–	(0.1)	(36%)
	Hungary	PJ	13.0	14.3 (*)	12.9 (*)	14.1	12.9	(1.3)	(9%)
	Total – EP Infrastructure	**PJ**	**53.3**	**58.7**	**63.9**	**59.9**	**53.6**	**(5.4)**	**(9%)**

(*) This data has received limited assurance from the independent auditing firm KPMG. Scope in 2020: CZ: 2 companies, SK: 1 company.

Fuel

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN3	**Energy consumption**								
302-1	**EP Infrastructure**								
	Hard Coal	PJ	–	–	2.4	6.0	5.9	–	–
	Lignite	PJ	31.7	31.2	37.7	31.5	27.3	0.6	2%
	Natural Gas	PJ	17.6	23.9	20.0	22.1	20.3	(6.3)	(26%)
	Oil	PJ	0.0	0.0	0.0	0.2	0.0	0.0	41%
	Diesel	PJ	0.0	0.0	0.0	0.0	0.0	(0.0)	(31%)
	Purchased Electricity	PJ	0.2	0.2	0.1	0.1	0.1	0.0	1%
	Biomass	PJ	2.8	2.4	2.7	–	–	0.3	13%
	Other	PJ	1.0	1.0	0.9	0.0	0.0	0.0	4%
	Total – EP Infrastructure	**PJ**	**53.3**	**58.7**	**63.9**	**59.9**	**53.6**	**(5.4)**	**(9%)**

Environment / Climate change and energy

For the year ended 31 December 2020

Segment

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN15	**Direct GHG Emissions (Scope 1) by segment**								
305-1	**EP Infrastructure**								
	Gas transmission	million tons CO_2 eq.	0.2	0.4	0.3	0.3	0.3	(0.2)	(58%)
	Gas and power distribution	million tons CO_2 eq.	0.0	0.0	0.0	0.0	0.0	0.0	16%
	Gas storage	million tons CO_2 eq.	0.0	0.1	0.0	0.0	0.0	(0.0)	(41%)
	Heat Infrastructure	million tons CO_2 eq.	3.5	3.6	4.5	4.3	3.8	(0.1)	(2%)
	Total – EP Infrastructure	**million tons CO_2 eq.**	**3.8**	**4.1**	**4.8**	**4.7**	**4.2**	**(0.3)**	**(8%)**

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN15	**Direct GHG Emissions (Scope 1)**								
305-1	**EP Infrastructure**								
	Czech Republic	million tons CO_2 eq.	2.8	2.8	3.7	3.5	3.1	(0.0)	0%
	Slovakia	million tons CO_2 eq.	0.2	0.4	0.3	0.4	0.3	(0.2)	(56%)
	Germany	million tons CO_2 eq.	0.0	0.0	–	–	–	(0.0)	(37%)
	Hungary	million tons CO_2 eq.	0.7	0.8	0.7	0.8	0.7	(0.1)	(9%)
	Total – EP Infrastructure	**million tons CO_2 eq.**	**3.8**	**4.1**	**4.8**	**4.7**	**4.2**	**(0.3)**	**(8%)**

Environment / Climate change and energy

For the year ended 31 December 2020

Type

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN15	**Procured and granted emissions consumed**								
305-1	**EP Infrastructure**								
	Procured allowances consumed	million tons CO_2 eq.	3.3	3.0	3.2	2.8	1.6	0.3	10%
	Granted allowances consumed	million tons CO_2 eq.	0.5	1.1	1.6	1.9	2.6	(0.6)	(56%)
	Total – EP Infrastructure	**million tons CO_2 eq.**	**3.8**	**4.1**	**4.8**	**4.7**	**4.2**	**(0.3)**	**(8%)**

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN18	**GHG Emissions intensity – Including heat component**								
	EP Infrastructure								
	Czech Republic	ton CO_2 eq./GWh	617	625	714	797	771	(8)	(1%)
	Slovakia	ton CO_2 eq./GWh	5	8	9	26	11	(3)	(36%)
	Hungary	ton CO_2 eq./GWh	260	258	247	250	244	2	1%
	Total – EP Infrastructure	**ton CO_2 eq./GWh**	**480**	**474**	**544**	**564**	**543**	**6**	**1%**

Note: Calculation of Emissions intensity indicators excludes emissions from non-energy producing operations, namely Eustram, SPP Distribúcia and NAFTA in Slovakia and SPP Storage in the Czech Republic and in respective summary indicators, in the ammount of 0.5 and 0.3 mil ton of CO_2 in 2019 and 2018 respectively.

Environment / Climate change and energy

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN3	**Indirect GHG Emissions (Scope 2)**								
305-2	**EP Infrastructure**								
	Czech Republic	thousand tons CO_2 eq.	29,077	24,726	28,540			4,351	18%
	Slovakia	thousand tons CO_2 eq.	5,719	6,193	6,187			(474)	(8%)
	Germany	thousand tons CO_2 eq.	2,651	1,354	–			1,297	96%
	Hungary	thousand tons CO_2 eq.	2,751	3,026	5,149			(276)	(9%)
	Total – EP Infrastructure	**thousand tons CO_2 eq.**	**40,198**	**35,299**	**39,876**	**–**	**–**	**4,899**	**14%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN18	**GHG Emissions intensity in respect of total sales (Scope 1 + Scope 2)**								
	EP Infrastructure	tonne CO_2 eq./EURm	1,187	1,182	1,570	1,499	1,329	5	0%

Environment / Air emissions

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**Total SO_2 emissions**								
305-7	**EP Infrastructure**								
	Czech Republic	thousand tons	4.6	5.3	7.8	7.7	7.6	(0.7)	(13%)
	Slovakia	thousand tons	0.0	0.0	0.0	0.0	0.0	0.0	497%
	Hungary	thousand tons	–	0.0	0.0	–	0.0	(0.0)	(100%)
	Total – EP Infrastructure	**thousand tons**	**4.6**	**5.3**	**7.8**	**7.7**	**7.6**	**(0.7)**	**(13%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**Total NO_x emissions**								
305-7	**EP Infrastructure**								
	Czech Republic	thousand tons	2.7	3.0	3.8	3.4	3.2	(0.4)	(12%)
	Slovakia	thousand tons	0.2	0.4	0.3	0.3	0.3	–	
	Hungary	thousand tons	0.4	0.4	0.4	0.5	0.5	(0.0)	(10%)
	Total – EP Infrastructure	**thousand tons**	**3.2**	**3.8**	**4.5**	**4.2**	**4.1**	**(0.6)**	**(15%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**Total dust emissions**								
305-7	**EP Infrastructure**								
	Czech Republic	thousand tons	0.1	0.1	0.2	0.3	0.2	(0.0)	(11%)
	Slovakia	thousand tons	0.0	0.0	0.0	0.0	0.0	(0.0)	(23%)
	Hungary	thousand tons	–	0.0	–	0.0	0.0	(0.0)	(100%)
	Total – EP Infrastructure	**thousand tons**	**0.1**	**0.1**	**0.2**	**0.3**	**0.2**	**(0.0)**	**(12%)**

Environment / Air emissions

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**SO_2 emissions intensity**								
305-7	**EP Infrastructure**								
	Czech Republic	ton/GWh	1.02	1.19	1.50	1.75	1.90	(0.2)	(14%)
	Slovakia	ton/GWh	0.10	0.01	0.01	0.01	0.01	0.1	1353%
	Hungary	ton/GWh	–	0.00	0.00	–	0.00	(0.0)	(100%)
	Total – EP Infrastructure	**ton/GWh**	**0.63**	**0.70**	**0.95**	**1.01**	**1.09**	**(0.1)**	**(10%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**NO_x emissions intensity**								
305-7	**EP Infrastructure**								
	Czech Republic	ton/GWh	0.58	0.66	0.71	0.78	0.8	(0.1)	(13%)
	Slovakia	ton/GWh	0.44	0.57	0.61	0.56	0.5	(0.1)	(23%)
	Hungary	ton/GWh	0.14	0.14	0.15	0.15	0.2	0.0	0%
	Total – EP Infrastructure	**ton/GWh**	**0.41**	**0.45**	**0.51**	**0.52**	**0.5**	**(0.1)**	**(38%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN21	**Dust emissions intensity**								
305-7	**EP Infrastructure**								
	Czech Republic	ton/GWh	0.02	0.03	0.04	0.06	0.04	(0.00)	(13%)
	Slovakia	ton/GWh	0.02	0.02	0.02	0.02	0.02	0.00	1%
	Hungary	ton/GWh	–	0.00	–	0.00	0.00	(0.00)	(100%)
	Total – EP Infrastructure	**ton/GWh**	**0.01**	**0.02**	**0.03**	**0.03**	**0.02**	**(0.00)**	**(9%)**

Environment / Water

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Quantity of water withdrawn**								
303-1	**EP Infrastructure**								
	Czech Republic	million m³	30.6*	52.7*	72.9*	127.2	123	(22.1)	(42%)
	Slovakia	million m³	0.0*	0.0*	0.0*	0.0	0	(0.0)	(2%)
	Germany	million m³	0.0	0.0	–	–	–	(0.0)	(17%)
	Hungary	million m³	12.9	14.4*	10.4*	14.8	15	(1.4)	(10%)
	Total – EP Infrastructure	**million m³**	**43.6**	**67.1**	**83.3**	**142.1**	**138.1**	**(23.5)**	**(35%)**

* This data has received limited assurance from the independent auditing firm KPMG.

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN22	**Quantity of water discharged**								
306-1	**EP Infrastructure**								
	Czech Republic	million m³	23.8*	46.4*	65.3*	122.0	118	(22.6)	(49%)
	Slovakia	million m³	0.2*	0.1*	0.1*	0.1	0	0.1	46%
	Germany	million m³	0.0	0.0	–	–	–	(0.0)	(80%)
	Hungary	million m³	12.9	13.8*	9.8*	14.4	15	(0.9)	(7%)
	Total – EP Infrastructure	**million m³**	**37.0**	**60.4**	**75.3**	**136.5**	**133.3**	**(23.4)**	**(39%)**

* This data has received limited assurance from the independent auditing firm KPMG.
Scope 2020: CZ: 2 companies, SK: 1 company.

Environment / Water

For the year ended 31 December 2020

Type

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Quantity of water withdrawn**								
303-1	**EP Infrastructure**								
	Surface water	million m³	42.9	65.6	82.0	140.5	136.8	(22.7)	(35%)
	Ground water	million m³	0.1	0.1	0.1	0.1	0.1	0.0	3%
	Municipal water supplies or other water utilities	million m³	0.1	0.8	0.7	0.9	0.7	(0.7)	(86%)
	Other	million m³	0.5	0.6	0.5	0.7	0.6	(0.1)	(17%)
	Total – EP Infrastructure	**million m³**	**43.6**	**67.1**	**83.3**	**142.1**	**138.1**	**(23.5)**	**(35%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Cooling Water**								
303-1	**EP Infrastructure**								
	Cooling water – withdrawal	million m³	41.2	64.1	79.9	138.8	135.4	(22.9)	(36%)
	Cooling water – discharge	million m³	34.2	57.3	71.7	133.2	130.1	(23.1)	(40%)
	Total – EP Infrastructure – Usage	**million m³**	**6.9**	**6.8**	**8.2**	**5.6**	**5.3**	**0.2**	**2%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Water intensity in respect of energy produced (all segments)**								
303-1									
	EP Infrastructure	ths. m³/ GWh	5.9	8.8	10.1	18.7	19.7	(3)	(33%)

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Water intensity in respect of energy produced (generation companies only)**								
303-1									
	EP Infrastructure	ths. m³/ GWh	5.9	8.8	10.1	18.7	19.7	(3)	(33%)

Environment / Water

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN8	**Water intensity in respect of revenues**								
303-1									
	EP Infrastructure	ths. m^3/ EURm	13.6	19.3	27.0	45.8	44.2	(6)	(29%)

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Byproducts – Total production**								
306-2	**EP Infrastructure**								
	Czech Republic	thousand tons	1,083.5	1,118.7	1,488.1	1,496.4	1,287.0	(35.2)	(3%)
	Hungary	thousand tons	0.2	0.3	0.3	0.3	0.3	(0.1)	(18%)
	Total – EP Infrastructure	**thousand tons**	**1,083.8**	**1,119.0**	**1,488.4**	**1,496.6**	**1,287.3**	**(35.2)**	**(3%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Waste other than byproducts – Total production**								
306-2	**EP Infrastructure**								
	Czech Republic	thousand tons	2.6	2.0	2.6	2.4	2.6	0.5	27%
	Slovakia	thousand tons	43.6	41.7	35.8	40.2	42.7	1.9	5%
	Germany	thousand tons	0.5	0.8	–	–	–	(0.2)	(33%)
	Hungary	thousand tons	0.1	0.0	0.0	0.1	0.0	0.1	3297%
	Total – EP Infrastructure	**thousand tons**	**46.8**	**44.5**	**38.5**	**42.7**	**45.3**	**2.3**	**5%**

Environment / Effluents and waste

For the year ended 31 December 2020

Type

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Byproducts – Total production**								
306-2	**EP Infrastructure**								
	Additised granulate	thousand tons	238.3	215.3	332.0	478.7	400.6	23.0	11%
	Ash	thousand tons	481.2	489.2	564.1	486.7	445.9	(7.9)	(2%)
	Slag	thousand tons	149.7	161.3	223.5	187.9	162.1	(11.6)	(7%)
	Gypsum	thousand tons	118.9	139.5	171.9	155.3	143.5	(20.6)	(15%)
	Additional material – hydrated lime	thousand tons	9.9	15.1	27.6	22.9	16.6	(5.2)	(34%)
	Additional material – water	thousand tons	84.2	97.1	167.7	165.2	118.6	(12.9)	(13%)
	Other own production	thousand tons	1.6	1.6	1.6	–	–	(0.0)	0%
	Total – EP Infrastructure	**thousand tons**	**1,083.8**	**1,119.0**	**1,488.4**	**1,496.6**	**1,287.3**	**(35.2)**	**(3%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Byproducts – Total means of disposal**								
306-2	**EP Infrastructure**								
	Sales	thousand tons	268	169	128	136	141	99	58%
	Storage – own stock	thousand tons	109	157	209	149	131	(48)	-31%
	Storage – external	thousand tons	193	211	214	82	84	(18)	-9%
	Stabilizate production	thousand tons	509	578	930	1 127	929	(69)	-12%
	Storage – chargeable waste	thousand tons	5	3	7	2	3	1	37%
	Other	thousand tons	–	–	–	–	–	–	
	Total – EP Infrastructure	**thousand tons**	**1 084**	**1 119**	**1 488**	**1 497**	**1 287**	**(35)**	**-3%**

Note: Stored byproducts are typically sold in the following years.

Environment / Effluents and waste

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Waste other than byproducts – Total production**								
306-2	**EP Infrastructure**								
	Non-hazardous waste	thousand tons	45.9	42.8	36.7	41.1	41.9	3.2	7%
	Hazardous waste	thousand tons	0.9	1.7	1.8	1.7	3.4	(0.8)	(49%)
	Total – EP Infrastructure	**thousand tons**	**46.8**	**44.5**	**38.5**	**42.7**	**45.3**	**2.3**	**5%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Waste other than by products – Non-hazardous – Disposal**								
306-2	**EP Infrastructure**								
	Recycling	thousand tons	17.7	19.1	14.5	6.2	7.4	(1.4)	(7%)
	Landfill	thousand tons	2.8	3.9	4.2	3.1	1.4	(1.1)	(27%)
	Other	thousand tons	25.4	19.8	18.0	31.8	33.0	5.6	28%
	Total – EP Infrastructure	**thousand tons**	**45.9**	**42.8**	**36.7**	**41.1**	**41.9**	**3.2**	**7%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Waste other than by products – Hazardous – Disposal**								
306-2	**EP Infrastructure**								
	Recycling	thousand tons	0.4	0.3	0.2	0.7	0.1	0.1	35%
	Landfill	thousand tons	0.2	1.1	1.4	0.5	0.7	(0.9)	(80%)
	Other	thousand tons	0.3	0.3	0.3	0.4	2.7	(0.1)	(22%)
	Total – EP Infrastructure	**thousand tons**	**0.9**	**1.7**	**1.8**	**1.7**	**3.4**	**(0.8)**	**(49%)**

Environment / Effluents and waste

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
G4-EN23	**Waste intensity in respect of revenues**								
306-2									
	EP Infrastructure	tonnes per EURm	14.6	12.8	12.5	13.8	14.5	1.9	14%

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
	Fines								
	EP Infrastructure								
307-1	Environmental Fines	EURm	0.0	0.0	0.0	0.0	–	0.0	252%
417-2	Use of Products/ Services Fines	EURm	–	–	–	–	–	–	
419-1	Other Significant Fines	EURm	0.1	–	–	–	4.1	0.1	
	Total – EP Infrastructure	**EURm**	**0.1**	**0.0**	**0.0**	**0.0**	**4.1**	**0.1**	**181138%**

Social / Occupational health and safety

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Fatal injuries – Employees**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	#	–	–	–	–	–	–	
	Slovakia	#	–	–	–	1	–	–	
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**–**	**–**	**–**	**1**	**–**	**–**	

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Registered injuries – Employees**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	#	11*	16*	11*	12	11	(5)	(31%)
	Slovakia	#	19*	20*	13*	15	9	(1)	(5%)
	Hungary	#	–	1*	3*	2	1	(1)	(100%)
	Total – EP Infrastructure	**#**	**30**	**37**	**27**	**29**	**21**	**(7)**	**(19%)**

Note: Registered injury – in order to be able to report standardised injury data from across all our operations, for the purpose of this Sustainability Report, all injuries that resulted in at least 3 lost working days have been reported. This is a stricter definition than many companies use for their respective national reporting.

* This data has received limited assurance from the independent auditing firm KPMG. Scope 2020: CZ: 2 companies, SK: 1 company.

Social / Occupational health and safety

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Worked hours – Employees**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	million hours	3.3	3.4	3.7	3.2	3.2	(0.1)	(2%)
	Slovakia	million hours	6.9	6.9	6.8	6.9	7.4	0.1	1%
	Germany	million hours	0.1	0.1	0.1	–	–	(0.0)	(15%)
	Hungary	million hours	0.3	0.4	0.4	0.4	0.5	(0.0)	(11%)
	Netherlands	million hours	–	0.0	0.0	0.0	–	(0.0)	(100%)
	Total – EP Infrastructure	**million hours**	**10.6**	**10.7**	**11.0**	**10.4**	**11.0**	**(0.1)**	**(1%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Worked hours – Contractors**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	ths. hours	14.0	11.2	12.0	17.1	13.5	2.8	25%
	Slovakia	ths. hours	–	–	–	–	–	–	
	Germany	ths. hours	–	–	–	–	–	–	
	Hungary	ths. hours	–	–	–	–	–	–	
	Netherlands	ths. hours	–	–	–	–	–	–	
	Total – EP Infrastructure	**ths. hours**	**14.0**	**11.2**	**12.0**	**17.1**	**13.5**	**2.8**	**25%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Injury Frequency Rate – Employees**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	index	3,4	4,8	3,0	3,7	3,5	(1,4)	-30%
	Slovakia	index	2,7	2,9	1,9	2,2	1,2	(0,2)	-6%
	Germany	index	–	–	–	–	–	–	–
	Hungary	index	–	2,7	8,3	5,1	2,1	(2,7)	-100%
	Netherlands	index	–	–	–	–	–	–	–
	Total – EP Infrastructure	**index**	**2,8**	**3,5**	**2,5**	**2,9**	**1,9**	**(0,6)**	**-18%**

Note: Injury frequency rate reported on per 1 million hours worked basis

Social / Occupational health and safety

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Fatal injuries – Contractors**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	#	–	–	–	–	–	–	
	Slovakia	#	–	1	–	–	–	(1)	(100%)
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	–	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**–**	**1**	**–**	**–**	**–**	**(1)**	**(100%)**

Note: The fatal injury reported in 2019 caused by an electric shock involving a contractor at SSE distribution network. The investigation was terminated without any mistake on SSE side.

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
403-2	**Registered injuries – Contractors**								
G4-LA6	**EP Infrastructure**								
	Czech Republic	#	–	–	–	1	1	–	
	Slovakia	#	1	–	1	–	–	1.0	
	Germany	#	–	–	–	–	–	–	
	Hungary	#	–	–	–	–	1	–	
	Netherlands	#	–	–	–	–	–	–	
	Total – EP Infrastructure	**#**	**1**	**–**	**1**	**1**	**2**	**1.0**	

Note: Contractor injuries data not available for United Energy and Renewables Group, data on hours worked by contractors largerly not available, thus injury frequency rate not reported.

Social / Employment

For the year ended 31 December 2020

Country

GRI/EUSS	KPI	Unit	Total	Male	Female
102-7	**Headcount (FTE)**				
G4-9	**EP Infrastructure**				
	Czech Republic	FTE	1,889	1,530	359
	Slovakia	FTE	4,272	3,402	870
	Germany	FTE	58	51	7
	Hungary	FTE	207	173	34
	Netherlands	FTE	2	1	1
	Total – EP Infrastructure	**FTE**	**6,428**	**5,158**	**1,271**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-7	**Males – members of top and middle management**								
G4-9	**EP Infrastructure**								
	Czech Republic	FTE	59	66	69	66	70	(6)	(9%)
	Slovakia	FTE	331	358	345	361	366	(27)	(8%)
	Germany	FTE	1	1	1	–	–	–	0%
	Hungary	FTE	5	5	5	6	9	–	0%
	Netherlands	FTE	1	1	1	–	–	–	0%
	Total – EP Infrastructure	**FTE**	**398**	**431**	**421**	**433**	**445**	**(33)**	**(8%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-7	**Females – members of top and middle management**								
G4-9	**EP Infrastructure**								
	Czech Republic	FTE	18	13	18	15	12	5,0	38%
	Slovakia	FTE	62	62	62	61	61	(0)	0%
	Germany	FTE	–	–	–	–	–	–	
	Hungary	FTE	1	1	1	1	–	–	0%
	Netherlands	FTE	1	1	1	1	–	–	0%
	Total – EP Infrastructure	**FTE**	**82**	**77**	**82**	**78**	**73**	**5**	**6%**

Social / Employment

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-7	**Male employees**								
G4-9	**EP Infrastructure**								
	Czech Republic	FTE	1,530	1,595	1,713	1,506	1,544	(65)	(4%)
	Slovakia	FTE	3,402	3,353	3,352	3,385	3,499	50	1%
	Germany	FTE	51	51	52	–	–	(0)	0%
	Hungary	FTE	173	173	168	168	211	1	0%
	Netherlands	FTE	1	1	1	–	–	–	0%
	Total – EP Infrastructure	**FTE**	**5,158**	**5,173**	**5,286**	**5,059**	**5,254**	**(15)**	**0%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-7	**Female employees**								
G4-9	**EP Infrastructure**								
	Czech Republic	FTE	359	386	397	377	364	(27)	(7%)
	Slovakia	FTE	870	856	847	832	857	13	2%
	Germany	FTE	7	7	8	–	–	0	6%
	Hungary	FTE	34	35	35	42	46	(2)	(5%)
	Netherlands	FTE	1	1	1	1	–	–	0%
	Total – EP Infrastructure	**FTE**	**1,271**	**1,285**	**1,288**	**1,252**	**1,267**	**(15)**	**(1%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-41	**Employees covered by OHSAS 18001 / ISO 45001**								
G4-11	**EP Infrastructure**								
	Czech Republic	FTE	861	963	1 079	1 141	1 165	(102,1)	(11%)
	Slovakia	FTE	2,946	2,903	2,894	2,284	2,329	43	1%
	Germany	FTE	–	–	–	–	–	–	
	Hungary	FTE	–	–	–	–	–	–	
	Netherlands	FTE	–	–	–	–	–	–	
	Total – EP Infrastructure	**FTE**	**3,807**	**3,866**	**3,973**	**3,425**	**3,494**	**(59)**	**(2%)**

Social / Employment

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
102-41	**Employees with collective bargining agreements**								
G4-11	**EP Infrastructure**								
	Czech Republic	FTE	1,672	1,783	1,919	1,641	1,686	(111.7)	(6%)
	Slovakia	FTE	4,220	4,158	4,137	4,184	4,324	62	1%
	Germany	FTE	51	52	–	–	–	(1)	(1%)
	Hungary	FTE	206	207	204	210	257	(1)	0%
	Netherlands	FTE	–	–	–	–	–	–	
	Total – EP Infrastructure	**FTE**	**6,148**	**6,200**	**6,260**	**6,034**	**6,267**	**(51)**	**(1%)**
	Covered in % of total headcount	FTE	*96%*	*96%*	*95%*	*96%*	*96%*		

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Number of new hires – Total**								
	EP Infrastructure								
	Czech Republic	FTE	193	198	206	230	192	(5)	(3%)
	Slovakia	FTE	263	327	295	175	254	(64)	(20%)
	Germany	FTE	5	4	5	–	–	1	14%
	Hungary	FTE	7	24	15	12	5	(17)	(71%)
	Netherlands	FTE	–	–	2	1	–	–	
	Total – EP Infrastructure	**FTE**	**468**	**553**	**523**	**418**	**451**	**(85)**	**(15%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Number of leavers – Total**								
	EP Infrastructure								
	Czech Republic	FTE	165	204	331	263	193	(39)	(19%)
	Slovakia	FTE	184	276	286	247	404	(92)	(33%)
	Germany	FTE	2	5	–	–	–	(3)	(62%)
	Hungary	FTE	18	12	13	61	14	6	50%
	Netherlands	FTE	–	–	1	–	–	–	
	Total – EP Infrastructure	**FTE**	**369**	**497**	**631**	**571**	**611**	**(128)**	**(26%)**

Social / Employment

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**New hires rate**								
	EP Infrastructure								
	Czech Republic	FTE	10%	10%	10%	12%	10%	0,00	2%
	Slovakia	FTE	6%	8%	7%	4%	6%	(0,02)	(21%)
	Germany	FTE	2%	2%	2%	0%	0%	0,00	14%
	Hungary	FTE	12%	42%	25%			(0,30)	(71%)
	Netherlands	FTE	0%	0%	100%	100%		–	
	Total – EP Infrastructure	**FTE**	**7%**	**9%**	**8%**	**7%**	**7%**	**(0,01)**	**(15%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Employee turnover rate**								
	EP Infrastructure								
	Czech Republic	FTE	9%	10%	16%	14%	10%	(0,0)	(15%)
	Slovakia	FTE	4%	7%	7%	6%	9%	(0)	(34%)
	Germany	FTE	1%	3%	0%	0%	0%	(0)	(61%)
	Hungary	FTE	31%	21%	22%			0	49%
	Netherlands	FTE	0%	0%	50%	0%		–	
	Total – EP Infrastructure	**FTE**	**6%**	**8%**	**10%**	**9%**	**9%**	**(0)**	**(25%)**

Social / Training

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Total training hours – all employee**								
	EP Infrastructure								
	Czech Republic	hour	18,332	25,082	17,872	9,832	10,669	(6,749)	(27%)
	Slovakia	hour	128,965	170,036	159,925	165,749	168,909	(41,071)	(24%)
	Germany	hour	335	463	–	–	–	(128)	(28%)
	Hungary	hour	5,472	2,047	2,653	2,361	7,166	3,425	167%
	Netherlands	hour	–	–	–	–	–	–	
	Total – EP Infrastructure	**hour**	**153,104**	**197,627**	**180,449**	**177,942**	**186,744**	**(44,523)**	**(23%)**

GRI/EUSS	KPI	Unit	Permanent contract	Temporary contract
102-8	**Employees: permanent and temporary contract**			
	EP Infrastructure			
	Czech Republic	%	96%	4%
	Slovakia	%	90%	10%
	Germany	%	98%	2%
	Hungary	%	100%	0%
	Netherlands	%	100%	0%
	Total – EP Infrastructure	**%**	**92%**	**8%**

GRI/EUSS	KPI	Unit	Employees under 30 years old	Employees between 30 and 50 years old	Employees over 50 years old
405-1	**Employees: age pyramid**				
	EP Infrastructure				
	Czech Republic	% FTE	6%	49%	45%
	Slovakia	% FTE	8%	50%	42%
	Germany	% FTE	9%	36%	55%
	Hungary	% FTE	2%	52%	45%
	Netherlands	% FTE	0%	100%	0%
	Total – EP Infrastructure	**% FTE**	**7%**	**50%**	**43%**

Social / Training

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Employees: part-time job**								
	EP Infrastructure								
	Czech Republic	FTE	20	67	57	–	–	(47)	(70%)
	Slovakia	FTE	12	14	15	–	–	(3)	(19%)
	Germany	FTE	2	2	2	–	–	0	10%
	Hungary	FTE	205	205	202	–	–	(0)	0%
	Netherlands	FTE	2	2	2	–	–	–	0%
	Total – EP Infrastructure	**FTE**	**241**	**290**	**278**	**–**	**–**	**(50)**	**(17%)**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Employees: full-time job**								
	EP Infrastructure								
	Czech Republic	FTE	1,870	1,916	1,537	–	–	(46)	(2%)
	Slovakia	FTE	4,260	4,185	4,173	–	–	75	2%
	Germany	FTE	56	56	57	–	–	0	0%
	Hungary	FTE	2	3	2	–	–	(1)	(26%)
	Netherlands	FTE	–	–	–	–	–	–	
	Total – EP Infrastructure	**FTE**	**6,188**	**6,159**	**5,770**	**–**	**–**	**28**	**0%**

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Employees with disabilities**								
	EP Infrastructure								
	Czech Republic	FTE	18	15	8	–	–	3	16%
	Slovakia	FTE	133	126	132	–	–	8	6%
	Germany	FTE	3	3	3	–	–	–	0%
	Total – EP Infrastructure	**FTE**	**154**	**144**	**143**	**–**	**–**	**10**	**7%**

Social / Training

For the year ended 31 December 2020

GRI/EUSS	KPI	Unit	2020	2019	2018	2017	2016	2020-2019	%
401-1	**Number of not directly employed workforce**								
	EP Infrastructure								
	Czech Republic	FTE	19	28	9	–	–	(9)	(31%)
	Slovakia	FTE	4	6	7	4	3	(2)	(33%)
	Germany	FTE	1	1	2	–	–	–	0%
	Hungary	FTE	–	–	–	–	–	–	
	Netherlands	FTE	–	–	–	–	–	–	
	Total – EP Infrastructure	**FTE**	**24**	**35**	**18**	**4**	**3**	**(11)**	**(31%)**

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Map of Europe with Countries – Single Color by FreeVectorMaps.com

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