EPH

# Sustainability Report

# Year in review

**EBITDA[1]**
**€3.6** billion

**CAPACITY OF HYDROGEN-READY GAS POWER PLANTS CURRENTLY UNDER CONSTRUCTION**
**2.4** GW

**REVENUES**
**€24.2** billion**

**SHARE OF NON-COAL SOURCES ON POWER PRODUCTION**
**75** %

**CASH CONVERSION RATIO EXCL. DEVELOPMENT CAPEX[2]**
**62** %

**$CO_2$ EMISSIONS INTENSITY DECREASE COMPARED TO 2015**
**35** %

**EMISSION RIGHTS AND TAX COSTS[3]**
**€2.2** billion

**COAL PHASE OUT YEAR**
**2030**

**TOTAL EPCG FOUNDATION + EPH FOUNDATION CONTRIBUTIONS**
**€11.4** million

**NET ENERGY PRODUCTION FROM RENEWABLE SOURCES**
**1,948** GWh

** This data was verified by the independent auditing firm KPMG.
1 The presented Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) is defined as profit from operations plus depreciation and amortisation and is further netted for eventual impact of negative goodwill.
2 Cash conversion = (EBITDA – CAPEX – Tax paid)/EBITDA
3 For 2023, the Group is contributing a total of EUR 2.2 billion in income taxes (including windfall taxes) to state budgets and for a consumption of $CO_2$ allowances.

# Report contents

# Foreword

# Dear Stakeholders,

As we embark on writing this introduction to the annual Sustainability Report of Energetický a průmyslový holding, a.s. (“EPH” or the “Group”), we feel profound sense of achievement and responsibility. We take pride in our continuous progress towards our ESG goals, despite the continuing market challenges. We invite you to dive into our efforts through this report. It not only outlines our environmental footprint, but also covers our social impact, governance structures, community engagement, and ways in which we empower our employees and partners for a sustainable future. The report presents our current position, along with clearly indicating our future goals. Although this is likely the last iteration of this report in this format and, moving forward, you will be able to find future Sustainability Reports as part of our Annual Financial Report.

In 2023, we remain committed to excellence, reliability and socially and environmentally responsible operation of essential energy infrastructure, leading gradual transition to low and finally zero carbon society. While the extreme energy market volatility Europe experienced throughout 2022 has quietened, the electricity and commodities prices have been elevated throughout year 2023, in contrast to pre-crisis levels. As we navigated the dynamic markets and further advanced our strategic initiatives, we continued delivering value to our stakeholders. Our conservative financial management and diversified portfolio across power and heat generation, gas transit and storage, and gas and power distribution have proven their resilience, delivering reliable services to our customers and business partners, thereby helping Europe to stabilize after the dramatic year of 2022. The past two years have proven that grid stability and supply security cannot be taken for granted and must be considered even in future decommissioning plans.

We remain on track with our long-term ESG commitments to reduce our carbon footprint. We have recorded year-on-year decrease of emission intensity in 2023, with closure of Kilroot hard coal plant in Northern Ireland and overall reduction in power generation from coal. Moreover, in Slovakia, the lignite power plant Nováky ceased operation in December 2023 and the hard coal power plant Vojany was closed in March 2024. In March 2024, we further decommissioned Mehrum hard coal power plant located near Hannover in Germany.


Daniel Křetínský

To give our stakeholders a clearer understanding of our goals, we decided to align our emission reduction targets with established science-based methodologies. Over the next decade, our objective is to decrease the CO2 emission intensity of our European power generation fleet in accordance with the Below 2 Degrees pathway as outlined by the Transition Pathway Initiative. These emission intensity reduction efforts will mainly involve phasing out coal, reducing the full load hours of gas power plants, gradually transitioning to green gases, and boosting emission-free power from nuclear assets in Slovakia. By 2050, we aim to achieve net zero operations.

We have introduced a Green Finance Framework at EPH level, fulfilling our previous commitment, which will allow for issuance of green financing instruments within the Group's capital structure and thus further accelerate progress towards our ESG objectives. We view the green financing instruments as creating a direct link between financing and execution of our transition strategy, while also enhancing transparency and accountability to our stakeholders.

In 2023, we continued to invest in state-of-the-art hydrogen-ready power generation facilities, with the total spent or committed Capex of EUR 1.1 billion.

# EPH's ultimate mission is to support the energy transition in a socially sensible and responsible way.

Two of our most important projects, CCGT power plant Tavazzano in Italy and OCGT power plant Kilroot in Northern Ireland with capacity of 800 MW and 700 MW, respectively, have been largely completed and will be commissioned in 2024. Another project in Ostiglia with a capacity of 880 MW is planned for commissioning in 2025. All those highly efficient gas-fired power plants are flexible in generation, and their carbon footprint is substantially lower compared to the coal plants. As we firmly believe that hydrogen, together with energy storage solutions, will be pivotal in shaping the landscape of the European energy market, all our new gas-fired power plants are built as hydrogen-ready.

EPH's ultimate mission is to support the energy transition in a socially sensible and responsible way, while keeping the highest standards in promoting reliability and security of supply. To facilitate the firm's commitment to transformation of coal regions efficiently, the Group has committed to separate most of its coal-intensive assets into a new sister company, EP Energy Transition. First steps of the transition were taken during 2023 with the transfer of our stake in LEAG Group into the EP Energy Transition and other assets, such as the transfer of MIBRAG planned for 2025, will follow suit. EP Energy Transition plans to invest into development of renewable energy projects with estimated installed capacity of 8 GW and investment costs of around €10 billion. Former mining sites operated by LEAG and MIBRAG are planned to be converted into large-scale renewable energy hubs. As a result, EPH will be free from almost all of its current coal assets and completely free from coal mining activities by 2025. Coal as a power generation source will be fully abandoned by 2030 and EPH strives to accelerate the timeline further. This plan means a substantial acceleration of our long-term commitment to transform our business.

Power generation business transformation cannot happen without a robust infrastructure ensuring grid stability and security of supply. We understand the importance of secure delivery under any conditions while maintaining reasonable terms. We also acknowledge the temporary role of natural gas in fulfilling these goals and the need to replace it with renewable gases such as hydrogen. We aim to ensure that adequate hydrogen infrastructure is in place to facilitate large-scale deployment of hydrogen. We are pleased that two hydrogen readiness projects in our gas transit and storage segments have been granted a status of Important Projects of Common European Interest, advancing these projects closer to realization.

The paramount role of our Gas Storage segment in mitigating disruptions and seasonal volatility remained unchanged in 2023. Our storage capacity of over 64 TWh played strategic role in the turbulent market, prompting us to continue investing in operational security, storage technology modernization, automation enhancement, and data utilization to further optimize our processes.

The social dimension of our business has been highlighted by the challenges of the past year. We remain dedicated to providing a safe and stable environment for our employees and understand our responsibility towards the communities in which we operate, striving to maintain as many jobs as possible. At the same time, we continue to support the most vulnerable members of our communities through EPH Nadácia and EPCG foundation, at least partially ameliorating the dire situation of numerous individuals and the whole families.

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


Gary Mazzotti

Sincerely,

**Daniel Křetínský**

Chairman of the Board of Directors and CEO, EPH

**Gary Mazzotti**

Vice-Chairman of the Board and CEO, EPIF
Member of the Board of Directors, EPPE
ESG Officer of EPIF and EPPE

# Actively transforming the energy system and bringing real-world solutions

Taking a genuine approach to our responsibility within the energy system requires applicable solutions. At Energetický a průmyslový holding, a.s. (EPH), we are committed to addressing the energy trilemma, ensuring that our emission reduction efforts prioritise both energy security and social justice.

We take initiative in transforming the energy system. EPH has historically operated significant capacities of emission intensive assets and has already substantially reduced its carbon footprint through decommissioning or conversion of numerous coal power plants. In its emission reduction efforts, EPH has not relied on merely disposing of the most emission intensive assets but focused on real decommissioning or replacement of those assets through sources with lower carbon footprint.

By thoughtfully transforming and developing the infrastructure that the Group owns throughout Europe, we aim to enrich the local regions, people, and environment. Our projects breathe new life into the traditional sites.

Figure 1: Value chain infographic.



## Investing in dispatchable low-carbon and renewable power

The position of EPH in the energy transition is relatively unique in the European context compared to other large energy groups. EPH has been oriented at thermal dispatchable power generation dominated by gas power plants. EPH is of the view that highly efficient Combined Cycle Gas Turbine (CCGT) and Open-cycle gas turbine (OCGT) power plants ready to be switched to hydrogen are a key enabler of the swift transition to the energy system based predominantly on renewables. This view is supported by Net Zero Emissions by 2050 (NZE) Scenario of IEA[4], according to which natural gas-fired capacity remains a critical source of power system flexibility in many markets, particularly to address seasonal flexibility needs.

Beyond dispatchable power, we are dedicated to expanding the share of renewables in our portfolio, primarily in Germany under our subsidiary EP New Energies. In the future, these projects will be largely realised outside of EPH in its sister company EP Energy Transition which will be leading the way in sustainable renewable energy projects, utilising former mining areas and converting them to renewable energy hubs. Our projects are predominantly composed of onshore wind and ground-mounted photovoltaic (PV), with additional floating and rooftop PV projects.

### Flexible power generation

Total electricity production
**36.1 TWh**

Total installed capacity in electricity
**13.9 GW**

Capacity of hydrogen-ready gas power plants under construction
**2.4 GW**

## Assuring security of supply

While we remain committed to the carbon-free energy transition by decommissioning our power plants and phasing out coal, security of supply in the regions where we operate necessitates the continued operation of certain coal assets. In 2022, amidst new challenges stemming from the European energy crisis, we were asked to keep the Kraftwerk Mehrum and Émile-Huchet hard coal power plants (originally set for decommissioning) operational by the German and French governments until March 2024 and March 2025 respectively. Beyond 2025, coal assets operated by EPH will be limited to the Fiume Santo hard coal power plant on the Sardinia Island, operating under the must run regime, and district heating plants in the Czech Republic providing vital heat supplies to major regional cities. EPH shall be coal-free by 2030, while it will strive to complete the coal phase out even sooner.

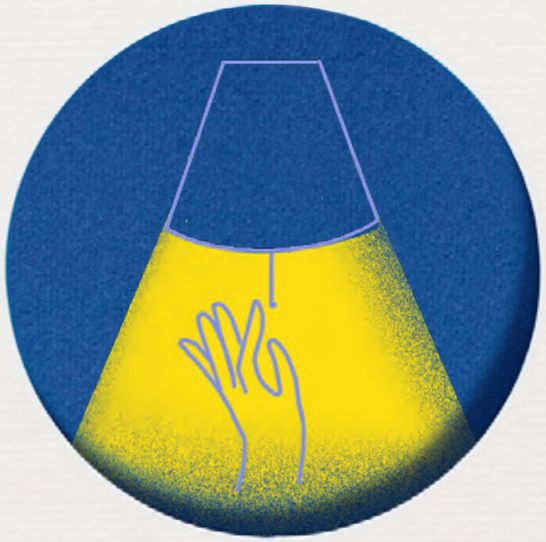
### District heating

Total heat supplied
**7.4 PJ**

Number of offtake points supplied with heat
**153,000**

Length of district heating networks
**740 km**

Thermal capacity of boilers at heating plants
**3.0 GW**



4 https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach/executive-summary

## Promoting hydrogen adoption

We believe that the flexibility of natural gas makes it an ideal partner for renewables while transitioning to a low-carbon future. EPH is also aware of the temporary role of natural gas in the energy transition and envisages converting its assets away from natural gas to renewable gases once these are available on a commercial scale.

EPH's existing gas transmission and distribution infrastructure can be retrofitted to support hydrogen, while the gas storage assets are also evaluated to assess its hydrogen compatibility. To this end, EPH has already launched hydrogen-dedicated research and development projects. Two projects in the gas storage and transit segment have been granted the Important Projects of Common European Interest (IPCEI) status.

These projects share a common objective of ensuring security of supply, enhancing grid stability, and supporting the anticipated increase in intermittent renewable generation capacities. We also keep ourselves busy looking into innovative ways of storing power.

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

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

### Employees

Number of employees
**10,967**

Number of health and safety incidents
**45 registered / 1 fatal[5]**

Hours worked by our employees
**17 million**

### Gas midstream

Gas storage capacity
**64.3 TWh**

Natural gas corridor length
**2.4 thsnd. km**

Gas transmitted
**16.1 bcm**

5 Please refer to section "Health and safety management" for further details on the fatal incident.



# Laying a pathway to Energy Transition and Affordable Energy

## Reliable energy for Europe

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

Through its power generation assets EPH contributes to the energy transition of the countries it is active in. Driven by the coal phase-out and the country specific transformation to renewable energy systems the need for alternative low-carbon dispatchable power generation is created. To ensure security of supply, countries will need to reinforce dispatchable power generation capacities, where gas power plants are well positioned as a highly flexible source. Alternative solutions such as battery power and hydroelectric power plants will play an important role in the broader transition but lack the suitability for bridging longer periods, while hydroelectric plants also have limited build-out potential. Hence, the decarbonisation pathway for these countries will include a transition to lower carbon thermal power generation (gas power plants), that eventually can be transitioned to carbon neutral power generation (hydrogen power plants).

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

### Gas distribution

Gas distributed
**45.5 TWh**

Number of offtake points connected to the network
**1,500,000**

Length of the distribution network
**35,000 km**

Share of local distribution networks made of hydrogen ready pipes
**58%**

# Decarbonization commitments

Carbon dioxide concentration in atmosphere continues to grow in an unsettling steady way, reaching 425 ppm as of February 2024[6]. The EU has – within the framework of European Green Deal – set itself a binding target of achieving climate neutrality by 2050. This requires current greenhouse gas emission levels to drop substantially in the next decades. As an intermediate step towards climate neutrality, the EU has raised its 2030 climate ambition, committing to cutting emissions by at least 55% by 2030. Further measures were announced as part of the REPowerEU Plan in response to the Russian invasion of Ukraine to reduce EU's reliance on fossil fuels. European Green Deal aims to transform the EU into a modern, resource-efficient, and competitive economy, ensuring (i) no net emissions of greenhouse gases by 2050, (ii) economic growth decoupled from resource use and (iii) no person and no place left behind.

EPH endorses and supports these targets and strives to actively contribute to fulfilling them. EPH aims to achieve net zero operations by 2050. For the next decade, EPH set a target to reduce the $CO_2$ emission intensity of its European power generation fleet in line with the Below 2 Degrees pathway of the Transition Pathway Initiative ("TPI")[7]. The intensity reduction will be primarily driven by complete phase out of coal, reduction of full load hours of the gas power plants as they are expected to be increasingly used as a peaking source, gradual adoption of green gases, and increase in emission-free power from nuclear assets in Slovakia following commissioning of additional 1 GW of capacity (of which 0.5 GW already running). EPH also aims to address its methane leakage and reduce these emissions at least in line with the Global Methane Pledge announced at the COP 26 summit in November 2021.

## Power distribution

Power distributed
**6.0 TWh**

Number of offtake points connected to the network
**785,000**

Length of the distribution network
**35,600 km**

Share of renewable sources connected to the network in the last five years
**89%**

6 Source: Global Climate Change – Carbon Dioxide, Earth Science Communications Team at NASA's Jet Propulsion Laboratory, California Institute of Technology (climate.nasa.gov/vital-signs/carbon-dioxide/).
7 https://www.transitionpathwayinitiative.org/



## Logistics

Locomotives operated
**100**

Wagones operated
**2,400**

# Connecting business partners

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

# Supply chain

Further strengthening the management of our supply chain has increasingly been a focus throughout the Group. Guided by our Procurement Policy and "Know your customer" (KYC) Policy, we monitor compliance with local external regulations on procurement processes and encourage our suppliers to follow our internal policies. This particularly pertains to matters concerning human rights, labour rights, working conditions, and environmental standards.

# Powering households

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

## Power and gas retail supply

Power suplied
**18.4 TWh**

Gas suplied
**8.2 TWh**

Number of power customers
**785,000**

Number of gas customers
**117,000**

# EPH's Carbon Footprint and Commitments

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

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

## EPH's primary GHG emissions

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

In 2023, **EPH's GHG Scope 1 emissions mainly consisted of $CO_2$**, where methane and other GHG emissions only made up 1.3% of the total GHG $CO_2$-eq. emissions.

### Power and heat generation

Within the power and heat generation, EPH aims to implement projects that will guide the Group away from coal by 2030 and substantially reduce the emission intensity related to power and heat production within the next decade. The transition plan of EPH consists in ensuring that each asset has either a phase-out plan or a clearly defined role in a net zero energy system. The plan revolves around the core principle that maintaining controllable power is crucial for a successful transition which does not compromise the security of supply and affordability of essential services and commodities.

### Gas infrastructure

EPH long-term strategy in these segments is centered around adoption of renewable gases. Existing gas transmission and distribution infrastructure can be retrofitted to support hydrogen, while the gas storage assets are also evaluated to assess its hydrogen compatibility. To this end, EPH has already launched hydrogen-dedicated research and development projects.

EPH also prioritizes efforts to minimize methane leakage during the transitional period when handling natural gas.



Under the GHG Protocol[8], emissions are categorised into Scope 1, 2 and 3 emissions. This establishes a comprehensive and standardised global framework used to measure and manage GHG emissions from private and public sector operations, value chains and mitigation actions. Below, these scopes are further defined to EPH's operations.

In 2023, EPH produced a total of 20.7 million $CO_2$-eq. GHG emissions[9]. As further highlighted in the graph below, the Group's total Scope 1 emissions consisted of 98.7% $CO_2$, 1.1% methane emissions, and 0.2% other GHG emissions (HFCs, $SF_6$, PFCs, $NF_3$, $N_2O$), and total Scope 2 emissions only consisted of $CO_2$ emissions. Scope 3 emissions are not currently reported by EPH. EPH is currently in the process of identifying sources of Scope 3 emissions and intends to disclose them as part of the 2024 reporting.

### Scope 1

#### $CO_2$

EPH's direct GHG emissions originate from combustion of hard coal, lignite, natural gas, other fossil fuels and municipal waste in the power plants and cogeneration heating plants, combustion of gas in the compressor stations as part of the gas midstream infrastructure, operation of vehicles owned by EPH Group entities, and other combustion of gas, diesel, or heating oil in ancillary technologies.

More than 99% of direct $CO_2$ emissions result from power and heat generation.

More than 99% of the direct $CO_2$ emissions are externally verified by a certified third party at the asset level as these emissions fall under the EU Emissions Trading Scheme (ETS).

#### $CH_4$

EPH's direct methane emissions arise from the leakage of natural gas from its gas networks and storage facilities.

EPH's methane emissions are categorized into three activities: (i) fugitive emissions – unintentional gas leaks from the pipelines, (ii) venting – intentional release of gas for the purpose of repair and maintenance of pipes and compressors, and (iii) incomplete combustion – gas that is emitted due to its improper combustion within compressors.

The calculation methodology for methane emissions differs depending on the specific business activities (transit, distribution, storage) and is aligned with internationally recognized methodologies.

**Gases reported:**

$CO_2$ $CH_4$ HFCs $SF_6$ PFCs $NF_3$ $N_2O$

8 https://ghgprotocol.org
9 Includes Scope 1 & 2 emissions.

## Scope 2

Scope 2 indirect GHG emissions are mainly associated with purchase of electricity and heat for own consumption.

The main uses are the network losses in the power distribution network operated in central Slovakia, lignite mining technologies, electric compressors and other technology as part of the gas midstream and downstream infrastructure, pumping stations at the district heating networks and own technological consumption of power plants.

Scope 2 emissions are calculated using the location-based method where the volumes of power and heat purchased for own consumption are multiplied by average emission intensity of the grid in the respective country.

**Gases reported:**

$CO_2$

## Scope 3

Scope 3 emissions result from the activities of assets that are not owned or controlled by EPH, but that originate across the Group's value chain. The main sources for EPH represent natural gas transited, stored, and distributed through EPH infrastructure, lignite mined, hard coal traded, and power and gas supplied to end consumers.

At present, EPH does not disclose its Scope 3 emissions. EPH is committed to publishing its Scope 3 emissions as part of its regular disclosure starting in the first half of 2025 (covering the year 2024).

This is the first year that GHG emissions classified under EPH's Scope 1 and 2 were externally verified in accordance with the ISAE 3000 standard. We consider this to be a significant step towards further ensuring that the goals in the Group's transition plan are appropriately evaluated and supported.



# EPH's GHG emissions overview[10]

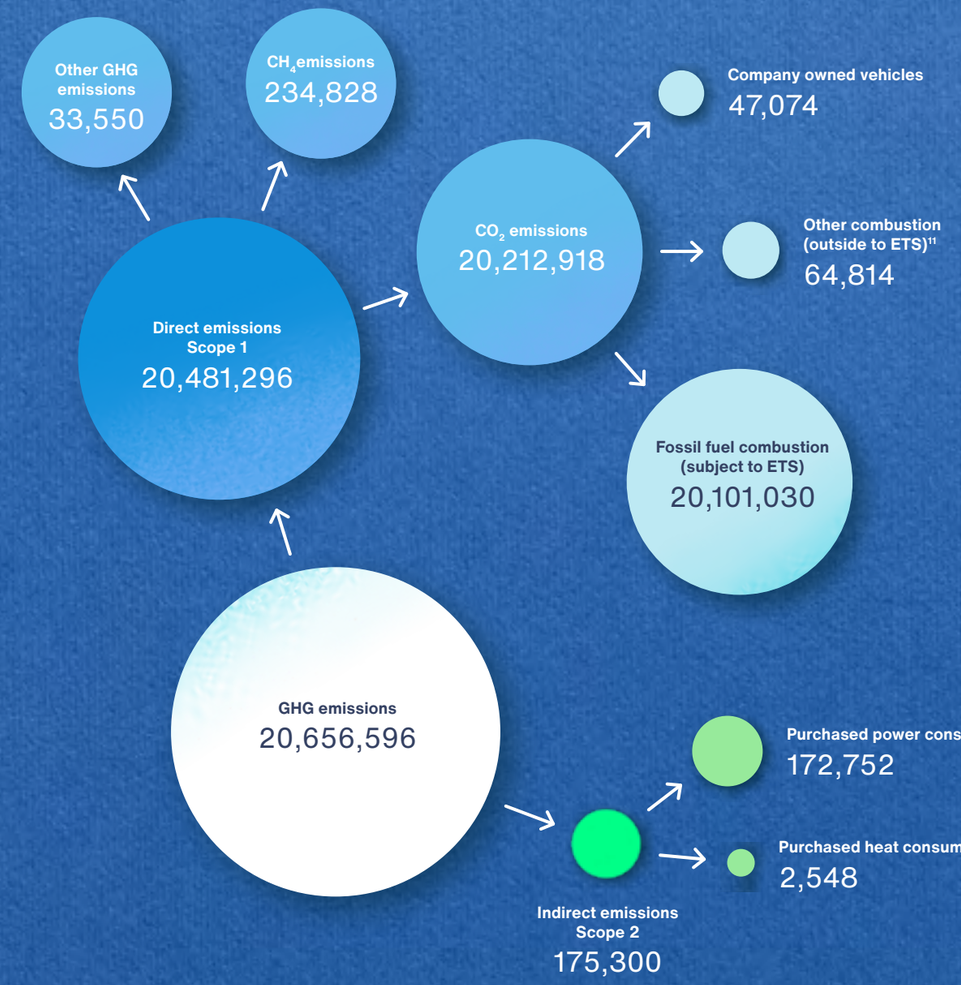



Figure 2: GHG emissions tonnes of $CO_2$-eq.

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

11 EU ETS stands for EU Emissions Trading System, which is an EU market-based cap-and-trade mechanism used to regulate and reduce greenhouse gas emissions.

# Commitments

by 2033

## Emission intensity reduction of the European generation fleet in line with the Below 2 Degrees TPI pathway[12]

(Scope 1 & 2)

by 2030

## Zero Coal

by 2050

## Net Zero

(Scope 1 & 2)

12 In the previous SR we declared our target to be "60% reduction of $CO_2$ emissions by 2030", however as the trend is to align decarbonization goals with internationally accepted methodologies, we have formalised our target in line with the Transition Pathway Initiative and use the emission intensity rather than absolute emissions. Further information is available here https://www.transitionpathwayinitiative.org/



### Emission intensity reduction of the European generation fleet in line with the Below 2 Degrees TPI pathway

EPH aims to reduce average emission intensity of its European power generation fleet in line with the "Below 2 Degrees" global pathway of TPI, implying the average Group intensity below 174 $gCO_2$/kWh in 2033. Based on EPH existing assets and planned projects, EPH projects the emission intensity to overperform this requirement and reach the intensity of 125 $gCO_2$/kWh in 2033, i.e. reduction by 66%.

### Become a European frontrunner in the transition to a hydrogen future

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

### Phase out coal by 2030

EPH will be free from almost all of its current coal assets and completely free from coal mining activities by 2025. Coal as a power generation source will be fully abandoned by 2030 and EPH strives to accelerate the timeline further. Beyond 2025, coal assets will be limited to Fiume Santo, a hard coal fired power plant on the Sardinia Island operating under a must-run regime and Czech combined heat and power plants in our portfolio which shall be converted to hydrogen-ready gas units.

To accelerate the energy transition and to facilitate the transformation of coal regions in the most dedicated and efficient way, EPH shareholders intend to separate energy transition assets from the EPH Group into EP Energy Transition, the holding company of a newly established group and a sister company of EPH, by the end of 2025. Disposal of our 50% share in Lausitz Energie Verwaltungsgesellschaft (LEAG) took place at the end of 2023. By the end of 2025, EPH will dispose of its 100% stake in MIBRAG Energy Group.

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

### Reduce methane emissions in line with the Global Methane Pledge

EPH operations include gas infrastructure bundled under its sub-holding EP Infrastructure ("EPIF") where methane leakage is inherently present as long as it handles natural gas. These emissions represented 1.1% of total EPH GHG emissions in 2023. To address this footprint, EPH supports EPIF in its ambition to follow the objectives of the Global Methane Pledge announced at the COP 26 summit in November 2021. By joining the Pledge, participants commit to taking voluntary measures that will collectively contribute to reducing global methane emissions by at least 30 percent from 2020 levels by 2030.

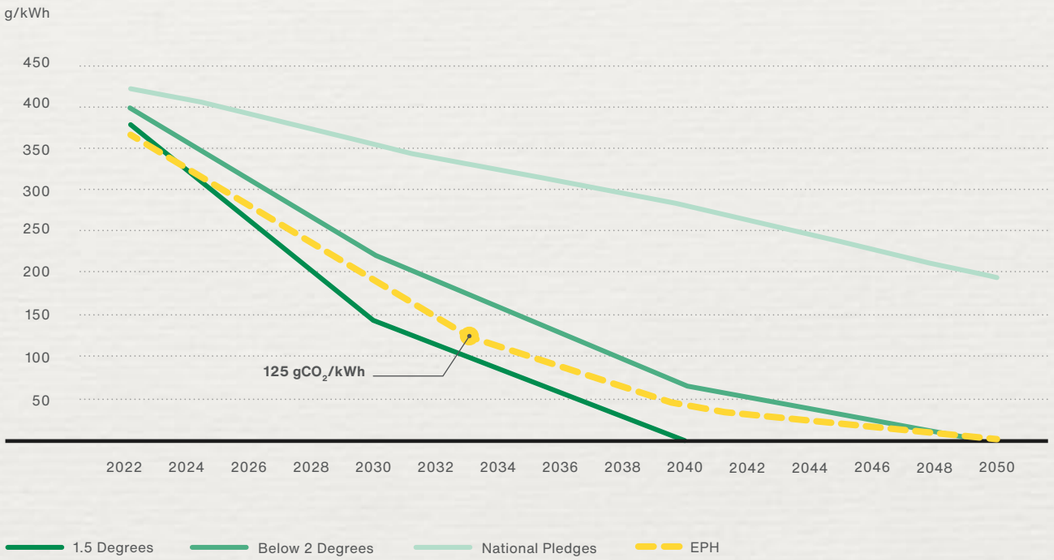
# EPH's Decarbonisation roadmap

EPH's roadmap presents the key levers to substantially reduce its emission intensity within the next decade and ultimately reach net zero operations by 2050.

The primary objective when developing the EPH Group's decarbonisation goals and emission reduction pathways was to ensure alignment with scientific principles and the Paris Agreement's aim to limit global warming to well below 2 degrees Celsius, while pursuing efforts to limit the temperature increase to no more than 1.5 degrees. To achieve this, EPH aimed to align its pathway with the Transition Pathway Initiative ("TPI")[13]. TPI assesses companies' carbon performance against the modelling conducted by the International Energy Agency (IEA) for its biennial Energy Technology Perspectives report. This modelling is used to translate emissions targets made at the international level into sectoral benchmarks, against which the performance of individual companies can be compared. This framework is known as the Sectoral Decarbonisation Approach.

The chart below compares the projected emission intensity of EPH Group with three TPI scenarios – (i) National pledges, (ii) Below 2 Degrees, and (iii) 1.5 Degrees. The intensity pathway projected by EPH for 2033 is in line with the Below 2 Degrees pathway.

## EPH emission intensity projection ($gCO_2$/kWh)




Note: the depicted pathway (dotted line) is only indicative and represents an approximate linear interpolation between 2022 as a starting point, the 2033 intensity projection (125 $gCO_2$/kWh) and net zero goal in 2050 (0 $gCO_2$/kWh)

Graph 1: EPH emission intensity projection.

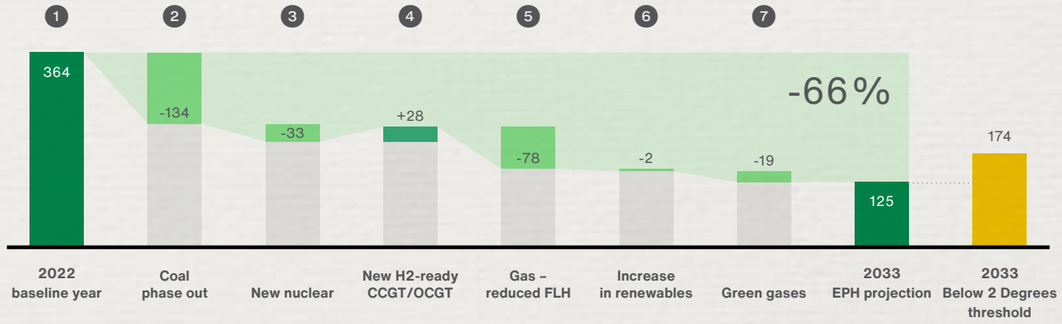
13 https://www.transitionpathwayinitiative.org/

The Group's current efforts mainly focus on decommissioning of coal power plants and development of new hydrogen-ready gas-fired plants (CCGT/OCGT). Hydrogen readiness of the new development projects is a vital aspect to prevent emission lock-in from prolonged use of natural gas. Also, with growing penetration of renewables, the utilisation of dispatchable gas power plants is expected to decline.

Overall, EPH is committed to continually working towards finding and implementing real solutions, rather than merely offloading our emissions, so that we can continue to provide affordable services.

The key drivers of the emission intensity reduction between 2022 (baseline year) and 2033 (target year) are presented on the chart below:

## EPH abatement curve by 2033 ($gCO_2$/kWh)[14]




**Assumptions used for the emission intensity projection**

1. Baseline year 2022 restated for planned disposal of Mibrag and potential acquisition of controlling stake in SE to align the baseline year (2022) with future projected scope of EPH
2. All coal phased out by 2030 (Kilroot, Nováky, Vojany, Mehrum, Emile Huchet 6, Fiume Santo, Czech CHPs)
3. Increase in emission-free output from nuclear units Mochovce 3 (commissioned in 2023) and 4 (expected commissioning in 2025)
4. New hydrogen-ready CCGT/OCGT builds
5. Full load hours ("FLH") of older CCGTs to be scaled down in line with the renewables build-out in Europe
6. Increase in production from biomass is expected following a relatively low output in 2022
7. EPH aims to be an active adopter of green gases and projects initial lower blends in the 10–20% range across its fleet where technologically and commercially feasible

Graph 2: EPH abatement curve.

14 Emission projections and future intensities are only indicative and are solely based on management estimates with respect to the Group's activities (decommissioning and conversion of individual plants). This forward-looking information is subject to future management decisions, market developments, as well as other unpredictable risks and events.

**Below we describe the drivers of the abatement curve on previous page in more detail:**

### 364 $gCO_2$/kWh

1 For the purpose of target setting, the baseline year (2022) emissions were restated to align with the prospective scope of EPH, considering the planned acquisitions and disposals. Specifically, production and emissions of EP Netherlands (acquired in H1 2023) and Slovenské elektrárne (to be consolidated if and when the call option is exercised) were included in the baseline year, while production and emissions of the MIBRAG Energy Group (planned to be disposed by the end of 2025) were excluded. The recalculation of the baseline year, resulting in the emission intensity of 364 $gCO_2$/kWh, is presented in the following table. This approach using restatements for the baseline year are consistent with the TPI methodology.

| 2022 baseline year calculation | unit | EPH – reported | EP NL | SE | MIBRAG | EPH – restated |
|---|---|---|---|---|---|---|
| **$CO_2$ emmisions** | mt | 22.8 | 2.7 | 1.3 | (4.7) | 22.1 |
| of which unrelated to heat and power generation | mt | (0.1) | 0.0 | 0.0 | 0.0 | (0.1) |
| **$CO_2$ emissions from generation** | **mt** | **22.7** | **2.7** | **1.3** | **(4.7)** | **22.0** |
| Power produced | TWh | 37.0 | 7.4 | 17.0 | (4.1) | 57.3 |
| Heat produced | TWh | 2.8 | 0.0 | 0.6 | (0.3) | 3.1 |
| **Total energy produced** | **TWh** | **39.7** | **7.4** | **17.7** | **(4.4)** | **60.4** |
| **$CO_2$ emission intensity** | **g/kWh** | **570** | **368** | **74** | **1,076** | **364** |

Table 1: 2022 $CO_2$ emissions calculation.

### -134 $gCO_2$/kWh

2 EPH has a clear coal exit plan for its power plant fleet which respects local legislation and requirements of the grid. Coal operations beyond 2025 shall be limited to the Fiume Santo hard coal power plant on the Sardinia Island operating under must-run regime and the Czech cogeneration heating plants providing vital heat supplies to district heating customers. The planned coal closures are described further below.

### -33 $gCO_2$/kWh

3 EPH holds 33% equity share in Slovenské elektrárne (“SE”), an operator of two nuclear power plants and several hydroelectric plants in Slovakia[15]. Since 2022, SE has already commissioned additional unit Mochovce 3 in one of its nuclear power plants, increasing the capacity by 440 MW. Another unit with the same capacity Mochovce 4 is planned to be commissioned by the end of 2025. As a result, the emission-free output from nuclear plants shall increase from 15 TWh in 2022 to 23 TWh in the future.

### +28 $gCO_2$/kWh

4 EPH is in advanced development stage of three projects – Kilroot OCGT plant of 700 MW in the UK, Tavazzano CCGT plant of 800 MW, and Ostiglia CCGT plant of 880 MW in Italy.

### -78 $gCO_2$/kWh

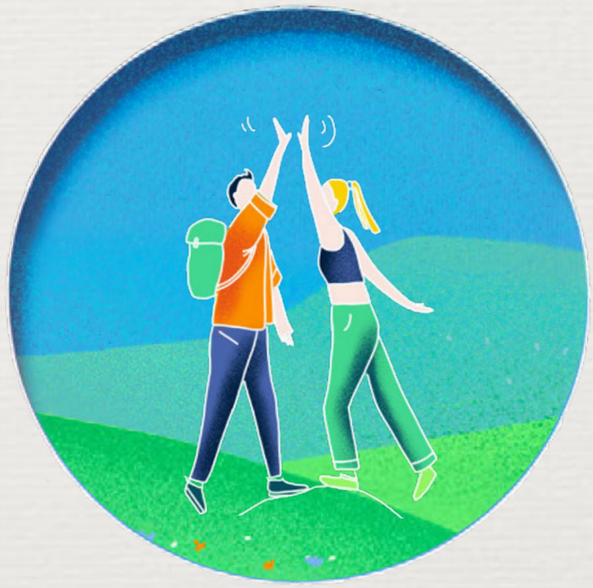
5 With growing penetration of renewables, the utilisation of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending on their generation efficiency. By default, keeping those assets operational is not detrimental to the build-out of renewables which will always be fully utilised given their virtually zero marginal costs. On the contrary, flexible gas power plants are a vital enabler of the acceleration of renewables ramp up. EPH projects to reduce full load hours (“FLH”) of the power plants based on the efficiency of respective power plants and their useful lives.

### -2 $gCO_2$/kWh

6 EPH’s role in the energy transition is currently centered around flexible power with significant focus on natural gas, while ensuring hydrogen readiness. EPH currently does not plan to be heavily engaged in the development of renewables. Within the wider EP Corporate Group (EPCG), the development of renewables primarily in Germany shall be realised in EPH’s sister company EP Energy Transition. In the EPH abatement curve, increased output from renewables therefore plays a relatively minor role.

### -19 $gCO_2$/kWh

7 EPH is aware of the temporary role of natural gas in the energy transition and envisages converting its assets away from natural gas to renewable gases once these are available on a commercial scale. While availability and economics of green gases is currently uncertain, EPH assumes lower blends of green gases in the gas turbines in its abatement curve.



15 The lignite power plant Nováky ceased operation in December 2023 and the hard coal power plant Vojany was closed in March 2024.

# EPH power fleet overview

## Recently closed power plants

### Kilroot hard coal power plant

EP UK Investments

The operations of the Kilroot power plant had been driven by a capacity contract to ensure grid stability in Northern Ireland. The coal units were decommissioned in September 2023 and were replaced by a new OCGT unit on the Kilroot brownfield site supported by already awarded capacity contracts.

### Mehrum hard coal power plant

Kraftwerk MEHRUM

In 2021, the Mehrum power plant was taken off the German merchant market but remained operational at the request of the German transmission system operator. Subsequently, in 2022, the power plant recommenced operations following emergency intervention by the German government to bolster security of supply during winter periods. Ultimately, the plant ceased operations in March 2024.

### Nováky a Vojany coal power plants

SLOVENSKÉ ELEKTRÁRNE

In December 2023, after 70 years of operation, Nováky lignite power plant was closed. And in March 2024, 58 years from start of operation, Vojany hard coal power plant was shut down and consequently, electricity production from hard coal ended. Thus, from Q2 2024, Slovenské elektrárne produce only emission-free electricity from nuclear and hydro sources.

## Remaining coal power plants

### Emile Huchet 6 in France

GazelEnergie

The Emile Huchet 6 power plant in France ceased operations in March 2022. The plant was recommissioned following emergency intervention of the French government in response to the energy crisis in Europe in 2022. The plant is expected to be closed in March 2025. However, the aim is to innovate the fuel mix to make it more sustainable (pellets co-burning).

### Czech CHPs

UNITED ENERGY

PLZEŇSKÁ TEPLÁRENSKÁ Více než energie

EOP ELEKTRÁRNY OPATOVICE

EPH operates district heating networks and adjacent predominantly lignite-based heating plants in the Czech Republic, supplying heat to approximately 153,000 customers in major regional cities. The plants also represent an important provider of grid balancing services to the Czech TSO.

EPIF has commenced conversion projects to complete phase-out of lignite by 2030 and replace the fleet by a balanced mix of gas fired CCGT plants, biomass units and waste incinerator plants. During the transitional period, EPIF envisions that the CCGT units will primarily rely on natural gas, while concurrently ensuring that the technology is suitably equipped to combust a proportion of renewable gases. This proportion is projected to progressively increase, with the potential to ultimately reach 100%.

# EPH power fleet overview

## Remaining coal power plants

### Schkopau and Wählitz power plants in Germany

MIBRAG

EPH operates the Schkopau power plant (900 MWe) and Wählitz power plant (31 MWe) which are planned to be shut down by 2034 and 2035, unless brought forward by an accelerated German coal exit.

To accelerate the energy transition and to facilitate the transformation of coal regions in the most dedicated and effective manner, EPH's shareholders intend to separate both plants from the EPH Group into EP Energy Transition, the holding company of a newly established group and a sister company of EPH, by the end of 2025.

### Fiume Santo in Italy

EP PRODUZIONE

EPH hard coal power plant Fiume Santo in Sardinia, Italy, is an indispensable source of power on the island. Although Italy has committed to a coal exit by 2025, the specific situation on the island, which currently does not have an adequate gas connection, does not allow closure of the plant before an alternative source of power is identified. The new selected technology depends on discussions with local authorities where biomass is considered as a potential alternative. The recently released draft of the National Integrated Energy and Climate plan of Italy (PNIEC) anticipates that the operation of the Fiume Santo power plant will be necessary until 2028, subject to the successful completion of the electricity interconnection of the island with continental Italy.

## Current non-coal power fleet

### CCGT/OCGT fleet in the UK and Ireland

EP UK Investments

EPH operates a fleet of four CCGT power plants and an OCGT power plant with installed capacity of 3.5 GWe. These facilities include South Humber Bank, Langage, Ballylumford, Tynagh, and Kilroot. These plants are anticipated to reach the end of their operational lifespans between 2030 and 2040. In alignment with the UK's ambitious objective of achieving full decarbonization in the power generation sector by 2035, EPH is committed to supporting this target. EPH explores options to adapt the plants to use renewable gases or CCS.

### CCGT fleet in the Netherlands

EP NL

In the Netherlands, EPH operates a fleet of four CCGT power plants with a combined capacity of 2.6 GW. One of these facilities is expected to reach the end of its useful life before 2030, while the other three are projected to operate until sometime between 2030 and 2040. This fleet is well positioned to contribute to the Netherlands decarbonization objectives by providing dispatchable power to support increasing share of renewable energy sources. More significant extension of their operational lifespans would be conditioned on compliance with the Dutch decarbonization goals which foresee conversion of such plants to utilize carbon-neutral gases.

# EPH power fleet overview

## Current non-coal power fleet

### Provence 4 biomass power plant in France

Gazel has converted a former coal unit (circulated fluidized bed) into biomass unit, which utilizes local and imported biomass (wood chips) and waste wood. The power plant has an installed capacity of 150 MWe.

### CCGT/OCGT fleet in Italy

In Italy, EPH controls a fleet of three CCGT power plants and an OCGT plant with total installed capacity of 3.3 GWe. These facilities include Tavazzano, Ostiglia, Livorno Ferraris and Trapani. EPH also holds a non-controlling stake in the CCGT power plant Scandale. All plants can be retrofitted to adopt hydrogen blends which can be reasonably expected in the gas transit network in the foreseeable future.

## Current non-coal power fleet

### Biomass power plants in Italy

EPH operates solid biomass power plants of Biomasse Italia and Biomasse Crotone in Calabria, totaling 73 MWe, and the 7 MWe biomass plant in Fusine.

### Lynemouth biomass power plant in the UK

EPH converted a former coal power plant to biomass in 2016. Biomass represents an important pillar in the UK decarbonization strategy, serving as a dispatchable power source that is carbon-neutral. Looking ahead, biomass power plants, incorporating biogenic carbon capture and storage (BECCS) technology, hold significant promise in contributing to the net-zero 2050 objective by generating negative emissions.

# EPH power fleet overview

## New build projects

### Kilroot OCGT

EP UK Investments

The new OCGT unit in Northern Ireland with an installed capacity of 700 MWe is planned to be commissioned in the first half of 2024. It is supported by already awarded 10-year capacity contracts. In line with UK objective of fully decarbonizing its power sector by 2035, the plant is built as hydrogen-ready. Following decommissioning of the Kilroot hard coal power plant, new dispatchable capacities are vital for facilitating the integration of intermittent renewables into the interconnected market of Ireland and Northern Ireland.

### Renewables and battery storage projects

EPH is active also in renewables and large battery storage projects. In France, EPH is repowering Ambon & Muzillac wind parks in France to increase their capacities from 9–10 MW to 13 MW each and extend their useful lives. At the Emile Huchet 6 site, EPH is developing a large battery storage facility with 35 MW output and 44 MWh capacity. EPH explores options to develop additional battery storage facilities in other countries where it is present.

## New build projects

### Tavazzano CCGT

EP PRODUZIONE

EPH is in advanced development phase of a hydrogen-ready CCGT plant Tavazzano which is planned to be commissioned in 2024. The plant in the Lombardia region with an installed capacity of 800 MWe is equipped with an H-class Ansaldo turbine anticipated to operated with efficiency above 60%. A capacity contract for 15 years has been secured to ensure the stability and reliability of the Italian electricity market.

### Ostiglia CCGT

The target commissioning of the hydrogen-ready CCGT plant Ostiglia is in the first half of 2025. Located in the Lombardia region, this 880 MW plant is equipped with an H-class air-cooled Siemens turbine, expected to achieve an efficiency exceeding 60%. It is supported by an already awarded 15-year capacity contract.

# EPH's approach to sustainability

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

The aim of this Report is to highlight and address the environmental, social, and governance aspects of our operations. It was written in accordance with the Global Reporting Initiative Standards[16] for the period 1st January 2023 – 31st December 2023, while aligning with the United Nations Sustainable Development Goals and the 2030 Agenda. Data and case studies from our operations can also be found in the Sustainability Reports of our subsidiary, the EPIF Group, who has been reporting annually since 2018. This Report allows EPH to provide detailed information regarding our business strategy, operations, and commitments.

We plan to issue our next Sustainability Report for 2024 in 2025. We are analysing our alignment to Corporate Sustainability Reporting Directive and European Sustainability Reporting Standards, and we assume that our Sustainability Report will be converted into the newly required structure in 2025.

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

# Materiality assessment

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

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

From 2022, the assessment focuses on the impact assessment where the focus is on how EPH affects the environment, society, and the economy, using an inside-out perspective. We have concluded that the structure of our 11 material topics from the previous year remained valid also for 2023. Specific impacts related to the material topics of Risk and crisis management and Stakeholder engagement are not included in the analysis due to their management approach character which is relevant to all topics. The materiality assessment methodology used to identify and evaluate the material impacts and group them into material topics can be found in the Annex of this Report.



## Impact Assessment

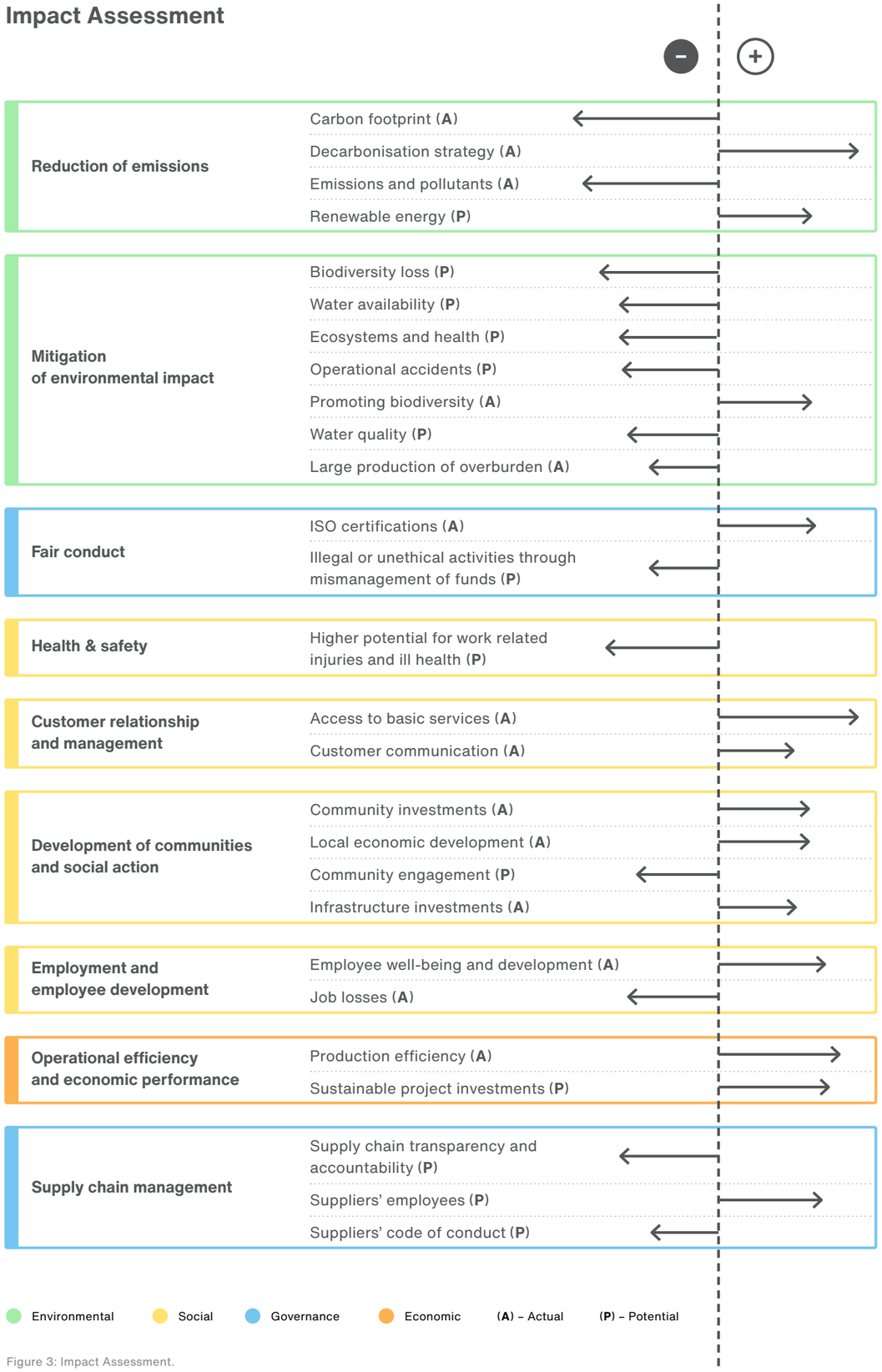



Figure 3: Impact Assessment.

# Impact Assessment Results

EPH is committed to being transparent about both positive and negative impacts of our operations. We understand the importance of managing our negative impacts and maximising our positive contributions to achieve sustainable growth. Overall, our most significant impact is our carbon footprint, which is due to GHG emissions from the combustion of fossil fuels and methane leakage, contributing to climate change. We recognise the need to reduce this negative impact, and as a result, we have introduced an active decarbonisation strategy. EPH aims to reduce average emission intensity of its European power generation fleet in line with the “Below 2 Degrees” global pathway of TPI, implying the average Group intensity below 174 $gCO_2$/kWh in 2033. Based on EPH existing assets and planned projects, EPH projects the emission intensity to overperform this requirement and reach the intensity of 125 $gCO_2$/kWh in 2033, i.e. reduction by 66%. EPH also targets to achieve net zero operations by 2050. We are investing in sustainable projects and technologies to support this goal.

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

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



# ESG ratings

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

In November 2023, this was reflected in a strong ESG rating received from Morningstar Sustainalytics following completion of the annual review, the score was 22.4 (for 2022). Although our overall score slightly worsened, EPH improved its Management Score year-on-year from 72.8 to 75.1 (scale 0–100). The Management Score is besides the Exposure Score a part of the Overall ESG Risk Score and unlike the Exposure Score it is within our control and represents our actions and management of ESG matters.

Additionally, within the EPH Group, EPIF obtained its first ever ESG rating from Sustainalytics in 2019, which was most recently updated in November 2023 with rating of 19.8 (for 2022).

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

| Agency | Group | ESG rating |
|---|---|---|
| MORNINGSTAR SUSTAINALYTICS | EPH | NEGL 0–10 / LOW 10–20 / **MED 20–30** / HIGH 30–40 / SEVERE 40+<br>22.4 (medium risk)<br>a lower score indicates better management of risks; as of November 2023, we held the 25th position out of 104 companies within the multi-utilities sector |
| | EP Infrastructure | NEGL 0–10 / **LOW 10–20** / MED 20–30 / HIGH 30–40 / SEVERE 40+<br>19.8 (low risk)<br>a lower score indicates better management of risks; as of November 2023, we held the 12th position out of 104 companies within the multi-utilities sector |
| S&P Global | EP Infrastructure | 63/100<br>A higher score indicates better ESG performance; this score was issued in 2022; S&P Global no longer provides updates to this ESG evaluation product |

Table 1: Current ESG ratings.

# Sustainable Development Goals

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

To fully support our commitment to the 2030 Agenda, we approved our decarbonisation strategy goals, which include emission intensity reduction of the European generation fleet in line with the Below 2 Degrees TPI pathway implying the average Group intensity below 174 $gCO_2$/kWh in 2033. Based on EPH existing assets and planned projects, EPH projects the emission intensity to overperform this requirement and reach the intensity of 125 $gCO_2$/kWh in 2033, i.e. reduction by 66%. EPH also targets to achieve net zero by 2050. These goals are supported by a specific action plan presented in the section "EPH's decarbonisation roadmap".

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

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

SUSTAINABLE DEVELOPMENT GOALS



## SDGs of high relevance

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

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

### Ensure sustainable consumption and production patterns

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

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

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

### Take urgent action to combat climate change and its impacts

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

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

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

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

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

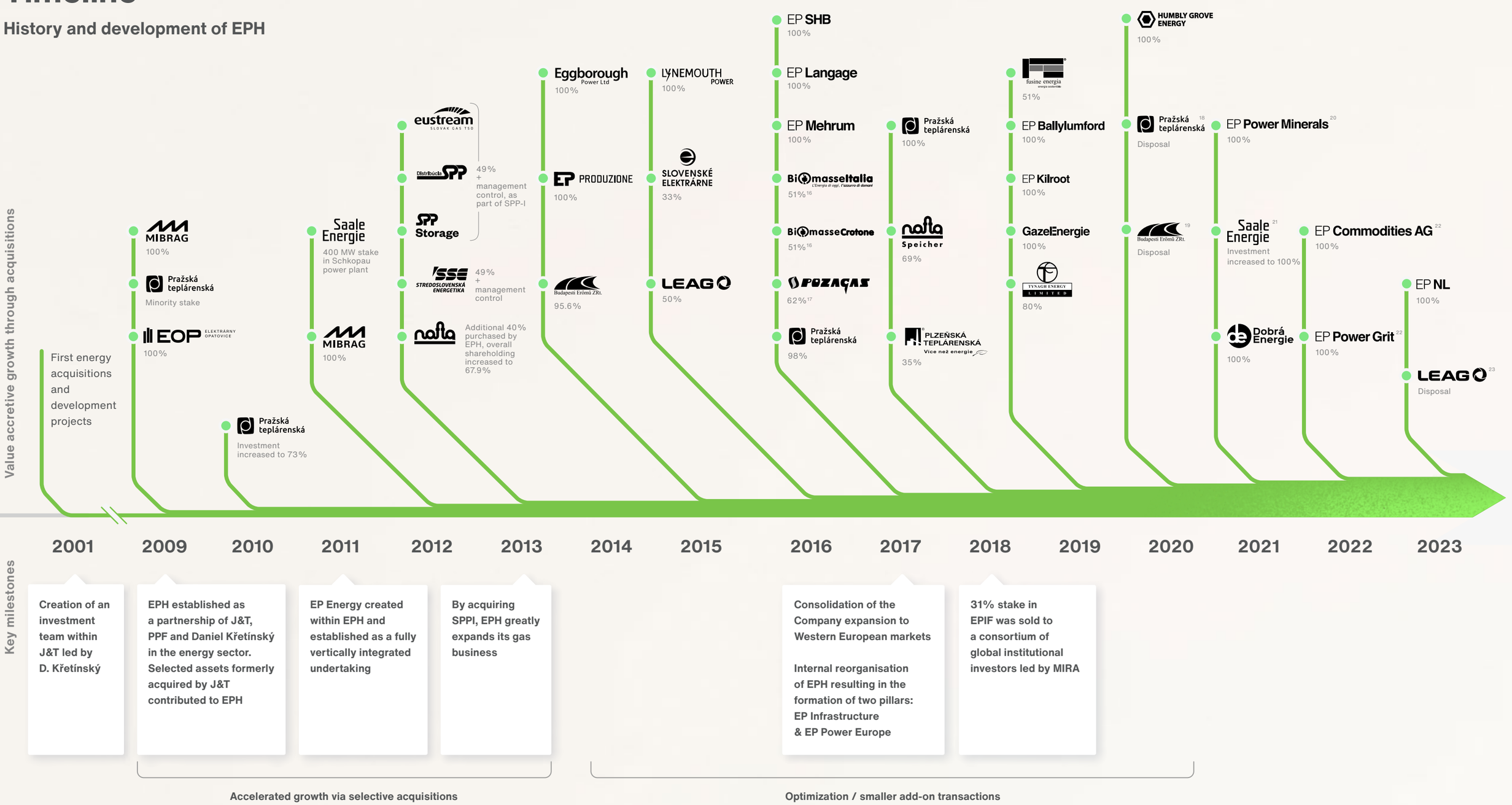
# EPH and its Business

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

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

# Timeline

## History and development of EPH




## Formation of EPH

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

Figure 4: EPH's timeline of development.

* The timeline excludes our logistics Group, EP Logictics International (EPLI). There is a dedicated section describing the Group further in the report.

16 49% share of Biomasse Italia, Biomasse Crotone and Fusine was sold to LEAG in July 2019.
17 EPIF's effective shareholding.
18 Disposal of Pražská teplárenská in November 2020.
19 Disposal of BERT in December 2020.
20 Acquisition of EP Power Minerals GmbH in May 2021, previously STEAG Power Minerals GmbH. This includes the acquisition of a subsidiary MINERALplus GmbH.
21 Acquisition of the remaining approx. 58% share in the Schkopau power plant to become the sole owner in October 2021.
22 Acquisition of EP Power Grit (100% share) and establishment of EP Commodities AG (100% share) in 2022.
23 50% share in LEAG was transferred to EP Energy Transition, a sister company of EPH.

# EPH Group structure

## Key Infrastructure and generation companies

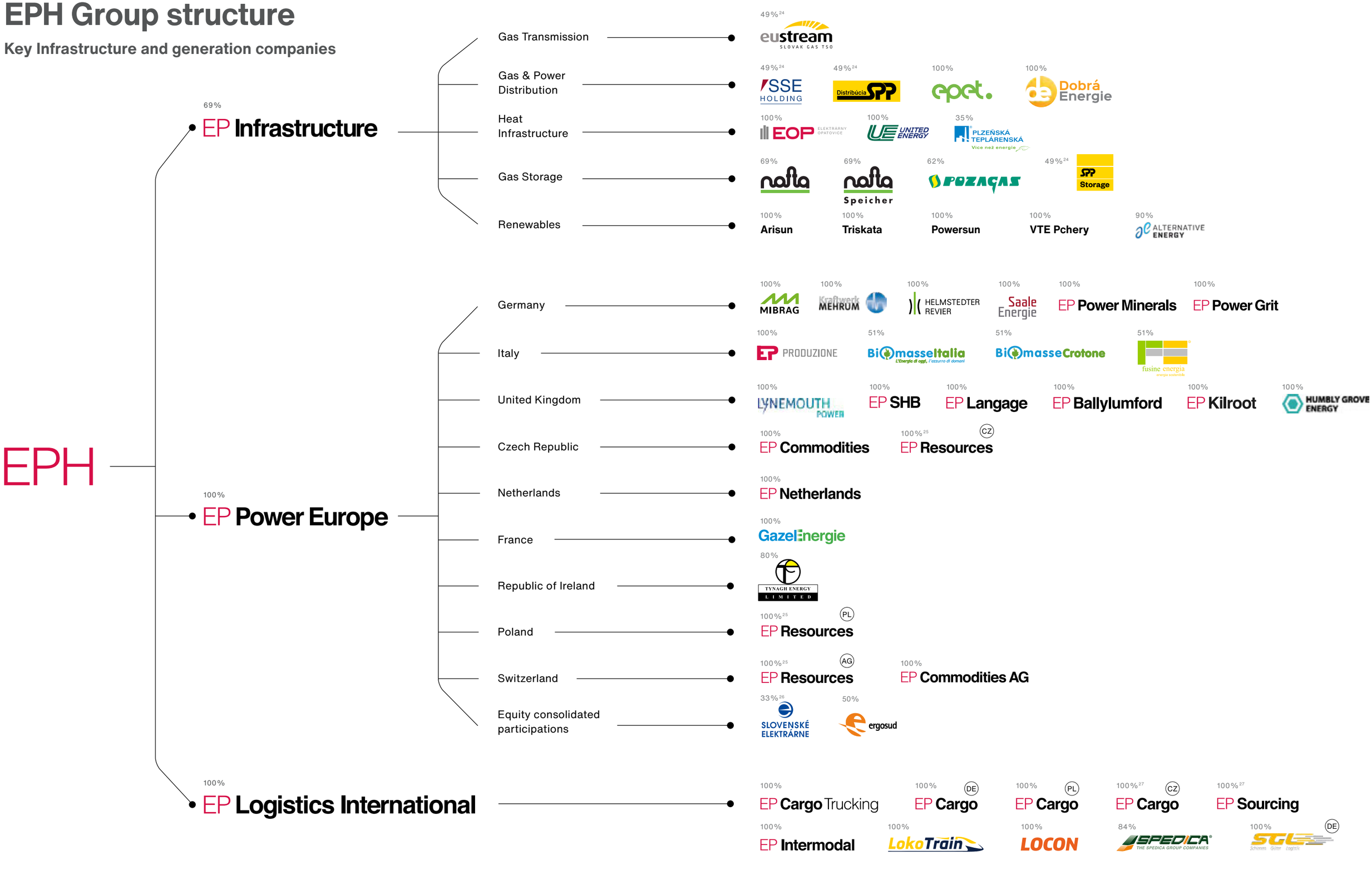


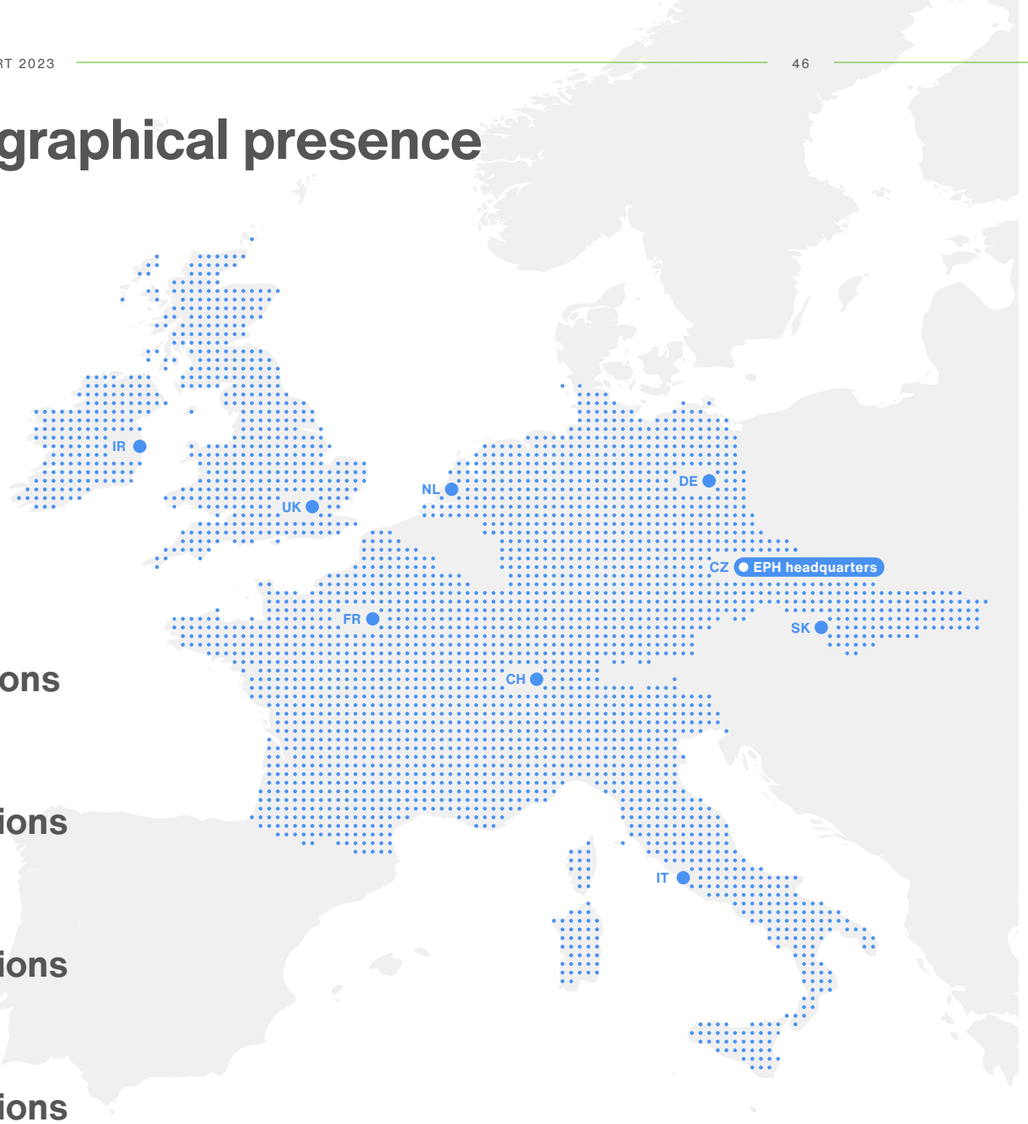

Figure 5: Key infrastructure and generation companies.

24 49% including management control.
25 EP Resources CZ, PL and AG, which fell under the EPLI Group in 2020, have been under the management of the EPPE Group since January 2021, as represented in the EPH Group structure.

26 SE is owned directly by EPH. For presentational purposes, SE is shown under EPPE as it operates in the same business segment.

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

# Our geographical presence




**Germany**
Total Revenues
**€ 4,812 millions**

**Italy**
Total Revenues
**€ 3,259 millions**

**United Kingdom**
Total Revenues
**€ 2,955 millions**

**Slovakia**
Total Revenues
**€ 2,300 millions**

**Netherlands**
Total Revenues
**€ 2,297 millions**

**Switzerland**
Total Revenues
**€ 1,446 millions**

**France**
Total Revenues
**€ 2,263 millions**

**Republic of Ireland**
Total Revenues
**€ 1,347 millions**

**Czech Republic**
Total Revenues
**€ 1,836 millions**

**Other revenues**
Total Revenues
**€ 1,693 millions**

**€ 24,208 millions**** [28]
Total revenues in 2023

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

28 Fully consolidate core companies are listed here as of 2023. SE and Ergosud are not included as they are equity consolidated only.



# Business segments overview

## Gas transmission

### Overview

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

### Highlights

Eustream adjusts its network to be prepared for 2% hydrogen blend obligation for TSOs in the EU.

With four to five parallel pipelines in place, the pipeline system is well-suited for simultaneous transport of methane and pure hydrogen in a dedicated line.

Eustream is a member of European Clean Hydrogen Alliance and European Hydrogen Backbone which promote Europe-wide hydrogen adoption.

Eustream introduced a robust leak detection and repair program to reduce methane leakage.

eustream SLOVAK GAS TSO

## Gas & power distribution

### Overview

This business segment consists of gas distribution, power distribution, and their supply.

SPP-D is a natural monopoly in natural gas distribution in Slovakia. Through its subsidiary SSD, SSE is the second largest regional power distribution company.

The supply of natural gas and power to end-consumers is conducted through EPET and Dobrá Energie, with supply in the Czech Republic and Slovakia, and SSE, with supply in Slovakia.

### Highlights

We prepare the gas distribution network for the distribution of hydrogen or other renewable gases to ultimately abandon natural gas.

In the gas distribution segment, we are reducing methane leakage to ensure emission reduction already during the transitional period.

In the power distribution segment, 89% of the newly connected capacity in the past five years have been renewable energy sources, mainly solar.

We are also reinforcing the power grid to enable fast deployment of renewables.

SSE HOLDING

Distribúcia SPP

epet.

Dobrá Energie

# Business segments overview

## Heat Infrastructure

### Overview

This business segment focuses on generation and distribution of heat. The Group owns and operates heat cogeneration plants including adjacent district heating networks in the Czech Republic. The plants have also become an important power producer and a key provider of grid-balancing services in the Czech Republic, with significant contribution to the transmission network's stability.

### Highlights

The Group is converting away from lignite to a balanced mix of hydrogen-ready CCGT plants, waste to energy plants, and biomass units.

We are ensuring hydrogen readiness of the gas turbines to prevent emission lock-in from prolonged usage of natural gas.

## Gas storage

### Overview

This business segment consists of subsidiaries that store natural gas under long-term contracts as well as on a short-term basis in underground storage (UGS) facilities. The Group has become a key player of natural gas storage in the Czech Republic, Slovakia and Austria, with a significant share also on the German market. Nafta and Pozagas are the only storage system operators in Slovakia and Nafta is also a leading company in the exploration and production of hydrocarbons.

### Highlights

EPIF consistently evaluates possibilities for storing alternative gases within its current gas storage facilities.

Project Henri by Nafta is one of the first Important Projects of Common European Interest (IPCEI) in the hydrogen area. Nafta seeks to identify appropriate locations for storing hydrogen mixed with natural gas and the maximum possible concentration that could be stored in a porous geological structure.

## Renewables

### Overview

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

### Highlights

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

**Our subsidiaries are industry leaders:**

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

**EP Power Europe**

**EP Infrastructure**

# Business segments overview

## Flexible Power Generation

### Overview

EPH operates a fleet of flexible generation assets dominated by natural gas. EPH ensures that the assets either have a phase out plan in place or a clearly defined role in the net zero future. The currently constructed power plants are built as hydrogen ready.

### Highlights

**Our subsidiaries are industry leaders:**

1. The penetration of renewable energy in the UK will increase the need for fast and flexible generation. EPUKI and its gas plants are ready to cooperate on ensuring grid stability.
2. Through its assets, EP Produzione is one of the most important players in Italy with regards to electricity generation.
3. Gazel Energie is a significant energy producer and supplier of gas and electricity in France.
4. EP NL ranks as the third largest operator of power plants in the Netherlands. These low-emission, modern gas-fired power plants play a crucial role in providing flexible power to the energy system as the supply of electricity from renewable energy sources continues to increase.
5. Tynagh Energy is the only steam power plant on the Irish market to reliably supply large amounts of electricity to customers.

### EP Power Europe

EP Langage · EP SHB · EP Kilroot · EP Ballylumford · EP Power Grit

Mineral plus · Tynagh Energy Limited · Humbly Grove Energy · EP Produzione · Saale Energie

Kraftwerk Mehrum · EP Resources · EP Commodities · EP Netherlands

MIBRAG · Helmstedter Revier · GazelEnergie · EP Commodities AG



## EP Logistics International

### Overview

This business segment consists of subsidiaries specialising in the transport needs of internal and external trading partners.

Its business focuses on rail, road and Intermodal transport, providing complex logistical services and solutions.

### Highlights

EPLI employs almost 800 people, operates over 100 of its own or leased locomotives and about 2,400 railway wagons.

EPLI gradually renews its locomotives fleet and currently operates 14 modern Vectron locomotives with additional to be acquired in 2024.

**Our subsidiaries are industry leaders:**

1. EP Cargo, through its national and international rail services, moved almost 3.5 million tonnes of material in 2023.
2. EP Cargo Trucking operates around 120 of its own vehicles that are active in the Czech Republic, Slovakia, Poland, Germany, Hungary, and Austria.
3. Locon keeps around 40 locomotives and hundreds of freight wagons permanently on standby for construction logistics and freight transport. Locon also tests, maintains and repairs its locomotives and wagons in its own workshop.

SPEDICA THE SPEDICA GROUP COMPANIES · EP Intermodal · EP Cargo Invest

LOCON · EP Cargo (DE) · EP Cargo (PL)

LokoTrain · EP Cargo Trucking (CZ) · EP Cargo Trucking (SK)

SGL Schienen Güter Logistik · EP Cargo Trucking (PL)

# EPIF Group overview

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

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

**EPIF 2023**
**Key operations indicators**

Net installed capacity – power
**968 MW**

Thermal capacity of boilers
**3,003 MW**

Net production – power
**1,574 GWh**

Net production – heat
**2,359 GWh**

Total net energy production
**3,932 GWh**

## Key financial indicators[29]

**€ 4.1 billion**
Total External Revenues in 2023

**€ 1.2 billion**
Total Underlying EBITDA in 2023

29 The financials are sourced from the EPH Annual Report 2023 where EPIF is presented as one of the sub-groups. These figures may therefore differ from figures presented in the disclosure of EPIF.



# 2023 Highlights

Gas and electricity distribution

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

Gas transmission

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

Heating infrastructure

**Major operator of district heating infrastructure in the Czech Republic.**

Gas storage

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

# EPPE Group overview

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

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

**EPPE 2023**
**Key operations indicators**

Net installed capacity – power
**12,943 MW**

Net production – power
**34,546 GWh**

Net production – heat
**277 GWh**

Total net energy production
**34,822 GWh**

## Key financial indicators

**€ 19.9 billion**
Total External Revenues in 2023

**€ 2.4 billion**
Total Underlying EBITDA in 2023



# 2023 Highlights

**757 MW**
We have a total of 757 MW of installed power capacities in renewable energy sources across our various regions of business, with more investments planned.

We operate the **CCGT plant** with the lowest minimum generation for CCGTs on the Irish market.

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

Our transition way goes through balancing renewable energy generation in times of renewable energy shortages. This could be effectively done by our gas-fired power generation fleet, with new-build assets being **hydrogen-ready power plants**

We have a clear **decarbonisation plan** for all our coal assets.

During 2023 we continued with our investments into **three hydrogen-ready gas-fired development projects** under construction: two highly efficient Kilroot OCGT units in Northern Ireland (700 MW combined, COD expected in 2024), the Tavazzano CCGT (planned capacity of 800 MW, COD expected during 2024) and Ostiglia CCGT (planned installed capacity of 880 MW, COD expected during 2025), both located in Italy.

# EPLI Group overview

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

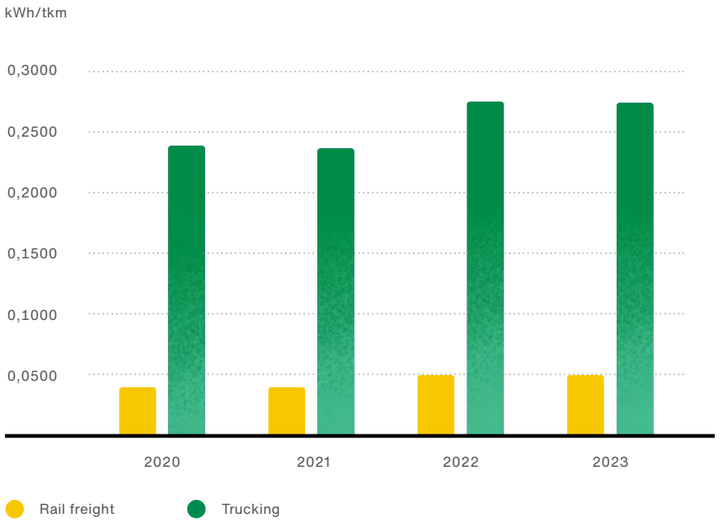
EPLI's geographical coverage is bordering with Baltic, North Sea, Rhineland, Black and Adriatic Sea. Since 2022, EPLI implemented internal policies developed under the EPH Group. This is further elaborated upon in the ESG governance at the EPH section of this Report. Additionally, the policies can be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

In 2023, the EPLI Group experienced an 2% and 1% efficiency increase of the rail and trucking segments respectively compared to the previous year despite a 4% decrease in energy consumption. This was a result of market stabilisation and optimisation of the operations after the 2022 disruptions. Transported volumes staying stable on year-on-year basis, however the end of the year 2023 and beginning of 2024 announce a new wave of disruptions (esp. Red sea crisis).

EPLI's joint venture SŽ – Tovorni promet is highly connected to the maritime transport via port of Koper and in 2023 it maintained record volumes of transported goods.

With effect from end of October 2023, EPLI becomes the only owner of SGL-Schienen Güter Logistik GmbH. This German logistics company will complement EPLI's portfolio of services in the field of rail freight transportation and construction logistics. In 2022, EPLI issued its first stand-alone sustainability report for 2021 and since then it issues sustainability reports every year. All EPLI's reports could be found ↗ here.

### Transport efficiency




Graph 3: Transport efficiency.

30 SŽ – Tovorni promet is a joint venture where EPLI has 49% share.
31 2016 was the start of data collection for this indicator.



# 2023 Highlights

**4,000 railway wagons**

**EPLI operates over 100 owned or leased locomotives with more than 4,000 railway wagons. It currently operates 12 modern Vectron locomotives.**

**790 people**

**EPLI employs almost 800 people, with zero road fatalities of drivers or third parties since 2016.**

**18 million tonnes**

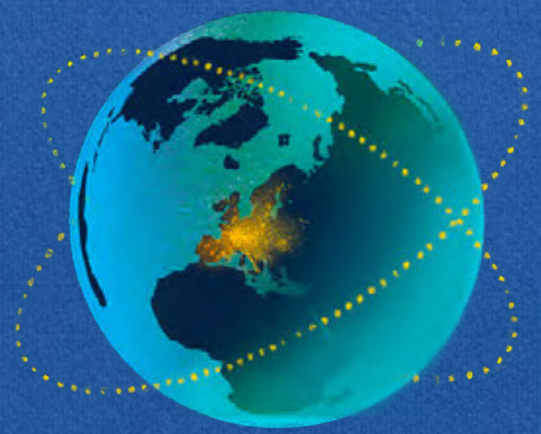
**SŽ – Tovorni promet[30] is a rail cargo incumbent in Slovenia with 18 million tonnes of transported goods and operating a fleet of 150 locomotives and more than 2,900 wagons.**

**Vision**

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

**Since 2016, we have experienced[31]**

**no material fines**



# Equity participations

EPH's key equity participations include Slovenské elektrárne. Non-controlling stake in Lausitz Energie Verwaltungsgesellschaft (LEAG) was held by EPH until December 2023 when it was divested and transferred to a sister company EP Energy Transition which is part of EP Corporate Group. Even though the data from these companies is not consolidated within this Report, we have integrated basic information to further highlight the alignment of their initiatives with EPH's sustainability goals.

## Slovenské elektrárne

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

The portfolio of SE represents the critical energy infrastructure in Slovakia and in the Central European region, which also includes the Czech Republic, Hungary and Poland. Approximately 70% of electricity generated in Slovakia comes from SE each year. Moreover, about 95% of this power was produced in nuclear and hydro power plants, thus without $CO_2$ emissions. In 2023 a significant milestone was achieved when unit 3 of Mochovce power plant was commissioned. This new unit will cover almost 13% of total electricity consumption in Slovakia. Following the closure of the hard coal power plant Vojany in March 2024, the entire power output of SE is without any direct $CO_2$ emissions.

For further information please visit ↗ SE's website.

## LEAG

Lausitz Energie Verwaltungs GmbH, which is the majority owner of the two key operating subsidiaries – Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG, all together rebranded to LEAG. The portfolio comprises electricity and heat production, mining, and refining. In addition, there are the services of the subsidiaries of Lausitz Energie Bergbau AG, among them Transport- und Speditionsgesellschaft Schwarze Pumpe mbH (TSS GmbH) as full-service provider for logistics, material and warehouse management, and the planning and engineering service company GMB GmbH. Non-controlling stake in these assets was held by EPH until December 2023 when it was divested and now is part of EP Energy Transition which is EPH's sister company under EP Corporate Group. Under EP Energy Transition LEAG's transition will be accelerated. As stated also in the LEAG's own sustainability report, LEAG is realigning its business strategy and actively helps to shape this energy transition by expanding its generation portfolio to include renewables and forward-looking technology solutions for climate-friendly energy production and storage. LEAG will remain a responsible partner for its employees and business partners, for local communities and regions and, of course, for a secure energy supply in Germany and Europe.

For further information please visit ↗ LEAG's website. LEAG's sustainability reports could be found ↗ here.

# Operational efficiency and economic performance

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

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

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

**Our contribution to the SDGs:**

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


## Business performance

Our 2023 operational results proved that EPH continues to be an industry leader. The reliability of our Group's performance has allowed us to continue to steadily grow our business through our customers.

## Operations overview

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

## Energy consumption and efficiency

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

## Our focus on hydrogen

Our ongoing projects aim to enable hydrogen readiness across midstream and downstream gas infrastructure and gas power plants. This will facilitate the transition away from coal and provide security of supply, which goes hand in hand with our goal to achieve net zero by 2050.

## Renewable energy

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



# 2023 Highlights

**€1.1 billion**

**In 2023, we continued with new project developments in Italy (Ostiglia and Tavazzano plants) and Northern Ireland (Kilroot). At these sites, EPH committed Capex of EUR 1.1 billion to develop highly flexible gas-fired power plants with partial readiness for hydrogen combustion. EUR 346 million of the total investment was spent during 2023. Commercial operations are planned to commence during 2024 at Kilroot and Tavazzano and in 2025 at Ostiglia.**

**€100 million**

**In 2023, the total capital expenditures in our Gas and Power Distribution services exceeded EUR 100 million.**

**16%**

**In 2023, EPH continued to increase heat production from renewable sources, by 16% compared to last year.**

**44%**

**In 2023, EPH achieved an energy generation efficiency of 44%.**

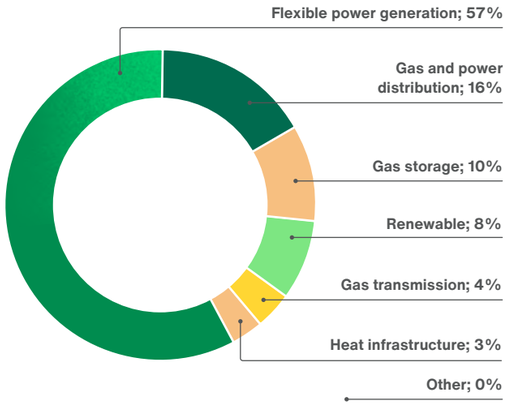
# EPH's 2023 Business performance

For the year ending in December 2023, the EPH Group recorded total consolidated revenues and an EBITDA of EUR 24.2 billion** and EUR 3.6 billion[32] respectively. EBITDA is defined as profit from operations plus depreciation and amortisation and is further netted for eventual impact of negative goodwill. Apart from this, the EBITDA calculation does not include any further adjustments. It is an important indicator to track because not only does it provide information on our operational profitability, but unlike revenues, standardised EBITDA can also allow for greater data analysis amongst peers and competitors.

For financial year 2023, the Group is contributing a total of EUR 2,179 million in income taxes to state budgets and for consumption of $CO_2$ allowances. Regarding income taxes paid in 2023 (for 2022), it was equal to EUR 989 million**.

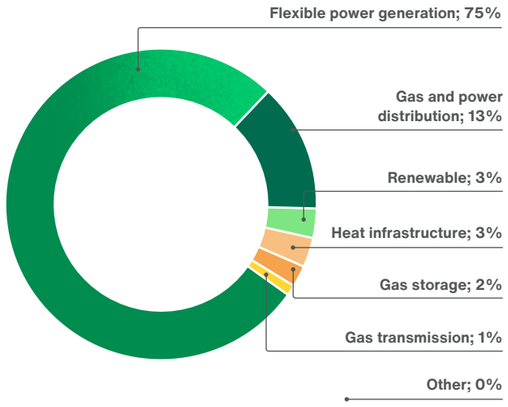
## EBITDA and revenues[33]

**2023 EBITDA:**
business segment share




**€ 3.6 billion**
**Total Underlying EBITDA in 2023**

**2023 Revenues:**
business segment share




**€ 24.2** billion**
**Total revenues in 2023**

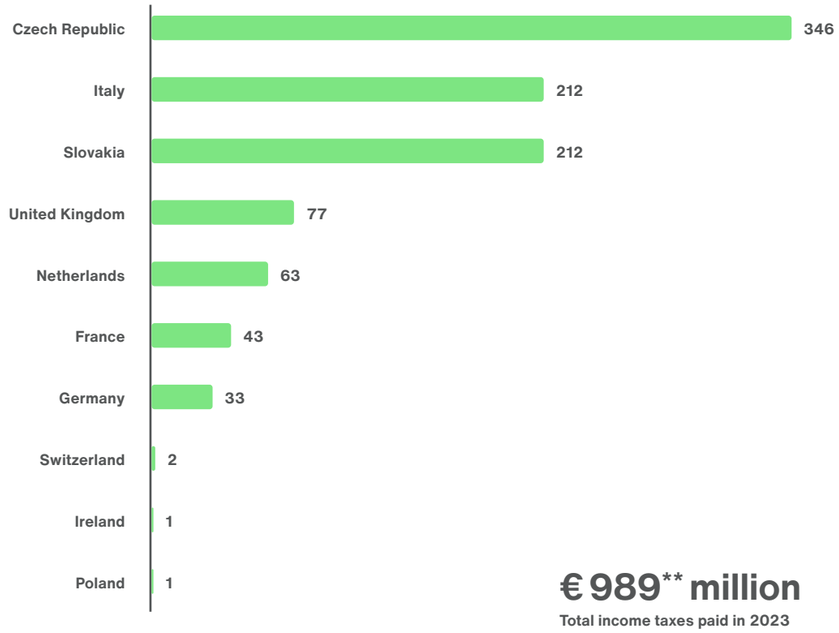
Graph 4: EPH's 2023 business results.

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

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



**2023 Income tax paid by country**
**in EUR million**




Graph 5: Taxes paid.

**€ 989** million**
**Total income taxes paid in 2023**

special award
**Czech Elite**
in 2022

In January 2024, EPH received a special award for the biggest taxpayer in the "Czech Elite" ranking for 2022. EPH subsidiaries paid a record EUR 279 million in corporate tax in 2022. Only companies controlled by Czech owners and based in the Czech Republic were ranked and the list was compiled by Seznam Zprávy and Deloitte.

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

# Transmission, storage and distribution: closer look

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

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

## Strategic role of gas storage

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

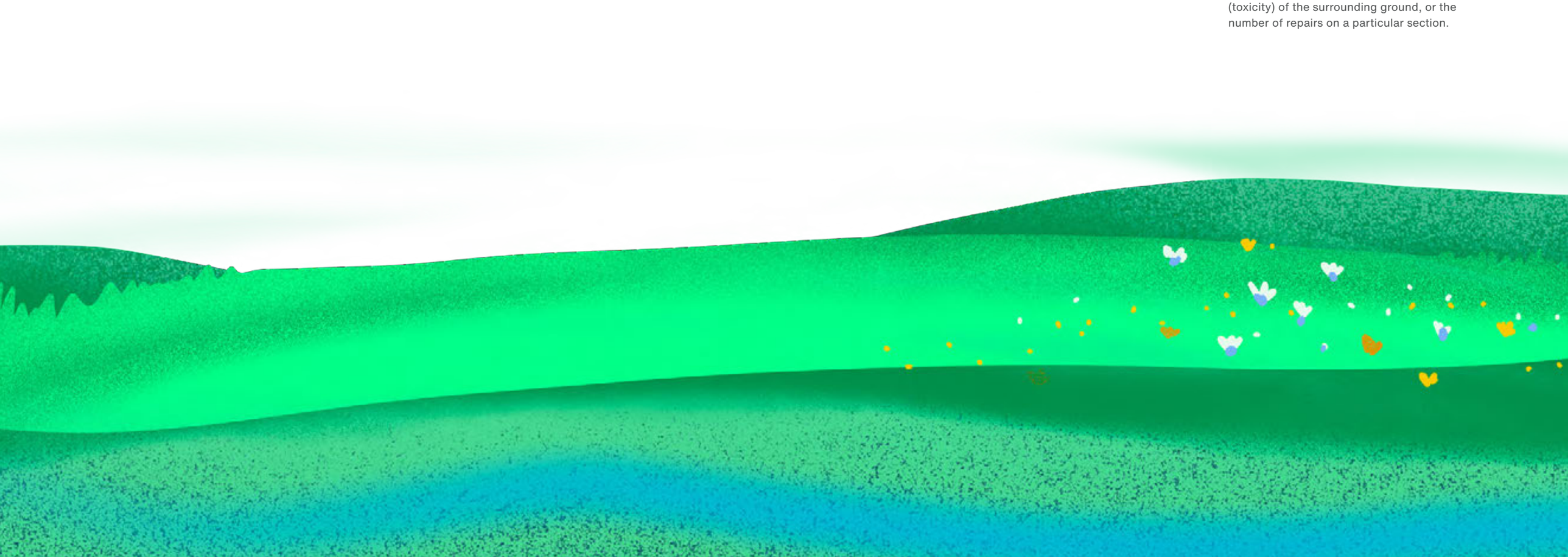
## Strategic role of transit pipelines

Eustream successfully modernised its originally unidirectional transportation system into a fully flexible network, enabling bidirectional gas transport with all neighbouring countries. These investments have significantly enhanced regional energy security level. Regional natural gas suppliers can efficiently diversify their portfolios for the benefit of customers, while eustream gains further opportunities for commercial utilisation of the transportation network. The main investment effort in bidirectional connections was completed at the end of 2022 with the launch of the new Poland-Slovakia Interconnector, which finalised the crucial north-south corridor. This interconnector provides Slovakia (and other Central European countries) with a new route for importing natural gas from LNG terminals in the Baltic Sea or Norwegian gas. Solutions for increasing capacities of existing connections (especially with Hungary and Poland) are also in place to accommodate potential increased transportation demands within the north-south corridor.

## Asset Integrity Management at gas midstream operations

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

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

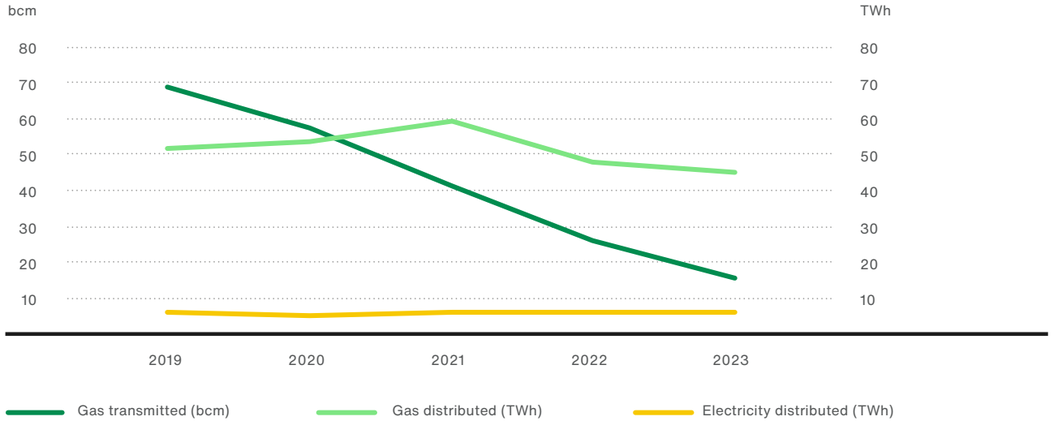


# Transmission, storage and distribution: closer look

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

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

**Distribution and transmission**




Graph 6: Distribution and transmission.

From 2019 to 2023, gas transmission, and gas and power distribution saw average volumes of 42 bcm, 52 TWh and 6.2 TWh respectively. In 2023, volume of distributed gas declined to 46 TWh due to warmer weather and consumer savings in response to spiking gas prices. Volume of distributed power then remained relatively stable compared to 2022. The volume of gas transmitted structurally declined following the Russian invasion of Ukraine, stabilizing at levels corresponding to annual volumes of approximately 16 bcm. Eustream remained one of the two European gas corridors for Russian gas, through which gas flows have not been fully interrupted. Going forward, eustream shall remain a vital regional multidirectional crossroads able to serve gas flows in all directions regardless of the gas source and flows pattern, contributing to the security of supplies.

## Electricity distribution losses

As one of the key electricity distributors in Slovakia, through our subsidiary Stredoslovenská distribučná (“SSD”), EPH is conscious of the indirect environmental impact of technical losses caused by network inefficiencies, as these need to be covered by additional electricity generation. Electricity purchased by SSD to cover its network losses comes primarily from zero-emission generation sources which dominate the fuel mix in Slovakia (mainly nuclear and hydro). Furthermore, SSD launched several initiatives to reduce their technical losses. As an example, they identified existing inefficient transformers and replaced them with modern transformers or installed smart metering systems to enable better voltage management. As a result, their combined average loss rate saw a reduction from 5.5% in 2018 to 4.8% in 2023.

| SSD | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|
| **ELECTRICITY INFLOWS** | GWh | 7,751 | 7,758 | 7,542 | 7,991 | 7,769 | 7,598 |
| **LOSSES** | GWh | 425 | 414 | 421 | 442 | 351 | 367 |
| **LOSSES IN %** | % | 5.5 | 5.3 | 5.6 | 5.5 | 4.5 | 4.8 |

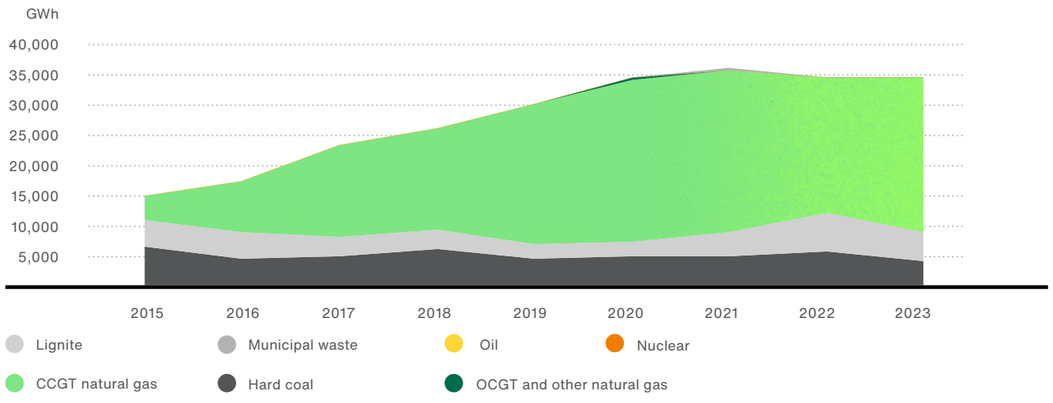
Table 3: Distribution losses.

# Power and heat production from conventional sources: closer look

In 2023, EPH kept the same level of its power production from conventional sources when compared to the last year. Overall, in 2023, EPH's hard coal consumption for overall net energy production decreased by 34% compared to last year. This positive change follows market situation stabilisation in 2023 after the shock to the energy market that occurred in the previous period and was caused primarily by lower availability of natural gas in Europe, resulting in high gas price and improving the position of coal and lignite plants in the merit order.

In France and Germany, the hard coal power plants operated by EPH had been near their decommissioning process. However, an emergency regulation introduced in 2022 allowed the plants to be reactivated to support security of supply in period of potential disruptions in energy markets. This task was prolonged also for 2023, thus both plants were running during the winter season, but the volume of production was much lower compared to 2022 (Mehrum experienced 42% and Emile Huchet 6 (EH6) even 62% production drop).

## Net power production: conventional sources




**36,119 GWh**
**Total net power production**

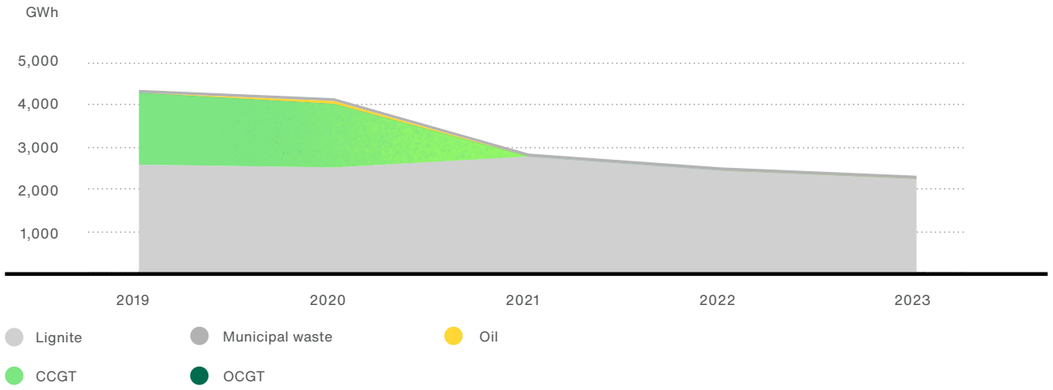
**34,470 GWh**
**Conventional sources**

Graph 7: Net power production.



**36,119 GWh**[43]
**Total net power production**

## Net heat production: conventional sources




**2,635 GWh**
**Total net heat production**

**2,337 GWh**
**Conventional sources**

Graph 8: Net heat production.

# Power and heat production from conventional sources: closer look

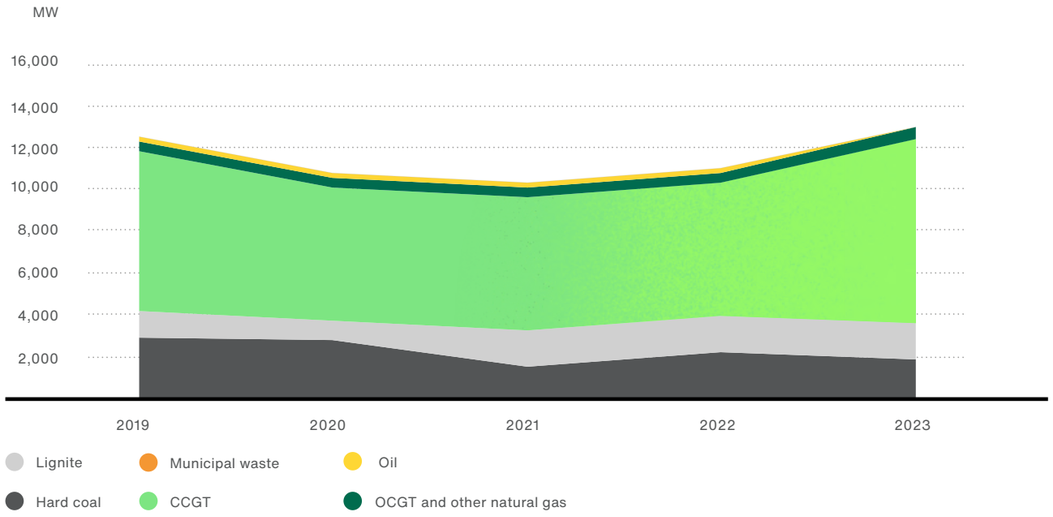
## Installed capacity of power and heat from conventional sources

In comparison to last year, the Group's installed power capacity increased by 2.0 GW. In the first half of 2023, EPH acquired 4 CCGT power plants in the Netherlands with total capacity of 2.6 GW. On the other hand, hard coal capacity decreased by 0.5 GW after the Kilroot hard coal units ceased operation in September 2023.

Overall, EPH expects that the installed capacities for hard coal and lignite will significantly decrease over the coming years. This is reflected in the Group's decarbonisation roadmap as we aim to decommission our coal power plants or convert certain facilities to a mix of hydrogen-ready combined cycle gas facilities or waste-to-energy plants. These decommissioning projects can be seen across our Group, such as in Germany, France, Italy, the UK, and the Czech Republic. In France, for example, Gazel Energie closed its Provence 5 operations in 2021 and the MIBRAG Deuben power plant was decommissioned in 2021. Emile Huchet 6 power plant in France was scheduled to be decommissioned in 2022, while the Mehrum power plant in Germany was already closed as of the year end 2021.

However, both plants resumed operations following an emergency intervention from the French and German governments. Kilroot hard coal units ceased operations in 2023 as scheduled. Mehrum hard coal power plant was finally closed in March 2024. Decommissioning is always planned with regard to maintain energy stability in countries we operate in.

**Net installed power capacity: conventional sources**

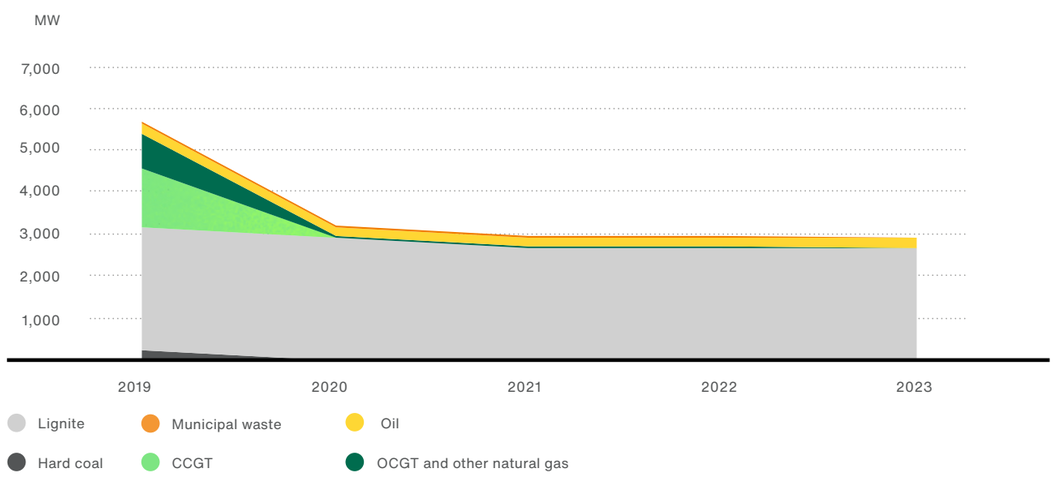



**13,911 MW**
**Total net installed power capacity**

**13,088 MW**
**Conventional sources**

Graph 9: Net installed power capacity.

**Net installed heat capacity: conventional sources**




**3,083 MW**
**Total net installed heat capacity**

**2,929 MW**
**Conventional sources**

Graph 10: Net installed heat capacity.

# Renewable energy: closer look

EPH seeks to take an active role in the transition towards a sustainable energy system. This is demonstrated through the various investments we have made throughout our years of operation, such as introducing biomass in 2016–2018 into our power and heat production. Other examples are our current and future investments, such as the first part of Kilroot Energy Park, the Kilroot OCGT plant with commercial operation date planned for 2024 and capacity contracts awarded for 10 years for 598 MW starting from Oct'23 and Oct'24. Even though the majority of EPH's assets are categorised under the traditional energy segment, we are aware of the important role this area plays and will play in our decarbonisation strategy. Therefore, EPH will continue its efforts in increasing the portfolio of our renewable energy sources.

## Our renewable activities in EPPE and EPIF

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

| Net installed capacities – electricity | EPH [MW] | EPIF [MW] | EPPE [MW] |
|---|---|---|---|
| **Wind** | 95 | 6 | 89 |
| **Photovoltaic** | 58 | 15 | 43 |
| **Hydro** | 5 | 3 | 2 |
| **Biomass** | 663 | 39 | 624 |
| **Other** | 3 | 3 | |
| **Total** | **823** | **66** | **757** |

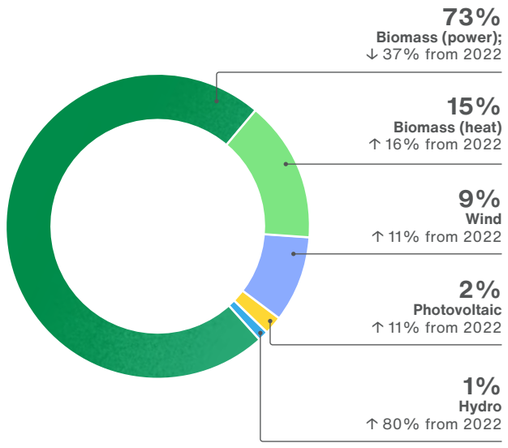
Table 4: Installed capacity of renewables.

## Production and installed capacities from renewable sources

In 2023, EPH saw a 33% decrease in power and a 16% increase in heat production from renewable sources when compared to last year (the combined effect for renewable energy was a 28% decrease). EPH saw the largest decrease in its power production from biomass, which decreased by 37% due to several reasons, such as longer than planned outages and high biomass prices. We experienced an overall increase in power production especially from wind power plants by 11%, which was a result of favourable weather conditions. EPH's installed capacities in renewable sources slightly increased after the first solar park was commissioned by Mibrag in September 2023.

Future development projects include the above mentioned Kilroot Energy Park in Northern Ireland, our transition of open-cast mines in Germany into onshore wind farms (the first permits received in 2023), and additional photovoltaic projects (30 MW installations commissioned 2023 and further to be commissioned in the course of 2024).

### Power and heat production 2023: renewable source share

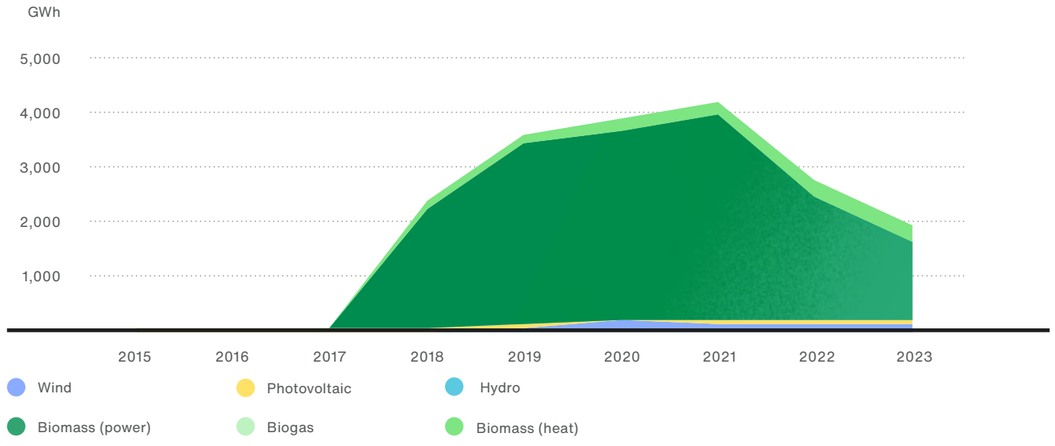



**1,948 GWh**
**Total net production**

Graph 11: 2023 share of power and heat production from renewable sources.



### Net power and heat production: renewable sources




**36,119 GWh**
**Total net power production**

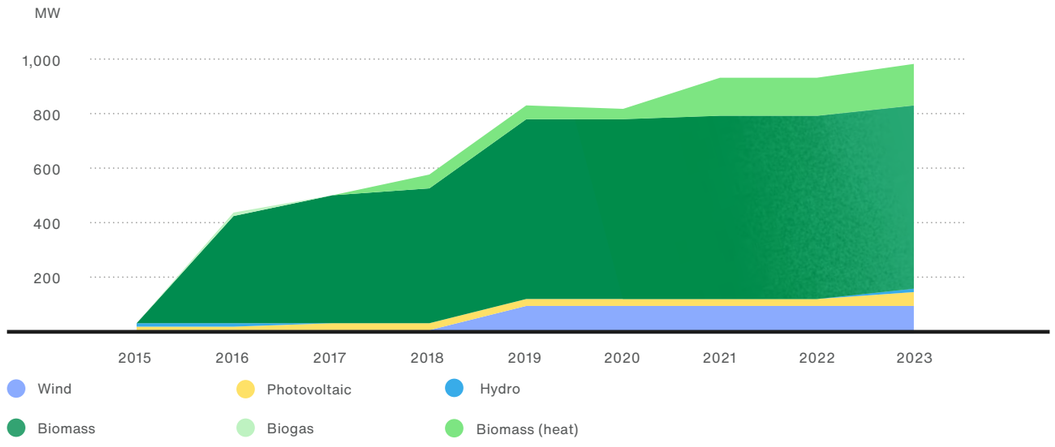
**1,649 GWh**
**Net power production from renewable sources**

**2,635 GWh**
**Total net heat production**

**299 GWh**
**Heat production from renewable sources**

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

### Net installed power and heat capacity: renewable sources




**13,911 MW**
**Total net installed power capacity**

**823 MW**
**Renewable sources for installed power capacity**

**3,083 MW**
**Total net installed heat capacity**

**154 MW**
**Renewable sources for installed heat capacity**

Graph 13: Installed power and heat capacities of renewables.

# Energy consumption and efficiency: closer look

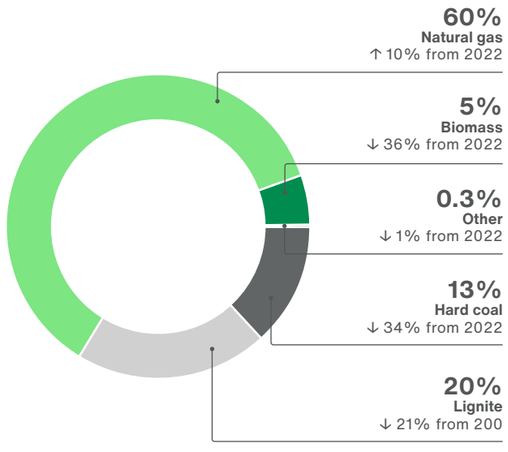
In 2023, EPH's total energy consumption decreased by 9% compared to last year, which corresponds to the overall decrease in energy production. From 2015 to 2023, we saw an average of 33,475 GWh of energy produced and 77,606 GWh of fuel consumed. EPH experienced an increase in the energy efficiency output to 44% in 2023 as production from less efficient coal power plants was reduced in 2023. At EPH, we also strive to modernise our existing units and equipment, and make good use of innovative technologies, while decommissioning anything obsolete.

When further analysing our fuel consumption in 2023, we saw a decline in coal consumption by 34%, while gas and biomass consumption increased by 10% and decreased by 36% respectively when compared to last year. The decline in coal consumption was mainly driven by normalisation of the energy markets in Europe, leading to lower reliance on coal generation sources. EPH coal-fired power plants in Germany and France which were reactivated in 2022 in response to the emergency intervention of respective governments substantially reduced their output in 2023. Both plants operated only a limited number of hours to ensure the security of supply and stability of the network. While these assets had short-term negative effects on our carbon footprint, our priority is to continue mitigating the potential negative macroeconomic and social impacts and strengthening the resilience of the EU energy market.

In 2023, 60% of EPH's fuel share consisted of natural gas, which has consistently made up the majority of the Group's fuel share since 2016. Overall, with our conversion investments (lignite-fired units to gas-fired units) and further use of CCGT units, EPH expects to continue to see an increase in natural gas, and a decrease in coal consumption. EPH plans to replace the Kilroot coal and oil units decommissioned in 2023 by OCGT units, which are expected to be up and running in the first half of 2024.

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

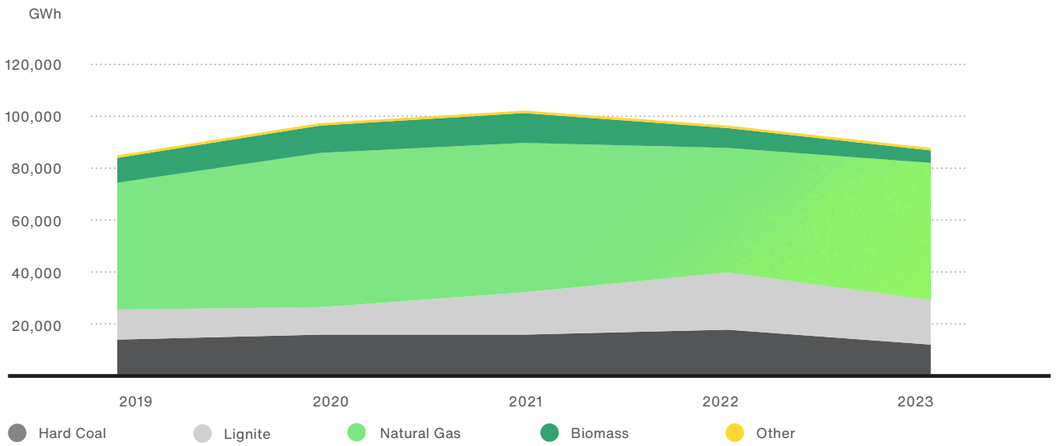
### Energy consumption 2023




**87,883 GWh**
**Total energy consumption**

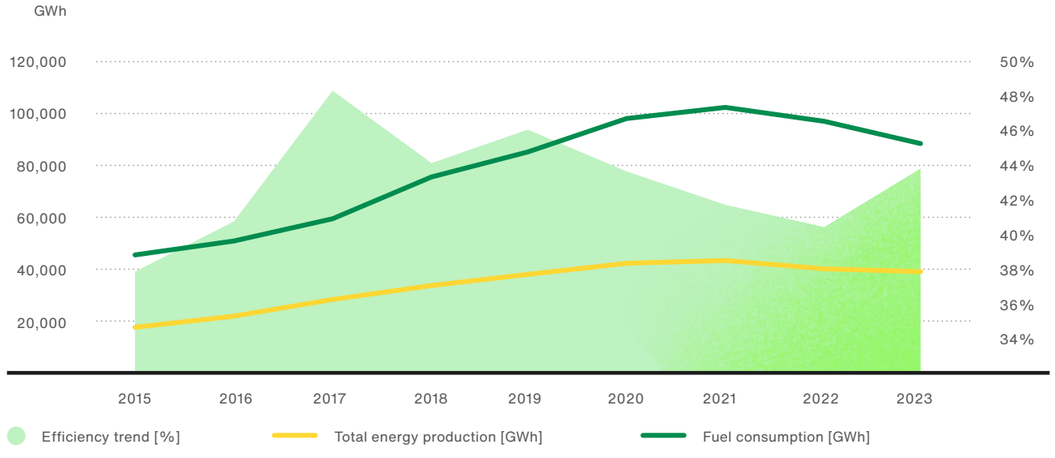
Graph 14: Energy consumption 2023.

### Energy consumption




Graph 15: Total energy consumption.

### Energy efficiency[34]




**38,754 GWh**
**Total energy production**

**44%**
**Energy efficiency**

Graph 16: Energy efficiency.

34 Only includes generating companies.

# Addressing security of supply

The EPH Group remains committed to providing our customers with a stable energy supply and ensuring the security of European energy infrastructure. The importance of robust and diversified infrastructure was laid bare during the European energy crisis in 2022/2023. This led to a reactivation of coal-fired plants initiated by several European governments (including those operated by the EPH Group) to save gas. We believe that this unprecedented situation has passed, and European countries successfully managed to diversify supplies of natural gas and other commodities from providers other than Russia. As a result, the overall market situation stabilised during 2023.

EPH has a clear roadmap to phase out the remaining coal across its operations by 2030 at the latest, while striving to complete the coal exit earlier. The coal capacities remaining at EPH beyond 2025 will be limited to the Fiume Santo hard coal plant on the Sardinia Island operating under a must-run regime and Czech cogeneration heating plants providing vital supplies of heat. Some of the closed coal power plants will be converted to sources with lower carbon footprint, like gas or biomass, while others will be gradually closed. In case of lignite operations in Germany under the MIBRAG Energy Group, EPH will spun-off these assets into a separate entity outside of EPH Group as described below.

To accelerate energy transition, EP Corporate Group, the parent company of EPH, created a new division, EP Energy Transition (EPETr), a sister group of EPH. EPETr shall newly hold the predominantly lignite operations in Germany, namely share in LEAG which was already transferred from EPH at the end of 2023 and MIBRAG Energy Group (owning MIBRAG mining company and Schkopau lignite power plant both scheduled to be transferred by the end of 2025).

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

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



## Case Study

## **GazelEnergie:** Operating under temporary participation in the French electricity market

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

In April 2022, as the Government was anticipating a risk of security on electricity supply for the winters 2022/2023 and 2023/2024, GazelEnergie was asked to prepare to restart EH6, by re-hiring employees, performing maintenance work, and securing coal supply. In 2022, the restart of EH6 was approved by the Government through the Buying Power Law and the published decree in September. The decree included the possibility for EH6 to run 3 thousand hours during the winter 2022/2023 and 1.5 thousand hours during the following winter 2023/2024. In addition to its ETS obligations, the decree includes the obligation for GazelEnergie to offset $CO_2$ emissions through the voluntary carbon market. Consequently, GazelEnergie will finance carbon offsetting projects. Current French situation requires prolongation of EH6 operation up to March 2025, this is currently discussed. However, the aim is to innovate the fuel mix to make it more sustainable (pellets co-burning).

## Case Study

# **Kraftwerk Mehrum:** A new gas-fired power plant as part of the transformation process of Germany's energy supply

While the old Mehrum's coal unit was finally closed in March 2024, a gas-fired power plant with the capacity of up to 1.2 GW and up to 6,000 full-load hours is currently being planned at the site and licence applications has been delivered to the responsible authorities. An environmental impact assessment is also carried out as part of this application.

This application for approval is intended to create the conditions for being able to participate in tenders for gas-fired power plants flexibly and at short notice within the framework of the announced power plant strategy of German Federal Government. The final size, the actual full-load hours and thus also the economic viability of the new gas-fired power plant will then depend on this tender. Cost-effectiveness is a prerequisite for the implementation of this project.

EPH's actions are driven by concern for the security of the electrical energy supply. The Mehrum site can play a special role as it is a meeting point of the TenneT's 380 kV and 220 kV transmission grids and Avacon's 110 kV distribution grid.

The new gas-fired power plant will consist of one or two fast-starting gas turbines and would be able to react quickly and frequently to changing electricity generation from wind and solar, thus preventing a blackout.

The gas and steam turbine technology used offers the highest electricity yield from chemically bound energy, such as natural gas or hydrogen. In the foreseeable future, green hydrogen will not be available to the extent required to contribute to security of electricity supply. However, due to the planned shutdown of coal-fired power plants and higher penetration of renewables, hydrogen-ready gas-fired plants are vital to fill the need for dispatchable power.

A large hydrogen pipeline to the Salzgitter steelworks is planned in the immediate vicinity of the power plant, which is why the Mehrum site is of additional strategic importance. The possibility of using hydrogen is already planned for the gas-fired power plant. This will only be done in a few years' time, initially by adding hydrogen to natural gas. However, the space required for the construction of plants to supply the gas turbines with hydrogen is already provided for today. It is assumed that a 100% replacement of natural gas with hydrogen will only be possible in a few years. Yet, the security of the entire power grid must be guaranteed at all times already now.

Picture 1: Kraftwerk Mehrum.

## Case Study
# **MIBRAG:** Supporting the transition of the energy system

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

MIBRAG built a photovoltaic (PV) power plant with the capacity of ca. 37 MW on a reclaimed area of United Schleenhain mine. The construction started in October 2022 and was finished at the end of 2023. The next PV power plant with the capacity of approximately 43 MW is planned to be built next to the first 37 MW project. It is planned to finish the installation in the second half of 2024. The electricity generated by both PV plants is used for MIBRAG's own consumption.

Another PV plant with the capacity of up to 280 MW is currently in the process of public permitting. The construction shall start in the first half of 2025 and shall be commissioned in the first half of 2027.

Besides the PV plants, MIBRAG intends to establish and operate two wind farms on parts of United Schleenhain mine area (wind farm Breunsdorf I) and Profen mine (wind farm Profen II). Both wind farms will be in areas which either have already been reclaimed or which are currently under reclamation. A total of up to 15 and 10 wind turbines can be erected in the area of wind farm Breunsdorf I and wind farm Profen II respectively. The wind farm Breunsdorf I permit has been granted in August 2023. MIBRAG is expected to receive the permit for wind farm Profen II at the end of 2023 or early next year. Both wind farms are expected to start operating in in 2026.

Furthermore, the development of Helmstedt district continues to progress. In the coming years, wind and PV projects with a total capacity of up to 500 MW are to be developed and built. The first wind farm with the capacity of 13 MW received the permit in November 2023. Construction is scheduled to start in the second half of 2024.

| | PV Power Plant Peres II | PV Power Plant Peres I | Wind farm Breunsdorf I | Wind farm Profen II | Wind farm HSR I |
|---|---|---|---|---|---|
| Area | 46 ha | 40 ha | 275 ha | 324 ha | 40 ha |
| District | Landkreis Leipzig, Saxony | Landkreis Leipzig, Saxony | Landkreis Leipzig, Saxony | Burgenlandkreis, Saxony-Anhalt | Helmstedt, Lower Saxony |
| Capacity | 36.9 MWp | 43.1 MWp | 93 MWp | 62.0 MWp | 12.4 MWp |
| Electricity generation per year | approx. 36.5 GWh | approx. 40.4 GWh | approx. 215 GWh | approx. 167 GWh | approx. 36 GWh |
| Number of wind turbines | – | – | 15 × 6.2 MW | 10 × 6.2 MW | 2 × 6.2 MW |
| Expected completion | 2023 | 2024 | 2026 | 2026 | 2025 |
| Operational time | 28 years | 30 years | 25 years | 25 years | 25 years |
| Business case | Own consumption | Own consumption | EEG tender | EEG tender | EEG tender |

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

Picture 2: MIBRAG Theißen Lawn photovoltaic park.

## Case Study
# GazelEnergie:
# Supporting the transition of the energy system

GazelEnergie's approach supports its customers through every step of their energy transition, offering both the resources and expertise needed to move towards more sustainable and efficient energy use.

GazelEnergie is dedicated to assisting its clients with the adoption of energy transition initiatives, encompassing the aggregation of renewable energy, green Power Purchase Agreements (PPAs), self-consumption projects, energy efficiency measures through Certificats d'Economie d'Energie[35] (CEE), and the development of industrial eco-platforms. These services are detailed on their ↗ website.

As a significant business-to-business gas and electricity supplier GazelEnergie provides its services to a wide range of clients. This includes major industrial companies, corporate entities, as well as Small & Medium Enterprises (SMEs). The company also functions as an aggregator of renewable energy, purchasing electricity from producers of wind, solar, and hydroelectric power, and offers a broad spectrum of services to facilitate its customers' transition to sustainable energy.

The solutions provided by GazelEnergie are extensive and tailored to encourage the adoption of renewable and efficient energy practices:

- Delivering of green power certified by Guarantees of Origin of all type and geographies.
- Delivering of biogas, also certified by Guarantees of Origin.
- Direct delivery of green power from wind, solar, or hydroelectric sources coming from given assets of aggregation portfolio to final consumers
- Integration of Green Power Purchase Agreements, signed by customers, into power supply offers
- Assistance in sourcing green PPAs, leveraging GazelEnergie's strong connections with leading renewable energy producers.
- Consultation on the most effective energy-saving measures that customers can adopt
- Conducting customers' energy audits
- Advising and supporting its clients in the administrative management and payment of Certificats d'Economie d'Energie (CEE) premiums the French program, which promotes energy savings and efficiency.
- Flexible electricity contract options that encourage more efficient energy use, especially during times of high market prices and elevated carbon content in power generation.

35 Energy saving certificates. https://www.service-public.fr/particuliers/vosdroits/F35584?lang=en



## Case Study
# EP New Energies:
# Supporting the transition of the energy system

Since company's establishment three years ago, the greatest achievement has been identifying Germany's largest renewable energy project pipeline on secured land. So far, EP New Energies (EPNE) advanced over 30 renewable projects into a developed stage.

In 2023, EPNE success includes the second and third largest wind onshore permits ever issued in Germany, initiating the construction of Germany's largest Floating PV plant, advancing several multi-megawatt PV projects, and commissioning two solar power plants. The projects in detailed are elaborated below.

**Floating PV "Cottbuser Ostsee" – Germany's largest floating solar plant on the largest post-mining lake**

Picture 3: Status of the Floating PV Cottbuster Ostsee project.

**Rated power:** 29 MWp

**Project milestones:** Innovative anchoring system construction began in May 2023. Module assembly completed by January 2024.

**Project scope:** Involves project initiation, development, approval process, and construction.

**Project owner:** LEAG

More details ↗ here

**Wind farm Forst-Briesnig 2 – second largest wind onshore permit ever in Germany**

Picture 4: Wind farm Forst Briesnig 2 (LEAG, Visualisation).

**Rated power:** 102 MW (17 WTGs with 6 MW each)

**Project milestones:** Approval application under the Federal Emission Protection Law (BIMSCHG) received in June 2023. Construction preparations initiated.

**Project scope**: Encompasses project initiation, development, approval process, and construction.

**Project owner:** LEAG

More details ↗ here

# Case Study
# EP New Energies:
## Supporting the transition of the energy system

### Wind farm Breunsdorf – third largest wind onshore permit of all the times in Germany

Picture 5: Wind farm Breunsdorf (illustrative picture).

**Rated power:** 90 MW (15 WTGs with 6 MW each)

**Project milestones:** Approval application under the Federal Emission Protection Law (BIMSCHG) received in August 2023. Construction preparations initiated.

**Project scope:** Includes project initiation, development, approval process, and construction.

**Project owner:** MIBRAG

More details ↗ here

Additionally, with an approval period of around 17 months, the wind project exceeds the 2023 average for approved wind turbines (26.9 months; based on a sample size of 549 wind turbines).

### PV Park Böhlen

Picture 6: PV Park Böhlen (EPNE, Klindworth).

**Rated power:** 17 MWp

**Project milestones:** Commissioning in September 2023.

**Project scope:** Includes project initiation, development, approval process, and construction.

**Project owner:** LEAG

More details ↗ here

### PV Park Boxberg – Construction start

Picture 7: PV Park Boxberg (EPNE).

**Rated power:** 37 MW

**Project success:** Construction started in September 2023, commissioning is planned for first half of 2024.

**Project scope:** Project initiation, development, approval process and construction.

**Project owner:** LEAG

More details ↗ here

### Wind farm HSR 1

Picture 8: Wind farm HSR 1 (illustrative picture).

**Rated power:** 13 MW (12 WTGs with 6.5 MW each)

**Project success:** Approval application under the Federal Emission Protection Law (BIMSCHG) received in November 2023.

**Project scope:** Project initiation, development, approval process and construction.

**Project owner:** MIBRAG / HSR

## Case Study
# EP New Energies:
## Supporting the transition of the energy system

### PV Park Peres West 1

**Rated power:** 42 MWp

**Project success:** Approval (special operating plan) granted by Saxon Mining Authority in November 2023. The PV power plant will supply the mining activities of MIBRAG with green electricity.

**Project scope:** Project development, approval process, and construction.

**Project owner:** MIBRAG

Picture 9: PV Park Peres West 1 (EPNE, Project layout).

### PV Park Peres West 2

**Rated power:** 37 MWp

**Project success:** Commissioning in September 2023.

**Project scope:** Project initiation, development, and approval process.

**Project owner:** MIBRAG / HSR

Picture 10: PV Park Peres West 2 (MIBRAG).

In recent years, EPNE has identified the largest renewable project pipeline on German soil. The planned expansion of PV and wind projects from 2023 till 2030 is 8.2 GW. By end of 2024, EPNE plan to begin construction of 506 MW of renewable energy projects, comprising 62% PV projects and 38% wind projects.



## Case Study
# GazelEnergie:
## A vision of circular economy

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

In 2022, it was decided that the Ambon and Muzillac windfarms will be repowered. This represents an investment of EUR 35 million in 2023/2024, increasing their capacity from 18.4 MW to 26.4 MW.

In 2023, during the repowering of these wind farms:

- The foundations were crushed and repurposed as material for road bases.
- The old turbine blades were dismantled for reuse as spare parts or as Refuse-Derived Fuel (RDF), utilizing their calorific value from the resin and fiberglass composition.
- All metallic components were fully recycled.

For any new developments on GazelEnergie's sites, there is no further land artificialisation or it is compensated for. Environmental impact assessments and a commitment to biodiversity, informed by year-round studies, are fundamental aspects of all new projects.

Picture 11: Cooling tower area of Lucy.

Picture 12: Ambon Windfarm

Picture 13: Muzillac Windfarm

## Case Study
# GazelEnergie:
# A vision of circular economy

In addition to the repowering of the Ambon and Muzillac windfarms, GazelEnergie is committed to decommissioning closed power plants at Lucy and Hornaing sites, for which environmental studies have already been completed, and asbestos removal action plans have been defined. GazelEnergie is also preparing for the expected dismantling of the Saint Avold site. This is in response to the environmental studies conducted under the “Plan de Gestion,” where the aim is to depollute the site post closure and to develop new projects according to the “Pacte de Territoire.” Additionally, fauna and flora studies have been launched to prepare the projects for planned future developments.

The main actions that occurred in 2022 and 2023, as well as expected future plans for these sites are further highlighted below (in the picture).

In 2023, GazelEnergie undertook significant steps in its infrastructure transformation by dismantling three cooling towers, with one located in Lucy and two in Emile Huchet. Furthermore, an additional cooling tower at Emile Huchet was scheduled for demolition in February 2024. Alongside the cooling towers, three stacks were also dismantled within the same year, distributed similarly with one in Lucy and two in Emile Huchet.

At both sites, the concrete from the demolition is recycled for two purposes:

- It is used for backfilling areas to prepare the land for future industrial use.
- It is provided to local civil works companies for reuse.

### Lucy
**Power Plant**

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

### Hornaing
**Power Plant**

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

### Saint Avold
**Power Plant**

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

Picture 14: Timeline of actions and expected plans for GazelEnergie's power plants.

## Case Study
# **EP Produzione:** A vision of circular economy

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

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

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

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

The PNIEC includes the development of a system for energy storage that is expected to reach more than 22 GW by 2030 from actual almost 8 GW), thereof 11 GW new utility scale storage plants. To support this development, EP Produzione launched a wide range of projects at almost all sites located in Italy, which are based on the modular and easily adaptable Battery Energy Storage System (BESS). The BESS is based on electrochemical accumulators or batteries, where single cells are interconnected in line and in parallel to build a "module of batteries." These batteries are then assembled inside cases that are designed to meet a specified power output, voltage, and current intensity. The cases are grouped into packages, where they are controlled and monitored by a complex system. This system includes the Battery Management System, the Energy Management System, and Supervisory Control and Data Acquisition (SCADA). This entire management system enables communication with the BESS, and ultimately with the grid. Moreover, the BESS is also equipped with a fire control system. Highlighted below are the currently planned BESS-based projects at EP Produzione.

## Floating PV
**40 MW, 30 hectares**

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

## Green Hydrogen pilot plant
**1 MW, 4 hectares**

The Green Hydrogen pilot project is meant to be the initial stage of a wider initiative aimed at developing a large-scale production of green hydrogen and Low Emission Fuels in the non-used areas of Fiume Santo power plant; the green hydrogen pilot project envisages the installation of a 1 MW proton exchange membrane (electrolysis, PEM) or alkaline electrolyser with a production capacity of around 18 kg/hour and related auxiliaries and storage and distribution infrastructures. The 1 MW electrolyser will be fed by a 2 MW photovoltaic plant to be built in an adjacent area inside Fiume Santo plant.

**Fiume Santo**
**Large BESS**

**The installation is expected to consist of modules with 200 MWh of energy output. The project has obtained the Sole Authorisation Decree. The involved area measures 3.2 hectares and corresponds to the exact place where old oil-fired units were once located. After its commencement, the construction is expected to take 16 months. The project is planned to include a mitigation measure, where a vegetation screen will cover the installation at the seaside.**

**Fiume Santo**
**small BESS**

**The installation is the second planned installation at Fiume Santo and is expected to consist of modules with an overall capacity of 80 MWh. The project has been authorized. These permits include landscape authorisation, acoustic evaluation, fire brigade clearance, ensuring no interference with remediation activities, and hydrogeological clearance.**

**Ferrara**
**power plant BESS**

**The installation is planned to occupy the demolished area of the Ferrara power plant and is expected to have a capacity of 280 MWh. The authorization procedure has been formally and positively closed by the ministry and we are waiting for the preparation and issuing of the final Decree.**

**Trapani**
**power plant BESS**

**The installation is planned to occupy the area of the Trapani power plant and is expected to have a capacity of 400 MWh. The project has been authorized. Once installation is approved, construction will take 36 months.**

Picture 15: Overview of EP Produzione's currently planned BESS-based projects.

# Case Study
# **MIBRAG:** Green District Heating

Conversion of heat supply in the supply area of Fernwärme GmbH Hohenmölsen-Webau to a $CO_2$-free foundation represents a key element in MIBRAG's transformation process from a lignite mining company to an energy service provider based on sustainable use of renewable energies. As a modern energy service provider, MIBRAG is simultaneously committed to the expansion of the regions district heating supply within the scope of municipal heat planning. This commitment includes important projects like the co-combustion of wood chips at Wählitz power plant – as a precursor to a possible fuel switch, the installation of a power-to-heat module and the use of waste heat from water electrolysis.

**The following sources could be considered for heat supply in the future:**

1. electricity from renewable sources,
2. combustion of biomass,
3. waste heat from electrolysis and other industrial sources,
4. near-surface geothermal energy / water-sourced based energy.

As most sources are only available or can only be operated on a fluctuating basis, the storage of district heating is of immense importance.

## District heating supply for the city of Hohenmölsen

Fernwärme GmbH Hohenmölsen-Webau, jointly owned by the city of Hohenmölsen (51% shares) and MIBRAG (49% shares), is planning to expand its district heating supply activities through the implementation of four sub-projects:

1. construction of a large heat storage facility,
2. construction of a new district heating line between the future Profen electrolysis site and the city of Hohenmölsen,
3. extension of the district heating network to Werschen and Taucha,
4. construction of a gas pipeline from Weissenfels to Hohenmölsen including an option for future hydrogen transport as necessary.

In October 2023, Dr. Reiner Haseloff, State Premier of Saxony-Anhalt, handed over a funding notification in the amount of EUR 46.33 million to support project implementation (total volume of EUR 49.6 million).

## Co-combustion of biogenic raw materials at Wählitz power plant

District heating is currently supplied to the Hohenmölsen region by Wählitz power plant and is based on a highly efficient co-generation of heat and power from lignite. $CO_2$ emissions from heat production have already been considerably reduced by co-combustion of meat-and-bone meal (MBM) since 2019. Since January 2023, MIBRAG has been running trial operations of a new plant for co-combustion of wood chips at Wählitz power plant which could help to replace – in addition to MBM co-combustion – another 20% of thermal input by a biogenic, $CO_2$-neutral fuel. A total of 6,700 tonnes of wood chips were co-burnt by the end of September 2023 and, consequently, 7,850 tonnes of $CO_2$ were saved.

After introducing commercial operation of wood chip co-combustion, in 2024, the project shall be extended by further substituting fuels such as dried sewage in the future. In the long term, lignite shall be replaced at Wählitz power plant by other fuels with a neutral $CO_2$ balance. Consequently, this will help to save costs of $CO_2$ allowances. On the other hand, it represents an important element of the green district heating project for the city of Hohenmölsen. A study for this project is currently underway in cooperation with the Dresden Technical University.

## Erection of a power-to-heat module at the Wählitz site

Provision of electricity in the MIBRAG grid is possibly becoming increasingly volatile upon further expansion of renewable energies, particularly with regard to photovoltaics. At the same time, generation of district heating must be gradually converted to a low $CO_2$ source.

A power-to-heat plant is therefore being built at the Wählitz site. It represents a further step in the transformation process towards "green Hohenmölsen district heating". Electricity generated from PV and wind turbines will be converted into district heating, temporarily stored in the heat storage facility of Fernwärme GmbH Hohenmölsen-Webau as needed and supplied to consumers as required.

It can also replace fuel oil-based district heating serving as a backup solution during the overhaul period of Wählitz power plant and consequently help to further reduce the costs of $CO_2$.

Procurement process and preparatory arrangements for the permitting process are currently underway. Fundamental expert statements have already been prepared and are available. Commissioning is planned for 2025.

Picture 16: Handing over of funding notification by Mr. Haseloff.

Picture 17: Delivery of Wood Chips.

# Case Study
# EPH Group:
## Hydrogen's role in the transition of the energy system

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

In line with projections of the European Commission and other reputable institutions, we perceive there will be continuous need for gaseous fuels in the EU energy system. Gradual reduction in usage of fossil natural gas will be accompanied by growing production of biomethane, synthetic methane and hydrogen. The EU Impact Assessment Report related to regulation on renewable gases[36] projects the total consumption of gaseous fuels to decline only slightly between now and 2050 (85% of current gas demand is expected), where these fuels will be increasingly dominated by biomethane, synthetic methane and hydrogen, while fossil methane might still play a limited temporary role in a carbon-free economy as its usage might be combined with carbon capture, utilisation, and storage (CCUS) technology. The ongoing initiatives (EU Hydrogen Backbone, Central European Hydrogen Corridor) demonstrate the need to have an adequate infrastructure in place to distribute and store this diverse mix of gases. This should be achieved by refurbishment of existing infrastructure to the largest possible extent to reduce CAPEX requirements and develop a new infrastructure to add the missing links.

Power generation from intermittent renewable sources is projected to grow considerably, and new ways to store and transport energy are now a key focus. EPH's existing gas transmission, storage, and distribution infrastructure can be retrofitted to support hydrogen. To this end, we have already launched hydrogen-dedicated research and development projects.

**Hydrogen synergies in EPIF**

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

36 European Commission (2021). Commission Staff Working Document Impact Assessment Report. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=SWD%3A2021%3A455%3AFIN&qid=1639998727689



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

## Gas transmission

**Competitive advantage**

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

**Projects and investments**

Eustream works on technological readiness for hydrogen in the gas mix within the transmission system. According to EU Regulation on renewable and natural gases and hydrogen, all gas transmission system operators will be required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States. The adjustments should consist primarily of replacing the metering equipment and other network components. A pilot project for green hydrogen production will be also launched at the Veľké Kapušany compressor station, where green hydrogen produced on site from solar electricity is planned to be used to drive compressors.

Eustream's plan to enable the international transmission of clean hydrogen was granted the IPCEI status in February 2024. This marks a significant milestone in our long-term efforts to facilitate the supply of clean hydrogen to European markets and accelerate the decarbonisation of Slovak industry. Obtaining IPCEI status opens a realistic way for securing grants from national or EU sources, moving the whole project closer to realisation.

**Hydrogen alliances and partnerships**

Eustream joined **H2EU+Store**, an international partnership that aims to not only create the necessary capacities for renewable electricity and hydrogen production in Ukraine once the situation in the country stabilises, but also expand storage volumes in Austria and Germany, which will be complemented by adaptations in gas transport to Central Europe.[37]

**The Central European Hydrogen Corridor** initiative is being promoted by a group of four leading Central European gas transmission infrastructure companies in Ukraine, Slovakia, the Czech Republic, and Germany, working together to create a Central European hydrogen transport infrastructure.[38]

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

37 https://www.h2euplusstore.com/en/

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

# Case Study
# EPH Group:
## Hydrogen's role in the transition of the energy system

### Gas & power distribution

**Storage synergies**

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

**H2PILOT Project of SPP-D**

In 2022, SPP-D successfully completed the H2Pilot project where it blended 10% of H2 into the gas distribution network in a small village in Slovakia and tested interaction of the networks as well as appliances in households and commercial customers (boilers, cookers, etc.). Success of the H2Pilot project could serve as a best practice example for accelerating the hydrogen transformation within the Slovakian distribution network.[39]

### Gas storage

**Storage synergies**

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

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

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



# Case Study
# MIBRAG:
## Green hydrogen from renewable electricity

As part of the future-oriented European Market Infrastructure Regulation (EMIR) project, MIBRAG is developing a concept for constructing an electrolysis plant at the Profen site. The electrolysis plant shall produce green hydrogen from renewable electricity generated by PV and wind turbines, which shall be supplied into the German core hydrogen network. Thus, the electrolysis plant will contribute to the transformation of German and European industries towards green energy. The grid connection will be possible at several points along the "Green Octopus" pipeline and the "Jagal" gas pipeline, which connects Germany to the European system of gas pipelines. Plans for converting the pipeline from gas to hydrogen are already in place. The electrolysis plant shall also be connected to the Zeits and Leuna chemical sites via the regional hydrogen network "H2-Hub-BLK". The added value of this project could optionally be increased on-site in the future by further chemical processing of hydrogen, e.g. for the production of synthetic fuels.

The electrolysis project is considered an anchor project. A project of identical design for the Buschhaus (HSR) site is under development and its concept study has already been completed. The approval and design planning tenders were simultaneously issued, and the contract shall be awarded soon.

An application for funding from the EU's Just Transition Fund (JTF) is being submitted for the Profen project. A separate submission has been made for the EU Commission to conduct a state aid review.

Consistent development of both projects shall also help create the prerequisites for participation in a potential tender by the Federal Ministry for Economic Affairs and Climate Action (BMWK) for the construction of an H2 peak-load hybrid power plant. The tender for hydrogen-based peak-load power plants is planned by BMWK for the first half of 2024. The following power plants are planned to be put out to tender:

- the sprinter power plants (H2 derivatives)
- H2 hybrid power plants (including electricity generation from renewables, electrolysis for hydrogen production as well as storage and reconversion of hydrogen to electricity from a single source)
- H2 – ready power plants (natural gas with the latest conversion to H2 in 2035)

MIBRAG is planning to participate in the tender for construction of H2 hybrid power plants at the Profen and Buschhaus sites based on PV plants and wind turbines that are planned or currently under construction, and the to-be-planned electrolysis plants each including a hydrogen storage and reconversion unit.

## Case Study
# **Slovenské elektrárne:** Mochovce 3 end of trial run

Slovenské elektrárne completed the start-up of the third Mochovce unit with the last test in the active test phase, a 144-hour proof run at full reactor power. The demonstration run of six days confirmed that the design parameters of the new unit were met and proved that it is capable of safe operation.

The start-up of the reactor began in September 2022 with the loading of the first fuel assemblies into the reactor. Over thirteen months, the new unit had to undergo hundreds of different tests. By the end of January 2023, Unit 3 was already in the power start-up phase and the reactor's power was gradually increasing.

It has supplied more than 1.65 million MWh of electricity since it was first synchronised to the grid in January. This volume of electricity produced without $CO_2$ emissions is enough to cover the annual consumption of more than 650 thousand Slovak households.

The complexity of the commissioning process of the new nuclear unit is also evidenced by the enormous number of installed plant components that had to be tested and harmonised together during the active testing phase. Unit 3 is approximately the size of Bratislava Castle, and its 1,400 rooms house nearly 100 thousand pieces of equipment with 5,500 kilometres of cables and 175 kilometres of piping.

**Mochovce 3 in the context of energy in Slovakia**

The new nuclear unit in Mochovce will cover approximately 13% of the total electricity consumption in Slovakia. In terms of electricity production, the country thus became energy self-sufficient already in 2023.

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

Picture 18: First fuel assembly loading in the Mochovce Unit 3 (September 2022).

# Environment

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

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

# Reduction of emissions

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

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

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

**Our contribution to the SDGs:**

EPH is committed to continually learning about the consequences of climate change, especially when it relates to harmful emissions. We recognise the significance of working together to address the climate crisis.

## 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 emissions through our decarbonisation strategy.

## GHG emissions management

We aim to fully understand the direct and indirect impact that our business has through GHG emissions. Through our continual monitoring and modernising of our operations, EPH is aligning 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.



# 2023 Highlights

**We continue to focus on GHG reduction projects.**

**-34 %**

**Compared to 2019, EPH has decreased its emissions from $SO_2$, and dust by 34% and 15% respectively.**

**-35 %**

**From 2015 to 2023, EPH improved its total GHG emission intensity by 35%.**

**-25 %**

**In 2023, $NO_x$ total emissions decreased by 25% compared to last year.**

**-9 %**

**In 2023, we observed 9% decrease in total GHG emission intensity compared to last year.**

**-23 %**

**Since 2019, EPH decreased its methane emissions by 23%.**

# Reduction of GHG emissions

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

## Climate change and common goals

EPH fully endorses the EU's ambition to achieve climate neutrality by 2050, a cornerstone of the European Green Deal and in alignment with the goal of the Paris Agreement to limit global average temperature increase to well below 2°C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5°C. EPH is convinced that the development of the European energy system and the respective regulatory framework will continue to be guided by these long-term decarbonisation objectives.

The transition plan of EPH is supported by decarbonisation targets set for the medium-term and the long-term. These include:

1. Reduce $CO_2$ emission intensity of its European power generation fleet in line with the Below 2 Degrees pathway of TPI by 2033
2. Phase out coal by 2030, while reducing the coal exposure substantially already by 2025[40]
3. Achieve net zero operations in respect of Scope 1&2 emissions by 2050
4. Become a European frontrunner in the transition to a hydrogen future
5. Reduce methane emissions in line with the Global Methane Pledge, i.e. by at least 30 percent from 2020 levels by 2030

## GHG emissions

EPH recognises that across its business segments, we emit greenhouse gases[41] (GHG) and other air emissions. As a result, EPH is committed to tracking and reducing its emissions as outlined in our decarbonisation roadmap. This will align us with the targets set out by the European decarbonisation goals and our own GHG emission targets.

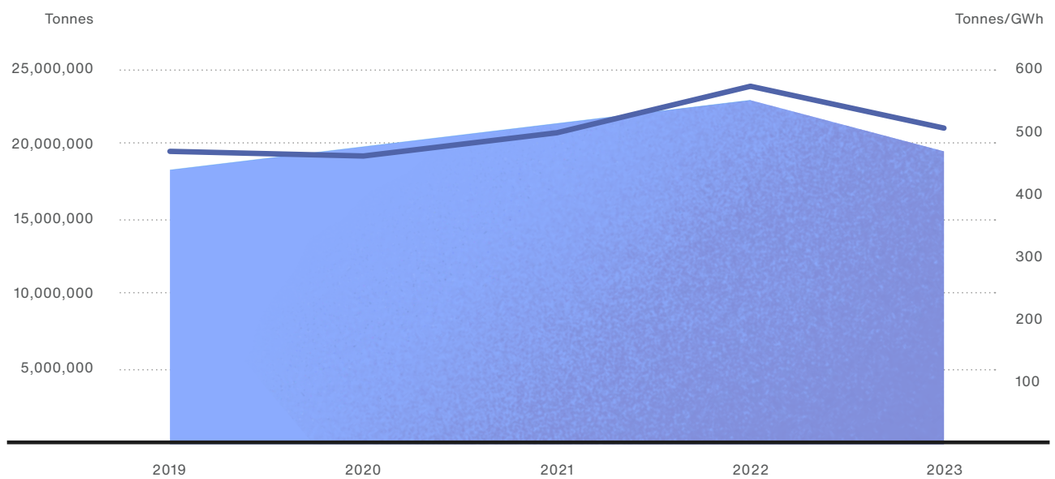
EPH's 2023 direct (Scope 1) emissions saw a decrease of 11% when compared to last year. The Group was granted, and then additionally procured, 3% and 97% of these Scope 1 emissions respectively. We also saw an increase in our indirect (Scope 2) emissions by 10% compared to last year. EPH remains committed to addressing the intensities from its direct and indirect emissions through its various modernisation and conversion programmes, as highlighted in the "GHG emission reduction programmes" section of this Report.

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

40 The only remaining coal assets beyond 2025 shall be limited to Fiume Santo hard coal fired power plant in Sardinia and Czech combined heat and power plants (CHPs) which shall be refurbished to hydrogen-ready gas power plants and waste-to-energy plants.

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

**Direct and indirect GHG emissions[42]**




**20,101,030 tonnes**
Total direct emissions subject to ETS

**19,594,971 tonnes**
Total procured emission allowances

**175,300 tonnes**
Total indirect emissions

**519 tonnes of $CO_2$-eq./GWh**
Direct emission intensity, including heat component

**506,059 tonnes**
Total granted emission allowances

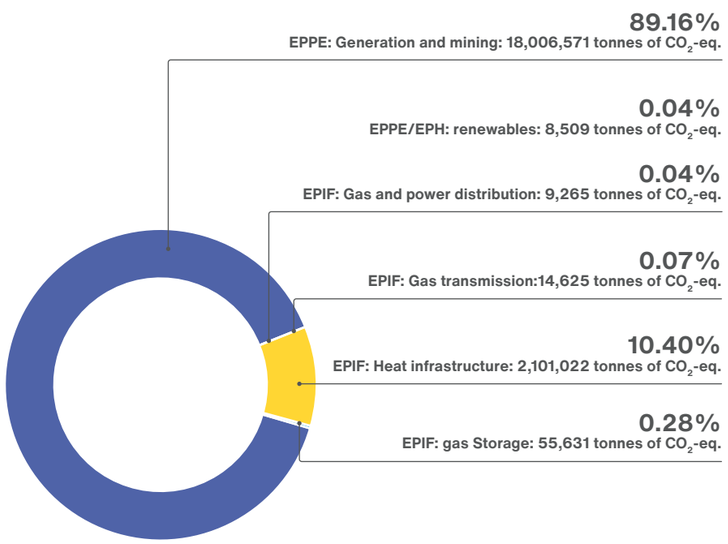
**4 tonnes of $CO_2$-eq./GWh**
Indirect emission intensity, not including heat component

Graph 17: Direct and indirect emissions, and emission intensity.[42]

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

# Reduction of GHG emissions

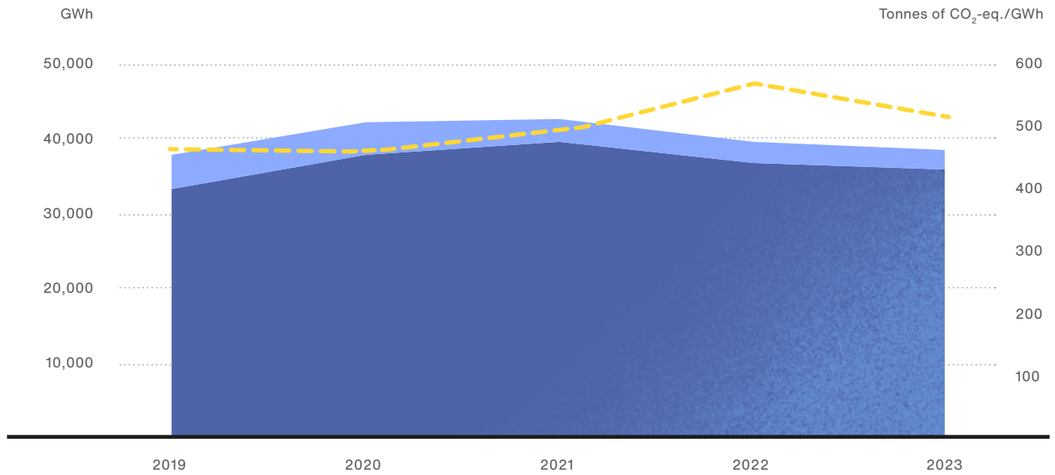
**EPH $CO_2$-eq. emissions 2023:**
business segment share




Graph 18: $CO_2$ emissions by main business segments.



**Total net production and its emission intensity**




**36,119 GWh**
**Total net power production**

**2,635 GWh**
**Total net heat production**

**519 tonnes of $CO_2$-eq./GWh**
**Emission intensity**

Graph 19: Emission intensity of the production.

# Reduction of emissions

## EP Infrastructure: closer look

In 2023, GHG emissions from EPIF accounted for 12% of the total EPH's total emissions, where notably, 85% of EPIF's emissions come from its Heat Infrastructure business segment. Compared to last year, EPIF saw a 35% reduction in its direct emissions, with a decrease of 17% in its emission intensity.

By 2030, EPIF aims to convert all its cogeneration heating plants away from lignite to a balanced mix of CCGT units and waste incinerator plants, all in line with EPIF commitment to abandon coal by 2030. Further emission reduction will result from EPIF efforts to reduce its methane leakage through robust Leak Detection & Repair (LDAR) programmes and increasing reliance on electric compressors instead of gas compressors at the gas midstream infrastructure.

## EP Power Europe: closer look

In 2023, GHG emissions from EPPE accounted for 88% of EPH's total emissions, where the emissions came almost exclusively from the Flexible Power Generation business segment. This highlights the importance of EPPE's future strategies and management of the Group's emissions. Compared to last year, EPPE saw a 7% decrease in its emissions, and a 8% emission intensity decrease.

EPPE's high share of emissions in EPH corresponds with the EPPE's core business which is centred around power generation from natural gas and still partly from coal. Furthermore, EPPE's carbon intensity is affected by the lack of viable alternative technologies in some areas that we operate and the time that is required to decommission the carbon intensive assets. As a matter of fact, overall, EPH has only acquired hard coal or lignite-fuelled power plants in markets that are or will physically be unable to secure stable power supplies from alternative sources or with the aim of closing these and converting them into another fuel source when possible. This, for example, is the case in Sardinia, where due to a shortage of power generation capacities, Fiume Santo hard coal power plant is currently expected to operate under a must run regime beyond the Italy's planned coal phase-out in 2025. This demonstrates that at EPPE, we are fully committed to fulfilling European and local emission targets, however, we are also prepared to take on a role that is not so highly viewed, to provide stable basic services to all of the communities and regions in which we operate. In any case, we ensure that each asset has either a phase-out plan or a clearly defined role in a net zero energy system.



## Case Study
# GHG emission reduction programmes

### EP Kilroot

EPH acquired EP Kilroot in June 2019. It had been primarily a coal-fired power station, but it also has four distillate fired OCGT units and a battery storage facility. Due to limited interconnection between the Republic of Ireland and the United Kingdom, EP Kilroot plays a critical role in providing a secure and stable power supply to Northern Ireland. The coal fired units ceased operation in September 2023 following a closure notice served in 2020 and a safe closure programme has commenced.

The coal fired generation will be replaced by the first phase of the Kilroot Energy Park which includes the construction of a gas pipeline bringing a gas supply to the site and new cleaner more flexible gas peaking open cycle generation. This will ensure continued transition towards lower carbon generation as well as protecting security and stability of supply for Northern Ireland through the continuation of indigenous generation. This technology will be delivered via competitive capacity auctions and will be fuelled initially by natural gas. It is envisaged that it will also be capable of using gas alternatives such as biogas and hydrogen as they become available to the market. Both OCGTs will be commissioned during 2024.

The closure of the coal-fired units will significantly reduce emissions from the system as highlighted in the table below.

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

Table 6: Significant emission reductions.

As supporting evidence of emission reduction, the most recent coal units' emissions for the part year Jan-Sep 2023 through to closure were:

| Emission | Coal units emissions (2023) |
|---|---|
| $CO_2$ | 642,216 tonnes |
| $NO_x$ | 481 tonnes |
| $SO_x$ | 465 tonnes |
| Dust | 1 tonne |

Table 7: Coal units' emissions (January–September, 2023).

Picture 19: EP Kilroot power station.

## Case Study
# EP NL:
# Electric cars at Sloe Centrale

Sloe Centrale started the private lease project for electric cars five years ago. Sloe Centrale and EPH wants to reduce their ecological footprint. To do so, EP NL seeks smart solutions in order to reduce our gas usage and $CO_2$ emissions. However, a lot can already be won by making everyone at our plant aware of how they can play an important role in becoming more sustainable.

As Sloe Centrale is located in a somewhat remote area with no public transportation, most people use a car to go to work. With the Sloe centrale at the front end of the production of electricity, one of its staff members suggested to promote the use of electric cars. That was the start of the project in 2018.

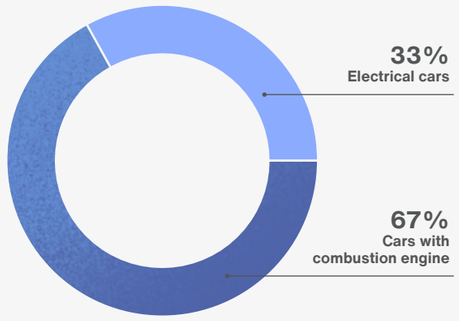
Apart from continuing the offer as an attractive green mobility solution, the project resulted in interesting side effects the last years:

1. In a region with a high demand for scarce skilled technicians, Sloe Centrale private lease concept helps our HR department to attract the right people.
2. Also, with the logos on the lease cars, it improves EP NL branding in the region.

The new proposal demonstrate that it is financially feasible for the Sloe Centrale, as well as for the staff, to continue the private lease project for electric cars.

With the project every employee has the option to privately lease a full electric lease car at relatively low costs. In February 2024, 16 new full electric cars (with EP NL logo) will be delivered. So, 33 % of Sloe Centrale's staff drives emission-free, not only to work but also for private kilometres.

**Emission – free cars**




**33%**

of Sloe Centrale's staff drives emission-free

Graph 20: Share of electrical cars of Sloe Centrale staff.


Picture 20: EP NL electrical cars.



## Case Study
# EP Netherlands: Sloe Centrale implements advanced turbine efficiency upgrade

Sloe Centrale, the gas-powered plant in the Netherlands and a subsidiary of EP NL, takes a significant step further increasing its efficiency and reduction of $CO_2$ emissions by adopting a Siemens Advanced Turbine Efficiency Upgrade ("ATEP").

EP NL, part of the EP Power Europe group, is dedicated to sustainable investments in the Netherlands, leveraging state-of-the-art technologies. In June 2022, Sloe Centrale signed an agreement with Siemens Energy B.V., solidifying its commitment to clean energy.

ATEP, derived from Siemens Energy's gas turbine enhancements, is based on the proven SGT5-4000F gas turbine with a fleet size of over 300 units worldwide. It incorporates advanced design, manufacturing and computational methods used in the Siemens Energy HL-class turbine. Once implemented at Sloe Centrale, the ATEP-investment will position the plant as one of the most efficient gas-fired power plants in the region. The Enecogen power plant (50 % owned by EPNL) has finished the same upgrade at their site in August 2023. Thanks to increased efficiency, gas consumption and $CO_2$ emissions have decreased.

The ATEP investment offers numerous benefits, including a substantial reduction in carbon emissions. Implementation of the upgrade will contribute to an annual reduction of 30,000 tonnes of $CO_2$ per year in Sloe Centrale, aligning with EP NL's climate change mitigation efforts. The agreement supports the power plant's operational lifespan, generating increased revenue for customers and supporting the decarbonisation of the energy sector. The ATEP upgrade for both units of Sloe Centrale is expected to be completed in 2024 and 2025.

## Case Study
# EPLI's emission saving projects

Developing rail segment is part of EPLI's long-term strategy. It is fast, climate neutral, and cost-effective form of transport and is a key to the future sustainability of logistics industry. Trains show clear benefits over trucks in terms of emissions per tonne of material transported. Electric trains in particular show the greatest benefits, outperforming both diesel trains and trucks in terms of reducing noise and air pollution, and emissions. With EPLI's intermodal business, which have been launched and is planned to be developed in future, EPLI explores ways of combining road and rail to achieve the most efficient and effective outcome.

Similar to previous years, in 2023 EPLI moved several routes from road to rail. The below case studies demonstrate how these activities were able to keep trucks off the road and resulted in reduced $CO_2$ emissions.

| Project | Route | Total transport (tonne) | Distance (km) | Number of trucks replaced by 1 train | Number of trains 2023 | Emissions trucks ($CO_2$ tonnes) | Emissions rail ($CO_2$ tonnes) | Emission saving ($CO_2$ tonnes) |
|---|---|---|---|---|---|---|---|---|
| Ljubljana line | AT/SLO | 114,000 | 560 | 40 | 95 | 2,043 | 207 | -1 835 |
| Intermodal – home appliances | D/PL | 50,000 | 1,100 | 38 | 33 | 1,760 | 193 | -1 568 |
| Gypsum EOP Lünen | D/CZ | 10,180 | 1,600 | 66 | 5 | 522 | 40 | -482 |
| Trucking – new fleet* | CZ | | | | | | | -265 |
| Cars on rail | D/AT/SLO | 1,000 | 1,200 | 20 | 4 | 38 | 9 | -29 |

* Emission savings achieved by replacing 19 trucks with more fuel-efficient models. Despite both the old and new vehicles complying with EURO VI emissions standards, the upgrade resulted in an 18% reduction in diesel consumption (approximately 100,000 litres), leading to a substantial decrease in $CO_2$ emissions by 265 tonnes annually.



## Case Study
# **SŽ-Tovorni promet:** Further supporting rail transport

In 2023 SŽ-Tovorni promet (SŽ-TP) continued, among other projects, with projects that helped take trucks off roads:

With the **Ljubljana Lin**e product, together with DB Cargo, individual shipments and groups of wagons run between Germany and Slovenia and in the opposite direction at competitive prices. SŽ-Tovorni promet transports with its own traction, the transport of complete trains from the Salzburg Gnigl station to the Ljubjana Zalog shunting station, which is a hub for connecting to further transports in the region. It is important that these are new loads that were driven on the road before. Altogether 114 thousand tonnes of cargo have been transported in 2023, which moved 3,800 trucks out of roads and have saved 1,830 tonnes of $CO_2$.

**Cars by rail:** For transportation for one of the leading European car manufacturers, they established a solution for the delivery of cars to Luka Koper and distribution to other locations. SŽ-Tovorni promet brings trains with cars to the Ljubljana container terminal, where the cars are unloaded and parked in cooperation with a subcontractor with many years of experience. The cars are then transported by trucks towards the port of Koper, due to the congested rail on this last segment due to the construction works (which should be finished in 2026). With such a solution, we enabled the reliable delivery of cars to the Port of Koper and maximise the use of rail in the current conditions. The first train with 16 wagons and 160 cars arrived at the Ljubljana container terminal on November 9. All procedures went flawlessly. By the end of 2023, three more trains have been dispatched, which represents altogether 80 trucks out of roads. The project will continue also in the future years. On the whole route from Germany to Ljubljana, the four trains in 2023 have saved 29 tonnes of $CO_2$, this saving will be much higher once the regular service starts in 2024.

## Case Study
# **EP Intermodal:** The Home Appliances Customer

For our long-term key customer in Germany, we expanded our Intermodal Rail services in other territories. Since the spring 2023 we newly have been operating regular intermodal trains also between Germany and Poland. Our international team provides an excellent operational customer care as between these two countries we operate the railway traffic, further we manage the terminal handling operations and finally we organise the door deliveries to various customer locations.

In addition, we arranged and fully manage a fleet of 200 containers used as transport units for this complex project. Altogether 2,500 containers have been transported on a distance of over 1,100 km, removing 2,500 trucks from the road and saving 1,570 tonnes of $CO_2$. We have managed to develop a reliable service to our customer and believe to further extend this intermodal transport in the future.



## Case Study
# **EP Logistics International:** Intermodal Rail expansion

### The home appliances customer (BSH – Bosch und Siemens Hausgeräte)

In 2023, EPLI expanded its Intermodal Rail services in other territories, because of its long-term key customer. Since the spring of 2023, EPLI has been operating regular intermodal trains also between Germany and Poland. EPLI's international team delivers excellent operational customer care, overseeing railway traffic between these two countries, managing terminal handling operations, and organizing door deliveries to various customer locations.

Additionally, EPLI arranged and fully managed a fleet of 200 containers as transport units for this complex project.

**Advantages for the customer:**

- securing regular large product volume deliveries on a fixed schedule
- more efficient and easier production planning
- substituting volatile road transports
- contributing to CSR goals through eco-friendly mode of transport

**Advantages for EPLI:**

- strengthening position
- placing further services
- resulting in generating additional profit

### The coal briquette transportation

Since February 2023, EPLI has operated intermodal rail services for its intra-company coal briquette trade. The process begins with loading trains at EPLI's EP production facility in Eastern Germany. These trains are then transported to the Czech Republic, where EPLI manages door deliveries to end customers at various destinations. This sustainable solution has replaced road transports, addressing both environmental concerns and cargo volume limitations.

**Advantages for the end-customer:**

- securing deliveries of large product volumes at once
- preventing product gaps in their stock.

**Advantages for EPLI:**

- emerging collaboration within the EPLI group of companies
- promoting CSR example by running eco-friendly modes of transport

## Case Study

**EPIF:** District heating assets in the Czech Republic – Conversion projects

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

| CCGT units | Biomass units | Waste incinerator plants |
|---|---|---|
| Combined cycle technology represents a highly flexible power generation source which will be needed to support grid stability and security of supply during the ramp-up of intermittent renewable generation sources<br><br>Natural gas is perceived as a transitional fuel in the EPIF's decarbonization strategy with envisaged combustion of renewable gases such as hydrogen or biomethane in the long term | Biomass represents a suitable component for lignite. EPIF entities combine a sole biomass combustion in dedicated units as well as co-firing of biomass with lignite<br><br>EPIF is able to source sufficient volumes of biomass locally with limited transport distance implying low indirect carbon footprint. All biomass utilized by EPIF entities obtained certifications recognized by the voluntary schemes issued by the EU | Municipal waste in sufficient quantities is produced without further utilization which currently ends up in landfills. There are only 4 waste incinerator plants in the Czech Republic which is significantly below average of other EU countries<br><br>EPIF is aware of the potential of waste incinerator plants in the regions where it operates and will continue discussions with local authorities to achieve a successful realization |
| **EPIF plans to install the following technologies:**<br>● 4× CCGT units at Elektrárny Opatovice<br>● 2× CCGT units at United Energy<br>● 1× CCGT unit at facility "Teplárna" and 1× CCGT units at facility "Energetika" operated by PLTEP | **The following technologies are currently operated by EPIF:**<br>● PLTEP operates a dedicated biomass unit, as well as co-fires biomass along with lignite<br>● UE combusts biomass in a former lignite boiler which was refurbished in 2021 | **EPIF envisages the following roles for waste incinerator plants:**<br>● PLTEP has operated a waste incinerator plant since 2019<br>● UE aims to develop a waste incinerator plant by 2026, while EOP contemplates development by 2030 |

Picture 21: New technologies at EP heating plants.



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

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

Based on the Directive 2009/28/EC "on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC", biomass is defined as a renewable energy source, with a more detailed explanation of it being a "biodegradable fraction of products, waste and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste.[43]

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

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

On the EPH Group level, approx. 70% of the biomass used is covered by approved certification schemes by the EC[44], expecting continuous trend for the upcoming years.

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

44 One of the certification schemes used by EPH entities (PEFC) is currently in the process to be recognised by the European Commission as one of the voluntary schemes that organisations can use to make their RED II compliant declarations.

**EPH's biomass implementation in the Group**

## Case study
# **EP New Energy Italia:** sustainably sourcing biomass

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

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

Picture 22: Regrowth of the Vesuvio area after forest harvesting was implemented to address the effects of a forest fire.



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

At EPIF, Plzeňská teplárenská a.s. (PLTEP) and UE use solely biomass certified to KZR INiG system. For more information, please see ↗ EPIF's 2023 Sustainability Report.

## Case study
# **Lynemouth:** Conversion to renewable energy

Lynemouth was the first power station to be converted from coal to biomass in the UK and is one of the largest in Europe. Lynemouth power station uses sustainably sourced renewable wood pellets, primarily from the USA and Canada, which are transported to the UK by sea then onto the site via rail. Lynemouth uses robust and independently audited certification systems for sustainable biomass across the whole supply chain from production and harvesting to transportation and use. These include SBP (Sustainable Biomass Partnership) and GGL (Green Gold Label) schemes.



## Case study
# **MIBRAG:** update of wood driers for biomass combustion

The gas motor-based Combine Heat and Power (CHP) plant in the Profen Village is a very flexible low-emission plant that is expected to have an electrical output of 15 MW and is planned to be connected to MIBRAG's own 30 kV grid. As a result of the decommissioning of the Deuben power plant in 2021, MIBRAG's internal future demand for electricity is to be achieved with this plant, together with the Wählitz power plant. In connection with the CHP plant, a 32 meter-long dryer was delivered.

The gas grid operator announced in 2023 that the gas line to which the gas motor-based CHP plant was supposed to be connected would be converted to transport hydrogen from 2025 on. However, this conversion has currently been postponed to 2028. MIBRAG has been forced to put the gas motor-based CHP project on hold, since no gas motor will be available with proven 100 % $H_2$ suitability in the respective capacity range in the short term and, consequently, there is currently no viable business case. Nevertheless, wood chips have been produced at the Profen site since 2023, air-dried and co-burnt at Wählitz power plant. $CO_2$ emissions have been significantly reduced on this basis and a potential switch to climate-neutral fuels is thus prepared accordingly.

Picture 23: Stack of logwood from Thuringia at MIBRAG's storage site and wood chips for combustion.

## Case study

# **EPLI:** Energosádrovec contract: EOP – Lünen

One of EPLI's specialties lies in providing rail transport for bulk goods, a service that offers a sustainable alternative to traditional truck transport. In 2023, EPLI secured a contract for the rail transportation of flue gas desulfurization (FGD) gypsum from the Opatovice power station to Germany. This material, boasting a 97–98% chemical purity, is crucial for the production of various construction materials, including cement, aerated concrete blocks, plasterboard and other gypsum products used in the construction industry. Previously, the transport of FGD gypsum from this plant was managed by trucks. Since the initiation of this contract in September 2023, EPLI has successfully organized five train shipments, each with a capacity of 2,030 tonnes, covering a distance of 1,600 km and replacing 66 trucks per route. This shift to rail significantly reduced $CO_2$ emissions, with a single train producing just eight tonnes of $CO_2$ compared to the substantially higher emissions associated with truck transport.

**Emission comparison for the entire transport in 2023:**

**40 tonnes of $CO_2$**
Railways

**522 tonnes of $CO_2$**
Road

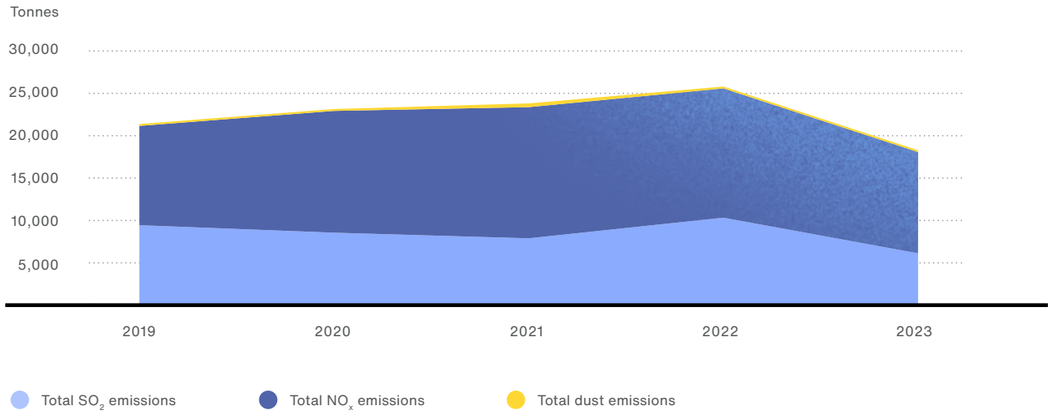


# Other air pollutants

The most significant atmospheric pollutants associated with our activities are sulphur dioxide ($SO_2$), nitrogen oxides ($NO_x$) and dust. Overall, EPH saw a decrease in dust emissions, by 34% when compared to last year. In 2023, sulphur dioxide emissions decreased by 40% compared to last year. EPH managed to also considerably reduce $NO_x$ emissions from the last year by 25%. This decrease of dust emissions and $SO_2$ emissions is mainly linked to lower production from coal in Germany and France in 2023 compared to 2022, when coal-fired power plants played a much more significant role in ensuring security of electricity supply. A specific breakdown and management approach to these specific emissions is highlighted in the following table.

Moreover, the following other air emission intensities measured in tonnes per 1 GWh of energy produced were recorded: 39% decrease in $SO_2$ intensity, 24% decrease in $NO_x$ intensity, and 33% decrease in dust intensity in 2023 compared to 2022.

**EPH's total air emissions**




**6,156 tonnes**
**Total $SO_2$ emissions**

**11,479 tonnes**
**Total $NO_x$ emissions**

**233 tonnes**
**Total dust emissions**

Graph 21: Air emissions.

| Emission source | 2019–2023 % change | 2022–2023 % change | EPH's management approach |
|---|---|---|---|
| **$SO_2$** emissions | 34% ↓ | 40% ↓ | The combustion of sulphurous coal is the primary source of our $SO_2$ emissions.<br><br>EPH addresses its $SO_2$ emissions through the improved desulphurisation of our equipment. We are also focusing our efforts on increasing the proportion of natural gas in our energy mix. |
| **$NO_x$** emissions | 3% ↓ | 25% ↓ | Nitrogen oxide ($NO_x$) is mainly generated by the combustion of nitrogen contained in the air at high temperatures.<br><br>EPH addresses these emissions through the continued monitoring and analyses of stacks in our large power plants. We ensure the same type of commitment to stacks in our small plants, but on a more periodic basis, as we also rely on statistical parameters for analyses. |
| **Dust** emissions | 15% ↓ | 34% ↓ | Dust particles are primarily emitted through our coal-fired power plants.<br><br>EPH manages these emissions through highly sophisticated filters. |

Table 8: Air emissions management approach.



## Case Study
# **EP Produzione:** Complying with best available technologies at Fiume Santo

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

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

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

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

| | Current monthly average [$mg/Nm^3$] | New daily average [$mg/Nm^3$] | New annual average [$mg/Nm^3$] |
|---|---|---|---|
| **$SO_2$** | 200 | 130 | 120 |
| **$NO_x$** | 200 | 150 | 140 |
| **Dust** | 20 | 14 | 10 |

Table 9: Air emission improvements at Fiume Santo as a result of implementing BAT.

Picture 24: Fiume Santo.

# Mitigation of environmental impact

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

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

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

**Our contribution to the SDGs:**

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

## Water

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

## Effluents and waste

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

## Biodiversity and reclamation

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

## Environmental management and monitoring

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



# 2023 Highlights

**33 %**

**In 2023, EPH reduced overall generation of waste by 33%. More than half of this waste was recycled.**

**259 hectars**

**Since 2019, we recultivated 259 hectars of land, out of which almost 70% accounted for forest reclamation.**

**no material penalties**

**In 2023, we faced no material penalties connected to environmental matters.**

**LIFE project**

**In 2023, EPH’s subsidiary SSD continued its participation in the LIFE project titled “Restoration of Wetlands and Protection of Birds in Protected Bird Areas in Slovakia.” This showcases our continued support for biodiversity protection initiatives throughout the Group.**

# Water

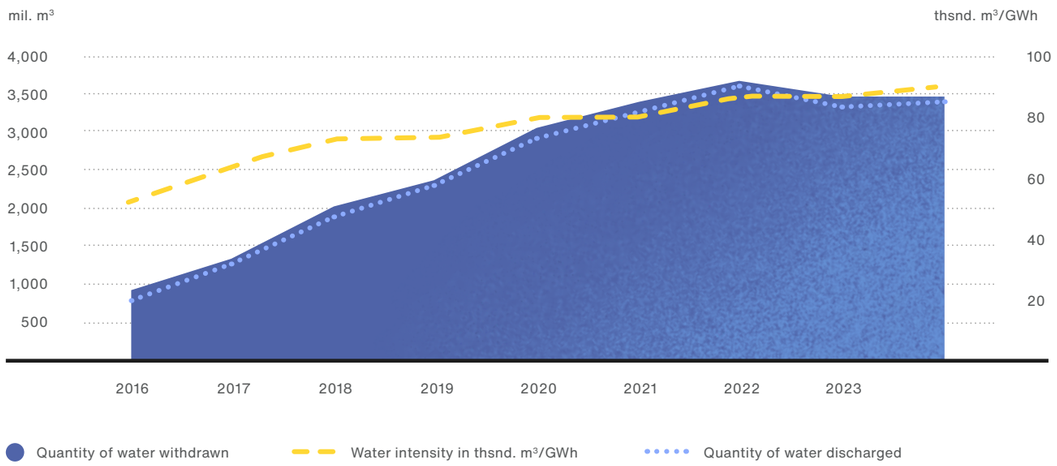
EPH understands the crucial role that access to clean water plays in our environment and society, be it on the global or local scale. Therefore, we have recognised that there is significant importance in protecting aquatic habitats and other ecosystems throughout our operations. For EPH, water is extremely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

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

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

Compared to last year, in 2023, EPH's water withdrawal and discharge saw an increase of 2% and 2% respectively. Our water intensity in 2023 was registered at 90 ths. $m^3$/GWh, showcasing an increase by 4% compared to the previous year.

## Water withdrawal and discharge

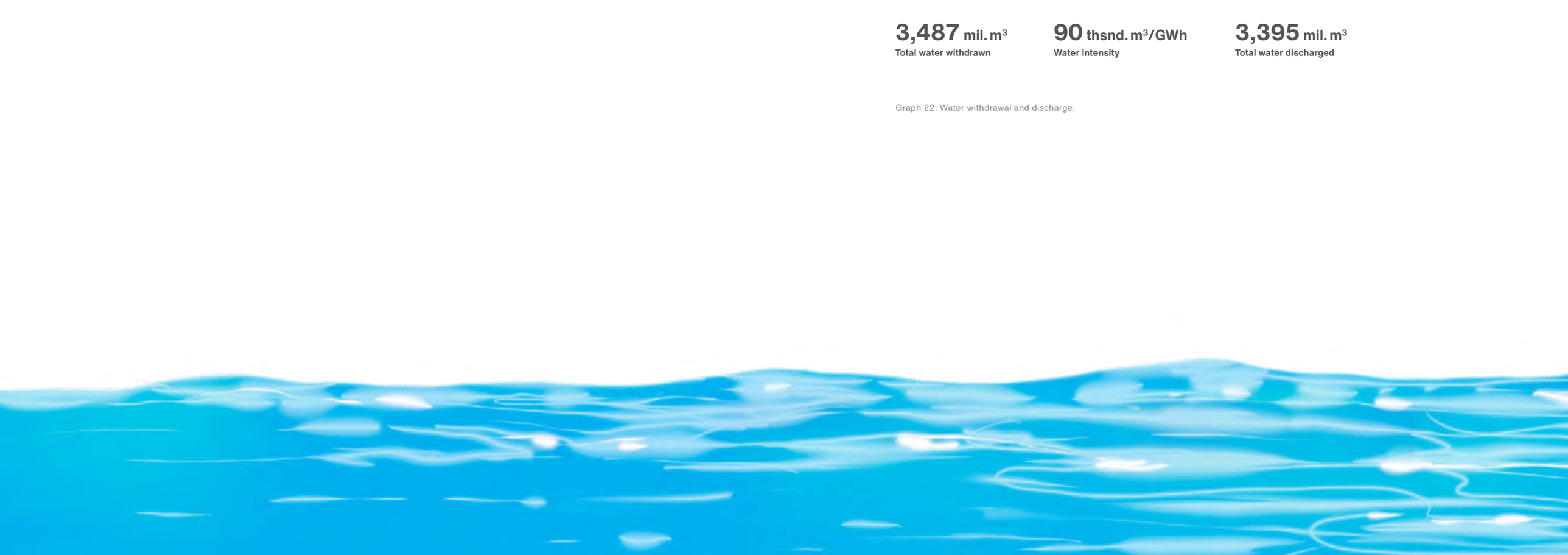



**3,487 mil. $m^3$**
**Total water withdrawn**

**90 thsnd. $m^3$/GWh**
**Water intensity**

**3,395 mil. $m^3$**
**Total water discharged**

Graph 22: Water withdrawal and discharge.



## Our water management

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

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

In 2022, we wanted to continue with WEI+ to extend our analysis for the last available data, however, at the time of completion of 2022 report the detailed data for water stress in different locations (for 2022) were not available. Thus, we have decided to switch to World Resources Institute's Aqueduct Water Risk Atlas[45] where detailed data for required period were available. Also plants cooled by seawater are included in the risk assessment. The Aqueduct Water Risk Atlas uses open-source, peer reviewed data to map and analyse current and future water risks such as floods, droughts, and stress across locations.

We have conducted our analyses for 2023 data with over 97% of water withdrawal covered. The analysis included assets with the highest water withdrawal: EP Produzione, EP Netherlands, the UK assets and our cogeneration plants located in the Czech Republic. The conclusion is that our plants mostly operate in the low to medium water risk locations. Compared to 2022 we added EP Netherlands to our analysis as assets under this entity were acquired during 2023 and created a significant part of EPH's total water withdrawal.

The most significant outcome of our analysis is that the overall water stress risk for our operations is the highest in Italy, namely in Calabria (extremely high risk, annual surface water withdrawal is about 2 mil. $m^3$ in two biomass plants Crotone and Strongoli together). When looking forward, situation is getting worse in whole Italy, including Calabria for which the risk is predicted to be extremely high from 2030 onwards. This situation is closely monitored and connected risks and possible solutions are regularly evaluated. Some partially helping measures were already introduced. However, the water supply for our plants in Calabria are mostly ensured by the third parties which struggle also with water leakage.

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

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



### Identification of water-stressed areas with regards to our water withdrawal[46]

| Country | Water source | Water withdrawal | Plant type | Overall risk per major basin |
|---|---|---|---|---|
| Italy | Seawater | 597 mil. $m^3$ | Coal | Mediterranean Sea Islands: Medium – High |
| | Rivers | 773 mil. $m^3$ | Mix (CCGT, biomass) | Po: Low – Medium<br>Italy, West Coast: Extremely high (2 mil. $m^3$) |
| | **Total consumption / total analysed** | **1,372 / 1,370 mil. $m^3$** | **Mix** | **Low – Medium mostly** |
| Netherlands | Rivers | 684 mil. $m^3$ | Gas (CCGT) | Rhine: Low<br>Scheldt: Low |
| | **Total consumption / total analysed** | **685 / 684 mil. $m^3$** | **Gas** | **Low** |
| UK | Seawater | 646 mil. $m^3$ | Mix (CCGT, biomass) | England and Wales: Low – Medium<br>Ireland: Low – Medium |
| | Rivers | 606 mil. $m^3$ | CCGT | England and Wales: Low – Medium<br>Ireland: Low – Medium |
| | **Total consumption / total analysed** | **1,252 / 1,252 mil. $m^3$** | **Mix** | **Low – Medium** |
| Czech Republic | Rivers | 84 mil. $m^3$ | Mix: lignite, biomass, waste | Elbe: Low – Medium |
| | **Total consumption / total analysed** | **84 / 84 mil. $m^3$** | **Mix** | **Low – Medium** |
| | **Water withdrawal analysed** | **3,390 mil. $m^3$** | **Mix** | **Low – Medium** |
| | **Total water withdrawal** | **3,487 mil. $m^3$** | | |
| | **Analysed %** | **97%** | | |

Table 10: Identification of water-stressed areas with regards to our water withdrawal.

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

## Case study
# Water efficiency programmes

### Tynagh Energy

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

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

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

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

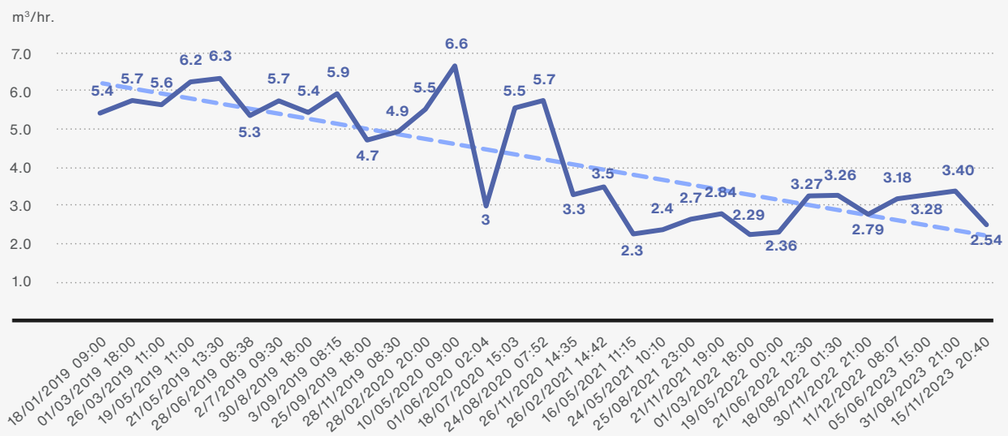
Tynagh's operations team checks the power station daily during on-site walk-downs. A site maintenance management system is used to report any leaks that lead to equipment repairs, as well as other areas that may require maintenance. For example, based on the team's water reduction plan, heat recovery steam generator (HRSG) boiler valves were replaced and repaired, which led to a decrease in water consumption from 6.3 $m^3$/h in 2019 to 2.5 $m^3$/h in 2023. Water and wastewater management are key aspects of the site's Annual Environmental Improvement Plan. The entire team undergoes site-specific training that covers environmental awareness and wastewater management, with an annual refresher on the training.

.

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

Picture 25: Supporting information about Tynagh's process for testing water samples.

**Water Drop Tests 2019–2023**




Graph 23: Example of water drop test results, where these represent the data collected in 2023.

Date – drop test completed

# Case studies
# Water efficiency programmes

## Elektrárny Opatovice

The heating plant operated by Power plant Opatovice a.s. (EOP) possesses flexibility regarding its cooling process. It has the capability to utilise flow-based cooling from the Elbe River or partially depend on a cooling tower. This flexibility benefits EOP, particularly for future scenarios where the plant's operations could be at risk due to water shortages during specific periods and sole reliance on flow-based cooling could make the heating plant vulnerable.

## Plzeňská teplárenská

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

## United Energy

Similarly to PLTEP, cooling in the heating plant Komořany is ensured through a set of cooling towers, which is regularly replenished from the Ohře River. United Energy continuously works towards managing water more efficiently throughout its operational processes, which additionally helps to address the increasing cost of water withdrawal and charges for wastewater discharge. Because technology and consumption are already defined within our processes, further improvement is expected through the planned decarbonisation of United Energy's facilities.

## EP Produzione

In 2023, Italy didn't experience droughts as severely as in 2022. However, certain regions of the peninsula faced significant floodings. Although EPP's power stations remained unaffected by these localised events, the ongoing impacts of climate change still pose challenges to our operations.

The availability of water for cooling and processing is at risk in some periods of the year, mainly, but not only, in summer. The plants of Tavazzano and Ostiglia rely on the water reservoir management of Northern Italy, the largest lakes. When the precipitation is low or the snow storage in the Alps is poor, the effects on the river flow do not allow the conditions (i.e. the temperature of the water, river hydrometry, water flow) to cool the power stations. This was the case for Tavazzano power plant during some weeks between February and August.

Acknowledging the water scarcity experienced by the electrical system in 2022, Terna, the Italian TSO instructed the power producers to evaluate solutions to adapt the system to new potential drought and to guarantee the continuity of the power supply in such a scenario.

With this regard, EP Produzione started to study the implementation of hybrid cooling water for its units in Tavazzano. This equipment will reduce the dependence on water during the period of scarcity. Another feasibility study refers to the Ostiglia power station in which the cooling water for the old units is taken from Po river. However, currently, its level does not allow water withdrawal. To overcome this issue, the engineers are studying a pumping system that locally raises the water height until the required level of the cooling system. The Ostiglia New H-class unit is instead equipped with an air-cooling condenser that drastically reduces the dependence on water availability.

The power station Fiume Santo also experimented with an effect related to the warming of the seawater. The temperature at the intake was as high as it could not be efficiently used on one hand, and on the other hand, it could not be released at an adequate temperature for the marine ecosystem. These conditions provoked the unavailability of the units in some summer periods.

Regarding the water quality, Livorno Ferraris power station is improving the biological waste-water treatment plant. The modifications are aimed at converting the current Sequence Batch Reactor into a more reliable Continuous Activated Sludge system, through the construction of Membrane Bio Reactor plant. Entry into service is planned for spring 2024. The aim is to achieve greater operational reliability and reduce the chemicals used and the waste produced.

Another feasibility study refers to the WWT Wastewater Treatment at Fiume Santo. The coal-fired power station changed the source of coal supplies following the Russia–Ukraine crisis. This showed the need to have more flexibility in the WWT plants in order to let the power station be operated with different quality of coal, in respect of the environmental limits. For this reason, an upgrade of the WWT plant is under study.

## GazelEnergie

GazelEnergie is developing a water treatment facility at Emile Huchet designed to lower the chemical content in industrial water to meet the European regulations set for 2027. This initiative also aims to recycle water within our processes, minimizing the need for external water sources.

At the same location, GazelEnergie is working on a new hydrogen production plant, called Emil'hy, which will use an air-cooled condenser system, eliminating the need for cooling water.

In Provence, the P5 coal unit was shut down in 2021 and the water quantities have dramatically reduced as the plants output has been reduced from 750 MW (both units P4 and P5 combined) to 150 MW (unit P4 only). Although the coal plant at Emile Huchet is still operational, GazelEnergie is on a path to decarbonise, transitioning the fuel mix to include greener options like pellets.

# Case studies
## Water efficiency programmes

### MIBRAG

To guarantee safe and economically efficient lignite mining, MIBRAG needs to pump large amounts of ground and surface water from two large opencast mines near Leipzig, Germany.

MIBRAG is aware of its great responsibility to keep negative ecological and hydrological impacts to a possible minimum and has been able to decrease overall water consumption by 7 million cubic meters to a total of 75 million cubic meters since last year. Furthermore, prior to discharging mine water into surface water bodies, the water must undergo treatment, mostly in mine water treatment plants, to guarantee compliance with German surface water standards. In 2022, roughly 5 million cubic meters of treated mine water were used to sustain 15 ecological compensation sites. Hence MIBRAG contributed to the preservation of endangered species, primarily amphibians and reptiles, on a total area of more than 14,000 square meters.

During the treatment process in the mine water treatment facility, a total amount of about 1,200 tonnes of iron, corresponding to approximately 380k tonnes of iron hydroxide sludge, are removed together with high loads of sediments from the pumped water. The iron hydroxide sludge is then discharged into nearby dumps where loose rocks sensitive to acidification can be neutralised. This in turn counteracts subsequent deterioration in water quality of impacted groundwater bodies.

Picture 26: Recultivated Biotopes on dumps adjacent to Schleenhain opencast mining area. © Rainer Weisflog EPH NHB 2023.

Picture 27: Flushing iron hydroxides (red areas) into mining dumps to increase the acid neutralisation potential and counteract deterioration in water quality of impacted groundwater bodies prior to recultivation.

Picture 28: Amphibious passage at the mining dump site Prefen.

# Biodiversity and reclamation

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

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

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

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

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


Graph 24: Reclamation provisions as of the year end 2023.

## Case Study

# **Stredoslovenská distribučná:** Biodiversity programmes and initiatives

With regards to nature conservation, SSD has had a positive impact for many years. We support important European LIFE projects aimed at biodiversity protection, where in 2021, the LIFE Energy project won the LIFE Award within the nature protection project category (SSD is an unofficial partner of the project). In 2022–2023, we participated in the LIFE15 NAT/SK/000861 project “Restoration of Wetlands and Protection of Birds in Protected Bird Areas in Slovakia,” which is supported by the European Commission and the Ministry of the Environment of the Slovak Republic. Through this project, we helped to eliminate bird mortality by installing various technical elements within our distribution network, thereby reducing exposure to high-voltage power lines.

Every year, SSD treats several kilometers of sections that can potentially pose a risk to birds. As part of the LIFE Energy project, systematic monitoring (from 2014–2016) was carried out on a range of 6,235 km on distribution lines of 22 kV and 110 kV. Additionally, in cooperation with the State Nature Conservation of the Slovak Republic, SSD regularly takes part in activities that help assess and prevent serious bird injuries that often occur along distribution networks. Moreover, in cooperation with both the State Nature Conservation and municipal authorities, SSD is able to safely relocate stork nests out of our distribution network, but still within the area of the respective municipality.

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

Picture 29: Relocation of a stork nest.

**In 2023, the following security features were installed in our distribution network:**

**Electric equipment protectors**

113 pieces

**Flight diverters**

341 pieces

**Nesting barrier**

8 pieces

**Nesting barrier**

8 pieces

Picture 30: Security features.



## Case Studies

# **Plzeňská teplárenská:** Supporting the bee population and peregrine falcons

### Supporting the bee population

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

In the course of 2023, 40kg of honey was collected from these hives. Overall, the honey is not only healthy, but from the quality tests conducted, it can be compared to honey of the highest quality. Beekeeper Pavel Mach states that the “tests show that honey from the roof of the incinerator is no different than honey from other locations. According to the results, the honey does not deviate from any tested values. It contains all the beneficial vitamins and substances.”

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

### Supporting the nesting of peregrine falcons

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

This is a critically endangered bird species that a few decades ago became extinct across Europe. However, thanks to nature protection and conservation, these falcons are gradually returning to their historical nesting sites. At Plzeňská teplárenská, we have supported this conservation through our cooperation with the Nature Conservation of Pilsen. As a result of this cooperation, nesting boxes were placed on the chimneys of the Bory and Doubravka heating plants. At one of these nesting boxes, at a height of about 100 meters, the peregrine falcon family welcomed three new chicks in 2023.


Picture 31: Honey sourced from the beehives on the roof of the ZEVO Plzeň incinerator.

# Case Studies
# Biodiversity programmes and initiatives

## EP Produzione

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

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

Picture 32: Removal of coal from the seabed near EP Produzione's unloading jetty (Fiume Santo power station).

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



## MIBRAG and EP New Energies

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

| Site | Measures taken for flora | Measures taken for fauna |
|---|---|---|
| **Theißen Lawn**<br>MIBRAG | Planted a 140 m hedge structure.<br><br>Planted 5 trees to replace those that fell on site. | Created 4 sand lizard habitats. |
| **Peres West II**<br>MIBRAG | Planting 3 hectares of bushes and hedge structures including Benjes walls. | Designating permanent open land beside project areas to avoid habitat loss for sand lizards, bats, ground-breeding birds and other animal species.<br><br>Setting up 10 nesting boxes.<br><br>Creating and Enhancement of sand lizard and ground-breeding bird habitats. |

Table 11: Measures taken by MIBRAG to support its surrounding biodiversity.

# Environmental management and monitoring

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

Certifications and standards depend on the scope of each business segment; however, ISO 14001 is the main certification used across the Group. Certain entities have no physical operations, therefore they do not require any environmental certifications. Overall, in 2023, 69% of EPH's EBITDA were covered by ISO 14001[47].

In 2023, 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.

47 Coverage calculation is based on EBITDA which provides more adequate measure of financial contribution of individual companies as compared to revenues which are distorted by significant turnover from trading and supply activities. In 2023, companies covered by ISO 14001 comprised 44% of EPH consolidated revenues.



## Key certifications overview

| Certification standards | EPIF Group companies | EPPE Group companies | EPLI Group companies |
|---|---|---|---|
| ISO 14001<br>Environment | eustream, nafta, nafta Speicher, Distribúcia SPP, POZAGAS, SSE HOLDING, PLZEŇSKÁ TEPLÁRENSKÁ, EOP | TYNAGH ENERGY LIMITED, fusine energija, EP Ballylumford, SLOVENSKÉ ELEKTRÁRNE, EP PRODUZIONE, Mineral plus, LYNEMOUTH POWER, LEAG, BiomasseItalia, enpsol, BiomasseCrotone, EP Langage, Saale Energie, EP SHB, EP Kilroot, EP Power Minerals | EP Cargo, Slovenske železnice SŽ - Tovorni promet |
| ISO 50001<br>Energy management | eustream, PLZEŇSKÁ TEPLÁRENSKÁ | MIBRAG, Mineral plus, Gazel energie, LEAG, LYNEMOUTH POWER, Saale Energie, EP Power Minerals | Slovenske železnice SŽ - Tovorni promet |
| ISO 9001<br>Quality management | eustream, epet., nafta, nafta Speicher, POZAGAS, Distribúcia SPP, PLZEŇSKÁ TEPLÁRENSKÁ, SSE STREDOSLOVENSKÁ ENERGETIKA | TYNAGH ENERGY LIMITED, EP PRODUZIONE, Mineral plus, Gazel energie, MIBRAG, BiomasseItalia, SLOVENSKÉ ELEKTRÁRNE, BiomasseCrotone, EP Power Minerals | LOCON, SPEDICA, EP Cargo Trucking[48], EP Cargo, Slovenske železnice SŽ - Tovorni promet, SGL |
| ISO 45001[49]<br>Health & safety | eustream, EOP, nafta, nafta Speicher, SSE HOLDING, Distribúcia SPP, POZAGAS | TYNAGH ENERGY LIMITED, LYNEMOUTH POWER, EP PRODUZIONE, MIBRAG, EP Langage, Saale Energie, EP Kilroot, EP SHB, EP Ballylumford, fusine energija, Gazel energie, enpsol, BiomasseItalia, SLOVENSKÉ ELEKTRÁRNE, BiomasseCrotone | |
| EMAS | | enpsol, BiomasseCrotone, EP PRODUZIONE | |
| ISO 3834-2 | eustream, Distribúcia SPP | SLOVENSKÉ ELEKTRÁRNE | |

48 EP Cargo Trucking represents both CZ and SK branches.
49 Despite not currently having the ISO 45001 certification, Plzeňská teplárenská defended the prestigious "Safe Enterprise" designation, which is guaranteed by the State Labor Inspection Office. Under this program, the company is under close supervision of occupational safety inspectors.

# Effluents and waste

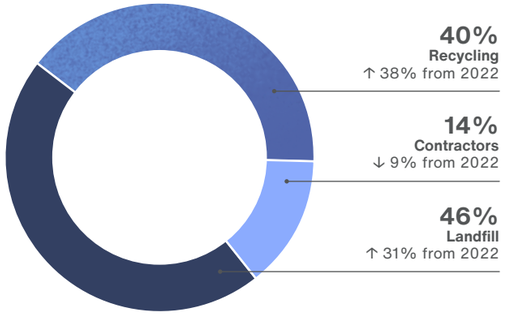
In 2023, EPH decreased its total waste production by 33% compared to last year, where non-hazardous saw a decrease of 34% and hazardous waste saw an increase of 26%. Notably, in 2023, EPH recycled 38% if its hazardous waste.

## Our waste management

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

Overall, EPH saw an 38% waste intensity decrease in 2023 when compared to last year. Compared to 2019 our waste intensity decreased by 57%, through the above-mentioned methods, EPH aims to decrease its waste intensity, as further depicted by the selected case studies within this Report. In addition to our waste disposal through recycling and use of the landfill, EPH also disposes of its waste through third parties and suppliers (e.g. construction services), where we are limited in tracking the final destination or further use of waste, marked as “contractors” in the graphs below. However, through our binding contracts, we ensure that suppliers always follow the Group’s best practices relating to waste disposal. This is further highlighted within the SPP-D case study within the “Waste management programmes” section of this Report. Overall, EPH always tries to opt for the most appropriate means of waste disposal.

### Total disposed hazardous waste

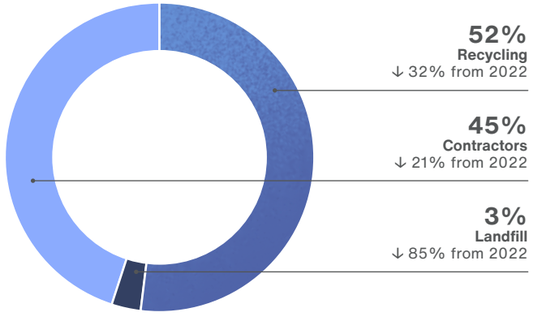



**4,077 tonnes**

**↑ 26%**

**Hazardous waste from 2022**

### Total disposed non-hazardous waste



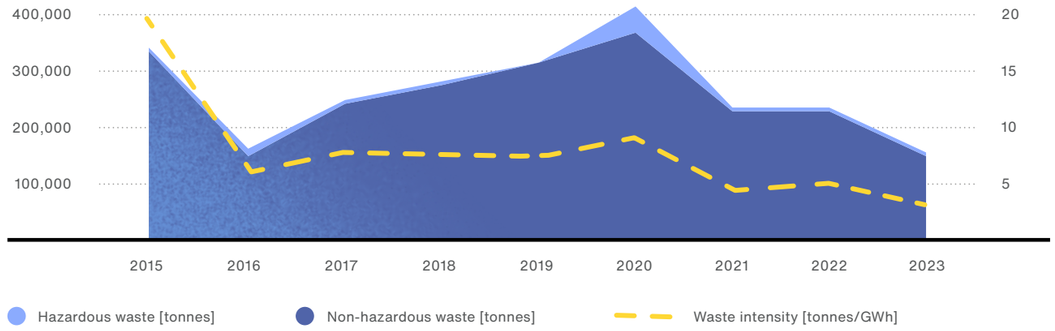

**151,625 tonnes**

**↓ 34%**

**Non-hazardous waste from 2022**

Graph 25: Waste disposal by type.

### Total waste production and intensity[50]




**156,357 tonnes**

**Total produced waste**

**4,284 tonnes**

**Hazardous waste**

**152,073 tonnes**

**Non-hazardous waste**

**3.2 tonnes/GWh**

**Waste intensity**

Graph 26: Waste production and intensity.

50 Waste intensity only includes generating companies.

## Case Study
# Waste management programmes

### Plzeňská teplárenská

At Plzeňská teplárenská, we invest in metal separation, having increased the volume of separated iron gradually to almost 2,600 tonnes in 2023. This investment also supports the continual research for being able to separate non-ferrous metal in the future (e.g. copper and aluminium).

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

### SPP - distribúcia

As the largest contributor of waste produced by the EPIF Group (61% in 2023), SPP-D implements measures to not only reduce its waste, but to also maximise the share of waste that gets reused or recycled. The waste is mainly linked to the extension and modernisation of the gas distribution network, and it primarily consists of stone and soil. As we further develop our network, thereby work to ensure a reliable supply for all, construction waste will be unavoidable. Therefore, we concentrate our efforts on maximising the reusing and recycling of waste. As most of our construction waste is disposed of by our suppliers, who provide the construction services to our network, we include a binding condition in our supplier contracts. It emphasises a supplier's duty to always follow EPIF's waste disposal hierarchy and, whenever feasible, to first dispose of waste through methods of reusing and recycling over landfilling.

A successful certification audit in December 2023 confirmed that SPP - distribúcia met the requirements of ISO 9001, ISO 14001, and ISO 45001 standards.

### Elektrárny Opatovice & United Energy

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

In connection with the European Union's so-called circular economy package, the Czech legislation has adopted changes in waste management led by the new Waste Act No. 541/2020 Coll. Going forward, ca 65–70% of waste is planned to be recycled, while up to 25% of the remaining waste will be used as a renewable energy source.

### EP UK Investments

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

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

If the project proceeds, construction is expected to take approximately 3 years, with the plant expected to commence operation in 2028/2029. The total investment will be approximately GBP 500 million and once in operation, the plant will create about 80 full time jobs.

Picture 33: The expected layout of the South Humber Bank Energy Centre.

## Case Study

# **MIBRAG:** Domsen – clearance of prospective mining field, minimisation of third-party disposal services

Building foundations of former village sites, roads, infrastructure and other waste must be removed before overburden operations can start to uncover coal in the prospective mining field. As a rule of clearance works, the generation of waste to be disposed of by third parties shall be kept to a minimum. The following procedure is prescribed and observed for this purpose:

1. excavating foundations and other waste (including – among other things – debris, concrete, soil, metal, wood, rubber, plastics, etc.)
2. segregating excavated materials:
   - preliminary sorting of concrete and, if necessary, track ballast by excavator
   - sorting the remaining mixture of materials in a screening plant into two categories: soil and debris/mixture of waste
3. In the following step, the debris/mixture of waste undergoes manual sorting to separately collect metal, wood, rubber, plastics and the remaining materials, so-called “other residential waste” in separate containers and subsequently dispose of them.

Concrete, debris, and soil are piled up, sampled, and analysed pursuant to statutory regulations and permits under the Mining Law. Soil, debris, and concrete are taken to Profen mine, if analysis outcomes show lower values than statutory limits and/or lower than limits defined in relevant mining permit. Soil is dumped in suitable areas within the scope of overburden operations or dumping. Track ballast, concrete or debris are internally used for, e.g. road construction and preparation of stable ground surface for conveyor installations.

If analysis outcomes show higher values than allowed by statutory limits and/or higher than limits defined in mining permits, the materials are properly disposed of by specialised regional disposal companies.



## Case Study: Equity participation

# **Slovenské elektrárne:** Control and maintenance of effluents and waste

### Nováky power plant (ENO)

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

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

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

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

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

Picture 34: Construction of a reaction barrier.

# Case Study
# **Slovenské elektrárne:** Long-term concept of transformation development projects

## Nováky power plant (ENO) and Vojany power plant (EVO)

The Nováky power plant concluded its operations at the end of the year 2023. The Vojany power plant, operational with biomass co-firing, was shutdown in March 2024. Post-closure, both sites have outlined several projects for their first phases of redevelopment.

**Photovoltaic projects:**

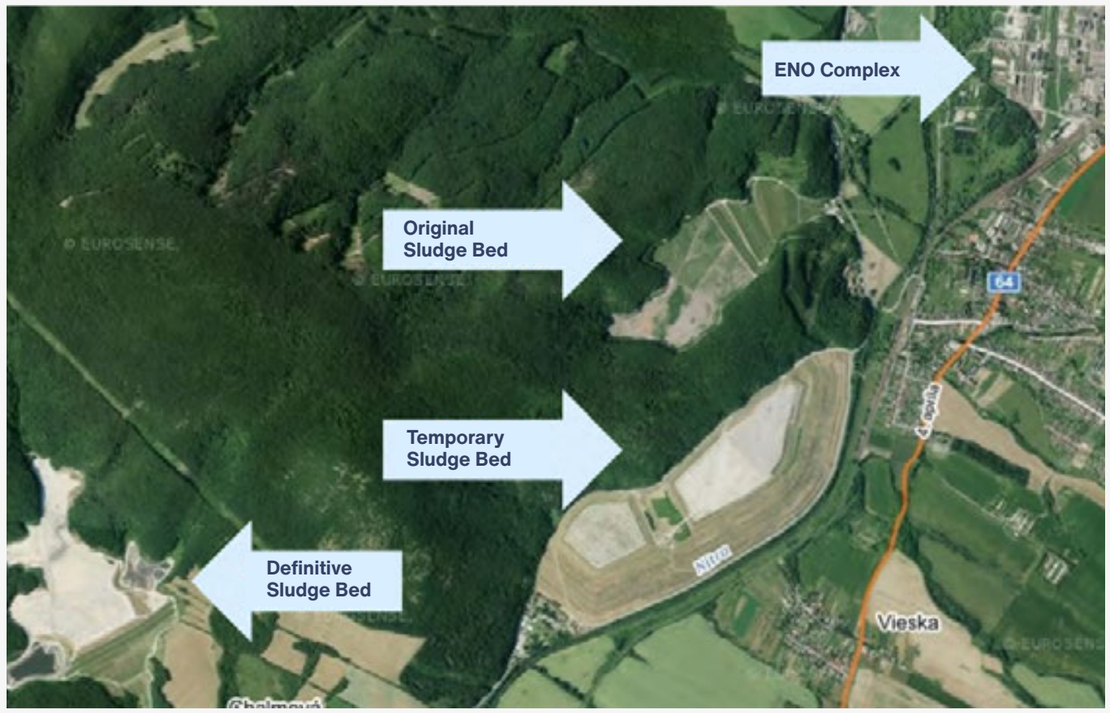
1. ENO: The initial phase of a photovoltaic project, with a capacity of 10 MWe, is set to be implemented between 2024 and 2026.
2. EVO: Similarly, plans include the implementation of a photovoltaic project with a capacity of 17 MWe between 2024 and 2026.

**Hydrogen production plans:**

1. ENO: Plans for a pilot hydrogen production project, with a 1MW capacity and potential for expansion, are in progress. However, its execution is contingent upon funding availability and the evolution of the hydrogen market.
2. EVO: Consideration of a hydrogen project is similar to the ENO power plant, with decisions pending based on outcomes and market developments.

**Infrastructure development:**

1. ENO: Efforts are directed towards mitigating environmental risks in the main power plant area and rejuvenating sludge beds and stabiliser deposits. Additionally, the feasibility study for Small Modular Reactors (SMRs) aims to explore potential sites for future SMR placement.
2. EVO: The establishment of a trans-loading railway terminal to facilitate logistics exchanges between Ukraine and the European Union is planned. Initiatives are also underway for the development of the EVO brownfield industrial park, aimed at revitalizing the area for new economic activities.




Picture 35: Sludge beds at the Nováky power plant.



# Case Study
# **Slovenské elektrárne:** Brown industrial parks in ENO & EVO

The subject of this intention is the revitalisation and change of utilisation of the selected areas in the existing power plants, including their robust infrastructure. The goal is the creation of brown industrial parks with real estate offers for potential industrial customers/investors. This includes the renovation and demolition of selected buildings, road modifications and industrial network relocation. The business value for SE are the new revenues – mainly from rentals and scrap sale. Ash recycling opportunity is being analysed and discussions with potential investors are ongoing.

The advantage of the areas is the existing industrial infrastructure, narrow- (ENO, EVO) and wide-gauge railway connections (EVO), natural gas connection (EVO), and water supply from the rivers.

There is a variety of connection options to 22 kV (EVO), 110 kV (ENO, EVO), 220 kV (EVO) or 400 kV (EVO) lines, but the disadvantage of both locations is the absence of connection to national highway.

Currently SE seeks to obtain the maximum available co-financing from the EU funds – especially Just transition fund and Recovery plan.

# Case Study
# Radioactive waste management

## Policy commitment to responsibly managing radioactive waste (RAW or radwaste)

SE radwaste strategy and responsibility is in compliance with the Slovak National strategy and Atomic Law. As supervisor, the Nuclear Regulatory Authority (UJD SR) inspects that NPP exhibit safe and reliable operations.

SE, as a holder of the license for operation of nuclear installations performance, is obligated to ensure safe operations; the protection of workers and public from radiation is of top priority. Before terminating an NPP operation, the license holder is obligated to dispose of all RAW produced during operations.

**Radioactive waste National strategy objectives:**

1. **Low Level RAW** are combusted, compacted, solidified or fixed in a suitable matrix (by licensed technologies).
2. Fixed matrices are cemented to the Fibre Concrete Containers.
3. The final disposal of the fulfilled Fibre Concrete Containers occurs at the National RAW Repository.
4. **Very Low Level RAW** are disposed of big bags in separate premises of the National RAW Repository.
5. Temporary storage of **Intermediate Level RAW and Spent nuclear fuel** is completed by the operator (producer) in an integral storage facility.
6. The final solution of Intermediate Level Waste and Spent nuclear fuel disposal – deep geological repository, should be in line with EC recommendations.
7. Basic principle of „polluter pays“ is applied.


Picture 36: Fixed matrix being cemented to the Fibre Concrete Container.

## Managerial or board level responsibility for radioactive waste management

There are “Limits and Conditions (Technical Specification) for Radioactive Waste Management,” as defined and approved by UJD SR for all activities during RAW management.

The nuclear installation director is responsible for overall nuclear safety in the process of RAW management. The shift supervisor is directly responsible for managing operations and their nuclear safety, as well as safety during RAW management.

**Minimization of radioactive waste generation**

Since 2006, the Minimization RAW generation project has been in effect, as the common project team is managed by the overhead operation department. Minimization presents a continuous and long-term process of project changes, procedural changes, technical improvements and organisational measures aimed to increase process efficiency and performance.

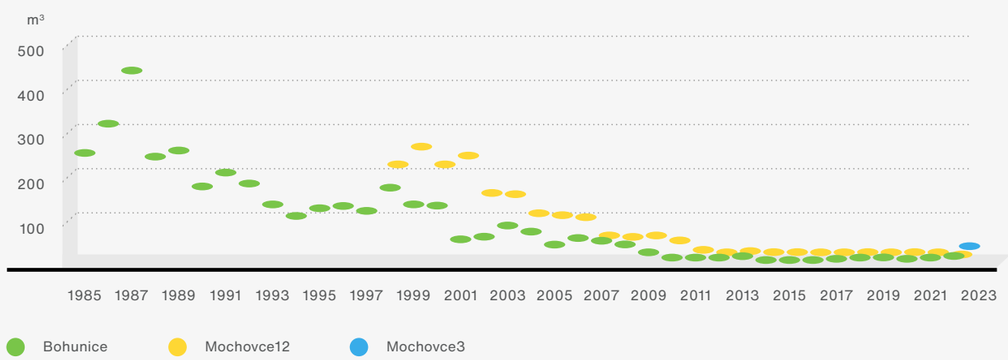
With regards to the regular IAEA international benchmarking project for radwaste management in NPP of VVER type, Bohunice and Mochovce NPP units have achieved the best results in radwaste production.

## Operating guidelines, standards or procedures for radioactive waste management

“Plan for RAW management in EBO/EMO12/MO3,” approved by UJD, is the basic document for the whole process control including handling and storage.

When handling RAW, safety culture principles are applied throughout all activities in NPP. To prevent human error from staff, a system that implements the rules for performance of work at NPP equipment is based on specific permits. To decrease the probability of mistakes made by staff by manipulations, a wide surveillance programme system is used.

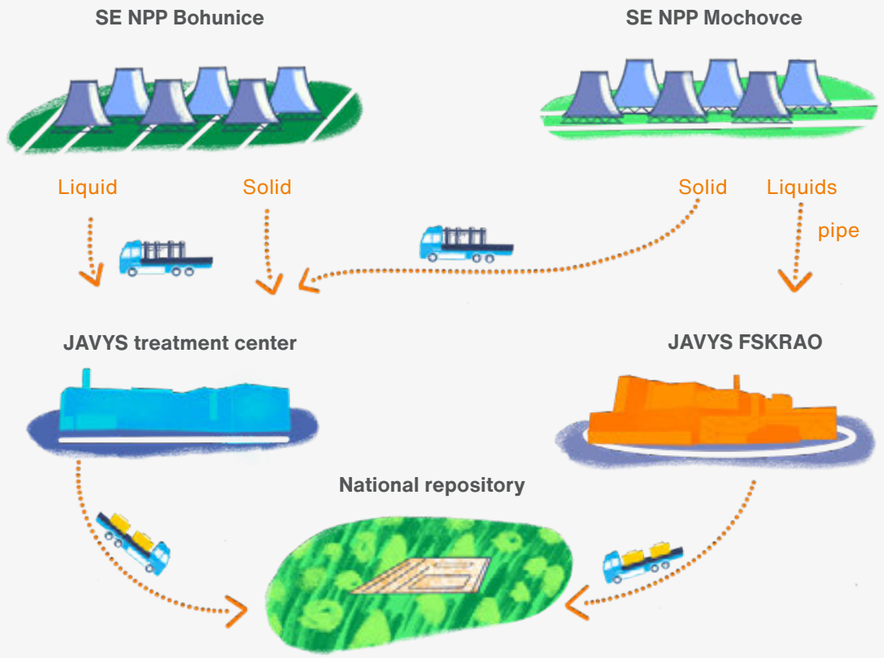
**Radwaste concentrate generation minimization since commissioning**




Graph 27: Minimization of radwaste concentrate generation since Bohunice, Mochovce12, Mochovce3 NPP commissioning.

# Case Study
## Radioactive waste management

### Radwaste treatment chain




**FSKRAO: final processing of liquid radioactive waste**

Picture 37: Radwaste treatment chain.

The basic methods applied in the RAW management system in NPP are volume reduction, removal of radionuclides and change of composition (e.g. pressing, evaporation, ion exchange, filtration, and decontamination).

**Basic categories of RAW produced in NPP operation:**

**Liquid radwaste**

1. Concentrates (collected radioactive water, treated at an evaporator and stored in storage tanks)
2. Sorbents (used filter cartridges for cleaning radioactive water and stored in storage tanks

**Solid radwaste**

1. Combustible
2. Compactible
3. Cemented
4. Metal
5. Air-conditioned filters

**Main activities relating to radwaste management (treatment and handling) in NPP:**

1. Radwaste generation planning.
2. Collection, measurement, registration, separation and decontamination.
3. Pre-processing or pre-treatment (low-pressing, waste water concentration at evaporator).
4. Temporary storage.
5. Transport for final treatment at the state company JAVYS.
6. Implementation of measures for minimisation of production RAW, reporting.

After meeting legislative criteria, the release of materials from NPP to the environment occurs when non-contaminated or low contaminated materials are released in an organised fashion.

## Operating guidelines, standards or procedures for radioactive waste storage

Generated solid RAW after classification, measurement and registration are packed in bags and barrels. The barrels with RAW are stored in shielded concrete pits that assure radiation protection of workers during storage.

Generated liquid RAW are gathered in collected tanks, then they are thickened at an evaporator with the aim of volume reduction. Such thickened liquid RAW are then stored in storage tanks located in shielded concrete rooms.

RAW storing in the plant is only temporary (short-term). According to Act No. 541/2004 Coll. on Peaceful Use of Nuclear Energy, as amended, the operator is obliged "...to hand over radioactive waste, not later than 12 months from their origination to a legal entity determined for their further management...".

## Operating guidelines, standards or procedures for radioactive waste disposal

All RAW from NPP are treated in a RAW Treatment Facility (owned by state company JAVYS). Concrete containers are the final form suitable for the National Repository of radioactive waste. SE, as a NPP operator, has no license for RAW storage in the National Repository. The only license holder in the Slovak Republic who has the license and duty for the final RAW storage in the National RAW Repository, as well as for the National RAW Repository administration, is JAVYS.

## Training of employees on radioactive waste management

Workers are professionally prepared to work in NPP. Training performed in specialised centres and facilities, both externally and internally, and are supervised by UJD SR.

The basic professional preparation of workers performing activities with RAW consists of:

1. Theoretical preparation to acquire fundamental knowledge of NPP focused on the primary circuit.
2. Internships in NI to acquire a spatial orientation in structures and technological systems.
3. On-the-job training and professional preparation to train particular work activities related to RAW management.
4. Oral and written tests before a test committee to verify the acquired knowledge and skills.

## Incident investigation and corrective action

SE's vision is to achieve excellent operational performance of our power plants, meaning safe, reliable, failure-free and efficient operations.

The following tools and systems are implemented to assure systematic, complex and sustainable nuclear safety, and continuous improvement:

1. Corrective and Prevention System (CAPA)
2. Self-Assessment and Benchmarking
3. Operating Experience Utilisation
4. Human Factor Reliability
5. Safety Culture



Error prevention tools are applied in EBO and EMO NPPs to prevent failure events (FE) or to minimise severity of the events, such as task preview, job-site review, pre-job briefing, self-checking, independent verification, three-way communication, phonetic alphabet, identification of steps and flagging.

For identification, reporting, analysis, identification of causes and registration of failure events, an effective system in compliance with UJD SR requirements and international experience from the sphere of NI operation feedback is applied.

The figure below highlights the whole process from identification of the problem, or the failure event, to review, root cause analysis, and acceptance of corrective actions.

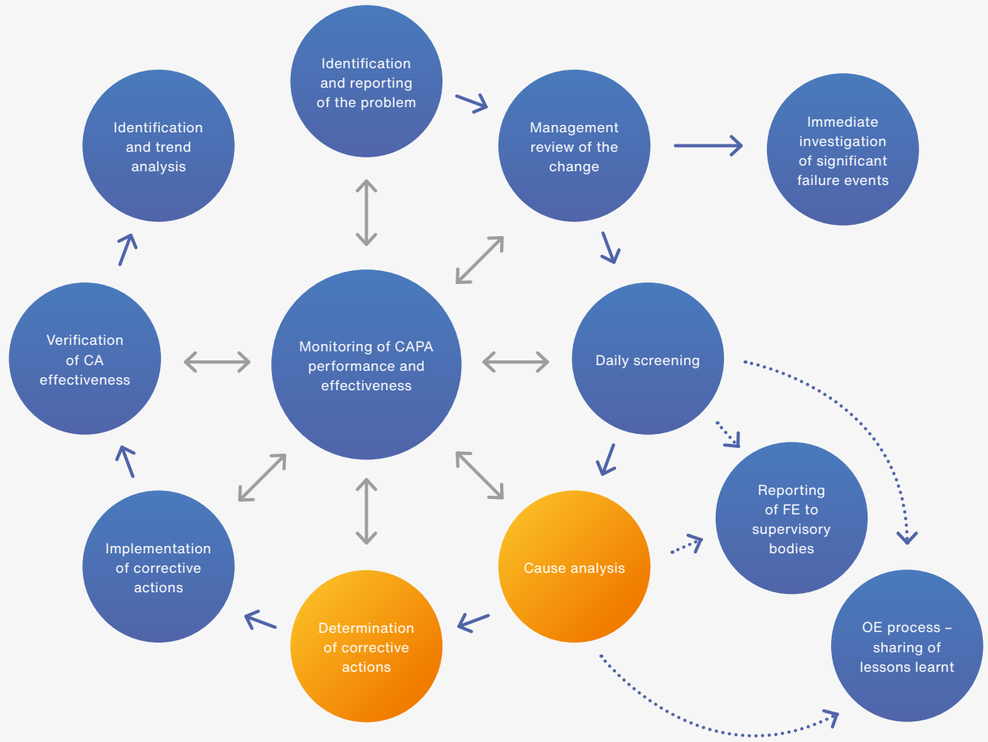
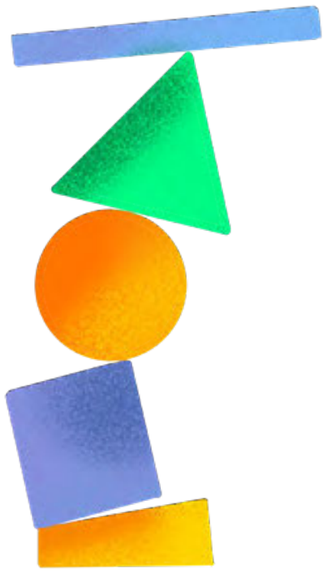



Figure 6: Incident investigation and corrective action.

# By-products

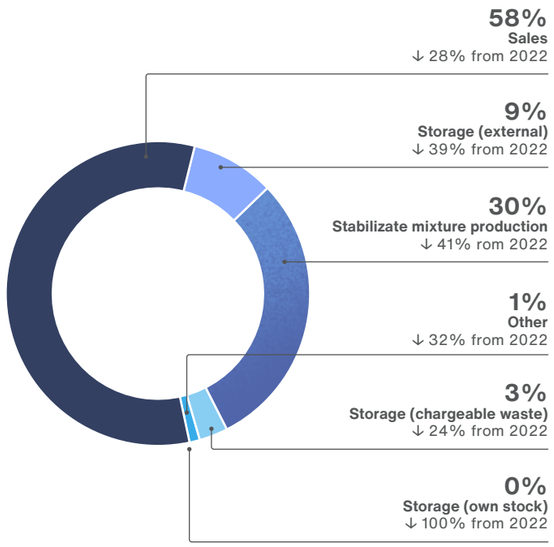
At EPH, by-products are an inevitable part of our business operations, which is why we availably sell them for further commercial use. This allows us to reduce the by-product waste that we would have otherwise sent to the landfill. Furthermore, it allows us to provide an option for purchasing these products outside of their direct extraction. This not only eases the process for our stakeholders, but it provides them with further value. We have found that the majority of our by-products are sought out by the construction industry, but ultimately, they can be used by various other business segments. As an example, gypsum can be used as a fertiliser, but it can also be used other various business segments. As an example, gypsum can be used as a fertiliser, but it can also be used as a retarder in cement. Overall, EPH saw a decrease of 32% in its by-product generation from operations when compared to last year. This is mainly attributable to lower production from coal plants. In 2023, the total production of by-products was 1.7 million tonnes, of which 46% was ash.



## By-product management

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

**By-products 2023: total means of disposal**




**1,622,119 tonnes**
**Total by-products disposed**

Graph 28: 2023 share of by-products by disposal.

## Utilisation of energy by-products

Our heat and power generation assets produce fly ash, slag, gypsum from the combustion of lignite as secondary energy products, which are further used towards land reclamation and the adjustment of terrains, or it is sold particularly for construction purposes. Our companies ensure that all energy by-products are certified before they continue to explore other options for their use.

### Fly ash

used mainly by construction companies for production of concrete, aerated concrete, bricks, cement, dry plaster and mortar mixtures, artificial aggregates, and ceramics. Utilisation of coal ash in the construction industry saves the primary materials which would be used instead (limestone, clay, sand). The major customers sourcing fly 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 fertiliser.

### Slag

used to construct road embankments, backfill road support structures, fill and backfill utility network linear structures (water, sewage and gas pipelines) and also as base sand in manufacturing fired bricks. Slag is an alternative to gravel, eliminating the need for its extraction. Key customers comprise brick plants and road construction companies.

### Energy gypsum

used in the production of plasterboard and plaster, as a setting time regulator and activator in the hardening process of aerated concrete, in cement production, and in the production of plaster mixes. Additionally, gypsum can be utilized as an agricultural fertilizer, reducing the volume of gypsum that needs to be mined.

### Granulated and stabilized mixtures

are certified compounds made from energy by-products and binders, primarily used to reinforce the subgrade in road construction, other linear structures, dams, terrain modelling, land reclamation, and similar projects.

### CalSulf

is an agricultural fertilizer used for the basic sulphur and calcium fertilization of agricultural crops in all soil and climatic conditions. It can be particularly recommended for fertilizing oilseed crops (such as winter rapeseed, sunflower, poppy and mustard), sulphur-demanding plants, cereals, clover crops, and for fertilizing vegetables, especially brassicas.

Besides the described by-products, EPH also produces additised granulate, formed by combining several by-products with additional materials such as hydrated lime and water.

# Case Study
# By-product programmes

## EP United Kingdom Investments

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

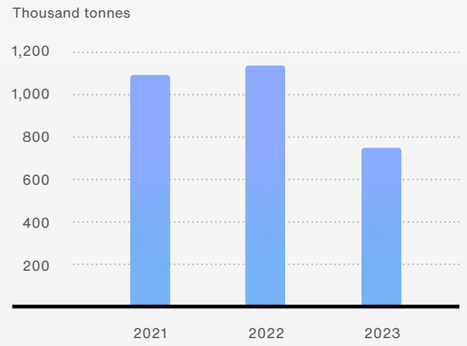
The project has now received all required consents and work is on-going to discharge the pre-commencement planning conditions alongside the business plan being developed. Extraction is expected to commence in early 2025 and create approximately 40 full time jobs.

Gale Common is EPPE's ash disposal site located in North Yorkshire, UK. This ash can be used to replace primary aggregates, such as sand and clay, to reduce the carbon footprint of construction materials. It can also be used as a direct replacement for clinker in the cement manufacturing process which significantly reduces carbon emissions.

## EP Power Minerals

EP Power Minerals' subsidiary Surschiste (previously part of Gazel group) developed its activities on the evaluation of ashes produced from its coal and biomass power plants for public works companies. Currently, EPH is exploring opportunities to develop synergies with other subsidiaries to further enhance ash management and valuation services.

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




Graph 29: Annual comparison in evaluated ash.

# Governance

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

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

# Corporate governance structure

## EPH management

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

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

The ESG matters are supervised by the ESG Officer at EPIF and EPPE level who informs respective boards of directors regularly on ESG matters. EPH has also centralised the responsibilities at the subsidiary level by establishing the EPIF and EPPE Health, Safety, and Environmental (HSE) Committees.

## EPH shareholder structure

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

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

EPCG owns 56%+1 share in EPH, where the rest is owned by J&T Energy Holding a.s.

### EPH Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Marek Spurný
Member of the Board of Directors

Pavel Horský
Member of the Board of Directors

Jan Špringl
Member of the Board of Directors

### EPH Supervisory Board

Petr Sekanina
Chairman of the Supervisory Board

Tereza Štefunková
Member of the Supervisory Board

Martin Fedor
Member of the Supervisory Board

Figure 7: Governance.



### EPPE Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Jan Špringl
Vice Chairman of the Board of Directors

Jiří Feist
Member of the Board of Directors

Pavel Horský
Vice Chairman of the Board of Directors

Tomáš David
Vice Chairman of the Board of Directors

Tomáš Novotný
Member of the Board of Directors

Marek Spurný
Vice Chairman of the Board of Directors

Leif Timmermann
Member of the Board of Directors

Miroslav Haško
Member of the Board of Directors

Filip Bělák
Member of the Board of Directors

Gary Mazzotti
Member of the Board of Directors

Peter Černák
Member of the Board of Directors

### EPPE Supervisory Board

Ivan Jakabovič
Member of the Supervisory Board

Martin Fedor
Member of the Supervisory Board

Miloš Badida
Member of the Supervisory Board

### EPIF Board of Directors

Daniel Křetínský
Chairman of the Board of Directors

Gary Mazzotti
Vice Chairman of the Board of Directors

William David George Price
Member of the Board of Directors

Pavel Horský
Member of the Board of Directors

Stéphane Brimont
Vice Chairman of the Board of Directors

Milan Jalový
Member of the Board of Directors

Marek Spurný
Member of the Board of Directors

### EPIF Supervisory Board

Jan Špringl
Chairman of the Supervisory Board

Jan Stříteský
Member of the Supervisory Board

Petr Sekanina
Member of the Supervisory board

Martin Gebauer
Vice Chairman of the Supervisory Board

Rosa Maria Villalobos Rodriguez
Member of the Supervisory Board

Jiří Feist
Member of the Supervisory board

Figure 7: Governance (continued).

# Governance

## EPH Board of Directors

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

## EPPE Board of Directors

- Has eleven members.
- Directs operations and represents EPPE in all matters related to daily business management.

## EPIF Board of Directors

- Has seven members.
- Directs operations and acts on its behalf, represents EPIF in all matters related to daily business management.
- Approves EPIF's sustainability commitment, top ESG challenges and annual sustainability reports.
- Approves sustainability policies, corporate strategy and monitors progress to achieving targets.

## EPPE Supervisory Board

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

## EPIF Supervisory Board

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

## Health, Safety and Environmental Committee

EPPE level

## Health, Safety and Environmental Committee

EPIF level

## EPH Supervisory Board

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

## Compliance Committee

EPH level

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

Figure 7: Governance (continued).

# Key people

## Daniel Křetínský

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

Chairman of the Board at EP Infrastructure

Chairman of the Board of Directors at EP Power Europe

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

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

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

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

Daniel Křetínský is the main driving force behind the strategical decisions which shall guide EPH away from emission intensive assets into energy sources aligned with net zero future. Under his leadership the entire group plans to be coal-free by 2030, at the latest.

## Jan Špringl

Member of the Board of Directors of EPH

Chairman of the Supervisory Board at EP Infrastructure

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

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

Jan Špringl is leading the green transformation of coal assets within the EPH Group's business activities, namely in Germany. In cooperation with local authorities, Mr. Špringl is actively transforming coal-fired power plants into low- and zero-emission energy sources that supply or will supply German households with clean energy in the near future.

## Pavel Horský

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

Member of the Board of Directors at EP Infrastructure

Vice Chairman of the Board of Directors at EP Power Europe

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



Under his leadership, EPH established its inaugural green finance framework and is getting ready for issuance of first green instruments.. With his many years of experience in the energy sector, he can draw on his extensive knowledge of the business environment, which he is currently applying in his negotiations with government authorities and in the sustainable development plans for the entire EPH Group.

## Marek Spurný

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

Member of the Management Board at EP Infrastructure

Vice Chairman of the Board of Directors at EP Power Europe

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

From his position as Chairman of the Supervisory Board of the EPCG Foundation, Marek Spurný is an important driver in helping those in need. The EPCG Foundation focuses primarily on the elderly who want to live in dignity in their homes and then on families who have lost one of their providers due to sudden fate. Mr. Spurný is actively involved in helping and decides on the distribution of aid to those who really need help.

## Gary Mazzotti

Vice Chairman of the Board of Directors, Chief Executive Officer and ESG Officer

Gary Mazzotti is CEO and Vice Chairman of the Board of Directors of EP Infrastructure a.s. He also holds positions throughout the group, namely Vice Chairman of the Supervisory Boards of Nafta and SSD, member of the Supervisory Board of SPP-D, and member of the Board of EOP, UE, EPC, EP Power Europe, and Czech Grid Holding. He is also a trustee of the International School of Prague.

Gary Mazzotti has more than 30 years of experience in finance and operations. Before joining EPIF, Mr. Mazzotti was a member of the board of Vienna Insurance Group, CFO of Kooperativa and Česká podnikatelská pojišťovna, and was responsible for VIG Group's operations in Ukraine. He previously held the positions of Senior Investment Director and CFO of PPF Private Equity Division.

As ESG Officer, Mr. Mazzotti is actively involved in the Group's overall ESG agenda while transforming challenges in the field of sustainable development into opportunities. Thanks to his Group-wide activities, not only EPIF but also the entire EPH Group manages to meet the most stringent requirements, but in many cases EPH Group itself is leading by example. Gary Mazzotti's role in these processes is indispensable, and Mr. Mazzotti himself is an important driving force in helping to implement and roll out processes that facilitate the green energy transformation of the entire Group.

# Fair conduct

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

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

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

**Our contribution to the SDGs:**

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

## Compliance

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

## Principles and business ethics

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

## ESG governance

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

In 2023, EPH formalized a position of a Sustainability Manager for the Group. This position is held by Petr Choutka, who has represented this role already from 2021 informally.

## Lobbying and political engagement

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

## Investigations, litigation and sanctions

To our knowledge, whilst the companies within the Group strive for full compliance with relevant legislation and regulations in their operational jurisdictions, there is an ongoing material case related to the EPSHB Breach of TCLC For further details, including fines, please refer to the EPH Annual report 2023.

## EPSHB Breach of TCLC

Ofgem's investigation into EP SHB Limited ("EPSHB") revealed breaches of condition 20A of the Electricity Generation Standard Licence Conditions (TCLC). Between October 2019 and May 2021, EPSHB submitted excessive bid prices at its South Humber Bank power station, breaching TCLC regulations. This led to higher costs for the Electricity System Operator (ESO) to balance the system, ultimately burdening consumers. Ofgem mandated EPSHB to pay £23.63 million into the Energy Redress Fund as a consequence of the breach.[51]

51 Ofgem (2023). https://www.ofgem.gov.uk/publications/investigation-ep-shb-limiteds-compliance-tclc.



# 2023 **Highlights**

As we continue to further develop our sustainability commitment, we gradually extended the scope of policies to areas such as asset integrity, cybersecurity, whistleblowing, diversity, or biodiversity.

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

# Our principles and business ethics

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

EPH maintains high ethical standards throughout its operations and supply chain, and we do not tolerate corruption or inappropriate behaviour. We regularly assess and refine our internal processes under the supervision of the Compliance Committee to minimize opportunities for bribery or corruption. Adjustments may relate to bookkeeping guidelines, supplier approval procedures and monitoring systems, and whistleblower programmes. We ensure that principles embedded in our policies are regularly shared with employees across the Group.

These commitments and standards were approved in 2020 and 2021 and largely implemented across the Group.

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

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

## Environment

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

## Society

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

## Governance

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

Figure 8: EPH ESG principles.



# ESG governance

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

In EPPE, the same scope of polices were approved in 2021 by the Board of Directors[52].

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

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

Due to the evolving ESG agenda, including new reporting requirements coming with the EU's Corporate Sustainability Reporting Standards, EPH needed to further reinforce its management in this area. Thus, in 2023, EPH formalized the position of a Sustainability Manager for the Group (officially for EPCG and its subsidiaries, including EPH). This position is held by Petr Choutka, who has represented this role already from 2021 informally. The Sustainability Manager is a single point of coordination and management for all Group's operating companies. The ESG Officer together with the Sustainability Manager control overall ESG agenda in the Group and regularly inform and report to the EPH Board of Directors. They also closely cooperate with both EPIF's and EPPE's HSE Committees.

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

At EPPE, the HSE Committee was established in 2021 by the Board of Directors. The current members are:

- **Leif Timmermann (Chairman)**
- **Gary Mazzotti**
- **Filip Bělák**
- **Peter Černák**
- **Alan Beeston**
- **Matteo Mazzarini**
- **Petr Choutka**

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

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

Figure 9: EPH ESG policies.



## Case Study
# **MIBRAG:** Code of Conduct

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

## Case Study

# **MIBRAG:** Development and implementation of leadership culture 2023+

During three consecutive workshops, the following questions were – among other areas – addressed by a project team of employees in leadership positions from all areas of the company taking into account MIBRAG's leadership guidelines and principles:

- What is particularly important / what matters now in the company?
- Which leadership skills are currently required and will be required in the future?
- How do we as individuals deal with one another/ how do we treat each other?

The answers to these questions include 10 revised guidelines, summed up in the so-called Leadership culture 2023+. This new concept was finalised together with the Management Board and all employees in leadership positions during a leadership information event. In implementing the concept, all leaders are asked to personally reflect this Leadership culture 2023+ in their working environment and areas of responsibility. Information and further training modules are planned to be offered for this purpose in the upcoming months.



### 1 Lead By Example

We identify ourselves with the company and take responsibility for action.

### 2 Live Safety

We give highest priority to the health and safety of our employees.

### 3 Communicate Openly

We communicate openly and comprehensibly, we contextualize information and actively listen to each other.

### 4 Pay Respect To Each Other

We treat each other with respect, have trust in our employees and are committed to our leadership task.

### 5 Set Goals

We iderive concrete goals for our area of responsibility from corporate targets, demand performance fromour employees and achieve our goals together.

### 6 Make Decisions

We make strategic, success-oriented, explain them and implement resolutions together.

### 7 Show Prospects

We provide guidance in a changing environment and show corporate and potentioal personal prospects.

### 8 Drive Innovation

We are curious, learn from mistakes, promote courage, creativity and focus on solutons.

### 9 Promote Employees

We promote employees, see their great potential, give them feedback and are open to praise and criticism.

### 10 Strengthen Cooperation

We stay focused, work efficiently at eye level, we think and act flexibly across departments.

Picture 38: Leadership culture 2023+.

# Case Study
# EP Produzione:
# HSE collaborations, campaigns, and initiatives

## “Le 7 insidie” project

The “7 Traps” (Le 7 insidie) is EP Produzione’s safety campaign that aims to emphasize the need to maintain a high level of attention by describing seven potentially dangerous situations that can occur in the workplace. The campaign promotes maintaining of control at all times and helps to achieve maximum employee and contractor involvement.

Launched in 2016, the 7 Traps campaign – identified in suspended loads, driving, and moving vehicles, fire and explosion, hidden risks, working at height, and confined space – involves displaying posters in high-traffic areas within the facilities and the “Spot the Error” competition on best practices and actions to take when the seven risk situations occur.

The campaign has been reproposed in two areas of the company where the target audience had no experience with its messages: the construction sites and the webinars for newcomers.

In the construction sites of Tavazzano New and Ostiglia New, the posters of the traps have been redesigned using the HSE communication framework of those projects, respectively the *“Let’s Become Safety Giants”* and the *“Zero Harm Program”*. The target audience consists of contractors who need to be aware of the typical top risks of the construction projects. The 7 traps have been communicated during the bonus/malus events, the safety stops and the periodical toolbox talks. To improve the effects of the campaign, real-life instances of risky behaviours were captured on photographs, converted to life-size illustrations, and showcased during Safety Hours. Thus, the initiative has aimed to further engage workers by presenting real events and promoting a heightened awareness of safety practices.

Finally, the knowledge on the 7 traps has been transferred to the EPP newcomers over a webinar training programme that started in 2023 and is planned to end in 2024. During the training, both theoretical information but also practical exercises are provided on how to manage hazardous situations in the workplace. The examples have been taken from real-life near misses that occurred in the past.

## The “Renewed #abbicura di Volta” project in Volta

In 2023, the collaboration between the Volta Institute (IIS) in Lodi and EP Produzione has been renewed with the launch of the three-year project *“#Abbicura di Volta in Volta Sicurezza/ Salute/Ambiente”*. This project involves the participation of approximately 120 third-year students for three consecutive years, providing them with a continuous learning pathway to enhance their Health, Safety, and Environment (HSE) competencies. Three Ambassadors are to be selected from each class, who are responsible for coordinating class activities and final projects related to the current year’s subject.

In 2023, the project focused on safety, particularly emergency management, with plans to cover issues of health and the environment in the subsequent two years. The activities kicked off with a meeting on the school premisses involving HSE EP Representatives, the Head of the Volta Institute, and its Safety Officer (RSPP). Following this, six training sessions were conducted at the school in collaboration with Association of Italian Occupational Safety Trainers (AIFOS), addressing emergency management, roles, and responsibilities.

The project is part of a five-year partnership with the Volta Institute which has also materialised through work and study programmes and via the placement of top talents from the school at the Tavazzano and Montanaso plants.

## Generational change

Recognizing the challenge of generational change as particularly significant for EP Produzione, the company has established in 2023 a dedicated action plan and identified a set of strategies aimed at addressing this issue. These encompass the promotion of an HSE culture for new hires, the effective management of HSE and technical competence for both new hires and those transitioning to different roles and the promotion of health in the ageing population.

Considering these objectives, EP Produzione carried out in 2023 the *“Train the Trainer”* project aiming to equip senior colleagues with the necessary tools to effectively train new talents and offering technical and on-the-job training programmes to recruits, complemented by initiatives focusing on their soft skills. Moreover, as part of the World Safety Day, the company organised a series of dedicated events, which included a theatre performance and a safety hour on the topic, emphasizing the commitment to a safe and knowledge-sharing professional working environment.

## Violence and harassment prevention at workplace

In 2023, new risk assessments for workplace violence and harassment were completed across all EPP locations. The assessments involved an initial meeting with key personnel, the completion of an assessment checklist, and interviews with representative samples from different locations. Across all EPP facilities, risks were determined to be low to medium based on key performance indicators (KPI) (e.g., gender distribution of workers, workplace location, etc.) and thoroughly analysed by the HSE and HR functions.

To address specific risks, a company-wide training and information webinar on essential aspects of workplace harassment and violence has been conducted. The webinar sessions involved 350 people for a total of 525 training hours. They provided an overview of the legislative framework and presented case studies with points for discussion, emphasising the importance of reporting incidents to the Supervisory Board.

# Supply chain management

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

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

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

### Our contribution to the SDGs:

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

## Procurement practices

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

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

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



# 2023 **Highlights**

In 2023, EPH continued to experience the benefits of the Group-wide KYC Directive, which has been in place since 2021. It effectively verifies and validates the identity and suitability of business partners, mitigates financial and reputational risk, and ensures regulatory compliance.

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

### What do we expect from our suppliers?


In 2023, there were no significant changes to EPH's supply chain. Additionally, there were no reported incidents in the supply chain in this year.

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

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

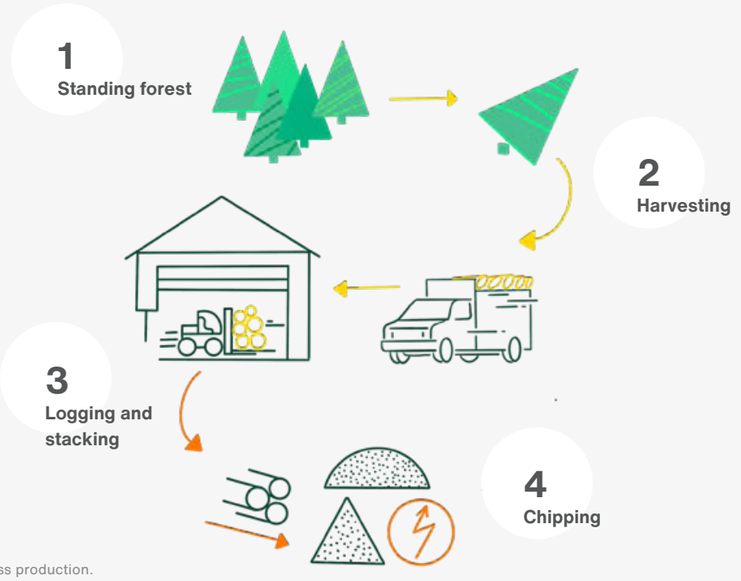
Because of EPNEI's business scope, the biomass used in operations cannot solely be transported by truck, but rather it must also be supported by maritime transport. Depending on the consumption of diesel fuel, this transportation method accounts for about 4–5% of the energy content of EPNEI's transported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

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

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

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

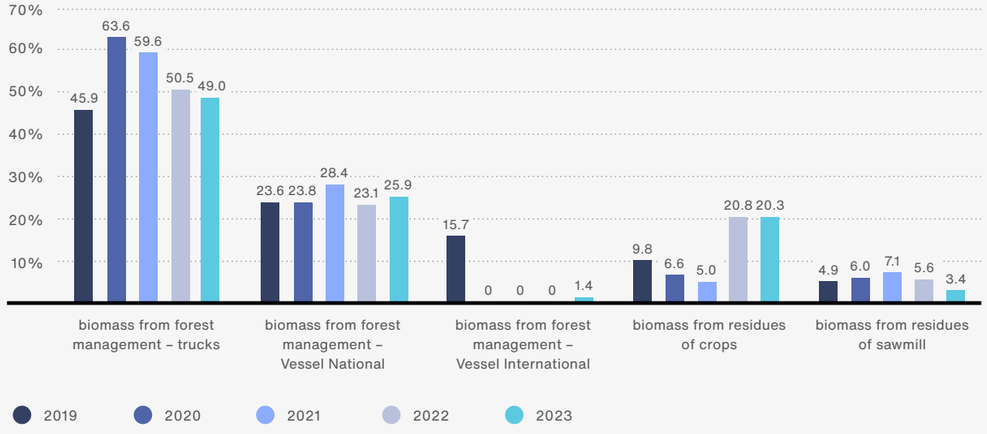
More specifically at EPNEI, Biomasse Italia and Biomasse Crotone have a complex supply chain, both in terms of biomass origin and type. This is further showcased in the graph below.




Picture 40: Flow chart of biomass production.


Picture 39: Consumption Consistency and flow of biomass in Italy's supply chain.

### Origins of Biomass (2019–2023)




Graph 30: Biomass by origin, type and logistics (2019–2023).

## Case Study

# EP New Energy Italia – Biomasse Crotone and Biomasse Italia

### Flexible approach in biomass generation

In 2023, faced with the challenges posed by volatile market power prices and biomass supply constraints, a “flexible approach” to plant operation was adopted as a strategic response. This approach, although traditionally challenging for biomass plants, aimed to achieve the following objectives:

- Minimizing the impact of extremely low power prices, which could lead to financial strain and maximizing load up to the maximum level whenever market prices adequately covered the underlying cost structure.
- Optimizing biomass consumption by prioritizing burning when it offered the highest marginality and conserving it during periods of negative or minimal value.

A dedicated process was developed, through relying on EPP Energy management as a provider of hourly price curves and through setting rules and tools to timely perform the “breakeven point analysis” and drive decisions about load running adjustments. The key element of this approach is the “Optimisation Tool,” developed collaboratively by local management and EPP Energy management, which was implemented in March 2023.

### Supplier Management System as social growth

The Supplier Management System, known as SIGEF platform, is a long-standing project that ensures corporate security while indirectly fostering the advancement of all involved suppliers. Through this platform, suppliers are required to submit documentation demonstrating compliance with prevailing regulations in legal, economic, health and safety, and environmental domains before gaining access to the plant premises.

Significant societal impact, particularly in safeguarding health and safety at work, is achieved by verifying the appropriate training for each worker according to the activity they carry out. Only after verification of the documentation by the appropriate company functions (Security, HSE, Legal, Operation director) suppliers attain qualification status. The results achieved are also reflected in the purchase of biomass, as they allow us to guarantee traceability and compliance with regulations regarding the wood supply chain.

## Biomasse Crotone

### Building recovery

An initiative, which has been both promoted and successfully completed, involves the renovation of buildings for use as contractor changing rooms, a request made by the local health authority (ASL). This decision not only brings economic benefits but also helps to overcome various organisational and logistical challenges that arise during scheduled shutdowns when contractor presence significantly increases.

For these purposes, an abandoned two-story building located inside the plant was renovated. Furthermore, with the aid of the state incentive “Sisma Bonus”, it was possible to improve the seismic performance of the building, reaching a seismic risk class B.

## Biomasse Italia

### Supply of water

The company is exploring investments to secure water resources for the plant’s operations. Currently, the plant draws water from a branch downstream of the water purification plant, which supplies water for civil use in the city of Crotone.

Biomasse Crotone aims to work with responsible bodies such as Regione Calabria and the Regional Consortium for the Development of Productive Activities to create a pipeline that allows the water to be withdrawn upstream of the purification plant. This sustainable development initiative offers dual benefits.

Firstly, the plant would no longer affect the consumption of water that could be otherwise directed to the city, which is strongly affected by the water crisis throughout the year. Secondly, it would also allow the plant to achieve water autonomy.

# Case Study
# Supply chain management

## EP Produzione

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

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

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

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

## EP Resources

At EP Resources AG (EPR), supply chain management is an increasingly relevant topic; we continue to focus on better managing the selection, onboarding, and monitoring processes of our suppliers. Our suppliers must undergo a strict approval process.Suppliers are classified according to the products and services they offer, between freight and commodity desks. Additionally, all potential suppliers are evaluated against the EPH Group-wide KYC procedure, and assessed for credit, performance, and reputational risk by the central risk team. Significant suppliers and contracts are assessed and approved by the EPH Risk Committee.

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

During 2023, EPR AG continued to reduce its dependence on coal and actively pursued initiatives aimed at mitigating its environmental impact. Besides portfolio diversification which led to lower coal dependency (in terms of both revenues and volumes), EPR AG also uses state-of-the-art modern and fuel-efficient seaborne freight fleet on time-charter contracts.

At early 2024, EPR became a member of the Better Coal Association which helps to adhere rigorous standards and best practices for responsible coal sourcing. Complyint with Bettercoal's standards and practices also helps to better manage risks related to environmental, social, and governance issues in EPR's coal supply chain.

Bettercoal's assessment process allows EPR to benchmark the performance of the mines wherefrom we source materials, against industry standards and identify areas for improvement. This helps EPR to push its suppliers into continuous improvement in their operating practices.

Bettercoal's standards and practices align with global initiatives such as the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. EPR's membership demonstrates its firm alignment with these frameworks.

## MIBRAG

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

# EPH's focus on protecting information and cybersecurity

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

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

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

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

## IT Security Coordinator

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

## EPH's Cybersecurity Principles

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

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

Directive EU 2022/2555 (NIS2) further expands EU security requirements and scope of covered organizations and sectors to improve the security of supply chains, simplify reporting obligations, and enforce more stringent measures and sanctions throughout Europe. EPH Group is analysing the impact of NIS2 on its companies and estimating the effort needed to meet the requirements.

Sophisticated security attacks require highly specialized expertise. EPH very quickly engages Security Operations Centers (SOCs) with experienced specialists to complement the IT and security teams in its companies. This will increase their ability to quickly detect suspicious situations and reduce the response time needed to mitigate incidents and potential service outages.

Based on our experience with the most common security threats, the Group organises regular simulated cyber-attacks to increase the awareness of employees and their practical readiness to recognise suspicious features of fraudulent e-mails. Recently, the focus has been on strengthening overall security in the context of prevention in opening dangerous attachments and sensitive data sharing via e-mails or unknown links by employees.

## EPH's main steps to ensuring resilience against cyber threats

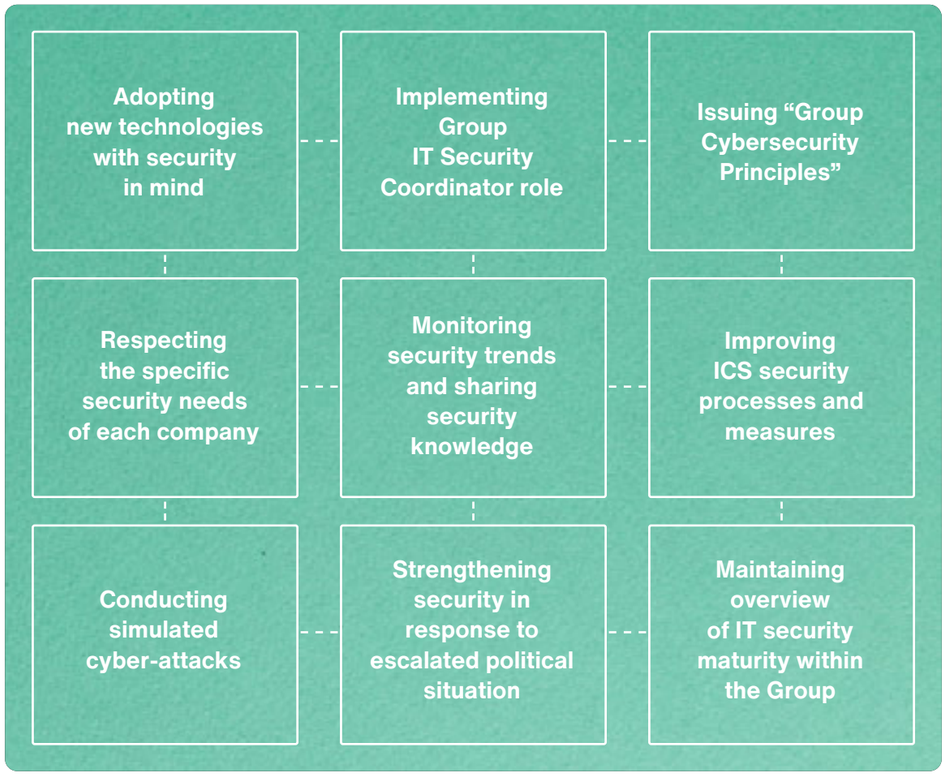



Figure 10: Steps to ensuring resilience against cyber threats.

# Risk and crisis management

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

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

### Response to the military invasion of Ukraine

Since February 2022, following the Russian military invasion of Ukraine, EPH Group has continuously assessed all sanctions imposed on Russian Federation to ensure compliance while conducting transactions with our counterparties.

### Our contribution to the SDGs:

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

## Risk Committee

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

## Financial risks

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

## Operational risks

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

## Strategic risks

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

## Climate change related risks

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



# 2023 Highlights

## Strategies

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

## Information

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

## Group culture

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

# On-going monitoring


Figure 11: Risk matrix.



## Financial risks

**Management approach to risk mitigation**

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

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

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

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

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

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

## Operational risks

**Management approach to risk mitigation**

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

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

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

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

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

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

Table 12: Risk management overview.

| Strategic risks | Management approach to risk mitigation |
|---|---|
| **Socio-economic and political risk**<br>The Group's business is exposed to political, economic and social developments in Slovakia, the Czech Republic, Central and Eastern Europe regions, and elsewhere. | ▪ Open dialogue with local communities and authorities, with timely communication of our business intentions. |
| **Concentration risk**<br>A large part of our gas transmission, gas and power distribution, and gas storage revenues are concentrated on a small number of customers. | ▪ Strict control of counterparty credit risk.<br>▪ 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**<br>Reputational damage may arise from miscommunication, lack of communication or low transparency with stakeholders. | ▪ We only present information about our business that is based on facts, and we do so in a clear and reliable manner.<br>▪ We constantly monitor public media so that we may warn our stakeholders in a timely manner about any false information related to EPH and the Group that was released.<br>▪ 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**<br>Many of the markets in which the Group's business operates are increasingly competitive and as such, the Group is exposed to the risk of not being able to compete effectively on an ongoing basis. | ▪ We focus on transmission, distribution and storage of key commodities where the existing infrastructure cannot be easily replicated by competitors.<br>▪ Within the power generation business, we primarily operate conventional power plants which are vital for stability of local grids and not easily replaceable. At the same time, we transition towards renewable generation sources to be on track with development of European energy mix.<br>▪ 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**<br>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 (83% of our employees are covered by collective bargaining agreements).<br>▪ We delegate main responsibilities across multiple executives to reduce the amount of risk managed by one position.<br>▪ Engagement with schools, universities and talent recruitment programmes at our subsidiaries and with our union representatives. |

Table 12: Risk management overview (continue).



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

Table 12: Risk management overview (continue).

# Social

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

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

# Health & safety

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

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

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

**Our contribution to the SDGs:**

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

## Health & safety management

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

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

## Health & safety certifications

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

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

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



# 2023 Highlights

ISO 45001 certifications highlight the health and safety management systems in place within the Group. In 2023, 73% of EPH’s employees were covered by these certifications.[53]

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

**2023: Employees covered by ISO 45001**

| 8,017 | 10,967 | 73% |
|---|---|---|
| Total employees covered | Total FTEs | Covered employees |

1% increase of total covered employees from 2022

Figure 12: Employees covered by ISO 45001 in 2023.

| 2023 | Employees | Contractors |
|---|---|---|
| Total worked hours | 17 million<br>4% increase from 2022 | 4 million<br>36% increase from 2022 |
| Registered injuries | 45<br>17% decrease from 2022 | 14<br>40% increase from 2022 |
| Fatal injuries | 1<br>no change from 2022 | 0<br>no change from 2022 |
| Injury freq. rate | 2.6<br>0.55 point decrease from 2022 | 3.4<br>0.17 point increase from 2022 |

Figure 13: Injuries overview.

53 This does not mean that the rest of our employees work in unsafe and unhealthy environments. Entities without any physical operations typically do not seek this certification.

# Health and safety management

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

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

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

At EPH, we pride ourselves on the fact that our top priority is the health and safety of our employees. Regrettably, in September 2023, a fatal injury occurred at SSE (Stredoslovenská energetika) involving own employee who was hit by an electric shock during maintenance works at the distribution network. The incident occurred despite a dedicated thorough health & safety assessment performed by an external consultant hired by SSE in response to a fatal injury in 2022.

## 8 Pillars of health & safety management

| | |
|---|---|
| **Commitment from top management** | At EPH, reporting on H&S issues is taken very seriously; top management is actively involved in H&S issues and ensures that they are carefully considered in every decision-making process. This level of commitment is expected from all of our entities. Additionally, semi-annual and annual reports on H&S are presented directly to the Board of Directors. |
| **H&S integration into our remuneration system** | We integrate H&S into our incentive schemes, such as within our employee performance assessments. We believe that this invites greater insights from employees on approaches for maintaining a safe and healthy working environment. It also allows us to identify any gaps in our H&S training and policies. |
| **Prevention** | As a Group, we aim not only to reduce the incidence of accidents, but also to prevent them from ever occurring. As a result, several of our entities focus their preventive approaches on keeping detailed records of all accidents and “near-misses” and defining the remedial actions taken to prevent similar reoccurrences. We also focus on reducing near-misses and incidents through monitoring and analysis, which help prevent severe or even fatal accidents. |
| **Risk control and reduction** | Our H&S management requires regular on-site risk assessments and inspections. Work-related risk assessments, including those performed by contractors and subcontractors, are a common practice at our subsidiaries. Most of our operations also receive third party safety inspections of the H&S of projects and technological processes involved. |
| **Focus on behaviour** | Studies show that 80–90 % of accidents are caused by human error[54]. At the same time, changing unsafe behaviours is one of the most difficult challenges a company faces when trying to achieve a goal of “zero harm.” Behaviour Based Safety (BBS) can reinforce corrective action that an organisation’s management can take to address unsafe work behaviour. |
| **Training and communication** | The EPH Group recognises that H&S training and communication are important channels for distributing relevant knowledge, awareness and expectations amongst our employees and contractors. The Group provides general training programmes on employee safety; periodic retraining is also facilitated.<br><br>When selecting or assessing potential suppliers, the Group also considers their approaches and attitudes toward safety issues. |
| **Emergency response and fire protection procedures** | The Group’s entities have dedicated fire protection and emergency response plans. We work to continuously improve our preparation for these situations, such as through regular drills and training sessions.<br><br>As an example, the health, safety, environment, and quality (HSEQ) departments at eustream and Nafta regularly perform controlled emergency drills in collaboration with the dispatch department and fire safety brigades. |
| **Health protection** | EPH’s subsidiaries have various initiatives that aim to promote the health and well-being of its employees while at work.<br><br>Most of our subsidiaries regularly provide medical examinations for their employees. |

Table 13: Pillars of health and safety management within the Group.

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

## Case Study
## Stredoslovenská distribučná:
## Health and safety

At EPIF, ensuring the safety of our employees and contractors is our top priority. The likelihood of injuries and the volume of incidents reported vary among our subsidiaries, with a notable risk at Stredoslovenská distribučná (SSD), which manages the power distribution network of more than 35,000 km in central Slovakia. The company employs more than 1,300 workers and sources additional services from external contractors. The higher incidence of reports from SSD primarily stems from the extensive amount of technical field work and high-voltage operations involved. SSD recognizes the risks inherent in such activities and therefore prioritizes rigorous monitoring and continuous improvement of its safety processes.

SSD closely follows indicators, such as SIFp (serious injuries or fatalities potential), which refers to an incident exposure that has a credible potential to result in a fatality, illness, life-threatening or life altering injury, regardless of the outcome. Operating vehicles, falls from heights, and working with electrical facilities, are among the most frequent work-related activities connected with serious injuries. To minimize injury potential, SSD implements high-quality safety procedures, standards, and rules that are frequently updated. Furthermore, SSD complies with ISO 45001:2018 standards, and sets clear leadership intent and commitment across the board to improve safety performance. Over recent years, SSD has boosted its safety budget by approximately 20% which has included upgrading personal protective equipment and hiring two additional technicians to better connect with and support field workers. SSD updated and added new communication on safety, introducing new digital tools and video engagements to better involve employees at various levels. Finally, in response to a fatal injury in 2022, SSD as one of the measures taken, hired a leading provider of operations management consulting services as its external consultant to perform a detailed assessment of procedures, controls, and overall company culture in the health & safety area. The assessment confirmed the existence of high-quality procedures, standards, and rules within the company. On the other hand, the consultant recommended certain enhancements to reinforce an independent safety culture through defining a vision and strategy for safety and building the foundation for a risk-based mindset across SSD. The company has commenced implementation of the recommendations across its operations.

Regrettably, despite all the safety measures in place, SSD reported a fatal accident in September 2023, where one of our employees suffered an electrical injury when performing network maintenance. While the investigations have not attributed responsibility for the incident to SSD, we remain committed to further enhancing the safety procedures, standards, and rules. Additionally, we are actively engaging employees using modern communication tools to instill operational discipline and heighten risk awareness within our safety culture.



## LOKOTRAIN:
## New train driver simulator

LokoTrain s.r.o. is developing and testing a train driver simulator, aiming for it to be ready for training and testing drivers by July 2024. This simulator is designed to help train drivers practise handling dangerous situations on the railways by creating simulations of conditions that are hard to replicate in real life, such as diverse weather situations, low visibility, technical issues, and unexpected obstacles. There are two versions of the simulator: one featuring a life-like model with a large-format screen for a realistic view from the cabin, and another utilising a model of the station with control lever combined with virtual reality glasses to offer an immersive control and visual experience.

While Czech regulations do not yet mandate simulator training as in some neighbouring countries, acquiring this simulator is recognized as a critical step towards enhancing operational safety and preparedness for complex real-world scenarios. LokoTrain also intends to make the simulator accessible to other carriers, contributing to a broader enhancement of safety culture within the railway industry. This aligns with the EU's future safety commitments and standards, as well as the objectives of the EP Logistics International group.

# Employment and employee development

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

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

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

**Our contribution to the SDGs:**

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

## Our employees

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

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

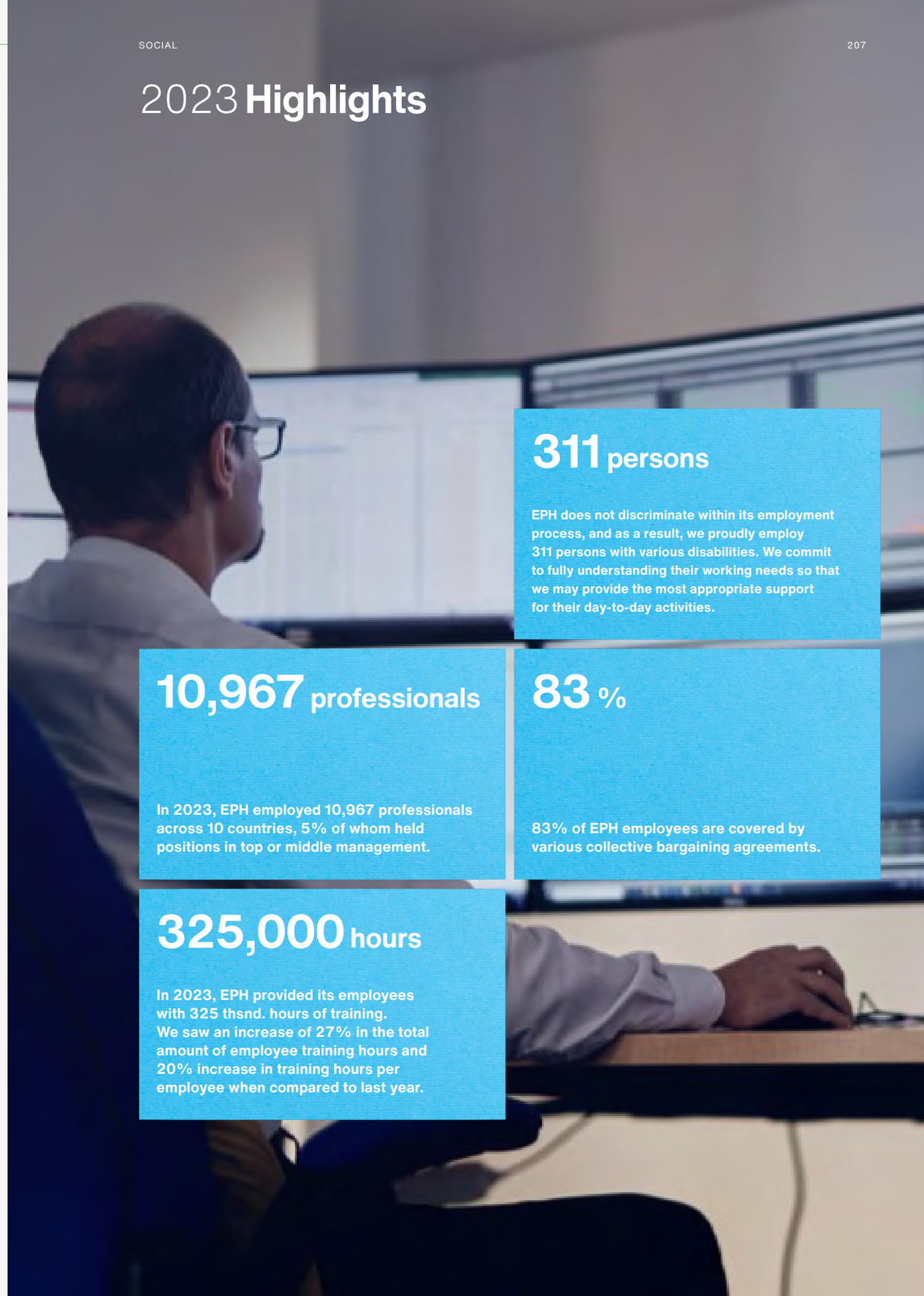
## Training and development

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

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



# 2023 Highlights



**311 persons**

**EPH does not discriminate within its employment process, and as a result, we proudly employ 311 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.**

**10,967 professionals**

**In 2023, EPH employed 10,967 professionals across 10 countries, 5% of whom held positions in top or middle management.**

**83 %**

**83% of EPH employees are covered by various collective bargaining agreements.**

**325,000 hours**

**In 2023, EPH provided its employees with 325 thsnd. hours of training. We saw an increase of 27% in the total amount of employee training hours and 20% increase in training hours per employee when compared to last year.**

# EPH employment and employee standards

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

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

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

As committed as we are to equal employment in our talent, we still see a disproportionate number of women to men in our Group. This is currently the norm in energy-focused fields and is reflected in the rates experienced by our peers[55], with roughly 26% and 20% of women in non-executive, and top and middle management respectively. In 2023, this was represented by a 20% and 18% breakdown within EPH. At EPH, we continually encourage our female employees to take on leadership roles while supporting their personal and professional growth.

## Headcount by country 2023

**Slovakia**
**4,250 employees**

**Germany**
**2,573 employees**

**Czech Republic**
**2,181 employees**

**Italy**
**604 employees**

**UK**
**583 employees**

**France**
**426 employees**

**Poland**
**47 employees**

**Switzerland**
**39 employees**

**Ireland**
**4 employees**

**Netherlands**
**260 employees**

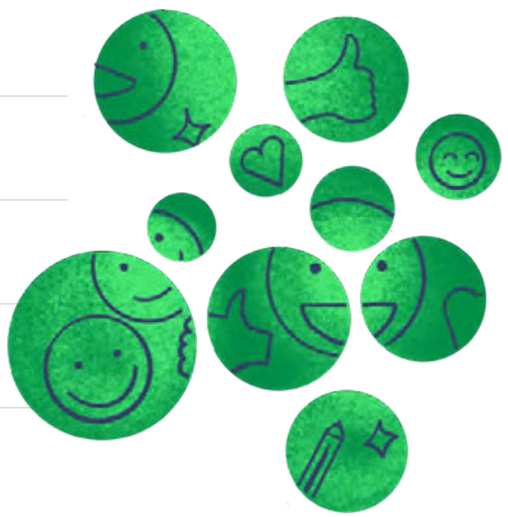


Figure 14: Headcount by country.

55 Based on the analysis of 5 main comparable energy groups in Europe (based on 2023 report analysis).



## Employee data by gender

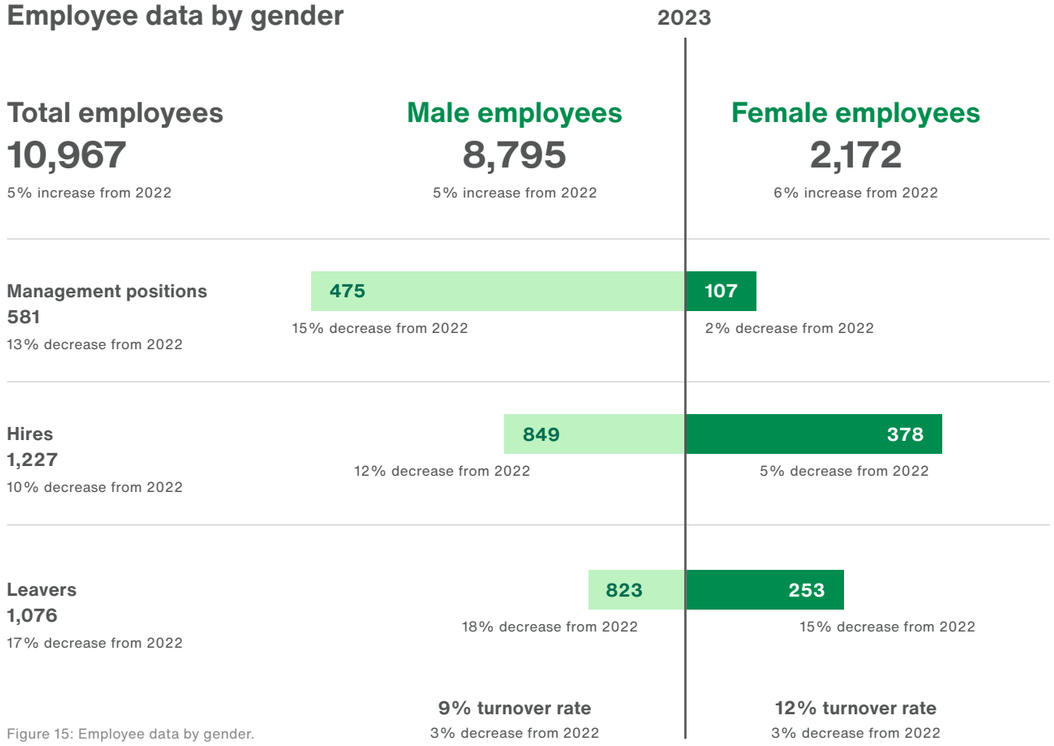



Figure 15: Employee data by gender.

## 2023 Total employees by age group

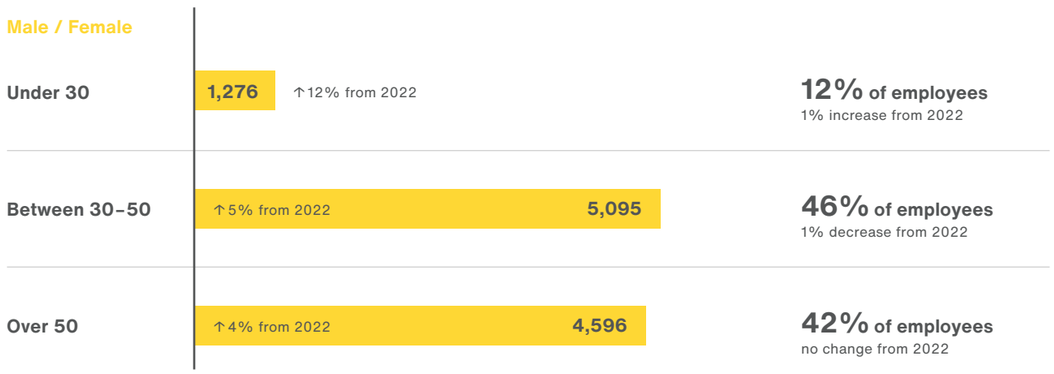



Figure 16: Employee data by age groups.

# Employee development

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

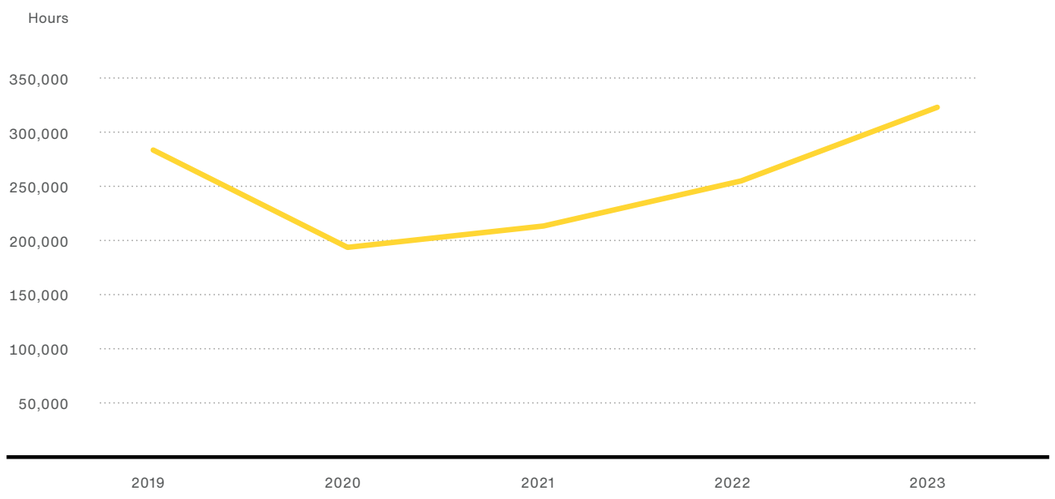
We are committed to providing the right tools and environment for our employees to grow and develop professionally. In an effort to better understand the strengths of our employees, we perform regular work assessments and evaluations. This not only allows us to improve the allocation of talent within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

In 2023, we saw an increase of 27% in the total amount of employee training hours and 20% increase in training hours per employee when compared to last year. This rise in training hours per employee was experienced in both EPIF and EPPE and is partly driven by cumulation of trainings from previous years after COVID restrictions.

**325 thsnd. hrs.**
**of employee training**
↑ 27% from 2022

**29.7**
**training hrs. / employee**
↑ 20% from 2022

### Total employee training




Graph 31: Employee training hours.



## Case Study
## EP Cargo Trucking:
## Innovations in Driver Training and Operational Efficiency

**In 2023, EP Cargo Trucking established the "driver trainer" role, filled by a highly experienced driver, to elevate operational standards. This position encompasses:**

| | |
|---|---|
| **Driving Efficiency** | Reducing maintenance costs and improving fuel efficiency through correct equipment handling during unloading and loading. |
| **Training** | Offering personalized training to enhance skills of new and existing drivers, ensuring best practices are adopted and inefficiencies are minimized. |
| **Vehicle Delivery** | Ensuring vehicles are technically sound and properly documented before deployment. |
| **Safety Inspections** | Conducting random checks on vehicles and equipment to uphold safety standards. |
| **Ongoing Education** | Receiving continuous training on new vehicles to maintain expertise in the latest vehicle technologies. |

# Case Studies
# Employee and employment programmes

## Stredoslovenská distribučná (SSE subsidiary)

**Replacing experienced employees leaving for retirement with younger employees proves to be challenging, particularly for technical roles in traditional industries. SSD intends attract suitable candidates through the following initiatives:**

1. Trainee programme – programme for recruitment of university students to selected positions with subsequent recruitment of the students to the workplace. In 2023, SSD accepted 7 university students to the trainee programme, 4 of whom were subsequently employed for a full-time position at the company. There is an Agreement on Cooperation and Promotion within the framework of filling jobs with students of Electrical Engineering between SSD and the University of Žilina. Lectures for students are also organised under the Agreement.
2. Cooperation with high schools – programme for recruiting high school students of electrical engineering for apprenticeships with subsequent recruitment of the students for electrical engineering positions. On average, SSD accepts 11 high school students for apprenticeships, 4 of whom are subsequently employed for a full-time position at the company. SSD cooperates with 4 vocational high schools on the basis of a Cooperation Agreement. SSD expanded cooperation with Vocational High School for Electrical Engineering of Žilina, providing them with equipment for a classroom.

**To meet the shortfall in manpower due to impending retirements, the following programmes are in place:**

1. Workforce renewal concept for the increasing number of retiring employees, which will need to be replaced with internal employees and external candidates in all divisions in SSD.
2. Preparation of the Staffing Strategy, specifically succession planning and talent management topics.
3. Preparation and implementation of the TRAFO Management Training Programme, which will also be linked to the topic of Occupational Health and Safety culture in 2024.
4. Preparation and continuation of the implementation of the New Manager programme.
5. Preparation and continuation of the implementation of the Safe Working Practices training for specific positions at the company.

## LOCON AG

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

## SPP - distribúcia

At SPP-D, we have been focusing on the education and development of our employees, as well as students. As in previous years, SPP-D offered the employees both compulsory and periodical training as well as training activities aimed at developing specific skills in professional areas, managerial competencies, IT skills and interpersonal skills.

Another year of the Full Gas career programme was successfully completed in 2023. The programme aims to further develop key employees in managerial and expert positions and maintain valuable specific know-how in the company. In March 2022, SPP-D relaunched a new Gas Academy programme, which aims to create a staff reserve to fill the positions of foremen or technicians. The programme ended in July 2023.

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

# Case Studies
# Employee and employment programmes

## EP Produzione

In 2023, EP Produzione continued a phishing countermeasures campaign aimed at raising awareness among staff on this issue. A total of 15,325 simulated attacks were sent, with a success rate decreasing from 11.3% to 8.4%, indicating the effectiveness of the continuous training provided by EP Produzione to its users. The 589 employees involved in the campaign demonstrated an ability to recognize phishing attempts disguised in various ways, including lottery win emails and bank account checks. Thanks to the measures implemented and the increased user awareness in 2023, all malware and phishing spam emails that reached the company's systems were intercepted and mitigated.

In 2023, the continued its IT security training program with the aim of providing all its employees with the necessary tools to prevent online cyber attacks. The project, entitled Cyber Guru Awareness, was created in collaboration with the company Cyber Guru, to satisfy the need of an ongoing training program aimed at increasing awareness, the perception of danger and readiness to react when faced with risks in digital environment. The training envisages the teaching of 12 annual modules, each focusing on a different topic, including phishing, the IoT, data privacy and smart-working.

The initiative also includes a video channel, the "Cyber Guru Channel", where employees can access short videos that, by simulating real-life situations, provide a concrete understanding of the cyber threats that individuals and companies have to face. EP Produzione has also strengthened its digital infrastructure to facilitate remote work, introducing new tools for sharing and collaboration such as Microsoft Teams and Sharepoint, and providing training courses on their usage. In 2023, Network Access Control – the access control infrastructure to prevent unauthorized access to EP Produzione's network – was further enhanced with stringent rules for devices physically connected to both WIRED (at production sites) and WIRELESS networks.



## Plzeňská teplárenská

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

The Director of Production of Plzeňská teplárenská, Jan Skřivánek stated that "we are working towards opening a new training centre for students in the fields of Mechanics for plumbing and electrotechnical equipment, Electromechanics for equipment and devices, and Electricians for high current. The centre has been created by modifying the existing heat exchanger station on Komenského street." "This way, we will begin tailoring the education of our experts," the Director added.

Fully equipped facilities have been built for the students in the existing heat exchanger station, which includes a classroom, workshops, and a locker room. Additionally, there will be also a fully functional model of the heat exchanger station and it is planned for the roof of the building to be fitted with photovoltaics. Additionally, the installation of a charging electric station is being considered. Thanks to a subsidy from the Pilsen Region, the training centre will be equipped with the necessary tools for teaching. Opening of the new training centre is scheduled to open in spring 2024.

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

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


Picture 41: From left to right, Director of the Secondary Vocational School of Electrical Engineering in Pilsen, Ing. Jaroslav Černý, and CEO of PLTEP, Ing. Václav Pašek, PhD.

# Case Studies
# Employee and employment programmes

## EP UK Investments

Companies across the EPUKI group have been investing in their colleagues' continuing career and personal development across 2023, including supporting 21 different individuals through qualifications including maintenance and engineering apprenticeships; chartered management qualifications; and specialist procurement & supply chain and finance qualifications.

Colleagues have been encouraged to broaden their skillset and experience by lending their expertise to other projects across the group including 6 colleagues at Lynemouth undertaking secondments to the OCGT project in Kilroot. This cross-pollination enables individuals across the group to share and grow their skillset and be exposed to new technologies and ideas which return with them when they return to their substantive role.

Our Kilroot site has been focused on the new OCGT project and the activities relating to the coal plant ceasing to generate; this has of course led to a number of colleagues departing the business through 2023. To ensure that these individuals are provided with support, the site has arranged a careers day involving local companies with vacant positions in attendance, along with 5 different support organisations. Over 40 affected colleagues attended to access support and to discuss their next career steps. Additionally, all colleagues impacted by redundancy were offered the opportunity to access outplacement support and for those who were in a position to consider retirement a preretirement workshop was arranged to assist them with thinking through the necessary plans and arrangements they would need to put in place.

## Slovenské Elektrárne

Slovenské elektrárne emphasises the continuous improvement of skills of its employees through regular training and required qualifications. For relevant employees, the company offers a unique opportunity to grow and develop in a company with long history and broad portfolio of partnerships with international organisations.

An important element in employees' development is the training programme for operational and technical staff of the unit supervisors and the emergency response organisation of nuclear power plants. Their members are systematically trained throughout the year, both professionally and in other highly specialised skills, mainly focusing on teamwork and handling various challenging situations in the field of safety and prevention of operational incidents.

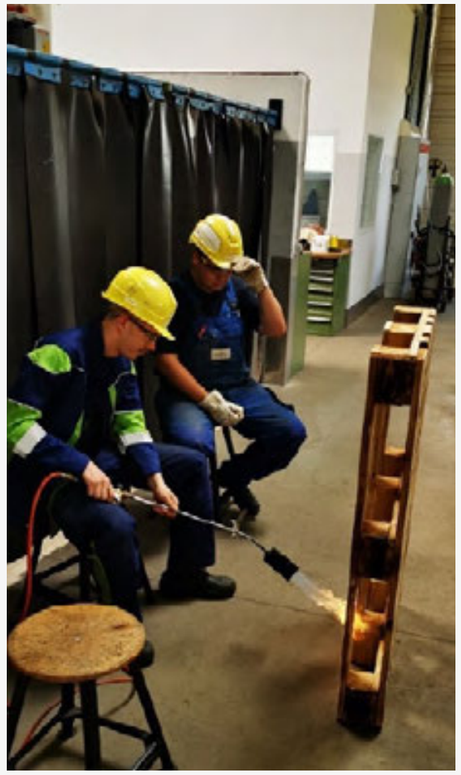
For training in engineering positions, Slovenské elektrárne uses virtual simulators that enable the control and operation of nuclear power plant equipment and systems under normal, abnormal and emergency conditions. In the practical training centres, Slovenské elektrárne carries out regular and periodical professional training focused on compliance with safety rules and procedures.

Regarding soft skills, Slovenské elektrárne is dedicated to promoting communication skills and teamwork. In the area of management skills development, Slovenské elektrárne continued its well-established Leaders Academy programme. After two years of preparation, Slovenské elektrárne started to implement the NUCLET development programmes for nuclear managers and UNIVET for hydropower plant managers, which are methodologically connected to the University of Slovenské elektrárne.

## MIBRAG

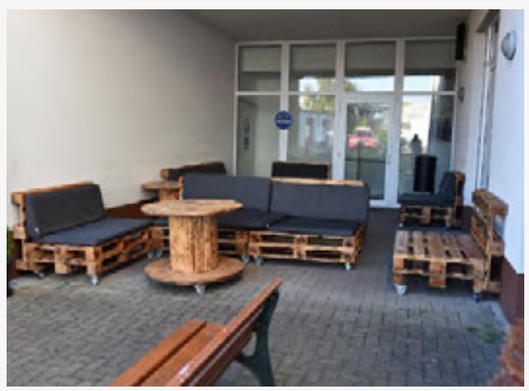
Modern and future-oriented vocational training is one of the keys to successful implementation of MIBRAG's transformation process. With this goal in mind, the training centre was renovated and redesigned in 2023 with support from all current trainees. They created – among other things – a modern lounge and social room and refurbished tables and chairs, built outdoor furniture and created an area dedicated to CrossFit workouts, including respective equipment.

At the same time, digitisation plays a key role in sustainable training and therefore is each trainee equipped with a laptop. On this basis, trainees can learn and practice new training methods, e.g. on a CNC machine, VR applications or 3D printer, to get better prepared for the new working world 4.0.



Picture 42: Trainees practicing at the training centre 4.0.

Picture 43: Trainees at the Training centre 4.0.



Picture 44: Social and relaxation area at the Training centre 4.0.

## Case Study

# **EP Produzione:** People Development & Organisation department throughout 2023

In 2023, the People Development & Organisation department boosted its activities focused on talent attraction and retention. The actions were implemented in the following main areas:

### Activities for attraction & retention of new perspective talents

At the core of ambitions of EP Produzione stands the active involvement and subscription to *"Valore D"*, the first Italian corporate association promoting gender balance and an inclusive culture (for more details, see the section dedicated to Diversity). Further, EP Produzione started the Talent4Energy program: a program dedicated to young talents to develop competencies throughout different departments of EP Produzione. In 2023 the three core paths were launched: the technology path, aiming to develop competencies among various power plants' employees, the finance path aiming to develop competencies among tax/accounting and controlling departments, and the energy path focused on developing competencies among back office, energy management and corporate development departments. Each path is planned to last 3 years and the development of relevant competencies is followed by development in employees' careers.

In 2023 EP Produzione joined *"Tutored"*, an online platform dedicated to young talent attraction. Following efforts to attract more young talents, the Career days has been dedicated to make the EP Produzione brand known among universities, attracting young talent before the end of their university studies. For this reason, the EP Produzione participated in the most influential and well-known career days at these institutions: Politecnico of Milan, Politecnico of Turin, Tor Vergata University in Roma, and Politecnico of Bari. EP Produzione also attracted and facilitated altogether 19 internships, both for staff offices and power plant facilities.

To provide help to new hires and to make everybody feel welcomed when they join EP Produzione, a more structured and robust onboarding programme has been implemented in 2023.

**The programme consists of the following steps:**

- Welcoming presentation of HR and Communication departments,
- delivery of a "welcome kit" for every new employee,
- HSE presentation,
- Focused one on one meeting with all directors/ responsible managers to get to know each department and their activities,
- assignment of a "company buddy" who will help the newly hired employee to orient themselves within the new working environment,
- assignment of a "Udemy training path" for training on essential and core topics such as embracing the culture of feedback, communicating with empathy, diversity, equity & inclusion, effective time management, how to set and achieve goals, problem-solving etc.,
- on-the-job training agreed upon with responsible line managers

Further on, during the first year of employment in EP Produzione, every new employee is invited to participate at the *"EPP Next event"*. Twice a year, EP Produzione organises a 3-day programme at the power plant to give the new employees the opportunity to visit a power plant if they don't work in it, and to get to know each other through various creative teambuilding activities, gain insights about EPP's projects and have a deeper understanding for safety.

### Activities to decrease employee turnover

In 2023, EP Produzione started a journey to implement a feedback culture inside EP Produzione. The first step was to organise a structured feedback cycle for all new employees that involved the HR department and line managers in one-on-one meetings with the newly hired. The feedback cycle was organised periodically starting with the first week wrap-up, then feedback when reaching the half of the trial period, then feedback close to the end of the trial period and finally feedback provided after the first year of employment. EP Produzione also started the Employer Branding project to identify and emphasise company's value. The aim of this project is to help EP Produzione's employees in developing a greater sense of purpose and engagement, identify the right skills and qualities in people that could be attracted to the company and help new hires to recognise themselves better in their new company. Another project of interest is the Key roles and people and their succession plans. This project has been divided into 2 parts: the first part, executed in collaboration with an external consultant firm aims to evaluate the weight and impact of different job roles in EP Produzione and better assign position classes. The second part, conducted internally, aims to identify key people in EP Produzione, evaluating performance, potential, motivation, career goals, strengths & improvement points, and risk of leaving. After that, for each key role and key person, EP Produzione structured a plan of sessions. The target for 2024 is to create a development plan for the employees included in succession plans, if needed.

In collaboration with an external consultant, EP Produzione developed the *"Payaudit"* programme to identify for each role evaluated in the key roles project an economic benchmark. The goal is to understand if the companies employment policies and practices are aligned with the market and if EPP is sufficiently competitive.

# Case Study
# **EP Produzione:** People Development & Organisation department throughout 2023

## Activities for retention of skilled employees

In 2023 the focus was put extensively on training of employees. EP Produzione offered a more structured training catalogue dedicated to soft skills and subscribed to Udemy, the online platform dedicated to continuous learning with access to thousands of different courses.

Specific training paths dedicated to diversity, equity and inclusion, had been implemented, focusing on areas and challenges such as female leadership, unconscious bias and how to give value to all kinds of diversities, how to be inclusive with different types of generations (dedicated to plant managers; kick off meeting in December 2023), *"Train the trainer"* programme, dedicated to senior employees who become tutors of new hires, focusing on how to deal with generational issues with the kick-off in January 2024, and finally facilitating a team building event in Fiume Santo plant with kick off in January 2024, centred around the topic of how to better coexist throughout different generations. Last but not least, the focus was put heavily on job rotations and internal job postings, to improve retention and competencies development of employees.

## Diversity – Valore D

In 2023, EP Produzione started a collaboration with Valore D, the first Italian corporate association promoting gender balance and inclusive culture to foster company growth. Thanks to this cooperation, employees could access the *"Valore D Academy"* which offers training programmes that cover innovative content and new trends to promote a truly inclusive corporate culture that values all diversities. These courses are structured according to seniority level of employees to meet the training needs of different points in the whole professional lifespan. In 2023 EPP activated the training programmes of Mentorship, Young Talents, Middle Manager level, Senior Smart Manager programme and the Web Workshop ESG Impact Economy programme.

## EPNEI has organized the following programs for employees and employment

**Onboarding program – It is a program that manages the employee's entry into the company:**

- "Welcome presentation" of HR department.
- HSE presentation.
- Construction of a trade training plan divided into:
- Basic training to transmit transversal know-how in the following areas: HR (mission and corporate values); HSE; Integrated Management System; 231, Privacy; Biomass.
- Technical and specific training for work activities to be carried out in the company.

**Creation of Managerial Paths:**

Coaching training courses for senior managers started in November 2023. We have also organized management training courses for new managers that will start from March 2024. The goal of these Managerial Paths is to strengthen / implement soft skills, team working, conflict management, trust, and confidence in dealing and working in a team. Implementation of technical-professional courses aimed at obtaining technical certifications.

**Reinforcement/replacement of personnel in work organization**:

During 2023, we hosted trainees who took the exam for the achievement of the first-degree license. This license is a certification required to operate plants and steam boiler in general. The aim is to have a potential back up: in the coming years, these trainees could replace the shift workers who will retire.

In 2023, we collaborated with the University of Calabria, with which we signed an agreement, and we collaborated with recruiting companies for the recruitment of new resources.

In 2023, we have activated school-work alternation programs with technical-industrial institutes that have a study profile relevant to carry out company's activities. The goal is to start meeting new potential resources and attracting new talents to hire.

# Customer relationship management

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

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

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

**Our contribution to the SDGs:**

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

## Customer and product approach

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

## Communication

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

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

## Access to basic services and responsible marketing

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

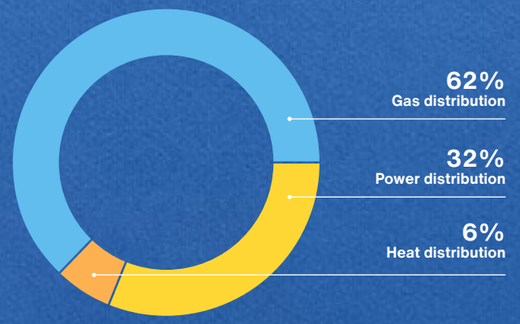
Through our subsidiaries EP Energy Trading, Dobrá Energie and Stredoslovenská energetika, we supply electricity and gas to more than 700 thousand customers in Slovakia and the Czech Republic. We strongly refuse to engage in any aggressive sales techniques to enhance customer retention or acquire new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



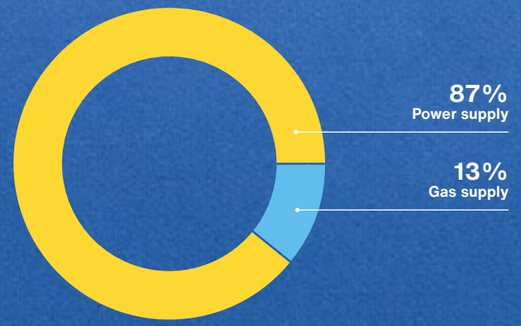
# 2023 Highlights

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

## 2023 scope of our customer relationships




**2,462 thsnd.**
Total connection points




**902 thsnd.**
Total customer accounts (supply):

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

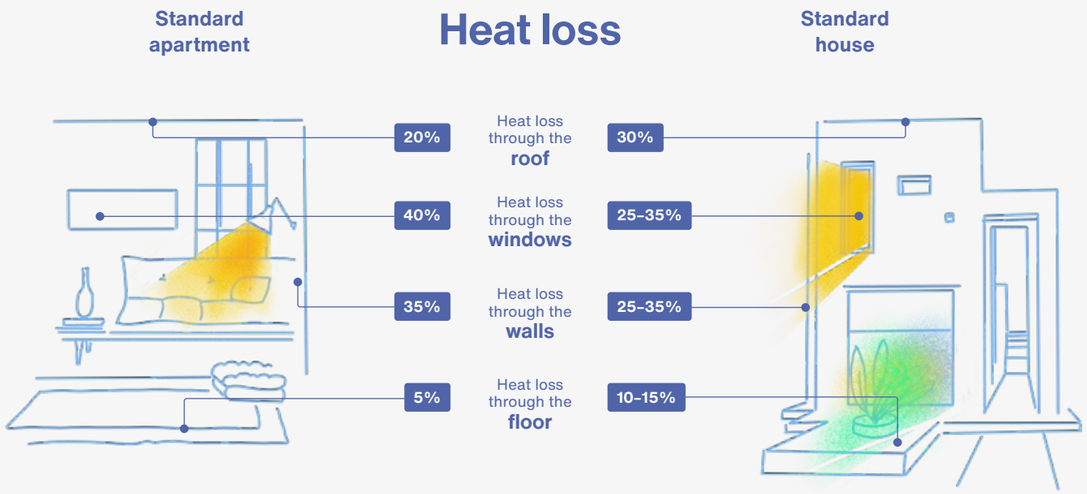
# Case Study
# Customer energy efficiency programmes

## Stredoslovenská energetika

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

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

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




Picture 45: Heat loss infographic for Stredoslovenská energetika.

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

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

1. make a significant contribution to protecting the environment,
2. contribute to reducing the negative impact on the global climate,
3. support the development of green power plants in Slovakia,
4. reduce $CO_2$ emissions by 55.5 kg[56] for each megawatt-hour of electricity,
5. create for themselves a green household, and
6. receive a certificate guaranteeing the origin of electricity from renewable sources.

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

## Plzeňská teplárenská

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

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

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

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

# Development of communities and social action

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

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

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

**Our contribution to the SDGs:**

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

## Community development programmes and initiatives

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

## EPH Foundation

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

## EP Corporate Group Foundation

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

## Help for people affected by the invasion of Ukraine

In 2023, the Group continued in our efforts to help those affected by the war in Ukraine. Slovenské elektrárne established a shelter for 150 refugees in the former administrative building of the Vojany power plant (EVO). This facility was achieved through our cooperation with Asociácia Samaritánov Slovenskej Republiky. In 2023, the EPH Foundation (Slovak) provided assistance to Ukraine primarily in three areas: the provision of humanitarian aid, the purchase of equipment for an orphanage in Ukraine, and the purchase and installation of generators to ensure the functioning of critical infrastructure in war-affected areas. The EPCG Foundation provided financial assistance mainly in the area of supporting the accommodation of mothers with children affected by the war. In addition, it has provided assistance in the integration of Ukrainian refugees, particularly through education, language courses, adaptation and integration courses and other activities that facilitate their rapid adaptation.

Other holding companies, such as Czech News Center, were lending their support through the media space, focusing on combatting distribution of false information. The EPH Foundation and EPCG Foundation contributed EUR 1,4 mil. to planned help for Ukrainian people impacted by the war.



# 2023 Highlights

In 2023, EPH funded several social programmes and projects, where:

**EPH Foundation distributed**

**€ 1.2 million**

**EP Corporate Group Foundation distributed**

**€ 10.1 million**

In 2023, EPH continued to support those impacted by the war in Ukraine, where:

**EPH Foundation distributed € 16 thousand to help organisations deliver materials to aid those impacted by the war.**

**EP Corporate Group Foundation distributed approximately Czech korunas (CZK) 34 million to Ukrainian refugees who were not registered in the Czech Republic, where the Foundation overall aimed to improve refugee living conditions and integration into Czech society.**

# EPH Foundation

Nadácia EPH

Founded in 2014, the Slovak EPH Foundation has been deeply engaged in addressing social challenges since 2016. With its foundation in compassion and empathy for those in need, all its efforts support a deep sense of unity. Guided by unshakable principles, including the preservation of traditions, natural and cultural heritage, promotion of regional and community advancement, and support for education, innovation, sports, scientific progress, human rights, and environmental conservation, the Foundation remains committed to helping in numerous humanitarian causes.

**The EPH Foundation distributes help in the following main areas:**

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

## In 2023, the EPH Foundation supported the following programmes:

| Pillar of support | Programme | Amount granted |
|---|---|---|
| Disadvantaged groups | Support point | € 120,000 |
| | Individual aid for people in need | € 170,000 |
| Regional development | Municipalities | € 360,667 |
| | In my surrounding | € 60,000 |
| Partnership program | Partnership projects | € 537,202 |
| | **Total** | **€ 1,247,869** |

Table 14: Amount granted by EPH Foundation.



## Programme descriptions

### Support point (Oporný bod)

This program focuses on providing essential services such as support for obtaining medical aids and equipment for hospices and social service homes, including mobility devices and adjustable beds for senior care facilities.

### In my surrounding (V mojom okolí)

In today's fast-paced world, taking a moment to prioritize our health is essential. That's why the EPH Foundation supports projects that enhance quality of life and promote leisure activities. In 2023, the foundation fulfilled these commitments primarily through the revitalization of cultural landmarks, the establishment of relaxation zones and sports facilities, as well as organizing informative lectures on diverse topics, among other initiatives.

### Municipalities

As part of the programme, the EPH Foundation collaborated with Nafta a.s. and SPP – distribution a.s. to support public benefit activities in municipalities involved in strategic and energy projects in the country. The EPH Foundation aimed to express solidarity with the municipalities and their inhabitants by addressing daily challenges that were within their means.

### Individual aid for people in need

In 2023, through this programme, the EPH Foundation in cooperation with the Slovak charities, supported people in need. This programme differs from the rest, as people who are supported do not gain any financial contribution. Instead, they are supported in the form of material or food.

The Foundation also helped economically disadvantaged families afford rehabilitation or psychological treatment and offers assistance to parents whose children have been diagnosed with terminal diseases.

### Partnership programmes

This program encompasses diverse initiatives, primarily focusing on supporting education, expanding sports facilities, and improving people's health. Some specific initiatives include supporting scientific festivals, establishing educational resources, restoring hiking trails, conservation efforts, repairing church facades, and implementing rehabilitation programs.

# Focus on projects with the highest contribution from each category

| Project | Programme | Activities and project goals | Contribution |
|---|---|---|---|
| **In hospice without any pain** (V hospicu bez bolesti) | **Support point** | EPH Foundation secured thanks to this project medications and medical supplies for the hospice, ensuring quality care for approximately 160 patients annually. The purchased materials covered needs for 3 months, significantly improving care quality and easing the burden on families. This project positively impacted a wide range of people dealing with illness and allowed quality care for about 60 patients over 4 months. | **€ 3,000** |
| **State-of-the-art cycling routes near Nitra** (Nové cykloturistické trasy v okolí Nitry) | **In my surrounding** | Creative individuals successfully cleaned a 11 km cycling route and continuously maintain its accessibility for cyclists and hikers. The applicant organised, or helped organise, 4 communal events, engaging over 200 participants of all ages. The Nitra region marked the entire route for cyclists, implemented by the Slovak Cycling Club. The route has also been included in cycling maps. | **€ 1,500** |
| **Roofs reconstruction in kindergarten in Gajary** (Rekonstrukce střech v mateřské škole Gajary) | **Municipalities** | The aim of the project was roofs reconstruction of the kindergarten buildings in Gajary. The village of Gajary received another subsidy for the reconstruction of the kindergarten - insulation and heating reconstruction. However, the reconstruction of the roofs was also necessary, for which we used a subsidy from the EPH Foundation. | **€ 32,000** |
| **Reconstruction of the main pumping station in front of the wwtp** (Rekonstrukce hlavní prečerpávací stanice před ČOV) | **Municipalities** | The goal was to reconstruct the sewage pumping station (SPS) in front of the wastewater treatment plant (WWTP). The main SPS in front of the WWTP was in a state of emergency. The pumps were getting clogged, requiring regular maintenance. The technical audit revealed that pumps with a much lower output than were originally designed were installed in the SPS.<br><br>The implementation of the project had an impact on all residents of the village:<br>1 Economical – reduction of service costs and elimination of malfunctions/crashes.<br>2 Ecological – benefit for the environment – prevention of sewage leakage. | **€ 13,000** |
| **Purchase of a 12-channel ECG device of the imac120 series** (Nákup 12kanálového EKG přístroje série imac120) | **Support point** | Funds from the approved project were used to purchase a 12-channel ECG device for a palliative care inpatient hospice. | **€ 3,000** |
| **Rehabilitation for health** (2023) | **Partnership programmes** | The aim of the Rehabilitation for Health project is to provide financial assistance for members of APPA Club[57] for special rehabilitation in selected rehabilitation centres, home rehabilitation under the supervision of a professional physiotherapist or in the purchase of health and rehabilitation aids.<br><br>Thanks to the financial contribution from the EPH Foundation, we will be able to support:<br>1 Undergo special rehabilitation in cooperating rehabilitation centers.<br>2 Undergo home rehabilitation.<br>3 Or buy a rehabilitation or medical aid. | **€ 60,000** |

Table 15: Overview of EP foundations highest contributions.

57 Association of Assistance to the Disabled.

# EP Corporate Group Foundation

Nadace
EP Corporate Group

In life, we are sometimes faced with situations and challenges that can very rarely be overcome without help. Based on this concept, the EP Corporate Group Foundation started operating at the end of 2021, where resources are utilised to the extent possible to help those who need it.

The main motive for the Foundation is to help those who find themselves in difficult life situations, especially when they have had no influence on the outcomes. They approached life responsibly but were nevertheless met with a lot of unpredictable challenges and life pressures. We believe that without help, these individuals could be met with more distress and damaging life situations.

**EP Corporate Group Foundation is founded on the following main pillars:**

1. support for families with children that lost one or both parents, and
2. help for the elderly, especially those living on their own.

While in the first pillar we aim to implement aid primarily with our own resources, in the second pillar, we are indirectly delivering support through partner non-profit organisations who provide direct care for the elderly in need. In addition to these two main pillars, the Foundation has two more pillars of support:

3. providing aid in emergency situations, and
4. advocating for the above-mentioned target groups.




## Management of EP Corporate Group Foundation

The Foundation is headed by three competent women who boast many years of experience in the non-profit sector. With a common vision and motivation, they strive to help as many those who need it as possible and therefore make a significant impact on our society.

**Jitka Pražáková**
**Executive Director**

Mrs. Pražáková boasts 18+ years' experience in the non-profit sector, driving diverse charitable, cultural, and educational initiatives across financial institutions and corporate foundations. Notably, she worked in the non-profit environment of Česká spořitelna Foundation or Jakub Voráček Foundation, where she championed projects supporting patients with multiple sclerosis. Within the Czech Ministry of Health, she pioneered the Patient Hub, enhancing the capabilities and professionalisation of patient organisations. In Prague's Vršovice district, she established community spaces fostering collaboration among segment of patient organisations, empowering sustainable leadership and advocacy within healthcare system.

**Petra Kačírková**
**Executive Director**

Mrs. Kačírková boasts 25+ years' experience in the non-profit sector. Leading an international NGO branch, she drove systemic shifts in childcare from institutional care towards community-based services and foster care advocacy. Her expertise spans sector development, community care support, and systemic transformation. Adept at raising awareness and lobbying, she facilitated workshops on diverse topics in many countries. Additionally, she had contributed to innovative projects in mental health care and served on the government's Committee for Children's Rights.

**Markéta Edlmanová**
**Executive Assistant**

Mrs. Edlmanová has dedicated the past 5 years to charitable work in her spare time. Initially inspired during maternity leave, she joined a project supporting single mothers, overseeing donor and recipient communication and managing administrative tasks. While previously in corporate environments, her passion for the non-profit sector led her to shift her focus in this direction.

## Successful and current projects

| Pillars of support | Programme | Amount granted (EUR) |
|---|---|---|
| **Families after losing one or both parents** | We Can Do It 2023 | 3,767,700 |
| | Public Consulting Centres in Hospices 2023 | 373,974 |
| | Scholarship Fund for Children after Death of Parents 2023 | 27,038 |
| | Fund for Disabled Children after Death of Parents 2023 | 37,489 |
| **Elderly people in need** | Home is Home 2023 | 3,810,602 |
| | Increasing quality of care | 189,344 |
| | Being together feels better | 250,976 |
| **Board of Trustees Emergency Fund** | Second Home III | 977,383 |
| | Housing support by EP Real Estate | 22,119 |
| | Fund for Talented Children of Workers 2023 | 104,974 |
| | Additional Activities and Projects | 22,119 |
| **Program Advocacy Activities** | Home is Home 2023 | 3,810,602 |
| | **Sum of all programs** | **10,123,058** |

Table 16: Successful and current projects.



## What Daniel Křetínský wishes for the EPCG Foundation

"Quantifying goals for a foundation is incredibly challenging, as each applicant shares their unique story, and our foundation merely serves as a tool to enhance their narrative. Thus, my foremost wish is for our foundation to reduce the number of individuals in the Czech Republic facing hopeless situations and significantly increase those finding new direction and renewed hope. Our foundation should serve as the guide to facilitate this transition."

## 4 pillars of support:

### Program loss of family member

#### Initiative called "We Can Do It 2023"

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 143 families in the total amount of CZK 90,451,177 as a part of grant call "We Can Do It".[58] This initiative is intended for families who have lost at least 40% of their family income due the death of one or both parents of minor children. The EP Corporate Group Foundation financially supports these families for two years.

#### Initiative called "Scholarship Fund for Children after Death of Parents 2023"

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 5 families in the total amount of CZK 649,091. The aim of Scholarship Fund is to support pupils and students in study-related activities and furthermore to support active, gifted and successful children and students in extracurricular activities.

#### Initiative called "Public Consulting Centres in Hospices 2023"

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 21 mobile and inpatient hospices in the total amount of CZK 8,977,987. Public Consulting Centres in mobile and inpatient hospices will provide a psychosocial care to families that were affected by the death of one or both parents, whether it was an expected or sudden death.

#### Initiative called "Fund for Disabled Children after Death of Parents 2023"

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 8 families in the total amount of CZK 900,000. The aim of Fund for Handicapped Children is to support families who have not only gone through the painful experience of losing a loved one, but also care for child with all types of disabilities (physical, intellectual, visual, hearing impairment, multiple disabilities and mental illnesses).

58 Please note that while the Foundation's website states assistance to 144 families totaling CZK 92,557,996, one applicant sadly passed away during the application process, resulting in a discrepancy in the reported figures. The numbers provided in this report reflect the most current data available.

## Program elderly people in need

### Initiative called “Home is Home 2023”

The board of directors of the EP Corporate Group Foundation decided to support 40 non-profit organisations providing care for elderly in difficult life situations. They approved granting these organisations a financial contribution in a total amount of CZK 91,481,117.

Supported organisations offer care services and other types of assistance to elder persons living in their own homes. The obtained resources will be primarily spent for example, on the purchase of the compensatory aids for the elderly (wheelchairs, reclining beds, walkers, and others), furthermore on the expansion of available and offered services, which will lead to the creation of several new jobs or the preservation of jobs such as personal assistants, carers, social workers, psychotherapists or occupational therapists.

### Initiative called “Increasing the quality of care”

The board of directors of the EP Corporate Group Foundation decided to support 47 non-profit organisations providing care for elderly in home environment. They approved granting these organisations a financial contribution in a total amount of CZK 4,545,588.

Methods and tools for community care are continuously developing and new findings are waiting to be implemented to daily care routine. To enable professional carers to keep pace with new approaches to be able to increase quality of support, foundation allocated resources for trainings in topics such Reminiscence techniques, Work with the life story or Prevention of the distress and the vulnerability in home environment. Furthermore, training topics are aimed to the techniques supporting mental health needs, in order to reflect significantly increasing number of elder people suffering from different forms of dementia.

### Initiative called “Being together feels better”

The board of directors of the EP Corporate Group Foundation decided to support 17 non-profit organisations coordinating community support for elderly done by volunteers. They approved granting these organisations a financial contribution in a total amount of CZK 6,025,188.

Many elder persons due to decrease of independent skills isolate themselves in their home and do not feel strong enough to go out for community activities. To support volunteer networks and activities is effective tool how to decrease social isolation of elder people and help them to participate in community events, visit theatre or football matches, as they had been use to. Volunteers can accompany elder person or can pay regular home visit to enable them to spend time in company. Again, it contributes significantly to prevent decrease of the quality of life in the retirement.



## Board of trustees mergency fund

### Initiative called “The Second Home”

The board of directors of the EP Corporate Group Foundation decided to support 22 non-profit organisations coordinating support for Ukrainian war refugees. They approved granting these organisations a financial contribution in a total amount of CZK 23,464,041.

Supported organisations offer for Ukrainian war refugees support in the stabilisation of housing and in the inclusion in Czech labour market to enable them to be as soon independent on state support as possible. Finances had been allocated for support of job opportunities, housing or Czech language classes, for example.

Additional activity towards the housing support of Ukrainian women with children and individuals which has started in 2022, supported by EP Real Estate, continued in 2023 as well. CZK 531,000 had been allocated for accommodation of 18 persons.

### Initiative called “Fund for Talented Children of Workers 2023”

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 3 EPH workers in the total amount of CZK 2,520,110. The aim of the opening of the Fund for Talented Children is to systematically support pupils and students in activities related to study and education, as well as to support active, gifted and successful children and students in extracurricular activities.

### Additional Activities and Projects

The board of directors of the EP Corporate Group Foundation approved a financial contribution for 2 non-profit organisations and 2 people in difficult life situation in the total amount of CZK 5,250,000.

## Program advocacy activities

### Initiative called “Change is Possible”

The board of directors of the EP Corporate Group Foundation decided to support 5 non-profit organisations that seek to draw attention to and promote the interest and rights of bereaved people or elderly in need. They approved granting these organisations a financial contribution in a total amount of CZK 8,228,944. The aim of this initiative is to support and strengthen non-profit organisations that encounter a long-term problem in their work in the social field that significantly complicates the lives of the people they care for or to whom they provide services. These nonprofit organisations are doing their best to draw attention to the problem, but they have not been successful in pushing through the change.



# Case Studies
# Community programmes and initiatives

## EP Produzione

Throughout 2023, EP Produzione implemented social initiatives that focused on supporting our employees internally and communities externally. These initiatives are further highlighted below:

**Sponsorship and donation: Energy and Sport**

For the ninth consecutive year, EP Produzione is the Gold Sponsor of Dinamo Sassari for the 13th season of the national LBA Serie A championship 2023/2024 and for the 11th year of competition in the European Basketball Champions League. The partnership strengthens the **“Energy and Sport Duo”** that is based on shared values and principles, such as support and belonging to one’s home territory, but at the same time the spirit of renewal to cope with difficulties.

In Sardinia in 2023, the **Fiume Santo Power Plant** participated in the ministerial tender for financing the **renovation of the sports facilities of the Torres Calcio football field**, a football club based in Sassari.

In keeping with previous years, the **Tavazzano and Montanaso Power Plant**, chose to sponsor the **Amateur Sports Association (ASD) Villatavazzano 1957**, whose football team has been active in the area for over 50 years. Finally, the **Scandale Power Plant** contributed to supporting local sports activities by offering assistance to both the **ASD Martial Arts**, based in Rocca di Neto, and the **ASD Academy Scandale**, a youth football school, for the 2023–2024 football season.

**Supporting the local areas**

In 2023, EP Produzione provided concrete support to **communities affected by flooding in Emilia-Romagna and Marche**. Employees had the opportunity to contribute to the cause by donating the equivalent of their working hours, totalling approximately **329 donated hours**; the Company decided to contribute with an additional donation equal to the 329 hours donated by employees. The funds, collected voluntarily following an initiative by Confindustria and CGIL-CISL-UIL, were allocated to the Agency for Territorial Security and Civil Protection of Emilia-Romagna and contributed to managing the activities of securing the affected areas and subsequent reconstruction, ensuring transparent reporting of all activities.

Each power plant also organized specific initiatives in the areas where it operates. The **Ostiglia Power Plant** renewed its three-year sponsorship of the theatrical season at the **Teatro Sociale**, while the **Scandale Power Plant** contributed to various charitable causes, including supporting the organization of a pilgrimage to Lourdes and providing assistance to **Parent Project**, which supports families of children with muscular dystrophy. Additionally, the plant supported the “Estate Scandalese 2023” and the celebration of the feast of Madonna del Condoleo at the San Nicola Parish in Scandale.

# Case Studies
## Community programmes and initiatives

The **Tavazzano and Montanaso Power Plant** sponsored the **“POIESIS Poetry Music Theater”** cultural project organized by the “Presidio Poetico” social promotion association, which involves the staging of three original productions at the Teatro Nebiolo in Tavazzano.

The **Livorno Ferraris Power Plant** made a voluntary donation to the inaugural event of a new area of the municipal library. The evening was enriched by an engaging **musical performance** featuring Bernando Lanzetti, frontman of Premiata Forneria Marconi, accompanied by the **“Beggar's Farm”**. The proceeds from the event were entirely donated for charitable purposes. The **Fiume Santo Power Plant** chose to support the Alzheimer Sassari Onlus Association for the realization of a conference held in September at the University of Sassari.

**Partnership with schools and universities – Attracting young professionals**

For the sixth consecutive year, the **Fiume Santo power plant** has joined the **“La Nuova@Scuola”** training project, launched by the newspaper La Nuova Sardegna to strengthen the link between local companies and students. Over 60 high schools on the island were involved in the 2023 edition through the organization of meetings and visits, held in person again following the pause imposed by the pandemic.

This year, the Power Plant welcomed 44 students from the “Attilio Deffenu” State Technical Institute in Olbia. Paolino Schiaffino, Vice Chief of the Fiume Santo Power Plant, answered their questions and curiosities about the energy sector, professional opportunities, and required roles. He also took the opportunity to present the role of the Fiume Santo Energy Park in Sardinia’s energy transition.

In 2023, the **Ostiglia Power Plant** collaborated with the **Safety Engineering Degree Course** at the University of Padua by organizing a visit to the plant for students and professors. On this occasion, participants had the opportunity to explore the plant and understand its operation, with further insights into topics such as incident management and investigation procedures according to EP Produzione’s protocols.

At the **Livorno Ferraris Power Plant**, the influx of new hires led to a collaboration with the two nearest Polytechnic Universities to transfer high-level technical skills. With the **Polytechnic of Turin**, a customized technical training course on the management of major plants and systems was initiated, involving newly hired personnel for a total of 90 hours. With the **Polytechnic of Milan**, specific training was organized for maintenance staff, totaling 28 hours. Due to the interest generated by this initial collaboration, the Power Plant hosted an educational visit at the end of the year, during which 50 students were accommodated for a theoretical session followed by a plant tour.

The **Ostiglia Power Plant** organized a session at the **TrED (Ecological and Digital Transition)** high school in Ostiglia, an experimental study program begun in 2023 that combines the humanities and scientific tradition of the high school with technology and STEM subjects (Science, Technology, Engineering, Mathematics). During the session, Marco Bertolino, Chief of the Ostiglia Power Plant, and Franco Rossetti, Section Chief of Operations, illustrated the role of water resources within the plant, highlighting the utmost attention paid to its conservation, use, and treatment in the production process.

Numerous training internships and **Percorsi per le Competenze Trasversali** (PCTO) also continued this year. The **Ostiglia Power Plant** activated a PCTO program in school-work alternation in collaboration with the **Galileo Galilei Technical Institute of Ostiglia**, involving 8 students.

At the **Fiume Santo Power Plant**, 10 training internships were initiated with **newly graduated students from industrial institutes** to train the new generations of technicians, disseminate technical knowledge and working methods in the area, with the possibility of subsequently hiring some of them. Four of the students have already started, and the project will continue in 2024 with another 10 selected interns. At the **Scandale Power Plant**, a school-work alternation program was conducted with the Nautical Institute of Crotone, involving **9 students**. During the year, the Power Plant also hosted 5 students from the Mario Ciliberto Institute of Higher Education. The students attended classes on water treatment and the operation of the combined cycle, then performed exercises dedicated to safety interventions, closely observing how pollutant emissions are controlled, and reviewing fire safety procedures.

For the last 7 years, EP Produzione has been a partner of the SAFE Master in **“Energy Resources Management”**. The course offers graduates and professionals a high level of professional training in the field of research, production, and management of energy resources in an environmentally sustainable context.

EP Produzione has decided to renew its collaboration with the Master for the 2023 edition, providing a scholarship: an important opportunity for students wishing to specialize in the field of energy resources to access high-quality training and work alongside industry professionals.

In 2023 EP Produzione activated a total of 19 internships among power plants and STAFF functions

EP Produzione has renewed its subscription to **Joinrs (Tutored)**, an online platform that facilitates digital meetings with university students and recent graduates for the purpose of their integration into the company. This tool allows the company to gain greater visibility among younger generations, constituting an effective additional channel for recruiting.

The company in 2023 participated in career days at the University of Rome Tor Vergata, the Politecnico di Milano, and the Politecnico di Torino. Additionally, it took part in the Career Fair organized by the Politecnico di Bari, an online recruiting event that allowed the Human Resources team to virtually meet numerous students, graduates, and doctoral candidates from the university.

We launched **“Talent4Energy”**, a program dedicated to young talent with the goal of developing skills in various departments of EP Produzione, was launched. The program allowed participants to choose from three three-year pathways: the Technology track, aimed at developing skills in power plants; the Finance track, focusing on skills in the Tax/Accounting and Control departments; and the Energy track, aimed at developing skills in Back Office, Energy Management, and Business Development departments.

# Case Studies
## Community programmes and initiatives

**Supporting EPP's employees**

EP Produzione is fully compliant with relevant national law (Referring to law no. 68 of March 1999 "Regulations on the right to employment for persons with disabilities."); our companies employ people 27 with disabilities.

In 2023, EP Produzione chose to focus in particular on the issue of gender equality and ran a series of initiatives in this area. Throughout the year, the company joined the Valore D network, the first association of companies aimed at promoting gender balance and an inclusive culture. The collaboration provided EP Produzione employees with the opportunity to be directly involved, through the **Valore D Academy**, in webinars and specific activities on the topic of diversity and inclusion.

EP Produzione also joined **MYLIA's Diversity, Equity & Inclusion** program, the Adecco Group brand focused on training and development. All interested colleagues were offered the opportunity to attend a free, 9-hour online webinar, divided into four sessions and focused on primary diversity and inclusion factors such as age, gender, and origin.

To promote work-life balance and gender equality, in 2023 EP Produzione established an additional remote work agreement – for a total of 20 days per year – intended for parents with children under the age of 3. Additionally, the company introduced a **part-time contract** aimed at encouraging women to re-enter the workforce after maternity leave.

## EP UK Investments

EP Kilroot and EP Ballylumford have an enthusiastic charity committee which is keen to support small local organisations that have been nominated by employees and contractors. The charity funded through 2023 was Brave Hearts NI which supports teenagers and adults with congenital heart disease. Funding was also provided to two local foodbanks and a children's charity prior to Christmas, in addition to support provided to the NI Air Ambulance, a local nursery, and separately two local special needs schools and several cancer related support charities. The selected charity of the year for 2024 is Community Rescue which specializes in the location and recovery of vulnerable people.

NI colleagues were also glad to provide personal encouragement and sponsorship towards Denise's hike for Macmillan Cancer Care.

At EP South Humber Bank the active Social and Recreational Committee contributed to over thirty good causes during 2023, including a Christmas party and gifts for underprivileged children, the Essential Bag project which provided essential goods for every child at a local school to support families struggling during the Easter half-term break and various donations of goods and equipment for other local charities. Other support provided by the employees of EP SHB included donations financially and in time to support our projects which benefited various local charities.


Picture 45, 46: Denise's hike for Macmillan Cancer Care.

## Case Study
## **Slovenské elektrárne:**
## Cooperation with schools and universities

In 2023, university graduates had the opportunity to be nominated for the Aurel Stodola Prize which is awarded to the best thesis in the energy field. The 16th edition of this competition attracted a total of 26 theses, including 5 dissertations, 11 master's theses and 10 bachelor's theses. From all of them, the expert jury of university professors selected the best works – the best bachelor's, diploma, and dissertation thesis, and their authors were rewarded. In 2023, Slovenské elektrárne provided a total of 126 secondary education and university students with the opportunity to acquire additional expert knowledge through internships, apprenticeships, practical training, and the programme Absolvent.

Of this number, up to 44 students were hired in the power plants on a succession placement. At the same time, specialists from the Slovenské elektrárne also shared their knowledge and experience as mentors to those university students who were preparing final theses, reports or other forms of scientific publications as part of their professional training. In September 2023, under the Practical Training project, Slovenské elektrárne started a new year for third-year and fourth-year students at the site of the nuclear power plants in Jaslovské Bohunice and Mochovce. In cooperation with secondary schools in Trnava, Hlohovec, DSA Trnava, Tlmače, Vráble and Zlaté Moravce, the project attracted up to 46 students in 2023, making it the largest number of attendees so far since the start of this project six years ago. In 2023, Slovenské elektrárne held almost 50 public events for students and visited a record number of universities where Slovenské elektrárne addressed hundreds of participants.

In the area of technology, Slovenské elektrárne focuses primarily on cooperation with the Slovak University of Technology, the University of Žilina and the Technical University in Košice. Such public events highlighted the planned organisation of the Career Days for more than 400 secondary education and university students in Energoland. The company has also participated in several recruitment days at the above-mentioned schools and universities. For university students who enjoy information technology and working with data, the company operates the IT Academy project, which offers the advantage of flexible working hours, helping students better align their interests with their studies.



## Case Study
## **MIBRAG:**
## Tree planting

Trees play an important role in the sustainability of MIBRAG's reclamation and conservation measures. They form a major part of the post-mining landscape and are crucial to stabilising newly developed ecosystems. MIBRAG plants a diverse range of trees which serve a multitude of purposes: for reclamation and improving soil quality; for structuring large agricultural areas and providing protection against wind and water erosion; as compensation for deforestation; for conservation measures helping specific species of birds, amphibians and mammals; to improve air quality and beautify the landscape; and to protect ecosystem services against increasing ecological risks and calamities. The species planted range from native Sessile Oaks, Hornbeams, Small-Leaved Linden and Birches to fast growing Poplars and Black Locust and include rare species such as Service and Checker Trees. Planting is preceded by extensive soil preparation and includes deep-tilling, fertilising, and inoculating the seedlings with specific mycorrhizal fungi to assist them during their arduous first years of growth.

In 2023, MIBRAG planted over 162,500 trees. These were spread over approximately 87 hectares. The tree planting is always complemented by a variety of supporting shrub species, helping structure forest and plantation edges and provide additional biodiversity. To facilitate the growth of deep root systems and increase the trees' long-term vitality, the seedlings are only watered in exceptional cases. In the first years after planting, MIBRAG takes measures to keep the trees free of competition from grasses and protect them against damage by deer. Care measures for the newly planted trees are caried out for at least 15 years, at which point they are integrated into the general forest management activities.

Picture 46: Protective planting at Tornau.

Picture 47: Schleenhain poplar field – 3 months after Planting.

# Assurance



**KPMG Česká republika Audit, s.r.o.**
Pobřežní 1a
186 00 Prague 8
Czech Republic
+420 222 123 111
www.kpmg.cz

# Independent Limited Assurance Report

## to Management Board of Energetický a průmyslový holding, a.s.

### Report on the Specified Indicators

We were engaged by Energetický a průmyslový holding, a.s. ("the Company") to report on selected quantitative disclosures for the Company and its subsidiaries (together, "the Group"), defined below as "Specified Indicators", as included in the Group's sustainability report for the year ended 31 December 2023 ("the Report"), in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Specified Indicators, are not properly prepared, in all material respects, in accordance with the following GRI Sustainability Reporting Standards: GRI standard 305-1 and GRI standard 305-2 ("the Reporting Criteria"). The Specified Indicators subject to this limited assurance engagement are marked with an asterisk ("*") in the Report, and are as follows:

- Direct GHG Emissions (Scope 1) - CO2 emissions, Direct (Scope 1) GHG emissions, on pages 17, 105, 331, 334 and 335 of the Report,
- Direct GHG Emissions (Scope 1) - Methane emissions, Direct (Scope 1) GHG emissions, on pages 17 and 333 of the Report,
- Indirect GHG Emissions (Scope 2) - CO2 emissions, Energy Indirect (Scope 2) GHG emissions, on pages 17, 105 and 338 of the Report.

### *Responsibilities of the Company's Management Board*

The Company's Management Board is responsible for preparing the Report and the Specified Indicators that are free from material misstatement in accordance with the Reporting Criteria and for the information contained therein.
The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report and the Specified Indicators therein that are free from material misstatement, whether due to fraud or error. It also includes selecting the Reporting Criteria, selecting and





applying appropriate methods, policies and procedures in the preparation of the Report and the Specified Indicators, using assumptions, and making judgments and estimates, that are reasonable under the circumstances, and maintaining adequate records in relation to the Report and the Specified Indicators.
The Management Board is also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. The Management Board is responsible for ensuring that the Group's staff involved with the preparation of the Report and the Specified Indicators are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units/ operational sites.

### *Our Responsibilities*

Our responsibility is to examine the Group's Specified Indicators and to report thereon in the form of an independent limited assurance conclusion based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Specified Indicators are prepared in accordance with Reporting Criteria, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the Specified Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In obtaining an understanding of the Specified Indicators and other engagement circumstances, we have considered the process used to prepare the Report and the Specified Indicators, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Group's process or internal control over the preparation of the Report and the Specified Indicators.

Our engagement also included: assessing the appropriateness of the Specified Indicators, the suitability of the criteria used by the Group in preparing the Report and the Specified Indicators therein in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures used in the preparation of the Specified Indicators and the reasonableness of estimates made by the Group.

Appendix 1 to this Independent Limited Assurance Report provides a more comprehensive list of selected procedures performed within the scope of our engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We also read other information included in the Report that contains the Specified Indicators and our report in order to identify material inconsistencies, if any, with the Specified Indicators.

### *Reporting Criteria*

The criteria against which the Specified Indicators were evaluated are included in the following GRI Sustainability Reporting Standards: GRI standard 305-1 and GRI standard 305-2.

### *Conclusion*

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Specified Indicators enumerated below are not properly prepared, in all material respects, based on the Reporting Criteria:

- Direct GHG Emissions (Scope 1) - CO2 emissions based on GRI standard 305-1 Direct (Scope 1) GHG emissions, on page 17, 105, 331, 334 and 335 of the Report,
- Direct GHG Emissions (Scope 1) - Methane emissions based on GRI standard 305-1 Direct (Scope 1) GHG emissions, on page 17 and 333 of the Report,
- Indirect GHG Emissions (Scope 2) - CO2 emissions based on GRI standard 305-2 Energy indirect (Scope 2) GHG emissions, on page 17, 105 and 338 of the Report,

We have read the other information included in the Report that contains Specified Indicators and our independent limited assurance report thereon. We did not identify any material inconsistencies in this information with the Specified Indicators.

In accordance with the terms of our engagement, this independent limited assurance report has been prepared so that we might report to the Company, for the purpose of including the independent limited assurance report in the Group's sustainability report for the year ended 31 December 2023 and for no other purpose or in any other context.



### *Restriction of Use of Our Report*

This report is issued solely in connection with and to accompany the Group's Sustainability Report for the year ended 31 December 2023. As such, it should not be used for any other purpose or in any other context.

Prague
10 May 2024

KPMG Česká republika Audit, s.r.o.
Registration number 71

Pavel Kliment
Partner
Registration number 2145

KPMG

*Appendix 1*

Within the scope of our engagement, we performed, amongst others, the following procedures:

- A risk analysis, including a media search, to identify information relevant to the Specified Indicators for the reporting period.
- Through inquiries of the Specified Indicators owners and other relevant Group personnel, obtaining understanding of the Group's control environment and information systems relevant to the quantification and reporting of the Specified Indicators. This did not cover evaluating the design and implementation of specific control activities or testing their operating effectiveness.
- Evaluation of whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.
- Inspection and evaluation of selected internal (internal system reports, measuring protocols etc.) and external (assurance reports from technical audits) documentation relevant for the Specified Indicators and the scope of the engagement. This included among other things, inspection, observation, confirmation, recalculation, reperformance and inquiry or the combination of these procedures.
- Analytical evaluation of data and trends in the Specified Indicators reported by all sites.
- Visits at three sites in the Czech Republic, two in Slovakia, two in Germany and perform desk top assurance procedures in two sites in Italy to assess the accuracy and completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The selection of the sites to be visited or perform desk top assurance procedures considered their share in total emissions, emissions sources and risks. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.
- Assessment of the overall presentation of the Specified Indicators disclosures.

**KPMG Česká republika Audit, s.r.o.**
Pobřežní 1a
186 00 Prague 8
Czech Republic
+420 222 123 111
www.kpmg.cz

# Agreed-Upon Procedures Report on Specified Indicators

## to Board of Directors of Energetický a průmyslový holding, a.s.

### *Purpose of this Agreed-Upon Procedures Report*

Our report is solely for the purpose of assisting Energetický a průmyslový holding, a.s. group ("the Engaging Party", "the Company") in assessing the accuracy and completeness of the amounts of the selected indicators ("Specified Indicators"), defined below and included in the Energetický a průmyslový holding, a.s. group sustainability report for 2023 (hereinafter "the Report") and may not be suitable for another purpose.

Our report is solely for the purpose set forth in the first paragraph of this report. Our report is not to be used for any other purpose or to be distributed to any other parties except for inclusion in the Report.

### *Responsibilities of the Engaging Party*

The Engaging Party has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Engaging Party is responsible for the subject matter on which the agreed-upon procedures are performed.

### *Practitioner's Responsibilities*

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Engaging Party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.





Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Professional Ethics and Quality Control*

We have complied with the ethical requirements in accordance with Act No. 93/2009 Coll., on Auditors, and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Procedures and Findings*

### *Procedures:*

We have performed the procedures agreed upon with the Engaging Party, for the Czech Republic, Slovakia, Great Britain or at group combined basis, as applicable, in respect of the following specified indicators ("Specified Indicators"):

- Total Energy consumption based on GRI standard 302-1, on page 328 of the Report,
- Total Quantity of water withdrawal based on GRI standard 303-3, on page 345 of the Report,
- Total Quantity of water discharged based on GRI standard 303-4, on page 346 of the Report,
- Total Registered injuries – Employees based on GRI standard 403-9 on page 359 of the Report.

Our procedures

1. Test the mathematical accuracy of the amounts of the Specified Indicators as included in the Group data matrix used by the Engaging Party in the preparation of the Report ("Data Matrix");
2. Check whether the method used for calculating the Specified Indicators presented in the Report, as set out in the Data Matrix, is in line with the requirements of GRI Sustainability Reporting Standards for such indicators;
3. For a sample of entities, as selected by the Engaging Party, trace the amounts of the Specified Indicators in the Report to the corresponding amounts in the Data Matrix. Also, check the amounts reported by the companies in their respective web-based/Excel- based questionnaires to the underlying supporting documents, including protocols or minutes from measuring signed by relevant responsible persons, invoices from energy or water suppliers, details from HR system and reports from internal warehousing systems;
4. For entities based in the Czech Republic, other than those covered by the procedure 3, above, trace the amounts for the Specified Indicators, from the particular entity's individual questionnaire to the corresponding amounts in the Data Matrix.

5. Trace the amounts of Total Sales and Income tax paid for the year ended 31 December 2023, as presented on pages 1, 46, 62 and 63 of the Report, marked with ("***"), to the corresponding amounts in the Company's consolidated financial statements as of and for the year ended 31 December 2023 that form part of the Company's 2023 Annual Report.

***Findings:***

1. We performed the procedure as planned with no exceptions noted.
2. We performed the procedure as planned with no exceptions noted.
3. We performed the procedure as planned with no exceptions noted.

   The following entities were determined by the Engaging Party for agreed upon procedure: Eustream, a.s. (Slovakia), Elektrárny Opatovice, a.s. including data per EOP Distribuce, a.s. (Czech Republic), Plzeňská teplárenská a.s. (Czech Republic) and Lynemouth (Great Britain).

4. We performed the procedure as planned with no exceptions noted.
5. We performed the procedure as planned with no exceptions noted.

Prague
10 May 2024

KPMG Česká republika Audit, s.r.o.

# EU Taxonomy assessment

# EU Taxonomy assessment

In July 2020, the European Commission adopted the Taxonomy Regulation (“EU Taxonomy” or “Regulation”), a classification system establishing a list of environmentally sustainable economic activities which is supposed to direct investments towards sustainable projects.

The EU Taxonomy establishes six environmental objectives:

1. **Climate change mitigation**
2. **Climate change adaptation**
3. **The sustainable use and protection of water and marine resources**
4. **The transition to a circular economy**
5. **Pollution prevention and control**
6. **The protection and restoration of biodiversity and ecosystems**

The list with individual environmentally sustainable activities including detailed technical screening criteria was subsequently published in the first Climate Delegated Act and is applicable from January 2022. Decision on classification of gas and nuclear power and heat generation was postponed until March 2022, when the Complementary Climate Delegated Act was adopted by the European Commission, giving gas and nuclear generation a status of transitional activities. The complementary delegated act applies from January 2023 and is expected to accelerate the shift from emission-intensive fossil fuels.

The EU Taxonomy requires companies to disclose share of their turnover, operating expenditures (“Opex”) and capital expenditures (“Capex”) which are associated with environmentally sustainable activities as defined in the EU Taxonomy and the delegated acts. The disclosure for the financial year 2021 was simplified and only included an assessment of taxonomy eligibility, a criterium which is fulfilled if the activity is listed and described in the delegated acts irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts. For the financial year 2022, companies were required to perform an assessment of the full taxonomy alignment, which is fulfilled only when the activity meets all substantial contribution criteria, all do no significant harm (“DNSH”) criteria and complies with the minimum social safeguards stated in article 18 of the Regulation.

EPH fully supports the goals of the EU Taxonomy which provides definitions which economic activities can be considered as environmentally sustainable and protect private investors from greenwashing. The increased clarity shall enable private sector to direct investments to sectors with largest contribution to sustainable development.



# Application by EPH

In its first disclosure for the financial year 2021, EPH used the option to report only on the taxonomy-eligibility and not on the taxonomy-alignment of its economic activities. For the 2022 disclosure, EPH performed its inaugural full assessment of the taxonomy-alignment of its activities. As a first step, taxonomy-eligible economic activities were identified across the EPH Group, based on their inclusion in the delegated acts. The second step included an assessment if any portion of the activity contributes to any of the six environmental objectives which are described by the EU Taxonomy. For this purpose, the substantial contribution criteria in the Annex 1 and Annex 2 of the delegated acts were assessed. The third step was to ensure that the activity does no significant harm to other environmental objectives based on assessment of the DNSH criteria. The last step was to assess compliance of the activity with minimum safeguards. Assessment of compliance with minimum safeguards has been performed for all activities at once as EPH Group standards are implemented across the entire Group.

**The following economic activities were identified by EPH as taxonomy-eligible and subsequently assessed for taxonomy-alignment:**

| Activity code | Taxonomy-eligible activity |
|---|---|
| 4.1 | Electricity generation using solar photovoltaic technology |
| 4.3 | Electricity generation from wind power |
| 4.5 | Electricity generation from hydropower |
| 4.8 | Electricity generation from bioenergy |
| 4.9 | Transmission and distribution of electricity |
| 4.14 | Transmission and distribution networks for renewable and low-carbon gases |
| 4.15 | District heating /cooling distribution |
| 4.20 | Cogeneration of heat /cool and power from bioenergy |
| 4.29 | Electricity generation from fossil gaseous fuels |
| 4.30 | High-efficiency co-generation of heat/cool and power from fossil gaseous fuels |
| 6.2 | Freight rail transport |
| 6.6 | Freight transport services by road |

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## Minimum safeguards

The EU Taxonomy includes a set of minimum safeguards, providing guidelines to ensure that companies classifying their activities as sustainable and taxonomy-aligned meet certain standards related to human rights, bribery, corruption, taxation, and fair competition. The standards serve as a protection layer to prevent companies engaged in green investments from being viewed as sustainable if they violate human rights or are involved in corruption practices or other unethical conduct. EPH has policies and procedures in place across the Group to ensure that high ethical standards are maintained, and no corruption or inappropriate behaviour of any sort is tolerated. In April 2021, after recognising the need to formalize our ESG efforts in a comprehensive set of policies, the scope of polices was extended to cover areas such as asset integrity management, cybersecurity, workforce diversity, whistleblowing, or biodiversity. The underlying principles in EPH policies are built upon the Ten Principles of the United Nations Global Compact or eight fundamental Conventions of the International Labour Organization. The policies are publicly available on EPH website https://www.epholding.cz/en/polices-connected-to-esg-area/. There have been no instances of breaches of any of the defined standards based on regular communication and reporting from EPH subsidiaries. EPH ensures that principles embedded in our policies are regularly shared with employees across the Group. Therefore, EPH believes that its activities comply with the minimum safeguards. When assessing eligible activities, we have concluded that all activities meeting the DNSH criteria fulfil also minimum safeguards.

### 4.1. Electricity generation using solar photovoltaic technology; 4.3. Electricity generation from wind power; and 4.5. Electricity generation from hydropower

EPH operates a portfolio of renewable generation sources primarily in France, Germany, the Czech Republic, and Slovakia with total installed capacity of 157 MWe. They comprise solar parks, wind farms, and hydroelectric plants. Full revenues, Opex and Capex related to these activities were further considered for taxonomy alignment as these activities correspond with definitions in the substantial contribution criteria, specifically *"The activity generates electricity using solar PV technology"*, *"The activity generates electricity from wind power"*, and *"The electricity generation facility is a run-of-river plant and does not have an artificial reservoir"*.

The operations of renewable generation sources have been assessed in respect of the following do no significant harm ("DNSH") criteria:

- **Climate change adaptation** – All renewable generation facilities are considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.
- **Water** – None of the facilities have been identified in breach of any of the provisions of the criteria.
- **Circular economy** – The photovoltaic and wind facilities represent durable assets which are recycled once they reach the end of their useful lives. This practice is commonly mandated by relevant laws, and companies are obligated to allocate funds for the associated decommissioning costs.
- **Biodiversity** – Biodiversity considerations including the Environmental Impact Assessment are commonly a vital part of the permitting procedures, ensuring that facilities are not located near biodiversity-sensitive areas or do not pose any threat to these areas.

As a result of the assessment above, the full revenues, Opex and Capex reported by renewable generation sources were classified as taxonomy-aligned.

### 4.8. Electricity generation from bioenergy

EPH operates biomass power plants in the United Kingdom, France, and Italy. While the power plants in the UK and Italy rely exclusively on biomass and are therefore considered as taxonomy-eligible, the plant in France incorporates a certain amount of coal in its biomass units, rendering the activity as non-eligible. The plants in the UK and Italy were assessed further for taxonomy alignment.

The Lynemouth power plant in the UK underwent a transformation from a previous coal-fired power station. With a net installed capacity of 407 MWe, it can provide electricity to around 450,000 households. To fuel its operations, the plant relies on sustainably sourced, renewable wood pellets derived from forest residues and industrial wood processing residues. These pellets primarily come from the US, Canada, and Europe, and are transported to the UK via sea routes. Lynemouth power plant maintains a stringent focus on sustainability throughout its entire supply chain, implementing robust certification systems. The Sustainable Biomass Partnership (SBP) and Green Gold Label (GGL) schemes play crucial roles in independently auditing the plant's biomass production, harvesting, transportation, and usage processes. However, despite these efforts, the overall carbon emissions associated with the transportation distance and indirect factors prevent the plant from achieving greenhouse gas emission savings of at least 80% when compared to the relevant fossil fuel counterpart. Consequently, the activity has been classified as non-aligned, as it falls short of meeting the criteria outlined in Annex VI to Directive (EU) 2018/2001.

The fleet of three biomass plants operated in Italy with total installed electrical capacity of 80 MWe is deemed taxonomy-eligible due to their exclusive utilization of biomass for power generation. However, these plants fail to meet one of the substantial contribution criteria since their electrical efficiency falls below the threshold of 36%. This threshold is required for installations with a higher thermal input than 100 MW. The activity is therefore not considered as taxonomy-aligned.

### 4.9. Transmission and distribution of electricity

EPH operates the electricity distribution network in central Slovakia via its subsidiary Stredoslovenská distribučná a.s. ("SSD"). This activity is associated with NACE code D35.13 (Distribution of electricity). Full revenues, Opex and Capex reported from this activity were classified as taxonomy-eligible as the activity falls within the eligibility criteria in Annex I, specifically *"Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems"*.

Operation of SSD's electricity distribution network was further considered for taxonomy alignment as it meets one of the three criteria in Annex I, specifically *"the system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems"*. The sustainability aspect of this operation is further supported by the significant presence of low-carbon sources connected to the network. Over the past five years, 89% of the newly connected capacity have been renewable energy sources, such as solar and hydroelectric facilities. By facilitating the expansion of renewable power generation sources, SSD plays a vital role in helping the EU achieve its decarbonization goals. In addition, the overall emission intensity of the power generation sources in Slovakia (115 kg/MWh in 2022) is significantly below the average intensity of the EU countries (251 kg/MWh in 2022). The fuel mix in Slovakia is dominated by nuclear plants and hydroelectric power stations. Share of emission-free electricity is expected to further increase after ongoing closures of remaining coal power plants.

The activity of SSD has been assessed in respect of the following do no significant harm ("DNSH") criteria:

- **Climate change adaptation** – Power distribution networks are among the assets most susceptible to increasingly frequent and severe weather events, including storms, high winds, and wildfires. SSD has observed increasing number of calamities with incremental costs incurred. As part of increasing the resilience of the network against extreme weather events, SSD regularly evaluates and identifies critical parts of the network that need to be reconstructed to enhance their resilience. To reduce risks, preventive and corrective maintenance activities are regularly carried out, especially patrols, drone monitoring, and vegetation management operations in the most exposed areas. Additionally, in the forestry area, SSD conducts line relocations and burying previously overhead lines underground. By installing smart grid elements, SSD increases the volume and quality of data used for system monitoring. There is adequate insurance coverage in place for the high voltage lines. When expanding the network into new areas, resilience to weather impacts is a primary factor considered and the technical solution is designed accordingly.
- **Circular economy** – SSD adheres to the laws and regulations in Slovakia which are harmonized with EU regulation. SSD has dedicated internal guidelines in place on treatment of hazardous and non-hazardous waste. The produced waste results largely from maintenance and reconstruction works at the distribution network which is vital to ensure reliable operation and security of supply. It includes construction waste (concrete, soil), ferrous and non-ferrous metals, and hazardous waste such as electrical waste or oil-polluted parts. In line with internal directives, SSD always follows the waste hierarchy, preferring recycling over landfilling where it is safe and possible. Disposal of hazardous waste is performed through certified third parties.
- **Pollution prevention** – Robustness of environmental protection is demonstrated by the environmental management system ("EMS") which is certified to ISO 14001. The EMS is subject to annual external audit, where no misalignment of SSD's system with ISO 14001 has been identified to date. SSD's internal policies are also aligned with EPH group-wide Environmental Policy. In line with the EU

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regulation, SSD has replaced all technology which was contaminated with polychlorinated biphenyls ("PCBs") which were widely used within the industry as coolants in electrical equipment. SSD also focuses specifically on the disposal of waste containing asbestos, a material commonly utilized in construction for insulation purposes.

Further environmental risks stem from operation of electrical substations containing oils. The operation of such equipment presents a risk of water and soil contamination in case of technical failure and oil leakage due to leaks. Any leaks, whether large or small, are reported immediately to the environmental team, which subsequently ensures and manages remediation works to remove contamination and restore the area to its original condition. For all these substations, the Environmental team has developed emergency plans approved by the Slovak Environmental Inspection, which oversees compliance. Each emergency plan is specifically tailored for each individual substation with a thorough description of risks and a system set up for their elimination. Regular tests of the impermeability of containment and emergency tanks in the facilities are carried out, including the pumping of captured water and cleaning. Regular emergency preparedness trainings are organized for employees every year to ensure their thorough preparation in case of an emergency event.

All products and components of the distribution system are designed and operated in accordance with the EU and Slovak standards and regulations. If a specific element requires it, it is also in line with those concerning electromagnetic radiation. Each construction is permitted by the relevant competent authorities, which in most cases require opinions from relevant bodies responsible for assessing any adverse impact of our equipment on the public. SSD is not aware of any objections regarding the assessment of the impact of electromagnetic fields on the public.

- **Biodiversity** – The distribution network operated by SSD might pose a danger for wildlife, especially birds as the network cannot entirely avoid areas with higher prevalence of vulnerable species. In cooperation with the State Nature Conservation of the Slovak Republic, SSD regularly takes part in activities that help assess and prevent serious bird injuries that often occur along distribution networks. As a result, SSD installed protective and diverting elements to reduce exposure to high-voltage power lines. Additionally, in cooperation with both the nature conservation and municipal authorities, SSD was able to relocate stork nests within our distribution network to areas within southern Slovakia. As an unofficial partner of the LIFE Energy project, SSD took part in the installation of diverters throughout the protected bird area of Poiplie, spanning a length of five kilometres. In 2021, the LIFE Energy project won the LIFE Award within the nature protection project category, where the awards recognise projects that are innovative and inspirational in life.

As a result of the assessment above, the full revenues and Opex reported by SSD were classified as taxonomy-aligned. In respect of Capex, the EU Taxonomy does not allow the investments in non-smart metering equipment to be treated as taxonomy-aligned. This Capex portion was therefore classified as non-aligned.

### 4.10. Storage of electricity

EPH explores options to develop battery storage facilities to support integration of renewables into the grid. In 2023, EPH incurred initial Capex related to development of a battery facility in the Netherlands. Capex was treated as taxonomy-eligible as it corresponds to definition "Construction and operation of facilities that store electricity and return it at a later time in the form of electricity." Full taxonomy alignment is subject to further assessment once the investments reach certain materiality threshold.

### 4.14. Transmission and distribution networks for renewable and low-carbon gases

EPH operates critical gas transit and distribution infrastructure in Slovakia via its subsidiaries eustream, a.s. ("EUS") and SPP - distribúcia, a.s. ("SPPD"). These activities are primarily associated with NACE codes D35.22 (Distribution of gaseous fuels through mains) or H49.50 (Transport via pipeline). Based on these NACE codes, the full turnover, Opex and Capex reported from these activities was classified as Taxonomy-eligible. The infrastructure operated by EUS and SPPD is well positioned to accommodate renewable and low-carbon gases once these are deployed on a commercial scale. Similar to electricity grids which are not dedicated to power produced from a particular source, the gas networks can already accommodate biomethane or synthetic methane, i.e. gases with the same characteristics as natural gas. EUS and SPPD have already commenced number of projects to assess the readiness of its gas infrastructure for large scale transit and distribution of hydrogen.

According to EU Regulation on renewable and natural gases and hydrogen, all gas transmission system operators will be required to accept gas flows with a hydrogen content of up to 2% by volume at interconnection points between Union Member States. The adjustments should primarily consist of replacing the metering equipment and other network components. Eustream's pipeline system is well positioned for transit of pure hydrogen as it consists of four to five parallel pipelines, making it suitable for potential simultaneous transport of natural gas and pure hydrogen in a dedicated line in the future.

SPPD successfully completed a pilot project in 2022 where it blended 10% of hydrogen into the gas distribution network in a small village in Slovakia and tested interaction of the networks as well as appliances at households and commercial customers (boilers, cookers). The network of SPPD is relatively modern and a high share of polyethylene pipes (58% of local networks) with superior permeability characteristics makes the network ideally positioned to accommodate hydrogen in the future.

Despite numerous projects and initiatives in the hydrogen area at eustream and SPPD, the revenues and Opex of both entities were classified as taxonomy-non-aligned. This will be reconsidered once necessary adjustments to the networks have been made including successful testing of increased blends of hydrogen with natural gas.

In respect of Capex, we have quantified investments which make the networks ready for future accommodation of hydrogen and which comply with the substantial contribution criteria, specifically *"retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system"*. In case of SPPD, all newly laid pipelines at local networks are made of polyethylene which is proven to be compatible with 100% hydrogen. In case of eustream, the hydrogen related Capex mainly comprised replacement of metering equipment. Both SPPD and eustream have distribution and transit of purely renewable gases as a cornerstone of their long-term transition strategy. In the transitional period, the networks are expected to be used for transport of natural gas, while all necessary adjustments to the networks and blending trials are performed, with the ultimate goal to dedicate the pipelines to 100% renewable gases in the future.

The Regulation requires that Capex aimed to convert non-aligned-activities to Taxonomy-aligned activities needs to be supported by a "Capex plan". As presented in the section *"Results of Taxonomy assessment"* below, Capex of EUR 33m was spent on hydrogen-aligned activities in 2023, of which practically the entire portion was related to replacement of the older pipes in the gas distribution network with hydrogen-ready pipes by SPPD. Similar annual amounts have been spent in the last few years, leading to replacement of approximately 140 km of pipes every year. Going forward, as approved by the local management, SPPD anticipates the rate of pipe replacements to be approximately 200 km/year until 2030 and approximately 300 km/year after 2030. The level of Capex designated for these replacements is planned to be increased accordingly and be broadly proportionate to the length of the pipeline replaced. We note that the conversion of the entire pipeline to a hydrogen-ready pipeline is expected to take beyond 2050. However, it is not necessary to convert the entire pipeline to enable hydrogen distribution. SPPD anticipates that the initial hydrogen demand will be concentrated in industrial clusters. In these clusters, a section of the pipeline can be allocated to hydrogen distribution to connect the backbone hydrogen transit system to hydrogen off-takers. As a result, the timeline for SPPD's engagement in a taxonomy-aligned activity is not contingent on the full conversion of its network into hydrogen-ready pipelines. Instead, it will largely depend on the development of the hydrogen market and the rate at which hydrogen is adopted by various sectors.

Based on the assessment above indicating that the identified hydrogen-compatible Capex is part of a long-term transition plan, the Capex was further considered for taxonomy-alignment, subject to the assessment of DNSH criteria below. We also note that the hydrogen-compatible Capex identified at eustream was rather immaterial.

The Capex incurred as part of the transmission and distribution network operations has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – Both networks are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change as the gas pipelines are predominantly laid down under the ground, providing significant protection. The gas distribution network is particularly resilient against severe weather conditions such as extreme winds. However, a more tangible risk arises from extreme local rainfall and subsequent floods, which could potentially lead to damage through landslides and

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erosion. SPP-D conducts regular monitoring of geological factors, including landslides, erosion, and waterlogging resulting from groundwater rise after floods. Based on this monitoring, the high-pressure network is segmented into 10 risk levels according to the likelihood of potential damage. The higher the risk assessment, the more frequent physical visits are conducted on-site for monitoring purposes. Over the past two decades, the incidence of damages caused by geological factors has remained stable.

- **Water** – Operation of existing gas transmission and distribution networks does not pose direct risk for any water bodies and both entities have complied with local regulation and internal environmental policies. At the gas transmission network, each compressor station has a preventive plan to avoid discharge of pollutants into the environment in line with Act no. 364/2004 Coll., on Waters. The expansion of the networks leading to potential harm to waters during the construction phase is relatively limited. The exception was a construction of the Poland-Slovakia gas interconnector completed by EUS in October 2022, for which an Environmental Impact Assessment (EIA) had been carried out and the environmental permit had been issued by the competent authority. At the gas distribution network, SPPD has implemented an Integrated Management System, which integrates occupational health and safety, environment, and quality processes. Additionally, the Methodological Guideline for Environmental Management contains specific guidelines in water pollution prevention. All individuals involved in the transportation of hazardous goods undergo regular training, and their activities are monitored. At locations where handling of more than 1000 litres of dangerous substances occurs, emergency plans are developed and approved, and emergency drills are conducted annually.

- **Pollution prevention** – EUS and SPPD are certified as compliant with the requirements of ISO 14001 (environmental management). Both entities further hold the certification ISO 3834-2 (welding quality), while EUS also holds certification ISO 50001 (energy management) and SPPD holds certification ISO 55001 (asset management). EUS and SPPD ensure compliance with EU requirements regarding efficiency and other parameters in the technology used (such as compressors operated by EUS and regulation stations operated by SPPD) through their procurement process.

- **Biodiversity** – The pipelines of EUS and SPPD in Slovakia cross several wetland areas which are protected by the international Ramsar Convention on Wetlands. For all development and reconstruction works which were performed in the respective areas, all required permits were obtained. Impact on biodiversity is a primary consideration in the decision-making process on the development and subsequent operation of the networks. In line with its biodiversity policy, SPPD generally strives not to interfere with areas of the highest biological diversity through its activities. SPPD continues its efforts to preserve biodiversity after the construction of a facility, both during operation and when decommissioning facilities. The goal of SPPD is to restore the landscape affected by its activities to a state that is as natural as possible for the given locality, creating viable habitats for original species in that area.

As a result of the assessment above, the identified hydrogen-compatible Capex reported by SPPD and EUS was classified as taxonomy-aligned

### 4.15. District heating /cooling distribution

EPH operates district heating networks in major regional cities in the Czech Republic, associated with NACE code D35.30 (Steam and air conditioning supply). The full turnover, Opex and Capex reported from this activity was classified as Taxonomy-eligible as the activity falls within the eligibility criteria in Annex I, specifically *"Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger"*.

Operation of EPH's district heating networks was further considered for full taxonomy alignment as it meets one of the two criteria in Annex I, specifically *"the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU"*. This criterium requires the district heating or cooling system to use at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat. EPH operations are aligned with the requirement as the heat distributed through its network is produced solely in cogeneration mode by the adjacent cogeneration heating plants which are also in ownership of EPH. The exceptions are occasional very short periods with peak heat demand which need to be partly covered by back-up hot water boilers.



The district heating operations have been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The distribution networks are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change. The pipes are predominantly laid down under the ground. The lines located above the ground might be partly located in forest areas and exposed to falling trees. However, the network mainly consists of large-diameter pipes with a wall thickness of 10mm, and no damage has been historically caused by falling trees on the pipeline. Moreover, a protective zone of 2.5 meters from the edge of the pipeline is maintained along the route.

- **Water** – The district heating networks represent closed systems where water is circulated from the main heat exchanger at the heat generation source to the heat exchange station in the proximity of the end consumers and subsequently returned to the heat generation source for re-heating. Water in the network is regularly resupplied to compensate for water lost through evaporation. However, no water is discharged to the water bodies.

- **Pollution prevention** – the EU efficiency requirements for the compressors used across the networks are binding already for manufacturers of this technology, from whom EPH entities source the equipment.

- **Biodiversity** – None of our district heating systems have been identified to be located near biodiversity-sensitive areas.

As a result of the assessment above, the full third-party revenues, Opex and Capex related to operation and maintenance of district heating networks were classified as taxonomy-aligned. Where the entities operating heating networks also own and operate the adjacent heating plants, the financials of these entities were split into the generation business and distribution business mainly based on internal cost centres.

### 4.20. Cogeneration of heat /cool and power from bioenergy

EPH combusts biomass in some of its heating plants which operate in cogeneration mode. Biomass is combusted in dedicated biomass units as well as co-combusted with lignite. The EU Taxonomy considers only heat and power generation exclusively from biomass as taxonomy-eligible, specifically *"Construction and operation of installations used for cogeneration of heat/cool and power exclusively from biomass, biogas or bioliquids, and excluding cogeneration from blending of renewable fuels with biogas or bioliquids"*. Therefore, we have classified only a dedicated biomass cogeneration unit operated by Plzeňská teplárenská, a.s. („PLTEP") as taxonomy-eligible.

Operation of the biomass unit was further considered for taxonomy alignment as it meets the substantial contribution criteria in Annex I related to the source of biomass and the transport distance:

- Biomass combusted by PLTEP is sourced locally within the Czech Republic, predominantly from the Plzeň Region. Owing to the limited transport distance (< 500km), the saving of greenhouse gases compared to a fossil fuel alternative exceeds the threshold required by the Taxonomy Regulation of 80% (based on the typical values of greenhouse gas savings as indicated in Annex VI to Directive (EU) 2018/2001). In addition, when approaching potential supplier of biomass, PLTEP strongly prefers railway transport over road transport where feasible.

- Taxonomy regulation allows forest and agricultural biomass to be considered as taxonomy-aligned provided that some conditions are fulfilled such as legality of harvesting, forest regeneration of harvested areas and other criteria ensuring sustainability of biomass production. This is ensured through certification which is required by PLTEP from each supplier including declaration that the biomass complies with the Czech regulation specifying criteria on sustainability and greenhouse gas savings. The suppliers are also obliged to provide evidence that they are entitled to harvest wood from the land based on direct ownership or the agreement with the landowner.

The cogeneration of heat and power from biomass by PLTEP has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The biomass unit is currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.

- **Water** – Based on the integrated permit, the heating plant is allowed to withdraw cooling water from the adjacent river and discharge it back. The amount of water discharged from our plants is not materially different from amount of water withdrawn, i.e. vast

majority of water is returned back to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same or better quality and similar temperature, at which it was withdrawn from the source.

- **Pollution prevention** – after major refurbishments aimed at reduction of dust particles, PLTEP follows the best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants.

- **Biodiversity** – The plant is not located near any biodiversity-sensitive area.

As a result of the assessment above, the full revenues, Opex and Capex related to operation and maintenance of the biomass unit were classified as taxonomy-aligned. The financials of the biomass unit were derived based on internal cost centres used by PLTEP.

### 4.29. Electricity generation from fossil gaseous fuels

EPH operates a significant fleet of gas-fired power plants comprising combined cycle gas units and open cycle gas units. As of the year end 2023, the installed capacity in gas stood at 9.4 GW. Additionally, EPH has multiple development projects underway of 2.4 GW, these projects are under construction with commissioning planned in 2024–2025. These projects are represented by CCGT/OCGT plants in Italy and the United Kingdom. This positions EPH as one of the most proactive developers of low carbon dispatchable power generation sources, which we consider essential for accommodating the increased deployment of renewable generation sources. All newly constructed gas-fired power plants are designed to readily accept certain blends of hydrogen and are envisioned to fully combust renewable gases in the future. EPH prioritizes the readiness for hydrogen to ensure the compatibility of these plants with a net-zero energy system and to prevent locked-in emissions from prolonged use of natural gas. In 2023, EPH incurred material Capex related to development of these new plants, while revenues and Opex were not material.

In March 2022, the Complementary Climate Delegated Act to accelerate decarbonisation was adopted, giving gas and nuclear power generation a status of transitional activities. As a result, the operation of gas-fired plants by EPH falls under the category of taxonomy-eligible activities, specifically described as *"Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels."* To be fully aligned with the Taxonomy Regulation, a set of stringent substantial contribution criteria must be met. Facilities for which the construction permit is granted by 31 December 2030 need to comply with all of the following:

(1) **Direct GHG emissions of the activity are lower than 270g CO2e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of 550kg CO2e/kW of the facility's capacity over 20 years.**

EPH aims to commission the new build projects during 2024-2025. Although all plants are built as hydrogen-ready, it cannot be reasonably expected that green gases would be commercially available to complement natural gas in the turbines within this timeframe. Therefore, all power plants will combust 100% unabated natural gas from the outset. To achieve the emission intensity of 270 g $CO_2$/kWh, the power plant would have to demonstrate efficiency of ca 75% which is not feasible with current technologies. EPH power plants will be able to reach best-in-class efficiencies slightly above 60% which is below the required threshold (slightly below 330 g $CO_2$/kWh).

Another option to meet this criterium is to look at 20-year average emissions in proportion to the installed capacity. This criterium favors plants where the utilization is expected to be limited and the plants will be mainly used as peaking sources to complement the intermittent renewables. The OCGT plants are designed to operate for a very limited number of hours. Due to their low efficiency, they will be the last in the generation merit order. From the new build projects, the Kilroot OCGT power plant complies with this criterium. Based on the approved business plan, the overall production of the plant will be relatively small and the criterium will be met by a large margin. The calculation below results in average annual emissions which are substantially below the threshold.

(2) **The power to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation.**



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The role of the hydrogen-ready gas power plants in the transformation of the energy system is acknowledged by national strategies of all countries where EPH operates as outlined in the respective National Energy and Climate Plans (NECP).

With growing penetration of renewables, the utilization of dispatchable gas power plants is expected to decline. After coal generation sources are phased out, gas power plants will be the last in the generation merit order, depending on their generation efficiency. Maintaining these assets operational is not detrimental to the build-out of renewables which will always be fully utilized given their virtually zero marginal costs. In fact, flexible gas power plants play a crucial role in supporting the growth of renewable energy. EPH projects to reduce full load hours of the power plants based on the efficiency of respective power plants and their useful lives.

Therefore, these sources should not be perceived as an alternative to the renewable sources, but rather a essential complements which have a pathway to become green energy sources through the use of renewable gases, once commercially viable.

As part of the EU Taxonomy disclosure, EPH would like to encourage stakeholders to provide feedback on the EPH position. EPH already engages in regular open discussions with banks, investors, local communities, or non-governmental organizations, offering explanations for its strategic choices.

(3) **The activity replaces an existing high emitting electricity generation activity that uses solid or liquid fossil fuels.**

The new OCGT power plant at Kilroot serves as a replacement of coal units decommissioned in September 2023 https://www.epholding.cz/en/press-releases/eph-announces-successful-closure-of-coal-units-at-kilroot-power-station-affirms-its-commitment-to-sustainable-energy-transition/.

(4) **The newly installed production capacity does not exceed the capacity of the replaced facility by more than 15%.**

The installed electrical capacity of the Kilroot power plant is 700 MW, whereby the awarded capacity contracts are granted for a derated capacity of 598 MW, which will be effectively utilized. The net installed capacity of the previous coal units was 514 MW, i.e. by 16% lower. This percentage is slightly above the allowed 15%. However, the actual generation is expected to be far below the potential given by the installed capacity as explained above under criterium (i). Hence, we deem this criterion to be satisfied in its fundamental essence. Once the asset becomes operational, EPH will report on the actual operational regime and will assess the Taxonomy alignment accordingly.

(5) **The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035, with a commitment and verifiable plan approved by the management body of the undertaking.**

The gas turbines at all facilities shall be ready for blends of hydrogen from the outset where the gradual increase up to 100% is envisaged. This shall enable EPH combust solely zero carbon gases as a combination of hydrogen with the remainder represented by other renewable gases, mainly biomethane. The pace of increasing the share of zero carbon gases in the mixture will largely depend on commercial availability of hydrogen or other renewable gases. EPH shall be technologically ready to introduce required modification to the technology to enable full combustion of renewable gases.

EPH is committed to using solely renewable gases in the gas turbines for power generation by 2035, subject to sufficient availability of these gases (hydrogen, biomethane, synthetic methane) and adequate infrastructure in place for their distribution. As EPH's influence on the development of the market with renewable gases is peripheral, EPH's commitment needs to be perceived as a commitment to technical readiness to combust renewable gases.

The UK government has set an ambitious goal to fully decarbonize the power sector by 2035, implicitly assuming commercially available renewable gases for the gas power plants.

(6) **The replacement leads to a reduction in emissions of at least 55% GHG over the lifetime of the newly installed production capacity.**

The required reduction in emissions compared to the replaced coal power plant will be ensured by lower emission intensity of natural gas as well

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as overall lower load factor typical for operation of the OCGT plants.

(7) **Where the activity takes place on the territory of a Member State in which coal is used for energy generation, that Member State has committed to phase-out the use of energy generation from coal and has reported this in its integrated national energy and climate plan referred to in Article 3 of Regulation (EU) 2018/1999 of the European Parliament and of the Council(230) or in another instrument.**

The UK government has set a coal exit for 2024.

The EU Taxonomy criteria also require verification from an independent third party, specifically to certify the level of direct GHG emissions and credibility of the trajectory to comply with the average threshold over 20 years referred to in point (i) above and credibility of the trajectory to renewable gases as referred to in point (v) above. The EPH Taxonomy assessment for 2024 and subsequent years will be part of an ESRS aligned disclosure and will be subject to external assurance. As part of this assurance, the GHG emissions and credibility of the trajectory to renewable gases will be assessed by an independent auditor.

The activity also needs to meet the following additional criteria related to methane leakage:

(a) *at construction, measurement equipment for monitoring of physical emissions, such as those from methane leakage, is installed or a leak detection and repair programme is introduced;*

(b) *at operation, physical measurement of emissions are reported and any leak is eliminated*

EPH aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites.

In respect of biomethane as a potential renewable gas to be used in the turbines, the EU Taxonomy requires that "Where the activity blends fossil gaseous fuels with gaseous or liquid biofuels, the agricultural biomass used for the production of the biofuels complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001 while forest biomass complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive". While the future source of biomethane is not currently known, EPH commits to sourcing biomethane in line with the respective EU directives.

Therefore, the Capex associated with construction of gas-fired power plants was further considered for taxonomy alignment, subject to meeting the DNSH criteria below:

- **Climate change adaptation** – EPH assessment: As required by the local regulation, operators of power plants in the United Kingdom need to perform an asset-level physical climate risk assessment. This requirement currently applies to entities in England, and it is expected to be applied similarly by the regulator in Northern Ireland. The assessment process has already commenced, and certain documents have been already submitted to the regulator. Following completion of the climate risk assessments, the UK entities will ensure that necessary controls are implemented through their ISO14001 certified environmental management systems. At the EPH holding level, the central physical risk which is formally addressed is the potential scarcity of cooling water. Periods of droughts might completely cut off the plants from a vitally needed medium. In its sustainability report, EPH regularly discloses a water stress analysis to monitor which locations are most vulnerable to water shortages.

- **Water** – The gas power plants are allowed to withdraw cooling water from the adjacent river or sea and discharge it back. The amount of water discharged from our plants is not materially different from amount of water withdrawn, i.e. vast majority of water is returned to the source. The cooling flow-based systems in the power plants represent closed systems, whereby the water discharged is of the same or better quality and similar temperature, at which it was withdrawn from the sources. Water availability is considered when designing cooling technologies for new projects, including air-cooling or evaporative cooling.

- **Pollution prevention** – All UK gas power plants comply with the best available techniques (BAT) conclusions for large combustion plants.

- **Biodiversity** – The permitting procedures ensure that the potential impact on biodiversity is adequately addressed and that the impact of operations on biodiversity is not material.



### 4.30. High-efficiency co-generation of heat /cool and power from fossil gaseous fuels

Through its sub-holding EP Infrastructure ("EPIF"), EPH operates a portfolio of cogeneration heating plants in the Czech Republic, supplying heat to adjacent district heating networks, while contributing to power grid stability by providing dispatchable power capacity. EPIF heating plants are still predominantly lignite-based, complemented by biomass boilers and a waste incinerator plant. EPIF aims to convert all plants away from lignite to a balanced mix of gas-fired units and additional waste incinerator plants, while keeping certain volume of biomass in place. Natural gas is expected to play a key role in the fuel mix as the decommissioned coal capacities will be mainly replaced by combined cycle gas turbine ("CCGT") units. These technologies are ideally positioned not only to cover the needed heat demand but also as highly flexible power generation sources which shall complement and support the increased share of intermittent renewable generation sources.

EPIF aims to commence development of these technologies in 2024/2025. In the financial year 2023, limited Capex was incurred related to preparatory works, while the final investment decision has not yet been made. EPH subsidiaries have already submitted all investment subsidy applications to the Modernization Fund, specifically programme HEAT which is designated for transformation of the district heating in the Czech Republic. Several applications have already been approved. While no material Revenues, Opex, and Capex have been yet incurred to be assessed, we aim to provide our view on the preliminary assessment of the technical screening criteria.

The construction and operation of CCGT cogeneration units falls under the category of taxonomy-eligible activities, specifically described as *"Construction, refurbishment, and operation of combined heat/ cool and power generation facilities using fossil gaseous fuels"*. The activity was therefore further assessed for taxonomy alignment based on the following substantial contribution criteria which apply to facilities for which the construction permit is granted by 31 December 2030:

(1) **The activity achieves primary energy savings of at least 10% compared with the references to separate production of heat and electricity; the primary energy savings are calculated on the basis of formula provided in Directive 2012/27/EU.**

59 https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf

Based on the expected cogeneration efficiency of the heating plants in the range of 85–90% and assumed split of 50:50 between heat and power, the cogeneration plants create primary energy savings of ca 21–25% compared to separate heat and power production, using harmonized efficiency reference values for separate production of electricity and heat as per Regulation (EU) 2015/2402. The calculation was based on the formula provided in the Directive 2012/27/EU (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012L0027).

(2) **Direct GHG emissions of the activity are lower than 270 g CO2e/kWh of the output energy**.

EPIF cogeneration plants are planned to achieve an overall efficiency (i.e. including cogeneration and condensation generation) of 75%, resulting in emission intensity of ca 264 g $CO_2$e/kWh. This assumes sole combustion of natural gas. As the turbines shall be ready for partial hydrogen combustion (share of ca 15% is indicated in the initial stage) with envisaged gradual increase, the emission intensity is expected to be reduced upon adoption of green gas blends.

(3) **The power and/or heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation.**

I. Power – The CCGT units represent highly flexible generation sources ideally positioned to support the ramp up of intermittent renewable generation sources. The Czech power generation is still heavily dependent on coal (39% in 2023) and nuclear (41% in 2023). According to the Resource Adequacy assessment of the power grid of the Czech Republic until 2040 prepared by ČEPS[59], role of gas in power generation will grow in all four considered scenarios. Accelerated phase out of lignite further necessitates adequate capacities of flexible gas-fired plants.

II. Heat – EPIF has performed an internal assessment of three potential viable renewable alternatives to generate the heat needed for the residential and commercial customers currently supplied by EPH. The alternative solutions considered are (i) retrofitting of existing lignite boilers to enable sole biomass combustion, (ii) heat

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pumps powered by renewable energy sources and (iii) geothermal energy.

Biomass boilers

While biomass is a suitable complementary fuel which can be sustainably locally sourced at limited volumes, EPIF is of the view that using biomass on a mass scale would be detrimental to the EU decarbonization goals and not aligned with the sustainability criteria. Reliance on biomass at the required scale to replace all lignite and provide sufficient heat volumes would dramatically increase usage of biomass, where its availability would be uncertain, and its sustainability characteristics would likely be compromised. EPIF is currently able to source sufficient biomass volumes from local sources with limited transport distance. The biomass is certified and aligned with EU Taxonomy criteria. We consider as not feasible to substantially increase biomass usage, while maintaining these standards.

Heat pumps

Heat pumps are generally considered as a viable alternative to decarbonize heating. The prerequisites are (i) decarbonization of the power grid, (ii) reinforcing the capacity of the transmission networks to accommodate the fluctuations driven by the heat offtake, and (iii) accelerated deployment of heat pumps. EPIF entities supply heat to major regional cities including densely populated blocks of flats where the needs for the reserved capacity might exceed the current grid capacities. In addition, the radiators in existing older blocks of flats and houses are often designed for water with parameters which cannot be provided by heat pumps. In respect of the accelerated roll-out of heat pumps, even the more progressive scenarios of the Resource Adequacy assessment of the power grid of the Czech Republic until 2040 prepared by ČEPS[60] assumes gradual increase in penetration of heat pumps reaching ca 1.5 million in 2040, i.e. ca 30% of the current number of households in the Czech Republic.

Geothermal energy

Utilization of geothermal energy in the Czech Republic is limited, there are only a handful of existing projects. Geothermal might be a suitable complement and EPIF is in the process to explore potential of geothermal energy in its areas of operation. However, geothermal energy is not likely to serve as the flexible source reflecting major seasonal fluctuations in heat offtake. The capacities of the geothermal source need to be designed to cover the peak heat demand during winter which might not be utilized during summer. The solution might not be therefore cost-effective if not complemented by other flexible heat sources.

Conclusion

While heat pumps and geothermal energy represent zero carbon alternatives in the long term when it is conceivable to deploy these technologies on a large scale, a rapid reduction in emissions which is vitally needed in the short term, will be more reliably achieved through replacement of the lignite plants with highly efficient CCGT units. The crucial aspect is the envisaged adaptation of the CCGT units for renewable gases, making these assets fully compatible with net zero energy system and preventing the emissions from natural gas from being locked in. In addition, these dispatchable sources do not only supply heat but are also vital contributors to grid stability, enabling the ramp up of renewable generation sources and accelerated coal phase-out. We therefore consider the CCGT units as best positioned to contribute to the energy transition.

As part of the EU Taxonomy disclosure, EPH would like to encourage stakeholders to provide feedback on the EPH position. EPH already engages in regular open discussions with banks, investors, local communities, or non-governmental organizations, offering explanations for its strategic choices.

(4) **The activity replaces an existing high emitting combined heat/cool and power generation activity, a separate heat/cool generation activity, or a separate power generation activity that uses solid or liquid fossil fuels.**

CCGT technologies at all sites operated by EPIF represent a replacement of existing technologies reliant on lignite. The emission intensity of the CCGT units is substantially lower than for the lignite-based technologies.

(5) **The newly installed production capacity does not exceed the capacity of the replaced facility.**

The installed thermal capacity of the CCGT units is below the capacity of the replaced units at all plants.

(6) **The facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December 2035, with a commitment and verifiable plan approved by the management body of the undertaking.**

The gas turbines at all facilities shall be ready for partial hydrogen combustion from the outset with 15% currently guaranteed by suppliers of the technology with optionality to increase the share up to 100% once such technology is commercially deployed by the turbine manufacturers. This shall enable EPIF combust either sole hydrogen or a combination of hydrogen and biomethane. The pace of increasing the share of renewable gases in the mixture will largely depend on commercial availability of hydrogen or biomethane.

EPIF is committed to using solely renewable gases in the gas turbines in the cogeneration heating plants for heat and power generation by 2035, in line with the EU Taxonomy criteria, subject to sufficient commercial availability of these gases (hydrogen, biomethane, synthetic methane) and adequate infrastructure in place for their distribution. As EPIF's influence on the development of the market with renewable gases is peripheral, EPIF's commitment needs to be perceived as a commitment to technical readiness to combust renewable gases.

(7) **The replacement leads to a reduction in emissions of at least 55% GHG per kWh of output energy.**

The emission intensity of existing lignite units is in the range of 600–900 g/kWh, depending on share of cogeneration and condensation production. The new CCGT units are planned to have emission intensity below the threshold of 270 g/kWh, achieving emission reduction of at least 55%.

(8) **The refurbishment of the facility does not increase production capacity of the facility.**

The thermal installed capacity of the CCGT units is below the capacity of the replaced units at all plants, reducing the thermal energy generation potential.

(9) **Where the activity takes place on the territory of a Member State in which coal is used for energy generation, that Member State has committed to phase-out the use of energy generation from coal and has reported this in its integrated national energy and climate plan referred to in Article 3 of Regulation (EU) 2018/1999 or in another instrument.**

The previous Czech government (in office until 2021) acknowledged the outcome of a "coal committee" which recommended to phase out coal in energy generation by 2038. According to the current Policy Statement of the Czech government, the government aims to create conditions to enable phase out coal in energy generation by 2033. This intention was confirmed in the National Energy and Climate Plan (NECP) submitted to the European Commission in 2023.

The EU Taxonomy criteria also require verification from an independent third party, specifically to certify the level of direct GHG emissions referred to in point (ii) above and credibility of the trajectory to renewable gases as referred to in point (vi) above. The EPH Taxonomy assessment for 2024 and subsequent years will be part of an ESRS aligned disclosure and will be subject to external assurance. As part of this assurance, the GHG emissions and credibility of the trajectory to renewable gases will be assessed by an independent auditor.

The activity also needs to meet the following additional criteria related to methane leakage:

(a) *at construction, measurement equipment for monitoring of physical emissions, including those from methane leakage, is installed or a leak detection and repair program is introduced;*

(b) *at operation, physical measurement of emissions are reported and any leak is eliminated*

EPH aims to implement all measures to prevent gas leaks, including a leak detection and repair program across all sites.

Therefore, the Capex associated with construction of gas-fired power plants was further considered for taxonomy alignment, subject to meeting the DNSH criteria below:

- **Climate change adaptation** – For the cogeneration heating plants source, a significant risk identified is the potential scarcity of cooling water. Periods of droughts might completely cut off the plants from a vitally needed medium. In its sustainability report, EPH regularly discloses a water stress analysis to monitor which locations are most vulnerable to

60 https://www.mpo.cz/assets/en/energy/electricity/2023/5/91737_ceps-maf-2022-eng.pdf

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water shortages. Currently, no plant is situated in an area at risk of water shortages in the medium term.

- **Water** – Based on the integrated permit, the heating plant is allowed to withdraw cooling water from the adjacent river and discharge it back. The amount of water discharged from our plants is not materially different from amount of water withdrawn, i.e. vast majority of water is returned back to the source. The cooling flow-based systems in the cogeneration heating plants represent closed systems, whereby the water discharged is of the same or better quality and similar temperature, at which it was withdrawn from the source.
- **Pollution prevention** – all new CCGT units are planned to comply with the limits given by best available techniques (BAT) conclusions.
- **Biodiversity** – The plants are not located near any biodiversity-sensitive area.

### 6.2. Freight rail transport

Through its subsidiaries in Germany, the Czech Republic and Poland, EPH operates a fleet of locomotives and wagons transporting a variety of materials, including fuels, energy by-products, or chemical substances. As the activity corresponds to the taxonomy definition *"Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads"*, we have classified full revenues and Opex as taxonomy-eligible. The taxonomy-aligned revenues and Opex were then calculated by excluding fleet dedicated to transport of fossil fuels and operation of diesel locomotives.

The freight rail transport activity has been assessed in respect of the following DNSH criteria:

- **Climate change adaptation** – The assets needed for the activity are currently considered as being at low risk of direct damage from more extreme weather events resulting from the climate change.
- **Circular economy** – Decommissioning of obsolete technology is followed by recycling of materials where technologically feasible.
- **Pollution prevention** – Only electrical locomotives were considered for taxonomy alignment.

### 6.6. Freight transport services by road

EPH is engaged in road freight transport both with our own fleet of vehicles and using forwarding services. Our specific service is the transport of loose bulk materials in silo trucks, tipping semi-trailers, or on sliding floors. We have identified part of the fleet meeting the taxonomy eligibility criterium *"Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road"*. As majority of the vehicles operated comply with the EURO VI emission norm, significant portion of Revenues and Opex was classified as taxonomy-eligible. The activity was not further considered for full taxonomy alignment as the fleet does not meet emission criteria to be considered as 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of Regulation (EU) 2019/1242.

### Non-eligible activities

Non-eligible activities of EPH are mainly represented by:

- **Generation of power** from hard coal and lignite, cogeneration of heat and power from lignite or municipal waste.
- **Lignite mining** – while majority of lignite mined is used for own consumption, EPH reports certain revenues from external deliveries of lignite.
- **Gas storage** – this activity will be continuously evaluated in the future to determine its potential taxonomy eligibility or full alignment. Further research and trials need to be carried out to have improved visibility on the steps needed to convert existing gas storage facilities to accommodate hydrogen.
- **Supply and trading of power and gas** – this activity is not addressed by the Taxonomy Regulation. As the supply and trading business reports relatively high turnover from resale of power and gas, the percentage share of the Taxonomy-eligible activities for the entire Group is distorted by this segment which is relatively minor in terms of operating profit contribution.

### Disclosure According to Annex 12 of Regulation 2021/2178

In 2023, EPH generated revenues of EUR 4,853m (20% of total) and incurred Opex of EUR 49m (19% of total) and Capex of EUR 440m (51% of total) related to generation from fossil gaseous fuels.



# Results of Taxonomy assessment

The KPIs to assess taxonomy-eligibility and taxonomy-alignment are calculated as a portion of turnover, Opex and Capex associated with the taxonomy-eligible and taxonomy-aligned activities listed above (numerator) divided by the total EPH Group turnover, Opex and Capex (denominator).

In the determination of turnover, Opex and Capex according to the Taxonomy Regulation, the same accounting and valuation methods have been applied as in the notes to EPH Group Consolidated Financial Statements as of and for the year ended; see Note 7 – Revenues, Note 15 – Property, plant and equipment and Note 16 – Intangible assets and goodwill.

Turnover, Opex and Capex were sourced from the same sets of financial data used for the Group consolidation process. Underlying data included consolidated financial data after intercompany eliminations as well as stand alone financial data of individual companies before intercompany eliminations. The stand alone financial data before intercompany eliminations were used in instances where revenues from a taxonomy-aligned activity are realized via another subsidiary with taxonomy-non-aligned activities. This included (i) delivery of power produced by an aligned entity to the energy exchange through a non-aligned trading entity which only serves as an intermediary and (ii) revenues from electricity and gas distribution which are realized through a non-aligned Group entity which operates as a supplier of electricity or gas and the distribution tariffs are ultimately charged by this supplier. As one of the entities was always treated as taxonomy-non-aligned, there was no risk of double counting.

### Turnover

Numerator: Total revenues that were assigned to taxonomy-eligible or taxonomy-aligned activities listed above

Denominator: *Revenues* as presented in the Consolidated statement of comprehensive income in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2023.

Contextual information: Revenues mainly comprise fees for booked capacities in the gas transit network and the gas storage facilities, fees for distribution of electricity and gas, revenues from sales of power and heat produced by power and heating plants, revenues from supply and trading of power and gas and logistics activities.

### Operating expenses (Opex)

Numerator: Total Opex that was assigned to taxonomy-eligible or taxonomy-aligned activities listed above

Denominator: the following items included in line item Services in the Consolidated statement of comprehensive income in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2023 were included:

- **Repairs and maintenance**
- **Rent expenses**

Contextual information: The Opex is mainly related to maintenance of own infrastructure comprising of gas transmission and distribution networks, gas storage facilities, a power distribution network, power plants and district heating assets.

### Capital expenditure (Capex)

Numerator: Total Capex that was assigned to taxonomy-eligible or taxonomy-aligned activities listed above:

Denominator: Acquisition of property, plant and equipment, investment property and intangible assets as presented in the Consolidated statement of cash flows in the EPH Group Consolidated Financial Statements as of and for the year ended 31 December 2023

Contextual information: The Capex is mainly related to reconstruction and development of own infrastructure comprising of gas transmission and distribution networks, gas storage facilities, a power distribution, power plants and district heating assets.

The results of the assessment are presented in the following tables:

# Results of Taxonomy assessment

## Turnover

| | | | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic activities (1)** | **Codes (2)** | **Absolute turnover (3)** | **Proportion of turnover (4)** | **Climate change mitigation (5)** | **Climate change adaptation (6)** | **Water and marine resources (7)** | **Circular economy (8)** | **Pollution (9)** | **Biodiversity and ecosystems (10)** | **Climate change mitigation (11)** | **Climate change adaptation (12)** | **Water and marine resources (13)** | **Circular economy (14)** | **Pollution (15)** | **Biodiversity and ecosystems (16)** | **Minimum safeguards (17)** | **Taxonomy-aligned proportion of turnover, year N (18)** | **Taxonomy-aligned proportion of turnover, year N-1 (19)** | **Category (enabling activity) (20)** | **Category (transitional activity) (21)** |
| | | EUR million | % | % | % | % | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Percent | Percent | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1. | 12 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.0% | | |
| Electricity generation from wind power | 4.3. | 25 | 0.1% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.1% | 0.1% | | |
| Electricity generation from hydropower | 4.5. | 1 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.0% | | |
| Transmission and distribution of electricity | 4.9. | 429 | 1.8% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 1.8% | 0.9% | E | |
| District heating/cooling distribution | 4.15. | 160 | 0.7% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.7% | 0.4% | | |
| Cogeneration of heat/cool and power from bioenergy | 4.20. | 3 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.0% | | |
| Freight rail transport | 6.2. | 91 | 0.4% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.4% | 0.2% | | T |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **721** | **3.0%** | **100%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **3%** | **1,6%** | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation from bioenergy | 4.8. | 669 | 2.8% | | | | | | | | | | | | | | | | | |
| Transmission and distribution networks for renewable and low-carbon gases | 4.14. | 774 | 3.2% | | | | | | | | | | | | | | | | | |
| Electricity generation from fossil gaseous fuels | 4.29. | 4,853 | 20.0% | | | | | | | | | | | | | | | | | T |
| Freight rail transport | 6.2. | 33 | 0.1% | | | | | | | | | | | | | | | | | T |
| Freight transport services by road | 6.6. | 21 | 0.1% | | | | | | | | | | | | | | | | | T |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)** | | **6,349** | **26%** | | | | | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **7,071** | **29%** | | | | | | | | | | | | | | | | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 17 137 | 71% | | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **24 208** | **100%** | | | | | | | | | | | | | | | | | |

# Results of Taxonomy assessment

## Opex

| | | | | Substantial contribution criteria | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic activities (1)** | **Codes (2)** | **Absolute Opex (3)** | **Proportion of Opex (4)** | **Climate change mitigation (5)** | **Climate change adaptation (6)** | **Water and marine resources (7)** | **Circular economy (8)** | **Pollution (9)** | **Biodiversity and ecosystems (10)** | **Climate change mitigation (11)** | **Climate change adaptation (12)** | **Water and marine resources (13)** | **Circular economy (14)** | **Pollution (15)** | **Biodiversity and ecosystems (16)** | **Minimum safeguards (17)** | **Taxonomy-aligned proportion of Opex, year N (18)** | **Taxonomy-aligned proportion of Opex, year N-1 (19)** | **Category (enabling activity) (20)** | **Category (transitional activity) (21)** |
| | | EUR million | % | % | % | % | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Percent | Percent | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1. | 0 | 0.1% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.1% | 0.1% | | |
| Electricity generation from wind power | 4.3. | 4 | 1.5% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 1.5% | 1.3% | | |
| Electricity generation from hydropower | 4.5. | 0 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.0% | | |
| Transmission and distribution of electricity | 4.9. | 11 | 4.4% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 4.4% | 1.6% | E | |
| District heating/cooling distribution | 4.15. | 4 | 1.4% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 1.4% | 0.7% | | |
| Cogeneration of heat/cool and power from bioenergy | 4.20. | 0 | 0.1% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.1% | 0.0% | | |
| Freight rail transport | 6.2. | 9 | 3.3% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 3.3% | 4.9% | | T |
| **Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **27** | **11%** | **100%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **11%** | **8.6%** | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation from bioenergy | 4.8. | 25 | 9.8% | | | | | | | | | | | | | | | | | |
| Transmission and distribution networks for renewable and low-carbon gases | 4.14. | 10 | 4.0% | | | | | | | | | | | | | | | | | |
| Electricity generation from fossil gaseous fuels | 4.29. | 49 | 19.0% | | | | | | | | | | | | | | | | | T |
| Freight rail transport | 6.2. | 6 | 2.4% | | | | | | | | | | | | | | | | | T |
| Freight transport services by road | 6.6. | 1 | 0.4% | | | | | | | | | | | | | | | | | T |
| **Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)** | | **91** | **36%** | | | | | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **119** | **46%** | | | | | | | | | | | | | | | | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| Opex of Taxonomy-non-eligible activities (B) | | 138 | 54% | | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **257** | **100%** | | | | | | | | | | | | | | | | | |

# Results of Taxonomy assessment

## Capex

| Economic activities (1) | Codes (2) | Absolute Capex (3) | Proportion of Capex (4) | Substantial contribution criteria: Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) | DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum safeguards (17) | Taxonomy-aligned proportion of Capex, year N (18) | Taxonomy-aligned proportion of Capex, year N-1 (19) | Category (enabling activity) (20) | Category (transitional activity) (21) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | EUR million | % | % | % | % | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Percent | Percent | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation using solar photovoltaic technology | 4.1. | 19 | 2.2% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 2.2% | 0.0% | | |
| Electricity generation from wind power | 4.3. | 13 | 1.6% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 1.6% | 0.7% | | |
| Electricity generation from hydropower | 4.5. | 0 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.0% | | |
| Transmission and distribution of electricity | 4.9. | 59 | 6.8% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 6.8% | 6.8% | E | |
| Transmission and distribution networks for renewable and low-carbon gases | 4.14. | 33 | 3.8% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 3.8% | 3.4% | | |
| District heating/cooling distribution | 4.15. | 10 | 1.2% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 1.2% | 2.2% | | |
| Cogeneration of heat/cool and power from bioenergy | 4.20. | 0 | 0.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.0% | 0.2% | | |
| Electricity generation from fossil gaseous fuels | 4.29. | 35 | 4.0% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 4.0% | 0.0% | | |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | 4.30. | 7 | 0.8% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.8% | 0.0% | | |
| Freight rail transport | 6.2. | 3 | 0.3% | 100% | 0% | 0% | 0% | 0% | 0% | Y | Y | Y | Y | Y | Y | Y | 0.3% | 0.0% | | T |
| **Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **178** | **21%** | **100%** | **0%** | **0%** | **0%** | **0%** | **0%** | | | | | | | | **21%** | **13.4%** | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | | |
| Electricity generation from bioenergy | 4.8. | 6 | 0.7% | | | | | | | | | | | | | | | | | |
| Transmission and distribution of electricity | 4.9. | 2 | 0.2% | | | | | | | | | | | | | | | | | |
| Storage of electricity | 4.10. | 5 | 0.5% | | | | | | | | | | | | | | | | E | |
| Transmission and distribution networks for renewable and low-carbon gases | 4.14. | 7 | 0.8% | | | | | | | | | | | | | | | | | |
| Electricity generation from fossil gaseous fuels | 4.29. | 399 | 46.6% | | | | | | | | | | | | | | | | | T |
| Freight rail transport | 6.2. | 21 | 2.4% | | | | | | | | | | | | | | | | | T |
| Freight transport services by road | 6.6. | 3 | 0.3% | | | | | | | | | | | | | | | | | T |
| **Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)** | | **442** | **52%** | | | | | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **620** | **72%** | | | | | | | | | | | | | | | | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | | |
| Capex of Taxonomy-non-eligible activities (B) | | 237 | 28% | | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **857** | **100%** | | | | | | | | | | | | | | | | | |

Note: In the tables above, 100% of the taxonomy-aligned Turnover, Opex and Capex is related to the Climate change mitigation. Therefore, 100% share is presented in the column "Climate change mitigation (5)". As no activities were identified as having substantial contribution to multiple criteria, the principle of no double counting was upheld.

# Annex

# Abbreviations

| | |
|---|---|
| ACRC | Analysis Consulting Research Communication |
| AIFOS | Association of Italian Occupational Safety Trainers |
| ATEP | Advanced Turbine Efficiency Upgrade |
| BAT | Best Available Technologies |
| BESS | Battery Energy Storage System |
| BBS | Behaviour Based Safety |
| BERT | Budapesti Erőmű Zrt. |
| BMWK | Federal Ministry for Economic Affairs and Climate Protection |
| BNatSchG | Nature conservation act in Germany |
| CCGT | Combined Cycle Gas Turbine |
| CE | Demand Central Europe: represents a region of the Czech Republic, Slovakia and Austria |
| CEE | Certificats d'Economie d'Energie |
| CED | Cumulative Energy Demand |
| $CH_4$ | Methane |
| CHP | Cogeneration |
| $CO_2$ | Carbon dioxide |
| COD | Chemical Oxygen Demand |
| CZK | Czech koruna |
| DCS | Distributed Control System |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortisation |
| EC | European Commission |
| EEA | European Environment Agency |
| EEG | Renewable Energy Resources Act |
| EH6 | Emile Huchet 6 |
| EIA | Environmental Impact Assessment |
| EMIR | European Market Infrastructure Regulation |
| EMS | Environmental Management System |
| ENO | The Nováky power plant |
| EnWG | Energiewirtschaftsgesetz (Energy Industry Act) |
| EOP | Elektrárny Opatovice a.s. |
| EPA | Environmental Protection Agency |
| EPC | EP Cargo a.s. |
| EPCG | EP Corporate Group |
| EPETr | EP Energy Transition |
| EPH | Energetický a průmyslový holding, a.s. (Parent company) |
| EPIF | EP Infrastructure a.s. |
| EPLI | EP Logistics International a.s. |
| EPNE | EP New Energies |
| EPNEI | EP New Energy Italia |
| EPPE | EP Power Europe a.s. |
| EPR | EP Resources |
| EPUKI | EP UK Investments |
| ENO | Nováky lignite power plant |
| EVO | Vojany coal power plant |
| ESG | Environment Social Governance |
| ESRS | European Sustainability Reporting Standards |
| ETS | Emissions Trading Schemes |
| EU | European Union |
| EUR | Euro currency |
| EURm | Euro currency millions |
| GBP | British pound sterling |
| GDPR | General Data Protection Regulation |
| GHG | Greenhouse gases are those currently required by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. These GHGs are currently: carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride ($SF_6$) and nitrogen trifluoride ($NF_3$) |
| GRI | Global Reporting Initiative |
| H&S | Health and safety |
| HFCs | Hydrofluorocarbons |
| HNC | Higher National Certificates |
| HR | Human Resources |
| HRSG | Heat Recovery Steam Generator |
| HSE | Health, Safety and Environment |
| HSEQ | Health, Safety, Environment, and Quality |
| HSR | Helmstedter Revier GmbH |
| ICT | Information and Communication Technologies |
| ICS | Industrial Control Systems |
| IFRS | International Financial Reporting Standards |
| IIS | Higher Education Institution |
| IPCC | Intergovernmental Panel on Climate Change |
| IPCEI | Important Projects of Common European Interest |
| IPPCL | Integrated Pollution Prevention and Control Licence |
| ISRS 4400 | International Standard on Related Services, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information |
| ISO 9001 | Certification of Quality management system |
| ISO 14001 | Certification of Environmental management system |
| IT | information technology |
| J&T | J&T Finance Group SE |
| JFT | Just Transition Fund |
| KPI | Key Performance Indicator |
| KYC | "Know your customer" is the process of a business, identifying and verifying the identity of its customers |
| KWM | Kraftwerk Mehrum |
| LEAG | Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG |
| M&A | Mergers and acquisitions |
| MBM | Meat-and-bone meal |
| MIBRAG | Mitteldeutsche Braunkohlengesellschaft mbH |
| $N_2O$ | Nitrous oxide |
| NAFTA | NAFTA a.s. |
| $NF_3$ | Nitrogen trifluoride |
| $NO_x$ | Nitrogen oxide emissions |
| OCGT | Open-cycle gas turbine |
| PEARS | Regional Plans for Energy and the Climate |
| PEM | Proton exchange membrane (electrolysis) |
| PFA | Pulverised fuel ash |
| PFCs | Perfluorocarbons |
| PLTEP | Plzeňská teplárenská a.s. |
| PNIEC | National Energy and Climate Plan |
| POA | Plan of Environmental Operational |
| PPAs | Power Purchase Agreements |
| PV | Photovoltaic |
| RSPP | Occupational Health and Safety Officer |
| SCADA | Supervisory Control and Data Acquisition |
| SDGs | Sustainable development goals |
| SEO | Search engine optimisation |
| $SF_6$ | Sulphur hexafluoride |
| SFPA | Slovak Society for Foreign Policy |
| SHBEC | South Humber Bank Energy Centre |
| SIF | Serious injuries or fatalities potential |
| SME | Small & Medium Enterprises |
| SMR | Small Modular Reactors |
| $SO_2$ | Sulphur dioxide |
| SPH | Slovak Power Holding BV |
| SPP-D | SPP - distribúcia, a.s. |
| SPV | Special Purpose Vehicle |
| SSE | Stredoslovenská energetika, a.s. |
| SSD | Stredoslovenská distribučná, a.s. |
| SŽ-TP | SŽ-Tovorni Promet |
| TCI | Time Charter Incoming |
| TSO | Transmission System Operator |
| UK | United Kingdom |
| WEI+ | Water exploitation index plus |
| WTG | Wind Turbine Generator |
| WWT | Wastewater Treatment |
| ZEVO | Mechanism for energy waste utilisation |

## Units

| | |
|---|---|
| # | number |
| % | percentage |
| bcm | billion cubic meters |
| $CO_2$-eq. | carbon dioxide equivalent |
| GW | gigawatts |
| GWh | gigawatt-hour |
| km | kilometer |
| m | meter |
| $m^3$ | cubic meter |
| $m^3/h$ | cubic meter per hour |
| mcm | cubic meter |
| $mg/Nm^3$ | miligram to cubic nanometer |
| mil. | million |
| MW | megawatt |
| MWh | megawatt hour |
| TWh | terawatt hour |

# List of graphs, tables and figures

# Restatements of information in SR 2023

There were no material restatements in the disclosure in this Report.



# Methodology notes

## Reporting process

EPH reports on operational data and information that has been collected throughout the 2023 calendar year (same as the fiscal year). Comparative analyses are performed using data from previous calendar years.

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

The Report content includes all of our operations in the Czech Republic, Slovakia, Hungary, the Netherlands, Germany, the United Kingdom, Italy, France, Ireland, Poland and Switzerland. For more information on our countries of operation and legal entities, please refer to the “EPH and its business” section of this Report.

## Changes in reporting

Last year we changed our methodology and for the first time reported according to the GRI 2021 standards. What is important to highlight is the impact assessment approach carried out. We identified impacts and assessedtheir significance, prioritised the most significant impacts for reporting and based on this process, we determined material topics for reporting. For more information, refer to the section Materiality Assessment. Additionally, we incorporated more infographics and relevant case studies to further engage our readers and aid in the comprehension of the information presented within the Report.

This year is a transitional year for us. With the introduction of new legislation in the form of the CSRD regulation and European Sustainability Reporting Standards, we are already fully preparing for mandatory reporting according to these new requirements, for EPH as soon as 2024. This report is therefore the last report according to the GRI 2021 standards. At EPH, we fully recognize the importance and implications of these new requirements and are dedicating proper and full attention to preparing for them.

Further information regarding our reporting process can be found in the graphic below.


Figure 17: Reporting process.

# Reporting standards

This Report has been prepared in accordance with the GRI Standards[61]. It was created with **GRI's reporting principles for the quality and proper presentation of the reported information** in mind. This year, we voluntarily applied some of the concepts presented in ESRS. Further information regarding our materiality assessment and stakeholder engagement approach can be found in the following sections of the Annex.

### Principles for report content

| | Stakeholder inclusiveness | Sustainability context | Materiality | Completeness |
|---|---|---|---|---|
| EPH Group approach | Mapping stakeholders at a local and global level.<br>Assessing stakeholder relevance and engagement.<br>Analysing stakeholder concerns and expectations. | Analysing sustainability frameworks at a global, European and country level.<br>Studying trends in the utility and energy sector, and benchmarking with peers and competitors.<br>Defining future risks and challenges at a local and global level. | Analysing the impacts and material topics at all major entities in the scope of our operations.<br>Conducting impact assessment according to GRI G3.<br>Applying the dynamic materiality principle (updating material topics). | Conducting a detailed analysis of the data provided by all major entities under management control.<br>Including information on newly acquired companies. |

### Principles for report quality

| | Balance | Comparability & Accuracy | Timeliness | Clarity & Verifiability |
|---|---|---|---|---|
| EPH Group approach | Identifying the strengths and weaknesses of our operations based on 2022 assessments and long-term goals. | If possible, presenting 2018–2022 trends for KPIs. As well as providing comments on changes made to the scope of the report and any further restatements.<br>Conducting an internal quantitative analysis of identified material topics. Providing evidence and methods used. | Issuing the 2022 Sustainability Report as soon as possible and around the same time as the 2022 Annual Report. | Confirming the accuracy of collected data with entities that closely interact with stakeholders.<br>Engaging with external assurance providers. |

Figure 18: GRI reporting principles for content and quality.

61 GRI Standards applicable from 1 January 2023: Universal Standards (2021), Topic Standards (2018, 2016), and Sectoral standards 2022.



# Report boundaries

The Report boundaries are based on operational control and are applied to all GRI Indicators except GRI 200 Economic and GRI 400 Social data. To align the financial data within this Report and the EPH 2023 Annual Report, the data was reported using financial control. As a result, EPH collected consolidated data from all controlled entities that were deemed material for the purposes of this Report. The list of entities covered by this Report can be found in in the table below.

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

# Organisational boundaries

The table below identifies all entities within EPH's portfolio that were deemed material for this Report. For a complete list of entities, please refer to our 2023 consolidated Annual Report. According to the EPH reporting approach, data from newly acquired entities are included in the consolidated report only if they were acquired within the first two quarters of the reporting period.

EPH owns 100% share in EPPE, EPLI, and 69% share in EPIF. The ownership shares in the table below are presented from the perspective of the subholdings.

| EPH Core | Subholding | Country | Ownership Share | Financial Control | Operational Control |
|---|---|---|---|---|---|
| **Gas storage** | | | | | |
| **NAFTA a.s.** | EPIF | SK | 69.0% | Yes | Yes |
| **NAFTA Speicher GmbH & Co. KG** | EPIF | DE | 69.0% | Yes | Yes |
| **POZAGAS a. s.** | EPIF | SK | 62.0% | Yes | Yes |
| **SPP Storage, s.r.o.** | EPIF | SK | 49.0% | Yes | Yes |
| **Gas transmission** | | | | | |
| **eustream, a.s.** | EPIF | SK | 49.0% | Yes | Yes |
| **Gas and Power Distribution** | | | | | |
| **EP Energy Trading, a.s.** | EPIF | CZ | 100.0% | Yes | Yes |
| **Dobrá Energie, s.r.o.** | EPIF | CZ | 100.0% | Yes | Yes |
| **SPP - distribúcia, a.s.** | EPIF | SK | 49.0% | Yes | Yes |
| **Stredoslovenská energetika a.s.** | EPIF | SK | 49.0% | Yes | Yes |

Table 17: EPH reporting scope entities.

| EPH Core | Subholding | Country | Ownership Share | Financial Control | Operational Control |
|---|---|---|---|---|---|
| **Heat Infra** | | | | | |
| **Elektrárny Opatovice, a.s.** | EPIF | CZ | 100.0% | Yes | Yes |
| **Plzeňská teplárenská a.s.** | EPIF | CZ | 35.0% | Yes | Yes |
| **United Energy, a.s.** | EPIF | CZ | 100.0% | Yes | Yes |
| **Renewables** | | | | | |
| **Alternative Energy, s.r.o.** | EPIF | SK | 90.0% | Yes | Yes |
| **ARISUN, s.r.o.** | EPIF | SK | 100.0% | Yes | Yes |
| **POWERSUN a.s.** | EPIF | CZ | 100.0% | Yes | Yes |
| **Triskata, s.r.o.** | EPIF | CZ | 100.0% | Yes | Yes |
| **VTE Pchery, s.r.o.** | EPIF | CZ | 100.0% | Yes | Yes |
| **Biomasse Crotone SpA** | EPPE | IT | 51.0% | Yes | Yes |
| **Biomasse Italia SpA** | EPPE | IT | 51.0% | Yes | Yes |
| **Fusine Energia S.r.l.** | EPPE | IT | 51.0% | Yes | Yes |
| **Lynemouth Power Limited** | EPPE | UK | 100.0% | Yes | Yes |

Table 17: EPH reporting scope entities (continue).



| EPH Core | Subholding | Country | Ownership Share | Financial Control | Operational Control |
|---|---|---|---|---|---|
| **Flexible Power Generation** | | | | | |
| **Eggborough Power Ltd**[62] | EPPE | UK | 100.0% | Yes | Yes |
| **EP Ballylumford Limited** | EPPE | UK | 100.0% | Yes | Yes |
| **EP Commodities, a.s.** | EPPE | CZ | 100.0% | Yes | Yes |
| **EP France S.A.S** | EPPE | FR | 100.0% | Yes | Yes |
| **Gazel Energie** | EPPE | FR | 100.0% | Yes | Yes |
| **EP Kilroot Limited** | EPPE | UK | 100.0% | Yes | Yes |
| **EP Langage Limited** | EPPE | UK | 100.0% | Yes | Yes |
| **EP Netherlands** | EPPE | NL | 100.0% | Yes | Yes |
| **EP Power Minerals GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **MINERALplus GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **EP Power Grit GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **EP Produzione S.p.A.** | EPPE | IT | 100.0% | Yes | Yes |
| **EP SHB Limited** | EPPE | UK | 100.0% | Yes | Yes |
| **Helmstedter Revier GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **Humbly Grove Energy Limited** | EPPE | UK | 100.0% | Yes | Yes |
| **Kraftwerk Mehrum GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **Mitteldeutsche Braunkohlengesellschaft mbH** | EPPE | DE | 100.0% | Yes | Yes |
| **Saale Energie GmbH** | EPPE | DE | 100.0% | Yes | Yes |
| **Tynagh Energy Limited** | EPPE | IR | 80.0% | Yes | Yes |

Table 17: EPH reporting scope entities (continue).

62 Closed operations in 2019, but still sell by-products.

| Logistics Core | Subholding | Country | Ownership Share | Financial Control | Operational Control | Joint Control |
|---|---|---|---|---|---|---|
| **Heat Infra** | | | | | | |
| **EP Cargo a.s.** | EPIF | CZ | 100.0% | Yes | Yes | |
| **EP Sourcing a.s.** | EPIF | CZ | 100.0% | Yes | Yes | |
| **Other** | | | | | | |
| **LokoTrain s.r.o.** | EPLI | CZ | 100.0% | Yes | Yes | |
| **LOCON Logistik & Consulting AG** | EPLI | DE | 100.0% | Yes | Yes | |
| **EP Cargo Deutschland GmbH** | EPLI | DE | 100.0% | Yes | Yes | |
| **EP Cargo Polska S.A.** | EPLI | PL | 100.0% | Yes | Yes | |
| **SPEDICA GROUP COMPANIES, s.r.o.** | EPLI | CZ | 83.6% | Yes | Yes | |
| **EP Resources CZ**[63] | EPLI | CZ | 100.0% | Yes | Yes | |
| **EP Cargo Trucking CZ s.r.o.**[64] | EPH | CZ | 100.0% | Yes | Yes | |

Note: EPH Core and Logistics Core include material companies consolidated according to IFRS and for which consolidated sustainability indicators are reported.

Table 17: EPH reporting scope entities (continue).

63 Previously operated under the name EP Coal Trading a.s.
64 Previously operated under the name EOP & HOKA s.r.o.



| Share participations | Subholding | Country | Ownership Share | Financial Control | Operational Control | Joint Control |
|---|---|---|---|---|---|---|
| **Flexible Power Generation** | | | | | | |
| **Ergosud S.p.A.** | EPPE | IT | 50.0% | No | No | Yes |
| **Other** | | | | | | |
| **Slovenské elektrárne, a.s.** | EPPE | SK | 33.0% | No | No | Yes |
| **Logistic** | | | | | | |
| **SŽ EP Logistika d.o.o.** | EPLI | SI | 49.0% | No | No | Yes |

Note: Sustainability information on share participations is reported in a separate chapter. The company Slovenské elektrárne and Lausitz Energie Bergbau AG remain, for now, legally out of the EPPE scope. Nevertheless, from the management perspective and also in this Report, these assets are included within EPPE, but its KPIs are reported separately in the section Share participations as it relates to an equity consolidated group.

Table 17: EPH reporting scope entities (continue).

## Operational boundaries

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

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

## Assurance

External assurance was obtained for selected material information included in this report. Please refer to Section 7 Assurance.



# Materiality Assessment

First, we collect data and information from various sources, including quantitative and qualitative data from our operations, stakeholder engagement, peer analysis, best practice benchmarking, analysis of reporting standards, and global and local sustainability initiatives. After the information is collected it is organised into relevant impacts and prepared for evaluation. Before the evaluation, impacts are grouped according to their nature into actual and potential, and negative and positive. The impacts from each of these categories are evaluated by experts based on the specific attributes including scale, scope, irremediability (for negative), and the likelihood of occurrence (for potential). A common risk assessment scale was applied. This process generates a prioritised list of identified impacts which is then communicated to relevant stakeholders and responsible management bodies. EPH applies the concept of dynamic materiality which requires frequent revisits of the materiality assessment and reprioritisation of identified impacts.

| Material topic | Impact Name | Impact description |
|---|---|---|
| **Reduction of emissions** | Carbon footprint | GHG emissions from combustion of fossil fuels and methane leakage contribute to the climate change. |
| **Reduction of emissions** | Decarbonisation strategy | Implementing a decarbonisation strategy with a $CO_2$ emission intensity reduction target in line with the Below 2 Degrees scenario of the TPI and net zero target (by 2050). |
| **Customer relationship and management** | Access to basic services | Access to reliable energy and basic services through our commitment to ensuring a stable energy supply for customers. |
| **Reduction of emissions** | Emissions and pollutants | Contributing to other air pollutants (within the limits set by applicable regulations and standards), such as sulphur dioxide ($SO_2$), nitrogen oxides ($NO_x$), particulate matter (PM), and carbon monoxide (CO) which are linked to the Group's main business activities. |
| **Operational efficiency and economic performance** | Production efficiency | Increasing production efficiency by implementing new innovative and modernised technologies. |
| **Mitigation of environmental impact** | Biodiversity loss | Biodiversity loss can occur as a result of large power transmission lines that pose a danger to birds who may collide and suffer injury or death, as well as from mining operations that often involve clearing large areas of land and result in habitat loss and wildlife displacement. |
| **Health & safety** | OHS | Higher potential for work related injuries and ill health due to our main business activities requiring manual labour. |
| **Operational efficiency and economic performance** | Sustainable project investments | Greater focus on sustainable projects through further allocation of financial resources (creation of a Green Finance Framework for use, where applicable, within the EPH Capital Structure Strategy). |
| **Employment and employee development** | Employee well-being and development | Providing a healthy and attractive work environment, promoting individual growth through decentralised human resources practices, and enabling the acquisition of relevant skillsets to meet the demands of the energy industry. |

Table 18: List of material topics.

| Material topic | Impact Name | Impact description |
|---|---|---|
| **Supply chain management** | Supply chain transparency and accountability | Improved visibility into the environmental and social practices of suppliers results in improved performance in those areas. This increased visibility also provides the company with greater understanding of the environmental and social risks and opportunities in the supply chain, enabling more informed decision-making and proactive measures to address these issues. |
| **Mitigation of environmental impact** | Water availability | Mining and generation (power and heat), which are part of our main business activities, rely on water. Therefore, they have a potential to impact water availability for local communities and other sectors, especially those in water stress areas. |
| **Supply chain management** | Suppliers' employees | Potential exposure to unfavourable working conditions for outsourced workers including a potential impact on the occupational health and safety of outsourced workers. |
| **Mitigation of environmental impact** | Ecosystems and health | Our main business activities (primarily mining, renewables, and conventional power plants), impact the landscapes where they occur. This has a potential to negatively impact local ecosystems, as well as human health. |
| **Mitigation of environmental impact** | Operational accidents | Operational accidents have the potential to contaminate ecosystems with harmful materials. |
| **Employment and employee development** | Job losses | Job losses due to the decommissioning of plants and mines. |
| **Mitigation of environmental impact** | Promoting biodiversity | Promoting biodiversity by actively partaking in restoration initiatives. |
| **Reduction of emissions** | Renewable energy | Supporting clean and renewable energy through continued investments (e.g. EP New Energies). |
| **Fair conduct** | Certifications | Increased improved operational efficiency through ISO certifications. |

Table 18: List of material topics (continue).



| Material topic | Impact Name | Impact description |
|---|---|---|
| **Development of communities and social action** | Community investments | The Group supports local charities, social initiatives, and community development programs, and also builds strong ties with communities through customer programs, facilitated by the EPH Foundation and other local initiatives. |
| **Development of communities and social action** | Local economic development | Supporting local economies through local employment, procurement and tax contribution. |
| **Mitigation of environmental impact** | Water quality | Our main business activities have a potential to impact the water quality on which local ecosystems and communities rely. |
| **Development of communities and social action** | Community engagement | Potential for conflict if negative impacts caused by main business activities are not addressed. |
| **Development of communities and social action** | Infrastructure investments | Improving local infrastructure through investment projects. |
| **Customer relationship and management** | Customer communication | Open and transparent communication with customers through access to clear and easily accessible channels. |
| **Fair conduct** | Fund management | Potential to support illegal or unethical activities through mismanagement of funds. |
| **Supply chain management** | Suppliers' code of conduct | Potential for misalignment with suppliers, as it relates to ethical business code of conduct. |
| **Mitigation of environmental impact** | Overburden | Large production of overburden from mining. |

Table 18: List of material topics (continue).

# Stakeholder engagement

EPH considers open and transparent stakeholder dialogue to be an important part of the Group's business activities, as it ensures that we fully understand and effectively address stakeholder concerns.

We are committed to continuously monitoring our stakeholders throughout the year and we ensure to regularly engage with them through a range of channels, as summarised in the table below. The stakeholder analysis performed by EPH on the Group level is based on input from local stakeholders. In consultation with relevant companies and Group subsidiaries, the main expectations and concerns raised by local stakeholders have been identified.

| Stakeholder group | Description | Means of communication | Main expectations |
|---|---|---|---|
| **Investors and lenders** | These stakeholders are predominantly banks, bond holders and financial institutions whose capital is crucial for EPH's successful development. Their interest in EPH's sustainability performance is demonstrated at both the EPH level and local level, depending on their involvement in financing within the Group. | • Investor relations<br>• Annual reports<br>• Presentations | • Transparent communication (financial and non-financial reporting)<br>• Risk management<br>• Environmental management |
| **Customers** | These stakeholders are very important for EPH's business, as their decisions determine the Group's success. | • Customer service<br>• Satisfaction surveys<br>• EPH website | • Efficient heat, gas and power distribution<br>• Secure business supply |
| **Suppliers and contractors** | These stakeholders can have both a local and global reach (social and economic performance), which can affect EPH at the Group or subsidiary level. This holds especially true for contractors who are engaged in centralised processes (e.g. large tenders, IT procurement and pipeline work). | • Technical briefings<br>• EPIF website<br>• Informative training | • Procurement requirements (environmental and social)<br>• Fair and transparent procurement practices |
| **Local communities and municipalities** | These stakeholders have varying interests in EPH's sustainability activities based on their origins. EPH often interacts with these stakeholders during local consultation, as their concerns tend to be legislation-based (e.g. building permits and EIA).<br><br>The location of these stakeholders determines the level of their interest in EPH's sustainability activities. | • Focus groups<br>• Consultations with opinion makers | • Transparency with regards to business activities and their impacts<br>• Local community involvement (active participation)<br>• Crisis risk management |

Table 19: Overview of stakeholder engagement.

| Stakeholder group | Description | Means of communication | Main expectations |
|---|---|---|---|
| **Media** | These stakeholders are active at both a local and global level (particularly in the Czech Republic, where EPH is headquartered). | • Press releases<br>• Press conferences<br>• EPH website | • Information transparency<br>• Quick inquiry responses |
| **NGOs** | These stakeholders are predominantly Environmental NGOs, therefore is significant emphasis on environmental activities at both a local and global level. These stakeholders provide valuable information regarding the concerns and expectations of the general public. | • Brochures<br>• Bulletins<br>• Conferences | • Accountability and transparency<br>• Safety and security of facilities<br>• Environmental management<br>• Reduction of emissions<br>• Fair business practices |
| **Competitors** | These stakeholders are concerned with EPH's economic performance and business environment. Their interest depends on their size and business focus. | • Conferences<br>• Sharing of best practices | • Compliance and anti-competitive behaviour<br>• Fair business practices<br>• Exchange of best practices |
| **Government and regulators** | These stakeholders consist of various national and transnational institutions, making their interest in EPH's sustainability commitments quite broad. Therefore, both policy decisions and social change strongly influence EPH's business activities. For example, local groups are concerned with the performance of individual EPH entities, while European institutions are concerned with EPH's business from a transverse perspective. | • Letters to institutions<br>• Direct meetings<br>• Annual reports | • Access to services (continuity of supply)<br>• Regulatory compliance<br>• Transparency and independence |
| **Employees** | Employees  These stakeholders are engaged in day-to-day business activities. Employees are essential to the operations and growth of our business. | • Internal communication<br>• Training | • Safe and stable work environment<br>• Equal opportunity<br>• Work-life balance<br>• Professional development<br>• Freedom of association |

Table 19: Overview of stakeholder engagement (continue).

# GRI Content Index

## General disclosures

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 385 | |
| | 2-2 Entities included in the organisation's sustainability reporting | 293–297 | |
| | 2-3 Reporting period, frequency and contact point | 32, 385 | |
| | 2-4 Restatements of information | 290 | |
| | 2-5 External assurance | 246–257 | |
| | 2-6 Activities, value chain and other business relationships | 46-–51 | |
| | 2-7 Employees | 208-221 | |
| | 2-8 Workers who are not employees | 381 | |
| | 2-9 Governance structure and composition | 166–169 | |
| | 2-10 Nomination and selection of the highest governance body | | Unavailable |
| | 2-11 Chair of the highest governance body | 170 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | | Unavailable |
| | 2-13 Delegation of responsibility for managing impacts | 168–169 | |
| | 2-14 Role of the highest governance body in sustainability reporting | 168 | |
| | 2-15 Conflicts of interest | Anti-Corruption and Anti-Bribery Policy | |
| | 2-16 Communication of critical concerns | 169 | |
| | 2-17 Collective knowledge of the highest governance body | 175 | |
| | 2-18 Evaluation of the performance of the highest governance body | | Unavailable |
| | 2-19 Remuneration policies | | Confidential |
| | 2-20 Process to determine remuneration | | Confidential |
| | 2-21 Annual total compensation ratio | | Confidential |
| | 2-22 Statement on sustainable development strategy | 8–23 | |
| | 2-23 Policy commitments | 175–176 | |
| | 2-24 Embedding policy commitments | | Unavailable |
| | 2-25 Processes to remediate negative impacts | 34–36, 299–301 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Whistleblower Policy | |
| | 2-27 Compliance with laws and regulations | 168–169 | |
| | 2-28 Membership associations | Annual Report 2023 | |
| | 2-29 Approach to stakeholder engagement | 302–303 | |
| | 2-30 Collective bargaining agreements | 207 | |



## Material topics

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 34–36 | |
| | 3-2 List of material topics | 35 | |

### Economic performance

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 34–36 | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Year in review, Annual Report 2023 | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Annual Report 2023 | |
| | 201-3 Defined benefit plan obligations and other retirement plans | Annual Report 2023 | |
| | 201-4 Financial assistance received from government | Annual Report 2023 | |

### Market presence

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 34–36 | |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | | Unavailable |
| | 202-2 Proportion of senior management hired from the local community | | Unavailable |

### Indirect economic impacts

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 26–27 | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | 8–13 | |
| | 203-2 Significant indirect economic impacts | | Unavailable |

## Procurement practices

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 182 | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 182–189 | |

## Anti-corruption

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 175–176 | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 172, 174 | |
| | 205-2 Communication and training about anti-corruption policies and procedures | 172, 174 | |
| | 205-3 Confirmed incidents of corruption and actions taken | | Not applicable |

## Anti-competitive behavior

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 175–176 | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 172, 174 | |

## Tax

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 175–176 | |
| GRI 207: Tax 2019 | 207-1 Approach to tax | Annual Report 2023 | |
| | 207-2 Tax governance, control, and risk management | Tax Governance Policy | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | | Unavailable |
| | 207-4 Country-by-country reporting | 63 | |



## Energy

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 60 | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | 74–75 | |
| | 302-2 Energy consumption outside of the organisation | | Unavailable |
| | 302-3 Energy intensity | 105 | |
| | 302-4 Reduction of energy consumption | 74–75 | |
| | 302-5 Reductions in energy requirements of products and services | 74–75 | |

## Water and effluents

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 130–131 | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 128–137 | |
| | 303-2 Management of water discharge-related impacts | 130–131 | |
| | 303-3 Water withdrawal | 129 | |
| | 303-4 Water discharge | 129 | |
| | 303-5 Water consumption | 129 | |

## Biodiversity

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 138 | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 138–143 | |
| | 304-2 Significant impacts of activities, products and services on biodiversity | 138–143 | |
| | 304-3 Habitats protected or restored | 143 | |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | | Not applicable |

## Emissions

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 102 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 104–105 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 104–105 | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 16 | |
| | 305-4 GHG emissions intensity | 105 | |
| | 305-5 Reduction of GHG emissions | 105–116 | |
| | 305-7 Nitrogen oxides ($NO_x$), sulfur oxides ($SO_x$), and other significant air emissions | 123–124 | |

## Waste

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 146–147 | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 146–159 | |
| | 306-2 Management of significant waste-related impacts | 146–147 | |
| | 306-3 Waste generated | 146–147 | |
| | 306-4 Waste diverted from disposal | 126–129 | |
| | 306-5 Waste directed to disposal | 126–127 | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | | Not applicable |

## Employment

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 206 | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 209 | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | | Unavailable |
| | 401-3 Parental leave | | Unavailable |



## Labor/management relations

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | | Unavailable |
| GRI 402: Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | | Unavailable |

## Occupational health and safety

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 200 | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 202–203 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 202–203 | |
| | 403-3 Occupational health services | 202–205 | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 202–205 | |
| | 403-5 Worker training on occupational health and safety | 202–205 | |
| | 403-6 Promotion of worker health | 202–205 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 202–203 | |
| | 403-8 Workers covered by an occupational health and safety management system | 201 | |
| | 403-9 Work-related injuries | 201 | |
| | 403-10 Work-related ill health | 201 | |

## Training and education

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 206 | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 210 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 211–221 | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | | Unavailable |

## Diversity and equal opportunity

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 206 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 206–209 | |
| | 405-2 Ratio of basic salary and remuneration of women to men | | Unavailable |

## Non-discrimination

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 172 | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 172–174 | |

## Freedom of association and collective bargaining

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 206 | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 207 | |

## Child labor

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 172 | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 174–176, 182–183 | |



## Forced or compulsory labor

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 172 | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 174–176, 182–183 | |

## Local communities

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 226 | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 226–245 | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | | Unavailable |

## Public policy

| GRI Standard / Other Source | Disclosure | Location | Omission Explanation |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 172 | |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | 172 | |

# Performance indicators

Data reported for the whole year or from date of acquisition of particular plant excluding share participations. For more information please refer to section Organisational boundaries, pages 293–297.

## EPH and its business

For the year ended 31 December 2023

### Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | MW | 900 | 900 | 900 | 900 | 1,031 | (0) | 0% |
| | Slovakia | MW | 68 | 68 | 68 | 68 | 68 | 0 | 0% |
| | Hungary | MW | – | – | – | – | 396 | – | |
| | **Total – EP Infrastructure** | **MW** | **968** | 968 | **968** | **968** | **1,495** | **0** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | France | MW | 837 | 837 | 837 | 1 432 | 2 262 | (0) | 0% |
| | Netherlands | MW | 2,585 | | | | | 2,585 | |
| | Germany | MW | 1,658 | 1,628 | 938 | 795 | 1,147 | 30 | 2% |
| | UK | MW | 3,489 | 4,014 | 4,014 | 4,025 | 4,025 | (525) | (13%) |
| | Ireland | MW | 384 | 384 | 384 | 384 | 384 | – | 0% |
| | Italy | MW | 3,989 | 3,989 | 3,989 | 3,989 | 3,989 | (0) | 0% |
| | **Total – EP Power Europe** | **MW** | **12,943** | **10,853** | **10,163** | **10,626** | **11,807** | **2,091** | **19%** |
| | **Total – EPH** | **MW** | **13,911** | **11,821** | **11,131** | **11,594** | **13,302** | **2,091** | **18%** |



## EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Conventional sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | MW | 852 | 854 | 854 | 878 | 1,008 | (2) | 0% |
| | Slovakia | MW | 50 | 50 | 50 | 50 | 50 | – | 0% |
| | Hungary | MW | – | – | – | – | 396 | – | |
| | **Total – EP Infrastructure** | **MW** | **902** | **904** | **904** | **928** | **1,454** | **(2)** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | France | MW | 595 | 595 | 595 | 1,190 | 2,018 | – | 0% |
| | Netherlands | MW | 2,585 | | | | | 2,585 | |
| | Germany | MW | 1,621 | 1,621 | 931 | 788 | 1,140 | – | 0% |
| | UK | MW | 3,094 | 3,609 | 3,609 | 3,608 | 3,608 | (515) | (14%) |
| | Ireland | MW | 384 | 384 | 384 | 384 | 384 | – | 0% |
| | Italy | MW | 3,907 | 3,907 | 3,907 | 3,907 | 3,907 | – | 0% |
| | **Total – EP Power Europe** | **MW** | **12,186** | **10,116** | **9,426** | **9,877** | **11,057** | **2,070** | **20%** |
| | **Total – EPH** | **MW** | **13,088** | **11,019** | **10,329** | **10,804** | **12,511** | **2,069** | **19%** |

Note: UK excludes Eggborough power plant (1,960 MW) from 2019 as it was decommissioned in 2018. This site was sold in February 2019.

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Renewable sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | MW | 48 | 47 | 47 | 23 | 23 | 2 | 4% |
| | Slovakia | MW | 18 | 18 | 18 | 18 | 18 | 0 | 0% |
| | **Total – EP Infrastructure** | **MW** | **66** | **64** | **64** | **40** | **40** | **2** | **3%** |
| | **EP Power Europe** | | | | | | | | |
| | France | MW | 242 | 242 | 242 | 242 | 244 | (0) | (0%) |
| | Germany | MW | 37 | 7 | 7 | 7 | 7 | 30 | 436% |
| | UK | MW | 395 | 405 | 405 | 417 | 417 | (10) | (2%) |
| | Italy | MW | 83 | 83 | 83 | 83 | 83 | (0) | (0%) |
| | **Total – EP Power Europe** | **MW** | **757** | **737** | **737** | **749** | **751** | **20** | **3%** |
| | **Total – EPH** | **MW** | **823** | **801** | **801** | **789** | **791** | **22** | **3%** |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Heat** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | MW | 3,003 | 3,003 | 3,015 | 3,085 | 4,136 | – | 0% |
| | Hungary | MW | – | – | – | – | 1,401 | – | |
| | **Total – EP Infrastructure** | **MW** | **3,003** | **3,003** | **3,015** | **3,085** | **5,537** | **–** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | Germany | MW | 80 | 80 | 80 | 156 | 156 | – | 0% |
| | **Total – EP Power Europe** | **MW** | **80** | **80** | **80** | **156** | **156** | **–** | **0%** |
| | **Total – EPH** | **MW** | **3,083** | **3,083** | **3,095** | **3,241** | **5,693** | **–** | **0%** |




# EPH and its business

For the year ended 31 December 2023


## Fuel

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Conventional sources | MW | 902 | 904 | 904 | 928 | 1,454 | (2) | 0% |
| | Renewable sources | MW | 66 | 64 | 64 | 40 | 40 | 2 | 3% |
| | **Total – EP Infrastructure** | **MW** | **968** | **968** | **968** | **968** | **1,495** | **0** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | Conventional sources | MW | 12,186 | 10,116 | 9,426 | 9,877 | 11,057 | 2,070 | 20% |
| | Renewable sources | MW | 757 | 737 | 737 | 749 | 751 | 20 | 3% |
| | **Total – EP Power Europe** | **MW** | **12,943** | **10,853** | **10,163** | **10,626** | **11,807** | **2,091** | **19%** |
| | **Total – EPH** | **MW** | **13,911** | **11,821** | **11,131** | **11,594** | **13,302** | **2,091** | **18%** |

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Conventional sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Hard coal | MW | – | – | – | – | 110 | – | |
| | Lignite | MW | 822 | 824 | 824 | 848 | 848 | (2) | 0% |
| | CCGT | MW | – | – | – | – | 396 | – | |
| | OCGT and other NG | MW | 50 | 50 | 50 | 50 | 71 | – | 0% |
| | Oil | MW | 20 | 20 | 20 | 20 | 20 | – | 0% |
| | Other | MW | 11 | 11 | 11 | 11 | 11 | – | 0% |
| | **Total – EP Infrastructure** | **MW** | **902** | **904** | **904** | **928** | **1,454** | **(2)** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | Hard coal | MW | 1,884 | 2,234 | 1,544 | 2,829 | 2,829 | (350) | (16%) |
| | Lignite | MW | 931 | 931 | 931 | 98 | 450 | – | 0% |
| | CCGT | MW | 8,887 | 6,303 | 6,303 | 6,303 | 7,131 | 2,584 | 41% |
| | OCGT and other NG | MW | 471 | 471 | 471 | 471 | 470 | – | 0% |
| | Oil | MW | – | 164 | 164 | 164 | 164 | (164) | (100%) |
| | Other | MW | 13 | 13 | 13 | 13 | 13 | – | 0% |
| | **Total – EP Power Europe** | **MW** | **12,186** | **10,116** | **9,426** | **9,877** | **11,057** | **2,070** | **20%** |
| | **Total – EPH** | **MW** | **13,088** | **11,019** | **10,329** | **10,804** | **12,511** | **2,069** | **19%** |



# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Electricity – Renewable sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Wind | MW | 6 | 6 | 6 | 6 | 6 | – | 0% |
| | Photovoltaic | MW | 15 | 15 | 15 | 15 | 15 | (0) | (1%) |
| | Hydro | MW | 3 | 3 | 3 | 3 | 3 | 0 | 3% |
| | Biomass | MW | 39 | 37 | 37 | 14 | 14 | 2 | 4% |
| | Other | MW | 3 | 3 | 3 | 3 | 3 | – | 0% |
| | **Total – EP Infrastructure** | **MW** | **66** | **64** | **64** | **40** | **40** | **2** | **3%** |
| | **EP Power Europe** | | | | | | | | |
| | Wind | MW | 89 | 89 | 89 | 89 | 90 | (0) | 0% |
| | Photovoltaic | MW | 43 | 13 | 13 | 13 | 13 | 30 | 232% |
| | Hydro | MW | 2 | 2 | 2 | 2 | 2 | – | 0% |
| | Biomass | MW | 624 | 624 | 624 | 636 | 636 | (0) | 0% |
| | Other | MW | – | 10 | 10 | 10 | 10 | (10) | (100%) |
| | **Total – EP Power Europe** | **MW** | **757** | **737** | **737** | **749** | **751** | **20** | **3%** |
| | **Total – EPH** | **MW** | **823** | **801** | **801** | **789** | **791** | **22** | **3%** |

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net installed capacity – Heat** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Hard coal | MW | – | – | – | – | 242 | – | |
| | Lignite | MW | 2,570 | 2,590 | 2,600 | 2,767 | 2,767 | (19) | (1%) |
| | CCGT | MW | – | – | – | – | 1 401 | – | |
| | OCGT and other NG | MW | 18 | 18 | 18 | 18 | 822 | – | 0% |
| | Oil | MW | 229 | 229 | 229 | 229 | 234 | – | 0% |
| | Biomass | MW | 154 | 135 | 136 | 39 | 39 | 19 | 14% |
| | Other | MW | 32 | 32 | 32 | 32 | 32 | – | 0% |
| | **Total – EP Infrastructure** | **MW** | **3,003** | **3,003** | **3,015** | **3,085** | **5,537** | **–** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | Lignite | MW | 80 | 80 | 80 | 156 | 156 | – | 0% |
| | **Total – EP Power Europe** | **MW** | **80** | **80** | **80** | **156** | **156** | **–** | **0%** |
| | **Total – EPH** | **MW** | **3,083** | **3,083** | **3,095** | **3,241** | **5,693** | **–** | **0%** |



EPH and its business

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | TWh | 1.5 | 2.5 | 2.5 | 2.0 | 1.9 | (1.0) | (39%) |
| | Slovakia | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2% |
| | Hungary | TWh | – | – | – | 1.3 | 1.4 | – | |
| | **Total – EP Infrastructure** | **TWh** | **1.6** | **2.6** | **2.6** | **3.3** | **3.4** | **(1.0)** | **(39%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | TWh | 0.8 | 1.5 | 0.8 | 1.7 | 2.4 | (0.7) | (46%) |
| | Netherlands | TWh | 7.4 | | | | | 7.4 | |
| | Germany | TWh | 4.3 | 5.2 | 2.5 | 1.3 | 1.4 | (0.9) | (17%) |
| | UK | TWh | 9.0 | 11.4 | 15.2 | 15.1 | 11.0 | (2.4) | (21%) |
| | Ireland | TWh | 1.1 | 1.6 | 1.9 | 1.7 | 0.3 | (0.5) | (32%) |
| | Italy | TWh | 12.0 | 14.7 | 16.8 | 14.9 | 15.0 | (2.7) | (18%) |
| | **Total – EP Power Europe** | **TWh** | **34.5** | **34.4** | **37.3** | **34.7** | **30.1** | **0.1** | **0%** |
| | **Total – EPH** | **TWh** | **36.1** | **37.0** | **39.8** | **38.1** | **33.4** | **(0.9)** | **(2%)** |

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Conventional sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | TWh | 1.3 | 2.2 | 2.3 | 1.8 | 1.8 | (0.9) | (40%) |
| | Slovakia | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (53%) |
| | Hungary | TWh | – | – | – | 1.3 | 1.4 | – | |
| | **Total – EP Infrastructure** | **TWh** | **1.3** | **2.2** | **2.3** | **3.1** | **3.2** | **(0.9)** | **(40%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | TWh | 0.4 | 1.0 | 0.6 | 1.5 | 2.2 | (0.6) | (62%) |
| | Netherlands | TWh | 7.4 | | | | | 7.4 | |
| | Germany | TWh | 4.3 | 5.2 | 2.5 | 1.3 | 1.4 | (0.9) | (17%) |
| | UK | TWh | 8.3 | 10.4 | 12.3 | 12.4 | 8.6 | (2.0) | (19%) |
| | Ireland | TWh | 1.1 | 1.6 | 1.9 | 1.7 | 0.3 | (0.5) | (32%) |
| | Italy | TWh | 11.6 | 14.1 | 16.2 | 14.3 | 14.4 | (2.5) | (17%) |
| | **Total – EP Power Europe** | **TWh** | **33.1** | **32.3** | **33.6** | **31.3** | **26.9** | **0.9** | **3%** |
| | **Total – EPH** | **TWh** | **34.5** | **34.5** | **35.9** | **34.4** | **30.0** | **(0.0)** | **0%** |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Renewable sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | GWh | 202 | 300 | 256 | 174 | 155 | (98.4) | (33%) |
| | Slovakia | GWh | 29 | 28 | 32 | 31 | 30 | 1.1 | 4% |
| | **Total – EP Infrastructure** | **GWh** | **231** | **328** | **288** | **205** | **184** | **(97.3)** | **(30%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | GWh | 420 | 475 | 198 | 194 | 150 | (55.5) | (12%) |
| | Germany | GWh | 21 | 14 | 12 | 14 | 14 | 7.7 | 57% |
| | UK | GWh | 617 | 1,039 | 2,829 | 2,627 | 2,441 | (422.0) | (41%) |
| | Italy | GWh | 361 | 608 | 632 | 627 | 598 | (247.1) | (41%) |
| | **Total – EP Power Europe** | **GWh** | **1,419** | **2,136** | **3,671** | **3,462** | **3,203** | **(716.9)** | **(34%)** |
| | **Total – EPH** | **GWh** | **1,649** | **2,464** | **3,959** | **3,668** | **3,388** | **(814.2)** | **(33%)** |



# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net heat production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | TWh | 2.4 | 2.5 | 2.7 | 2.6 | 2.6 | (0.1) | (4%) |
| | Hungary | TWh | – | – | – | 1.5 | 1.7 | – | |
| | **Total – EP Infrastructure** | **TWh** | **2.4** | **2.5** | **2.7** | **4.0** | **4.3** | **(0.1)** | **(4%)** |
| | **EP Power Europe** | | | | | | | | |
| | Germany | TWh | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | (0.0) | (5%) |
| | **Total – EP Power Europe** | **TWh** | **0.3** | **0.3** | **0.3** | **0.3** | **0.3** | **(0.0)** | **(5%)** |
| | **Total – EPH** | **TWh** | **2.6** | **2.8** | **3.0** | **4.3** | **4.5** | **(0.1)** | **(4%)** |

## Fuel

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Conventional sources | TWh | 1.3 | 2.2 | 2.3 | 3.1 | 3.2 | (0.9) | (40%) |
| | Renewable sources | TWh | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 | (0.1) | (30%) |
| | **Total – EP Infrastructure** | **TWh** | **1.6** | **2.6** | **2.6** | **3.3** | **3.4** | **(1.0)** | **(39%)** |
| | **EP Power Europe** | | | | | | | | |
| | Conventional sources | TWh | 33.1 | 32.3 | 33.6 | 31.3 | 26.9 | 0.9 | 3% |
| | Renewable sources | TWh | 1.4 | 2.1 | 3.7 | 3.5 | 3.2 | (0.7) | (34%) |
| | **Total – EP Power Europe** | **TWh** | **34.5** | **34.4** | **37.3** | **34.7** | **30.1** | **0.1** | **0%** |
| | **Total – EPH** | **TWh** | **36.1** | **37.0** | **39.8** | **38.1** | **33.4** | **(0.9)** | **(2%)** |

# EPH and its business

For the year ended 31 December 2023

| GRI/EUSS | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Conventional sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Lignite | TWh | 1.3 | 2.2 | 2.2 | 1.8 | 1.7 | (0.9) | (41%) |
| | CCGT | TWh | – | – | – | 1.3 | 1.4 | – | |
| | OCGT and other NG | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (53%) |
| | Oil | TWh | – | – | – | – | (0.0) | – | |
| | Other | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (8%) |
| | **Total – EP Infrastructure** | **TWh** | **1.3** | **2.2** | **2.3** | **3.1** | **3.2** | **(0.9)** | **(40%)** |
| | **EP Power Europe** | | | | | | | | |
| | Hard coal | TWh | 3.9 | 5.8 | 5.1 | 5.0 | 4.6 | (1.9) | (33%) |
| | Lignite | TWh | 3.7 | 4.1 | 1.6 | 0.4 | 0.6 | (0.4) | (11%) |
| | CCGT | TWh | 25.5 | 22.3 | 26.7 | 25.7 | 21.6 | 3.2 | 14% |
| | OCGT and other NG | TWh | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | (0.0) | (12%) |
| | Oil | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (33%) |
| | Other | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (34%) |
| | **Total – EP Power Europe** | **TWh** | **33.1** | **32.3** | **33.6** | **31.3** | **26.9** | **0.9** | **3%** |
| | **Total – EPH** | **TWh** | **34.5** | **34.5** | **35.9** | **34.4** | **30.0** | **(0.0)** | **0%** |



# EPH and its business

For the year ended 31 December 2023

| GRI/EUSS | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net power production – Renewable sources** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Wind | GWh | 7 | 5 | 5 | 8 | 9 | 3 | 62% |
| | Photovoltaic | GWh | 15 | 17 | 17 | 17 | 16 | (2) | (12%) |
| | Hydro | GWh | 8 | 4 | 6 | 7 | 6 | 4 | 92% |
| | Biomass | GWh | 191 | 292 | 247 | 162 | 142 | (101) | (35%) |
| | Other | GWh | 10 | 10 | 13 | 11 | 10 | (1) | (8%) |
| | **Total – EP Infrastructure** | **GWh** | **231** | **328** | **288** | **205** | **184** | **(97)** | **(30%)** |
| | **EP Power Europe** | | | | | | | | |
| | Wind | GWh | 165 | 151 | 160 | 192 | 92 | 15 | 10% |
| | Photovoltaic | GWh | 25 | 19 | 19 | 19 | 11 | 6 | 31% |
| | Hydro | GWh | 2 | 2 | 4 | 4 | 2 | 1 | 51% |
| | Biomass | GWh | 1,226 | 1,964 | 3,488 | 3,248 | 3,099 | (738) | (38%) |
| | **Total – EP Power Europe** | **GWh** | **1,419** | **2,136** | **3,671** | **3,462** | **3,203** | **(717)** | **(34%)** |
| | **Total – EPH** | **GWh** | **1,649** | **2,464** | **3,959** | **3,668** | **3,388** | **(814)** | **(33%)** |

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Net heat production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Lignite | TWh | 2.0 | 2.2 | 2.5 | 2.3 | 2.3 | (0.2) | (9%) |
| | CCGT | TWh | – | – | – | 1.5 | 1.7 | – | |
| | OCGT and other NG | TWh | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 30% |
| | Oil | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 22% |
| | Biomass | TWh | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.0 | 16% |
| | Other | TWh | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 121% |
| | **Total – EP Infrastructure** | **TWh** | **2.4** | **2.5** | **2.7** | **4.0** | **4.3** | **(0.1)** | **(4%)** |
| | **EP Power Europe** | | | | | | | | |
| | Lignite | TWh | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | (0.0) | (5%) |
| | Oil | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (8%) |
| | **Total – EP Power Europe** | **TWh** | **0.3** | **0.3** | **0.3** | **0.3** | **0.3** | **(0.0)** | **(5%)** |
| | **Total – EPH** | **TWh** | **2.6** | **2.8** | **3.0** | **4.3** | **4.5** | **(0.1)** | **(4%)** |



# EPH and its business

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Total net energy production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | TWh | 3.9 | 5.0 | 5.3 | 4.6 | 4.5 | (1.1) | (22%) |
| | Slovakia | TWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2% |
| | Hungary | TWh | – | – | – | 2.8 | 3.1 | – | |
| | **Total – EP Infrastructure** | **TWh** | **3.9** | **5.0** | **5.3** | **7.4** | **7.6** | **(1.1)** | **(22.0%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | TWh | 0.8 | 1.5 | 0.8 | 1.7 | 2.4 | (0.7) | (46%) |
| | Netherlands | TWh | 7.4 | | | | | 7.4 | |
| | Germany | TWh | 4.6 | 5.5 | 2.8 | 1.6 | 1.6 | (0.9) | (16%) |
| | UK | TWh | 9.0 | 11.4 | 15.2 | 15.1 | 11.0 | (2.4) | (21%) |
| | Ireland | TWh | 1.1 | 1.6 | 1.9 | 1.7 | 0.3 | (0.5) | (32%) |
| | Italy | TWh | 12.0 | 14.7 | 16.8 | 14.9 | 15.0 | (2.7) | (18%) |
| | **Total – EP Power Europe** | **TWh** | **34.8** | **34.7** | **37.6** | **35.0** | **30.3** | **0.1** | **0.4%** |
| | **Total – EPH** | **TWh** | **38.8** | **39.7** | **42.9** | **42.4** | **37.9** | **(1.0)** | **(2.5%)** |

Note: Includes electric energy and heat production.

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Heat supplied** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | PJ | 7.1 | 7.4 | 8.4 | 13.9 | 16.5 | (0.4) | (5%) |
| | Hungary | PJ | – | – | – | 5.6 | 6.0 | – | |
| | **Total – EP Infrastructure** | **PJ** | **7.1** | **7.4** | **8.4** | **19.4** | **22.5** | **(0.4)** | **(5%)** |
| | **EP Power Europe** | | | | | | | | |
| | Germany | PJ | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | (0.1) | (19%) |
| | **Total – EP Power Europe** | **PJ** | **0.3** | **0.4** | **0.4** | **0.4** | **0.4** | **(0.1)** | **(19%)** |
| | **Total – EPH** | **PJ** | **7.4** | **7.9** | **8.8** | **19.8** | **22.9** | **(0.4)** | **(6%)** |

# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Number of connection points** | | | | | | | | |
| | **Gas distribution** | | | | | | | | |
| | Residential | # | 1,448,170 | 1,447,516 | 1,451,567 | 1,450,070 | 1,445,885 | 654 | 0% |
| | Industrial | # | 664 | 691 | 699 | 707 | 717 | (27) | (4%) |
| | Commercial & Institutional | # | 75,143 | 77,850 | 79,838 | 79,731 | 79,290 | (2,707) | (3%) |
| | **Total** | **#** | **1,523,977** | **1,526,057** | **1,532,104** | **1,530,508** | **1,525,892** | **(2,080)** | **0%** |
| | **Power distribution** | | | | | | | | |
| | Residential | # | 708,539 | 690,390 | 681,749 | 674,885 | 669,224 | 18,149 | 3% |
| | Mid-size | # | 71,487 | 84,134 | 86,208 | 5,255 | 5,287 | (12,647) | (15%) |
| | Large | # | 5,066 | 5,137 | 5,220 | 85,602 | 85,604 | (71) | (1%) |
| | **Total** | **#** | **785,092** | **779,661** | **773,177** | **765,742** | **760,115** | **5,431** | **1%** |
| | **Heat distribution** | | | | | | | | |
| | **Total** | **#** | **153,126** | **151,984** | **151,015** | **150,179** | **383,800** | **1,142** | **1%** |
| | **Total number of connection points** | **#** | **2,462,195** | **2,457,702** | **2,456,296** | **2,446,429** | **2,669,807** | **4,493** | **0%** |



# EPH and its business

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-6 | **Number of customer accounts – Supply** | | | | | | | | |
| | **Electricity supply** | | | | | | | | |
| | Residential | # | 695,691 | 683,213 | 672,288 | 564,885 | 555,689 | 12,478 | 2% |
| | Mid-size | # | 59,973 | 67,819 | 65,687 | 89,026 | 54,265 | (7,847) | (12%) |
| | Large | # | 29,597 | 23,204 | 22,663 | 25,211 | 24,442 | 6,393 | 28% |
| | **Total electricity** | **#** | **785,260** | **774,236** | **760,638** | **679,122** | **634,396** | **11,024** | **1%** |
| | **Gas supply** | | | | | | | | |
| | Residential | # | 108,840 | 90,383 | 88,492 | 55,149 | 22,075 | 18,458 | 20% |
| | Mid-size | # | 7,895 | 6,339 | 6,202 | 8,577 | 2,713 | 1,556 | 25% |
| | Large | # | 418 | 490 | 629 | 878 | 212 | (72) | (15%) |
| | **Total gas** | **#** | **117,154** | **97,212** | **95,323** | **64,604** | **25,000** | **19,942** | **21%** |
| | **Total number of customer accounts** | **#** | **902,414** | **871,448** | **855,961** | **743,726** | **659,396** | **30,966** | **4%** |

# EPH and its business

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 302-1 | **Energy consumption** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | PJ | 28.7(**) | 42.3(**) | 42.7(**) | 36.0(**) | 35.2(**) | (13.6) | (32%) |
| | Slovakia | PJ | 3.0(**) | 3.2(**) | 3.5(**) | 4.2(**) | 9.0(**) | (0.2) | (6%) |
| | Germany | PJ | 0.4 | 0.3 | 0.5 | 0.2 | 0.3 | 0.0 | 12% |
| | Hungary | PJ | – | – | – | 13.0 | 14.3(**) | – | |
| | **Total – EP Infrastructure** | **PJ** | **32** | **46** | **47** | **53** | **59** | **(14)** | **(30%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | PJ | 6.7 | 13.4 | 6.3 | 10.2 | 15.3 | (6.8) | (50%) |
| | Netherlands | PJ | 47.2 | | | | | 47.2 | |
| | Germany | PJ | 46.8 | 55.2 | 31.9 | 17.2 | 18.0 | (8.4) | (15%) |
| | UK | PJ | 75.5(**) | 96.6(**) | 129.0(**) | 127.9(**) | 90.8(**) | (21.1) | (22%) |
| | Ireland | PJ | 9.0 | 12.5 | 15.1 | 13.4 | 2.3 | (3.6) | (28%) |
| | Italy | PJ | 98.8 | 123.4 | 137.3 | 127.1 | 118.2 | (24.6) | (20%) |
| | **Total – EP Power Europe** | **PJ** | **284.0** | **301.2** | **319.7** | **295.8** | **244.6** | **(17.2)** | **(6%)** |
| | **EP Logistics international** | | | | | | | | |
| | Czech Republic | PJ | 0.1 | 0.1 | 0.2 | 0.1 | 0.0 | (0.0) | (4%) |
| | Germany | PJ | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | (0.0) | (12%) |
| | Poland | PJ | 0.0 | 0.0 | 0.0 | 0.0 | – | 0 | 22% |
| | Slovakia | PJ | 0.0 | 0.0 | 0.0 | 0.0 | | (0) | (18%) |
| | **Total – EP Logistics International** | **PJ** | **0** | **0** | **0** | **0** | **0** | **(0)** | **(7%)** |
| | **Other companies within the Group** | | | | | | | – | |
| | Czech Republic | PJ | – | – | – | – | 0.1 | – | |
| | Poland | PJ | – | – | – | – | 0.0 | – | |
| | **Total – Other companies within the Group** | **PJ** | **–** | **–** | **–** | **–** | **0.1** | **–** | |
| | **Total – EPH** | **PJ** | **316.4** | **347.4** | **366.7** | **349.4** | **303.5** | **(31.0)** | **(9%)** |

(**) This data was verified by the independent audit firm KPMG (2019–2023). Scope in 2023: CZ: 2 companies, SK: 1 company, UK: 1 company



# Environment / Climate change and energy

For the year ended 31 December 2023

## Fuel

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 302-1 | **Energy consumption** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Hard Coal | PJ | – | – | – | – | – | – | |
| | Lignite | PJ | 23.7 | 36.2 | 37.3 | 31.7 | 31.2 | (12.5) | (35%) |
| | Natural Gas | PJ | 1.5 | 1.9 | 3.8 | 17.6 | 23.9 | (0.4) | (20%) |
| | Oil | PJ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 13% |
| | Diesel | PJ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 186% |
| | Purchased Electricity | PJ | 2.0 | 1.8 | 0.3 | 0.2 | 0.2 | 0.2 | 13% |
| | Purchased Heat | PJ | – | 0.0 | – | – | – | (0.0) | (100%) |
| | Biomass | PJ | 3.7 | 4.9 | 4.1 | 2.8 | 2.4 | (1.2) | (24%) |
| | Other | PJ | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 4% |
| | **Total – EP Infrastructure** | **PJ** | **32** | **46** | **47** | **53** | **59** | **(14)** | **(30%)** |
| | **EP Power Europe** | | | | | | | | |
| | Hard Coal | PJ | 42.1 | 63.9 | 55.3 | 55.7 | 49.5 | (21.7) | (34%) |
| | Lignite | PJ | 39.1 | 43.6 | 21.8 | 7.4 | 9.7 | (4.5) | (10%) |
| | Natural Gas | PJ | 186.9 | 169.0 | 204.4 | 197.0 | 152.0 | 18.0 | 11% |
| | Oil | PJ | 0.7 | 0.7 | 0.5 | 0.3 | 0.3 | (0.0) | (1%) |
| | Diesel | PJ | 0.5 | 0.6 | 0.6 | 0.4 | 0.4 | (0.0) | (6%) |
| | Purchased Electricity | PJ | 1.1 | 0.8 | 0.3 | 0.6 | 0.3 | 0.3 | 32% |
| | Purchased Heat | PJ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3% |
| | Biomass | PJ | 13.4 | 22.0 | 36.6 | 34.3 | 32.3 | (8.6) | (39%) |
| | Other | PJ | 0.1 | 0.6 | 0.0 | – | 0.1 | (0.6) | (90%) |
| | **Total – EP Power Europe** | **PJ** | **284** | **301** | **320** | **296** | **245** | **(17)** | **(6%)** |
| | **EP Logistics international** | | | | | | | | |
| | Diesel | PJ | 0.2 | 0.3 | 0.3 | 0.2 | 0.1 | (0.0) | (10%) |
| | Purchased Electricity | PJ | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 5% |
| | Other | PJ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (89%) |
| | **Total – EP Logistics International** | **PJ** | **0.3** | **0.4** | **0.4** | **0.3** | **0.1** | **(0.0)** | **(7%)** |

CONTINUES →

# Environment / Climate change and energy

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 302-1 | **Energy consumption (CONTINUES)** | | | | | | | | |
| | **Other companies within the Group** | **PJ** | | | | | | | |
| | Diesel | PJ | – | – | – | – | 0.1 | – | |
| | Other | PJ | – | – | – | – | 0.0 | – | |
| | **Total – Other companies within the Group** | **PJ** | **–** | **–** | **–** | **–** | **0.1** | **–** | |
| | **Total – EPH** | **PJ** | **316.4** | **347.4** | **366.7** | **349.4** | **303.5** | **(31.0)** | **(9%)** |



# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **GHG direct emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | $CO_2$ emissions | mil. tonnes $CO_2$ eq. | 2.2 | 3.4 | 3.5 | 3.8 | 4.1 | (1.2) | (35%) |
| | Methane emissions | mil. tonnes $CO_2$ eq. | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.0 | 1% |
| | Other GHG emissions | mil. tonnes $CO_2$ eq. | 0.0 | | | | | | |
| | **Total – EP Infrastructure** | **mil. tonnes $CO_2$ eq.** | **2.4** | **3.6** | **3.7** | **4.0** | **4.4** | **(1.2)** | **(33%)** |
| | **EP Power Europe** | | | | | | | | |
| | $CO_2$ emissions | mil. tonnes $CO_2$ eq. | 18.0 | 19.4 | 17.9 | 16.0 | 14.0 | (1) | (7%) |
| | Methane emissions | mil. tonnes $CO_2$ eq. | 0.0 | – | – | – | – | 0.0 | |
| | Other GHG emissions | mil. tonnes $CO_2$ eq. | 0.0 | | | | | | |
| | **Total – EP Power Europe** | **mil. tonnes $CO_2$ eq.** | **18.0** | **19.4** | **17.9** | **16.0** | **14.0** | **(1.4)** | **(7%)** |
| | **EP Logistics international** | | | | | | | | |
| | $CO_2$ emissions | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | – | – | 0.0 | 1.1 |
| | Methane emissions | mil. tonnes $CO_2$ eq. | 0.0 | – | – | – | – | – | – |
| | Other GHG emissions | mil. tonnes $CO_2$ eq. | 0.0 | | | | | | |
| | **Total – EP Logistics International** | **mil. tonnes $CO_2$ eq.** | **0.0** | **0.0** | **0.0** | **–** | **–** | **0.0** | **112%** |
| | **EPH** | | | | | | | | |
| | $CO_2$ emissions | mil. tonnes $CO_2$ eq. | 20.2 | 22.8 | 21.3 | 19.8 | 18.1 | (2.6) | (11%) |
| | Methane emissions | mil. tonnes $CO_2$ eq. | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.0 | 1% |
| | Other GHG emissions | mil. tonnes $CO_2$ eq. | 0.0 | – | – | – | – | 0.0 | |
| | **Total – EPH** | **mil. tonnes $CO_2$ eq.** | **20.5(*)** | **23.0** | **21.6** | **20.1** | **18.4** | **(2.5)** | **(11%)** |

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

# Environment / Air emissions

For the year ended 31 December 2023

## Fuel

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Natural gas emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Gas emissions – fugitive | thsnd. m³ | 7,769 | 9,523 | 10,854 | 11,435 | 12,005 | (1,754) | (18%) |
| | Gas emissions – venting | thsnd. m³ | 1 782, | 2 793, | 2 953, | 4 412, | 4 155, | (1,011) | (36%) |
| | Gas emissions – flaring | thsnd. m³ | 41 | 41 | – | – | – | – | 0% |
| | Gas emissions – incomplete combustion | thsnd. m³ | 45 | 95 | 132 | 120 | 162 | (50) | (53%) |
| | Gas emissions – other | thsnd. m³ | 3,176 | – | – | – | – | 3,176 | |
| | **Total – EP Infrastructure** | **thsnd. m³** | **12,812** | **12,452** | **13,940** | **15,966** | **16,321** | **360** | **3%** |
| 305-1 | **EP Power Europe** | | | | | | | | |
| | **Total – EP Power Europe** | **thsnd. m³** | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Total – EPH** | **thsnd. m³** | **12,812** | **12,452** | **13,940** | **15,966** | **16,321** | **360** | **3%** |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Methane emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Gas transmission | tonnes | 3,282 | 1,932 | 2,574 | 3,108 | 2,494 | 1,350 | 70% |
| | Gas distribution | tonnes | 4,012 | 4,905 | 5,627 | 6,384 | 7,208 | (893) | (18%) |
| | Gas storage | tonnes | 1,063 | 1,444 | 984 | 1,039 | 1,126 | (382) | (26%) |
| | **Total – EP Infrastructure** | **tonnes** | **8,357** | **8,282** | **9,185** | **10,531** | **10,828** | **75** | **1%** |
| 305-1 | **EP Power Europe** | | | | | | | | |
| | Gas-fired power plants | tonnes | 30 | | | | | | |
| | **Total – EP Power Europe** | **tonnes** | **30** | **–** | **–** | **–** | **–** | **30** | |
| | **Total – EPH** | **tonnes** | **8,387** | **8,282** | **9,185** | **10,531** | **10,828** | **105** | **1%** |



# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Methane emissions as $CO_2$ equivalent** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Gas transmission | tonnes $CO_2$ eq. | 91,894 | 54,096 | 72,072 | 87,031 | 69,831 | 37,798 | 70% |
| | Gas distribution | tonnes $CO_2$ eq. | 112,333 | 137,350 | 157,566 | 178,747 | 201,826 | (25,017) | (18%) |
| | Gas storage | tonnes $CO_2$ eq. | 29,761 | 40,445 | 27,540 | 29,101 | 31,520 | (10,684) | (26%) |
| | **Total – EP Infrastructure** | **tonnes $CO_2$ eq.** | **233,988** | **231,891** | **257,179** | **294,879** | **303,177** | **2,098** | **1%** |
| 305-1 | **EP Power Europe** | | | | | | | | |
| | Gas-fired power plants | tonnes $CO_2$ eq. | 840 | | | | | | |
| | **Total – EP Power Europe** | **tonnes $CO_2$ eq.** | **840** | **–** | **–** | **–** | **–** | **840** | |
| | **Total – EPH** | **tonnes $CO_2$ eq.** | **234,828 (*)** | **231,891** | **257,179** | **294,879** | **303,177** | **2,938** | **1%** |

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

# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Direct $CO_2$ Emissions (Scope 1) by segment** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Gas transmission | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.1 | 0.2 | 0.4 | (0.0) | (20%) |
| | Gas and power distribution | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (15%) |
| | Gas storage | mil. tonnes $CO_2$ eq. | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | (0.0) | (17%) |
| | Heat Infrastructure | mil. tonnes $CO_2$ eq. | 2.1 | 3.3 | 3.3 | 3.5 | 3.6 | (1.2) | (35%) |
| | **Total – EP Infrastructure** | **mil. tonnes $CO_2$ eq.** | **2.2** | **3.4** | **3.5** | **3.8** | **4.1** | **(1.2)** | **(35%)** |
| | **EP Power Europe** | | | | | | | | |
| | Generation and mining | mil. tonnes $CO_2$ eq. | 18.0 | 19.4 | 17.9 | 16.0 | 14.0 | (1.4) | (7%) |
| | Renewables | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3% |
| | **Total – EP Power Europe** | **mil. tonnes $CO_2$ eq.** | **18.0** | **19.4** | **17.9** | **16.0** | **14.0** | **(1.4)** | **(7%)** |
| | **EP Logistics international** | | | | | | | | |
| | Trucking | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | – | – | 0.0 | 1.1 |
| | **Total – EP Logistics International** | **mil. tonnes $CO_2$ eq.** | **0.0** | **0.0** | **0.0** | **-** | **-** | **0.0** | **112%** |
| | **Total – EPH** | **mil. tonnes $CO_2$ eq.** | **20.2(*)** | **22.8** | **21.3** | **19.8** | **18.1** | **(2.6)** | **(11%)** |

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



# Environment / Air emissions

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Direct $CO_2$ Emissions (Scope 1)** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | mil. tonnes $CO_2$ eq. | 2.1 | 3.3 | 3.3 | 2.8 | 2.8 | (1.2) | (35%) |
| | Slovakia | mil. tonnes $CO_2$ eq. | 0.1 | 0.1 | 0.2 | 0.2 | 0.4 | (0.0) | (25%) |
| | Germany | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16% |
| | Hungary | mil. tonnes $CO_2$ eq. | – | – | – | 0.7 | 0.8 | – | |
| | **Total – EP Infrastructure** | **mil. tonnes $CO_2$ eq.** | **2.2** | **3.4** | **3.5** | **3.8** | **4.1** | **(1.2)** | **(35%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | mil. tonnes $CO_2$ eq. | 0.4 | 1.0 | 0.5 | 0.6 | 0.8 | (0.6) | (59%) |
| | Netherlands | mil. tonnes $CO_2$ eq. | 2.7 | | | | | 2.7 | |
| | Germany | mil. tonnes $CO_2$ eq. | 4.8 | 5.7 | 3.2 | 1.6 | 1.8 | (0.9) | (15%) |
| | UK | mil. tonnes $CO_2$ eq. | 3.8 | 4.9 | 5.7 | 5.7 | 3.7 | (1.1) | (22%) |
| | Ireland | mil. tonnes $CO_2$ eq. | 0.5 | 0.7 | 0.8 | 0.7 | 0.1 | (0.2) | (30%) |
| | Italy | mil. tonnes $CO_2$ eq. | 5.8 | 7.2 | 7.6 | 7.4 | 7.6 | (1.4) | (19%) |
| | **Total – EP Power Europe** | **mil. tonnes $CO_2$ eq.** | **18.0** | **19.4** | **17.9** | **16.0** | **14.0** | **(1.4)** | **(7%)** |
| | **EP Logistics international** | | | | | | | | |
| | Czech Republic | mil. tonnes $CO_2$ eq. | **0.0** | 0.0 | 0.0 | – | – | 0.0 | 8% |
| | Slovakia | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | – | – | (0.0) | (17%) |
| | Poland | mil. tonnes $CO_2$ eq. | 0.0 | 0.0 | 0.0 | – | – | 0.0 | 29% |
| | **Total – EP Logistics International** | **mil. tonnes $CO_2$ eq.** | **0.0** | **0.0** | **0.0** | **-** | **-** | **0.0** | **112%** |
| | **Total – EPH** | **mil. tonnes $CO_2$ eq.** | **20.2(*)** | **22.8** | **21.3** | **19.8** | **18.1** | **(2.6)** | **(11%)** |

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

# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-1 | **Procured and granted emissions consumed** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Procured allowances consumed | mil. tonnes $CO_2$ eq. | 2.0 | 3.1 | 3.3 | 3.3 | 3.0 | (1.1) | (37%) |
| | Granted allowances consumed | mil. tonnes $CO_2$ eq. | 0.1 | 0.2 | 0.2 | 0.5 | 1.1 | (0.0) | (17%) |
| | **Total – EP Infrastructure** | **mil. tonnes $CO_2$ eq.** | **2.1** | **3.3** | **3.5** | **3.8** | **4.1** | **(1.2)** | **(36%)** |
| | **EP Power Europe** | | | | | | | | |
| | Procured allowances consumed | mil. tonnes $CO_2$ eq. | 17.6 | 19.0 | 17.9 | 16.0 | 14.0 | (1.3) | (7%) |
| | Granted allowances consumed | mil. tonnes $CO_2$ eq. | 0.4 | 0.5 | 0.0 | 0.0 | 0.0 | (0.1) | (19%) |
| | **Total – EP Power Europe** | **mil. tonnes $CO_2$ eq.** | **18.0** | **19.4** | **17.9** | **16.0** | **14.0** | **(1.4)** | **(7%)** |
| | **Total – EPH** | **mil. tonnes $CO_2$ eq.** | **20.1** | **22.7** | **21.3** | **19.8** | **18.1** | **(2.6)** | **(11%)** |



# Environment / Air emissions

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-4 | **$CO_2$ Emissions intensity – Including heat component** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | tonnes $CO_2$ eq./GWh | 538 | 649 | 623 | 617 | 625 | (111) | (17%) |
| | Slovakia | tonnes $CO_2$ eq./GWh | 9 | 19 | 17 | 5 | 8 | (10) | (52%) |
| | Hungary | tonnes $CO_2$ eq./GWh | – | – | – | 260 | 258 | | |
| | **Total – EP Infrastructure** | **tonnes $CO_2$ eq./GWh** | **534** | **646** | **619** | **480** | **474** | **(111)** | **(17%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | tonnes $CO_2$ eq./GWh | 497 | 658 | 643 | 361 | 352 | (161) | (24%) |
| | Netherlands | tonnes $CO_2$ eq./GWh | 368 | | | | | 368 | |
| | Germany | tonnes $CO_2$ eq./GWh | 1,059 | 1,048 | 1,137 | 1,004 | 1,076 | 11 | 1% |
| | UK | tonnes $CO_2$ eq./GWh | 427 | 428 | 379 | 379 | 339 | (2) | 0% |
| | Ireland | tonnes $CO_2$ eq./GWh | 416 | 402 | 400 | 398 | 392 | 14 | 3% |
| | Italy | tonnes $CO_2$ eq./GWh | 481 | 487 | 451 | 496 | 505 | (6) | (1%) |
| | **Total – EP Power Europe** | **tonnes $CO_2$ eq./GWh** | **517** | **559** | **475** | **457** | **462** | **(42)** | **(8%)** |
| | **Total – EPH** | **tonnes $CO_2$ eq./GWh** | **519** | **570** | **493** | **461** | **465** | **(51)** | **(9%)** |

Note: Calculation of emissions intensity excludes emissions from non-energy producing companies.

# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-2 | **Indirect $CO_2$ Emissions (Scope 2)** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | tonnes $CO_2$ eq. | 8,406 | 8,160 | 8,747 | 32,960 | 24,726 | 246 | 3% |
| | Slovakia | tonnes $CO_2$ eq. | 60,837 | 52,810 | 7,597 | 5,719 | 6,193 | 8,027 | 15% |
| | Germany | tonnes $CO_2$ eq. | 1,678 | 2,104 | 2,216 | 2,651 | 1,354 | (426) | (20%) |
| | Hungary | tonnes $CO_2$ eq. | – | – | – | 2,751 | 3,026 | – | |
| | **Total – EP Infrastructure** | **tonnes $CO_2$ eq.** | **70,921** | **63,074** | **18,560** | **44,080** | **35,299** | **7,847** | **12%** |
| | **EP Power Europe** | | | | | | | | |
| | Germany | tonnes $CO_2$ eq. | 63,000 | 59,448 | 16,671 | 21,925 | 22,405 | 3,552 | 6% |
| | Netherlands | tonnes $CO_2$ eq. | 18,182 | | | | | 18,182 | |
| | UK | tonnes $CO_2$ eq. | 9,871 | 14,283 | 10,722 | 12,600 | 17,692 | (4,411) | (31%) |
| | Ireland | tonnes $CO_2$ eq. | 2,611 | 2,455 | 1,189 | 1,508 | 390 | 155 | 6% |
| | Italy | tonnes $CO_2$ eq. | 1,321 | 2,491 | 487 | 1,808 | 1,569 | (1,170) | (47%) |
| | **Total – EP Power Europe** | **tonnes $CO_2$ eq.** | **94,985** | **78,677** | **29,069** | **37,841** | **42,056** | **16,308** | **21%** |
| | **EP Logistics international** | | | | | | | | |
| | Czech Republic | tonnes $CO_2$ eq. | 3,360 | 2,513 | 2,663 | 3,285 | – | 847 | 34% |
| | Germany | tonnes $CO_2$ eq. | 6,035 | 15,523 | 17,796 | 21,579 | – | (9,489) | (61%) |
| | **Total – EP Logistics International** | **tonnes $CO_2$ eq.** | **9,395** | **18,037** | **20,460** | **24,863** | **–** | **(8,642)** | **(48%)** |
| | **Total – EPH** | **tonnes $CO_2$ eq.** | **175,300 (*)** | **159,787** | **68,088** | **106,785** | **77,355** | **15,513** | **10%** |

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



# Environment / Air emissions

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-4 | **GHG Emissions intensity in respect of total sales (Scope 1 + Scope 2)** | | | | | | | | |
| | EP Infrastructure | tonnes $CO_2$ eq./EURm | 528 | 727 | 1,247 | 1,188 | 1,182 | (200) | (27%) |
| | EP Power Europe | tonnes $CO_2$ eq./EURm | 908 | 577 | 1,119 | 3,116 | 2,753 | 331 | 57% |
| | EP Logistics international | tonnes $CO_2$ eq./EURm | 125 | 116 | 156 | | | 9 | 8% |
| | EPH | tonnes $CO_2$ eq./EURm | 842 | 618 | 1,131 | 2,319 | 2,117 | 225 | 36% |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **Total $SO_2$ emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 2.6 | 4.4 | 3.3 | 4.6 | 5.3 | (1.9) | (42%) |
| | Slovakia | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 194% |
| | Hungary | thsnd. tonnes | – | – | – | – | 0.0 | – | |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **2.6** | **4.4** | **3.3** | **4.6** | **5.3** | **(1.8)** | **(42%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | thsnd. tonnes | 0.1 | 0.8 | 0.3 | 0.1 | 0.1 | (0.6) | (81%) |
| | Netherlands | thsnd. tonnes | – | | | | | – | |
| | Germany | thsnd. tonnes | 2.5 | 3.2 | 2.1 | 1.0 | 1.6 | (0.7) | (22%) |
| | UK | thsnd. tonnes | 0.5 | 0.9 | 1.1 | 1.1 | 0.5 | (0.4) | (46%) |
| | Ireland | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5% |
| | Italy | thsnd. tonnes | 0.5 | 1.0 | 1.1 | 1.6 | 1.8 | (0.5) | (53%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **3.6** | **5.8** | **4.5** | **3.8** | **4.0** | **(2.3)** | **(39%)** |
| | **Total – EPH** | **thsnd. tonnes** | **6.2** | **10.3** | **7.8** | **8.4** | **9.4** | **(4.1)** | **(40%)** |

# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **Total $NO_x$ emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 2.2 | 3.3 | 3.1 | 2.7 | 3.0 | (1.2) | (35%) |
| | Slovakia | thsnd. tonnes | 0.1 | 0.1 | 0.2 | 0.2 | 0.4 | (0.0) | (12%) |
| | Hungary | thsnd. tonnes | – | – | – | 0.4 | 0.4 | – | |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **2.2** | **3.4** | **3.3** | **3.2** | **3.8** | **(1.2)** | **(34%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | thsnd. tonnes | 0.4 | 1.0 | 0.5 | 0.2 | 0.3 | (0.6) | (59%) |
| | Netherlands | thsnd. tonnes | 0.8 | | | | | 0.8 | |
| | Germany | thsnd. tonnes | 2.4 | 2.8 | 1.9 | 1.0 | 1.2 | (0.3) | (12%) |
| | UK | thsnd. tonnes | 2.5 | 3.6 | 5.0 | 5.1 | 2.3 | (1.1) | (31%) |
| | Ireland | thsnd. tonnes | 0.2 | 0.4 | 0.5 | 0.4 | 0.1 | (0.2) | (52%) |
| | Italy | thsnd. tonnes | 2.4 | 3.5 | 3.8 | 4.0 | 4.2 | (1.1) | (32%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **8.6** | **11.2** | **11.8** | **10.7** | **8.0** | **(2.6)** | **(23%)** |
| | **EP Logistics international** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 0.1 | 0.1 | 0.1 | 0.1 | – | (0.0) | (18%) |
| | Slovakia | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | – | (0.0) | (28%) |
| | Germany | thsnd. tonnes | 0.5 | 0.5 | 0.5 | 0.4 | – | (0.0) | (2%) |
| | Poland | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 | 22% |
| | **Total – EP Logistics International** | **thsnd. tonnes** | **0.6** | **0.6** | **0.6** | **0.5** | **–** | **(0.0)** | **(4%)** |
| | **Total – EPH** | **thsnd. tonnes** | **11.5** | **15.3** | **15.7** | **14.4** | **11.8** | **(3.8)** | **(25%)** |



# Environment / Air emissions

For the year ended 31 December 2023

## Type

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **Total dust emissions** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | (0.0) | (42%) |
| | Slovakia | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (19%) |
| | Hungary | thsnd. tonnes | – | – | – | – | 0.0 | – | |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **0.1** | **0.1** | **0.1** | **0.1** | **0.1** | **(0.0)** | **(41%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | thsnd. tonnes | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | (0.1) | (92%) |
| | Netherlands | thsnd. tonnes | 0.0 | | | | | 0.0 | |
| | Germany | thsnd. tonnes | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 10% |
| | UK | thsnd. tonnes | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | (0.0) | (5%) |
| | Italy | thsnd. tonnes | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | (0.0) | (7%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **0.2** | **0.3** | **0.2** | **0.2** | **0.1** | **(0.1)** | **(31%)** |
| | **Total – EPH** | **thsnd. tonnes** | **0.2** | **0.4** | **0.3** | **0.3** | **0.3** | **(0.1)** | **(34%)** |

# Environment / Air emissions

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **$SO_2$ emissions intensity** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | tonnes/ GWh | 0.66 | 0.89 | 0.62 | 1.02 | 1.19 | (0.22) | (25%) |
| | Slovakia | tonnes/ GWh | 0.27 | 0.09 | 0.09 | 0.10 | 0.01 | 0.18 | 207% |
| | Hungary | tonnes/ GWh | – | – | – | – | 0.00 | – | |
| | **Total – EP Infrastructure** | **tonnes/ GWh** | **0.66** | **0.88** | **0.62** | **0.63** | **0.70** | **(0.22)** | **(25%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | tonnes/ GWh | 0.19 | 0.53 | 0.32 | 0.03 | 0.04 | (0.34) | (65%) |
| | Netherlands | tonnes/ GWh | – | | | | | – | |
| | Germany | tonnes/ GWh | 0.54 | 0.58 | 0.75 | 0.62 | 0.96 | (0.04) | (7%) |
| | UK | tonnes/ GWh | 0.05 | 0.08 | 0.07 | 0.07 | 0.05 | (0.03) | (32%) |
| | Ireland | tonnes/ GWh | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 54% |
| | Italy | tonnes/ GWh | 0.04 | 0.07 | 0.06 | 0.11 | 0.12 | (0.03) | (42%) |
| | **Total – EP Power Europe** | **tonnes/ GWh** | **0.10** | **0.17** | **0.12** | **0.11** | **0.13** | **(0.07)** | **(39%)** |
| | **Total – EPH** | **tonnes/ GWh** | **0.16** | **0.26** | **0.18** | **0.20** | **0.25** | **(0.10)** | **(39%)** |



Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **$NO_x$ emissions intensity** | | | | | | | | |
| | EP Infrastructure | | | | | | | | |
| | Czech Republic | tonnes/ GWh | 0.56 | 0.66 | 0.59 | 0.58 | 0.66 | (0.11) | (16%) |
| | Slovakia | tonnes/ GWh | 0.40 | 0.43 | 0.40 | 0.44 | 0.57 | (0.02) | (5%) |
| | Hungary | tonnes/ GWh | – | – | – | 0.14 | 0.14 | – | |
| | **Total – EP Infrastructure** | **tonnes/ GWh** | **0.6** | **0.7** | **0.6** | **0.4** | **0.5** | **(0.11)** | **(16%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | tonnes/ GWh | 0.49 | 0.64 | 0.60 | 0.10 | 0.11 | (0.16) | (24%) |
| | Netherlands | tonnes/ GWh | 0.10 | | | | | 0.10 | |
| | Germany | tonnes/ GWh | 0.53 | 0.51 | 0.67 | 0.64 | 0.75 | 0.02 | 5% |
| | UK | tonnes/ GWh | 0.28 | 0.31 | 0.33 | 0.34 | 0.21 | (0.04) | (12%) |
| | Ireland | tonnes/ GWh | 0.19 | 0.26 | 0.27 | 0.22 | 0.19 | (0.08) | (30%) |
| | Italy | tonnes/ GWh | 0.20 | 0.24 | 0.23 | 0.27 | 0.28 | (0.04) | (16%) |
| | **Total – EP Power Europe** | **tonnes/ GWh** | **0.2** | **0.3** | **0.3** | **0.3** | **0.3** | **(0.08)** | **(23%)** |
| | **Total – EPH** | **tonnes/ GWh** | **0.3** | **0.4** | **0.3** | **0.3** | **0.3** | **(0.09)** | **(24%)** |

# Environment / Air emissions

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 305-7 | **Dust emissions intensity** | | | | | | | | |
| | EP Infrastructure | | | | | | | | |
| | Czech Republic | tonnes/ GWh | 0.01 | 0.02 | 0.02 | 0.02 | 0.03 | (0.00) | (26%) |
| | Slovakia | tonnes/ GWh | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.00 | 20% |
| | Hungary | tonnes/ GWh | – | – | – | – | 0.00 | – | |
| | **Total – EP Infrastructure** | **tonnes/ GWh** | **0.01** | **0.02** | **0.02** | **0.01** | **0.02** | **(0.00)** | **(25%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | tonnes/ GWh | 0.01 | 0.06 | 0.02 | 0.00 | 0.00 | (0.05) | (86%) |
| | Netherlands | tonnes/ GWh | 0.00 | | | | | 0.00 | |
| | Germany | tonnes/ GWh | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 | 31% |
| | UK | tonnes/ GWh | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 20% |
| | Italy | tonnes/ GWh | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 14% |
| | **Total – EP Power Europe** | **tonnes/ GWh** | **0.00** | **0.01** | **0.01** | **0.01** | **0.00** | **(0.00)** | **(32%)** |
| | **Total – EPH** | **tonnes/ GWh** | **0.01** | **0.01** | **0.01** | **0.01** | **0.01** | **(0.00)** | **(33%)** |

Note: Calculation of emissions intensity excludes emissions from non-energy producing companies.



# Environment / Water

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Quantity of water withdrawn** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | million m³ | 83.6(**) | 93.6(**) | 40.7(**) | 30.6(**) | 52.7(**) | (10.0) | (11%) |
| | Slovakia | million m³ | 0.0(**) | 0.0(**) | 0.0(**) | 0.0(**) | 0.0(**) | (0.0) | (11%) |
| | Germany | million m³ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 26% |
| | Hungary | million m³ | – | – | – | 12.9 | 14.4(**) | – | |
| | **Total – EP Infrastructure** | **million m³** | 83.6 | 93.6 | 40.8 | 43.6 | 67.1 | (10.0) | (11%) |
| | **EP Power Europe** | | | | | | | | |
| | France | million m³ | 2.6 | 4.3 | 1.9 | – | 3.2 | (1.7) | (40%) |
| | Netherlands | million m³ | 684.5 | | | | | 684.5 | |
| | Germany | million m³ | 92.7 | 93.5 | 91.4 | 92.7 | 94.2 | (0.8) | (1%) |
| | UK | million m³ | 1,252.0 (**) | 1,578.7 (**) | 1,987.2 (**) | 1,615.7 (**) | 1,410.2 (**) | (326.8) | (21%) |
| | Ireland | million m³ | 0.1 | 0.1 | 0.6 | 1.2 | 0.0 | – | 0% |
| | Italy | million m³ | 1,371.6 | 1,660.4 | 1,573.7 | 1,615.9 | 1,451.7 | (288.8) | (17%) |
| | **Total – EP Power Europe** | **million m³** | **3,403.5** | **3,337.1** | **3,654.9** | **3,325.5** | **2,959.2** | **66.5** | **2%** |
| | **Total – EPH** | **million m³** | **3,487.1** | **3,430.7** | **3,695.7** | **3,369.1** | **3,026.3** | **56.4** | **2%** |

** This data was verified by the independent audit firm KPMG (2019-2023). Scope in 2023: CZ: 2 companies, SK: 1 company, UK: 1 company

# Environment / Water

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-4 | **Quantity of water discharged** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | million m³ | 80.9(**) | 88.3(**) | 34.1(**) | 23.8(**) | 46.4(**) | (7.4) | (8%) |
| | Slovakia | million m³ | 0.4(**) | 0.1(**) | 0.1(**) | 0.2(**) | 0.1(**) | 0.2 | 193% |
| | Germany | million m³ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 28% |
| | Hungary | million m³ | – | – | – | 12.9 | 13.8(**) | – | |
| | **Total – EP Infrastructure** | **million m³** | **81.3** | **88.4** | **34.2** | **37.0** | **60.4** | **(7.1)** | **(8%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | million m³ | – | – | – | – | 2.0 | – | |
| | Netherlands | million m³ | 683.8 | | | | | 683.8 | |
| | Germany | million m³ | 7.6 | 8.1 | 5.6 | 5.2 | 1.8 | (0.5) | (7%) |
| | UK | million m³ | 1, 251.7 (**) | 1,578.4 (**) | 1,986.8 (**) | 1,570.3 (**) | 1,409.8 (**) | (326.7) | (21%) |
| | Ireland | million m³ | 0.0 | 0.0 | 0.7 | 0.6 | 0.0 | – | 0% |
| | Italy | million m³ | 1,371.1 | 1,656.8 | 1,572.4 | 1,612.5 | 1,445.2 | (285.7) | (17%) |
| | **Total – EP Power Europe** | **million m³** | **3,314.2** | **3,243.3** | **3,565.6** | **3,188.6** | **2,858.8** | **70.9** | **2%** |
| | **Total – EPH** | **million m³** | **3,395.5** | **3,331.7** | **3,599.8** | **3,225.5** | **2,919.1** | **63.8** | **2%** |

(**) This data was verified by the independent audit firm KPMG (2019-2023). Scope in 2023: CZ: 2 companies, SK: 1 company, UK: 1 company



# Environment / Water

For the year ended 31 December 2023

## Type

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Quantity of water withdrawn** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Surface water | million m³ | 83.5 | 93.5 | 40.7 | 42.9 | 65.6 | (10.0) | (11%) |
| | Ground water | million m³ | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | (0.0) | (29%) |
| | Municipal water supplies or other water utilities | million m³ | 0.1 | 0.1 | 0.1 | 0.1 | 0.8 | (0.0) | (14%) |
| | Other | million m³ | – | – | – | 0.5 | 0.6 | – | |
| | **Total – EP Infrastructure** | **million m³** | 84 | 94 | 41 | 44 | 67 | (10) | (11%) |
| | **EP Power Europe** | | | | | | | | |
| | Surface water | | 3,353 | 3,284 | 3,594 | 3,256 | 2,891 | 69.2 | 2% |
| | Ground water | million m³ | 48 | 50 | 58 | 67 | 66 | (2.0) | (4%) |
| | Rainwater collected directly and stored by the organization | million m³ | 1 | 1 | 0 | – | – | 0.6 | 64% |
| | Waste water from another organization | million m³ | 0 | – | – | – | – | 0.1 | |
| | Municipal water supplies or other water utilities | million m³ | 1 | 2 | 2 | 3 | 2 | (1.3) | (65%) |
| | Other | million m³ | 0 | 0 | 0 | 0 | 0 | 0.0 | 178% |
| | **Total – EP Power Europe** | **million m³** | **3,404** | **3,337** | **3,655** | **3,325** | **2,959** | **66.5** | **2%** |
| | **Total – EPH** | **million m³** | **3,487** | **3,431** | **3,696** | **3,369** | **3,026** | **56.4** | **2%** |

# Environment / Water

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Cooling Water** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Cooling water – withdrawal | million m³ | 81.1 | 91.1 | 38.7 | 41.2 | 64.1 | (10.1) | (11%) |
| | Cooling water – discharge | million m³ | 78.8 | 86.1 | 32.0 | 34.2 | 57.3 | (7.3) | (9%) |
| | **Total – EP Infrastructure – Usage** | **million m³** | **2.3** | **5.0** | **6.7** | **6.9** | **6.8** | **(2.7)** | **(55%)** |
| | **EP Power Europe** | | | | | | | | |
| | Cooling water – withdrawal | million m³ | 3,316 | 3,245 | 3,567 | 3,186 | 2,857 | 71 | 2% |
| | Cooling water – discharge | million m³ | 3,311 | 3,242 | 3,562 | 3,181 | 2,853 | 69 | 2% |
| | **Total – EP Power Europe – Usage** | **million m³** | **4.8** | **2.7** | **5.0** | **4.5** | **4.1** | **2.1** | **79%** |
| | **Total – EPH – Usage** | **million m³** | **7.0** | **7.7** | **11.7** | **11.5** | **10.8** | **(0.6)** | **(8%)** |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Water intensity in respect of energy produced (all segments)** | | | | | | | | |
| | EP Infrastructure | thsnd. m³/ GWh | 21.3 | 18.6 | 7.7 | 5.9 | 8.8 | 3 | 14% |
| | EP Power Europe | thsnd. m³/ GWh | 97.7 | 96.2 | 97.3 | 95.0 | 97.6 | 2 | 2% |
| | EPH | thsnd. m³/ GWh | 90.0 | 86.3 | 86.2 | 79.5 | 79.7 | 4 | 4% |



# Environment / Water

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Water intensity in respect of energy produced (generation companies only)** | | | | | | | | |
| | EP Infrastructure | thsnd. m³/ GWh | 21.3 | 18.6 | 7.7 | 5.9 | 8.8 | 3 | 14% |
| | EP Power Europe | thsnd. m³/ GWh | 97.7 | 96.2 | 97.3 | 95.0 | 97.6 | 2 | 2% |
| | EPH | thsnd. m³/ GWh | 90.0 | 86.3 | 86.2 | 79.5 | 79.7 | 4 | 4% |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 303-3 | **Water intensity in respect of revenues** | | | | | | | | |
| | EP Infrastructure | thsnd. m³/ EURm | 19.6 | 19.9 | 14.6 | 13.6 | 19.3 | (0) | (2%) |
| | EP Power Europe | thsnd. m³/ EURm | 170.7 | 98.8 | 228.5 | 645.6 | 579.6 | 72 | 73% |
| | EPH | thsnd. m³/ EURm | 144.0 | 92.4 | 195.2 | 393.1 | 352.6 | 52 | 56% |

# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-3 | **Byproducts – Total production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 796 | 1 370 | 1,288 | 1,084 | 1,119 | (574) | (42%) |
| | Hungary | thsnd. tonnes | – | – | – | 0 | 0 | – | |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **796** | **1 370** | **1,288** | **1,084** | **1,119** | **(574)** | **(42%)** |
| | **EP Power Europe** | | | | | | | | |
| | France | thsnd. tonnes | 41 | 129 | 262 | 252 | 50 | (88) | (68%) |
| | Netherlands | thsnd. tonnes | – | | | | | – | |
| | Germany | thsnd. tonnes | 665 | 759 | 386 | 172 | 204 | (95) | (12%) |
| | UK | thsnd. tonnes | 30 | 56 | 77 | 65 | 43 | (26) | (47%) |
| | Italy | thsnd. tonnes | 157 | 162 | 122 | 117 | 144 | (6) | (4%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **891** | **1,107** | **848** | **606** | **441** | **(215)** | **(19%)** |
| | **Total – EPH** | **thsnd. tonnes** | **1,688** | **2,477** | **2,136** | **1,690** | **1,560** | **(789)** | **(32%)** |



# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-3 | **Waste other than byproducts – Total production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | thsnd. tonnes | 2 | 2 | 2 | 3 | 2 | (0) | (15%) |
| | Slovakia | thsnd. tonnes | 41 | 36 | 45 | 44 | 42 | 5 | 14% |
| | Germany | thsnd. tonnes | 1 | 1 | 2 | 1 | 1 | (0) | 0% |
| | Hungary | thsnd. tonnes | – | – | – | 0 | 0 | – | |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **44** | **40** | **48** | **47** | **44** | **5** | **11%** |
| | **EP Power Europe** | | | | | | | | |
| | France | thsnd. tonnes | 2 | 4 | 2 | 1 | 1 | (1) | (32%) |
| | Netherlands | thsnd. tonnes | 1 | | | | | 1 | |
| | Germany | thsnd. tonnes | 82 | 109 | 91 | 251 | 240 | (27) | (25%) |
| | UK | thsnd. tonnes | 3 | 47 | 59 | 84 | 4 | (43) | (93%) |
| | Ireland | thsnd. tonnes | 0 | 0 | 0 | 0 | 0 | (0) | (30%) |
| | Italy | thsnd. tonnes | 24 | 35 | 32 | 31 | 28 | (12) | (33%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **112** | **194** | **184** | **367** | **272** | **(82)** | **(42%)** |
| | **Total – EPH** | **thsnd. tonnes** | **156** | **234** | **232** | **414** | **316** | **(78)** | **(33%)** |

# Environment / Effluents and waste

For the year ended 31 December 2023

## Type

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-3 | **Byproducts – Total production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Additised granulate | thsnd. tonnes | 174 | 354 | 326 | 238 | 215 | (179) | (51%) |
| | Ash | thsnd. tonnes | 337 | 532 | 522 | 481 | 489 | (194) | (37%) |
| | Slag | thsnd. tonnes | 108 | 186 | 185 | 150 | 161 | (78) | (42%) |
| | Gypsum | thsnd. tonnes | 117 | 192 | 163 | 119 | 139 | (75) | (39%) |
| | Additional material – hydrated lime | thsnd. tonnes | 3 | 8 | 9 | 10 | 15 | (5) | (63%) |
| | Additional material – water | thsnd. tonnes | 48 | 83 | 74 | 84 | 97 | (35) | (43%) |
| | Other own production | thsnd. tonnes | 3 | 3 | 2 | 2 | 2 | 0 | 15% |
| | Other additional material- please specify | thsnd. tonnes | 7 | 13 | 7 | – | – | (6) | (48%) |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **796** | **1,370** | **1,288** | **1,084** | **1,119** | **(574)** | **(42%)** |
| | **EP Power Europe** | | | | | | | | |
| | Additised granulate | thsnd. tonnes | – | – | – | – | – | – | |
| | Ash | thsnd. tonnes | 437 | 592 | 569 | 477 | 287 | (155) | (26%) |
| | Slag | thsnd. tonnes | 88 | 107 | 59 | 40 | 57 | (19) | (18%) |
| | Gypsum | thsnd. tonnes | 367 | 407 | 218 | 87 | 96 | (41) | (10%) |
| | Other own production | thsnd. tonnes | – | – | 2 | 3 | 1 | – | |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **891** | **1 107** | **848** | **606** | **441** | **(215)** | **(19%)** |
| | **Total – EPH** | **thsnd. tonnes** | **1,688** | **2,477** | **2,136** | **1,690** | **1,560** | **(789)** | **(32%)** |



# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-4 | **Byproducts – Total means of disposal** | | | | | | | | |
| 306-5 | **EP Infrastructure** | | | | | | | | |
| | Sales | thsnd. tonnes | 316 | 457 | 318 | 268 | 169 | (142) | (31%) |
| | Storage – own stock | thsnd. tonnes | – | – | 145 | 109 | 157 | – | |
| | Storage – external | thsnd. tonnes | 145 | 241 | 176 | 193 | 211 | (96) | (40%) |
| | Stabilizate production | thsnd. tonnes | 301 | 627 | 627 | 509 | 578 | (326) | (52%) |
| | Storage – chargeable waste | thsnd. tonnes | 35 | 44 | 23 | 5 | 3 | (9) | (20%) |
| | Other | thsnd. tonnes | 0 | 1 | – | – | – | (1) | (85%) |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **796** | **1,370** | **1,288** | **1,084** | **1,119** | **(574)** | **(42%)** |
| | **EP Power Europe** | | | | | | | | |
| | Sales | thsnd. tonnes | 625 | 846 | 904 | 511 | 202 | (220) | (26%) |
| | Storage – own stock | thsnd. tonnes | – | 62 | 59 | 1 | 35 | (62) | (100%) |
| | Storage – external | thsnd. tonnes | 3 | 0 | 0 | 0 | 1 | 3 | 1457% |
| | Stabilizate production | thsnd. tonnes | 179 | 182 | 142 | 150 | 201 | (3) | (2%) |
| | Storage – chargeable waste | thsnd. tonnes | 7 | 11 | 25 | 27 | 22 | (5) | (42%) |
| | Other | thsnd. tonnes | 12 | 17 | 14 | 14 | 14 | (5) | (30%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **826** | **1,117** | **1,145** | **702** | **476** | **(292)** | **(26%)** |
| | **Total – EPH** | **thsnd. tonnes** | **1,622** | **2,487** | **2,433** | **1,785** | **1,595** | **(865)** | **(35%)** |

# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-3 | **Waste other than byproducts – Total production** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Non-hazardous waste | thsnd. tonnes | 43.2 | 38.8 | 47.3 | 45.9 | 42.8 | 4.4 | 11% |
| | Hazardous waste | thsnd. tonnes | 1.0 | 0.9 | 1.1 | 0.9 | 1.7 | 0.1 | 15% |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **44** | **40** | **48** | **47** | **44** | **5** | **11%** |
| | **EP Power Europe** | | | | | | | | |
| | Non-hazardous waste | thsnd. tonnes | 108.9 | 191.6 | 180.0 | 324.1 | 269.5 | (82.8) | (43%) |
| | Hazardous waste | thsnd. tonnes | 3.3 | 2.6 | 3.9 | 43.1 | 2.4 | 0.6 | 25% |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **112** | **194** | **184** | **367** | **272** | **(82)** | **(42%)** |
| | **Total – EPH** | **thsnd. tonnes** | **156** | **234** | **232** | **414** | **316** | **(78)** | **(33%)** |



# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-4 | **Waste other than by products – Non-hazardous – Disposal** | | | | | | | | |
| 306-5 | **EP Infrastructure** | | | | | | | | |
| | Recycling | thsnd. tonnes | 28.0 | 28.8 | 21.8 | 17.7 | 19.1 | (0.8) | (3%) |
| | Landfill | thsnd. tonnes | 1.7 | 2.4 | 3.0 | 2.8 | 3.9 | (0.7) | (28%) |
| | Other | thsnd. tonnes | 13.5 | 7.6 | 22.4 | 25.4 | 19.8 | 5.9 | 77% |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **43** | **39** | **47** | **46** | **43** | **4** | **11%** |
| | **EP Power Europe** | | | | | | | | |
| | Recycling | thsnd. tonnes | 51.2 | 86.9 | 90.7 | 85.6 | 110.9 | (35.7) | (41%) |
| | Landfill | thsnd. tonnes | 2.4 | 25.1 | 31.5 | 80.3 | 33.5 | (22.7) | (90%) |
| | Other | thsnd. tonnes | 54.8 | 78.8 | 57.9 | 158.1 | 125.0 | (24.0) | (31%) |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **108** | **191** | **180** | **324** | **269** | **(82)** | **(43%)** |
| | **Total – EPH** | **thsnd. tonnes** | **152** | **230** | **227** | **370** | **312** | **(78)** | **(34%)** |

# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-4 | **Waste other than by products – Hazardous – Disposal** | | | | | | | | |
| 306-5 | **EP Infrastructure** | | | | | | | | |
| | Recycling | thsnd. tonnes | 0.3 | 0.1 | 0.3 | 0.4 | 0.3 | 0.1 | 98% |
| | Landfill | thsnd. tonnes | 0.4 | 0.3 | 0.2 | 0.2 | 1.1 | 0.2 | 57% |
| | Other | thsnd. tonnes | 0.4 | 0.5 | 0.6 | 0.3 | 0.3 | (0.1) | (29%) |
| | **Total – EP Infrastructure** | **thsnd. tonnes** | **1.0** | **0.9** | **1.1** | **0.9** | **1.7** | **0.1** | **15%** |
| | **EP Power Europe** | | | | | | | | |
| | Recycling | thsnd. tonnes | 1.4 | 1.0 | 3.4 | 42.7 | 2.1 | 0.3 | 30% |
| | Landfill | thsnd. tonnes | 1.5 | 1.2 | 0.4 | 0.2 | 0.2 | 0.3 | 25% |
| | Other | thsnd. tonnes | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | 61% |
| | **Total – EP Power Europe** | **thsnd. tonnes** | **3.1** | **2.4** | **4.0** | **43.0** | **2.3** | **0.7** | **30%** |
| | **Total – EPH** | **thsnd. tonnes** | **4.1** | **3.2** | **5.1** | **43.9** | **4.0** | **0.8** | **26%** |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 306-3 | **Waste intensity in respect of revenues** | | | | | | | | |
| | EP Infrastructure | tonnes/ EURm | 10.4 | 8.5 | 17.4 | 14.6 | 12.8 | 1.9 | 23% |
| | EP Power Europe | tonnes/ EURm | 5.4 | 5.7 | 11.3 | 62.9 | 52.8 | (0.2) | (4%) |
| | EPH | tonnes/ EURm | 6.5 | 6.3 | 12.3 | 48.3 | 36.9 | 0.2 | 2% |



# Environment / Effluents and waste

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-27 | **Fines** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Environmental Fines | EURm | 0.1 | 0.2 | 0.0 | 0.0 | 0.0 | (0.0) | (19%) |
| | Use of Products/ Services Fines | EURm | – | – | – | – | – | – | |
| | Other Significant Fines | EURm | 0.2 | 0.1 | 0.0 | 0.1 | – | 0.2 | 275% |
| | **Total – EP Infrastructure** | **EURm** | **0.3** | **0.2** | **0.0** | **0.1** | **0.0** | **0.1** | **57%** |
| | **EP Power Europe** | | | | | | | | |
| | Environmental Fines | EURm | – | – | – | – | 0.0 | – | |
| | Use of Products/ Services Fines | EURm | 1.4 | 10.6 | (0.0) | – | – | (9.2) | (87%) |
| | Other Significant Fines | EURm | 27.1 | 3.3 | 0.3 | 0.0 | – | 23.8 | 719% |
| | **Total – EP Power Europe** | **EURm** | **28.5** | **13.9** | **0.3** | **0.0** | **0.0** | **14.6** | **105%** |
| | **Total – EPH** | **EURm** | **28.9** | **14.2** | **0.4** | **0.1** | **0.0** | **14.7** | **104%** |

# Social / Occupational health and safety

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Fatal injuries – Employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Slovakia | | 1 | 1 | – | – | – | – | 0% |
| | **Total – EP Infrastructure** | | **1** | **1** | **–** | **–** | **–** | **–** | **0%** |
| | **EP Power Europe** | | | | | | | | |
| | **Total – EP Power Europe** | | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Other companies within the Group** | | | | | | | | |
| | **Total – other companies** | | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Total – EPH** | | **1** | **1** | **–** | **–** | **–** | **–** | **0%** |



# Social / Occupational health and safety

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Registered injuries – Employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | # | 6(**) | 10(**) | 13(**) | 11(**) | 16(**) | (4) | (40%) |
| | Slovakia | # | 12(**) | 19(**) | 14(**) | 19(**) | 20(**) | (7) | (37%) |
| | Germany | # | – | 1 | – | – | – | (1) | (100%) |
| | Hungary | # | – | – | – | – | 1(**) | – | |
| | **Total – EP Infrastructure** | **#** | **18** | **30** | **27** | **30** | **37** | **(12)** | **(40%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | # | 1 | – | – | – | – | 1 | |
| | France | # | 2 | 3 | 5 | 11 | 2 | (1) | (33%) |
| | Germany | # | 15 | 10 | 18 | 12 | 15 | 5 | 50% |
| | UK | # | 2(**) | 0(**) | 1(**) | 2(**) | 2(**) | 2 | |
| | Italy | # | – | 2 | 2 | – | – | (2) | (100%) |
| | **Total – EP Power Europe** | **#** | **20** | **15** | **26** | **25** | **19** | **5** | **33%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | # | 2(**) | 5(**) | 4(**) | 5(**) | 6(**) | (3) | (60%) |
| | Germany | # | 5.0 | 4.0 | 6.0 | – | 1.0 | 1 | 25% |
| | **Total – other companies** | **#** | **7** | **9** | **10** | **5** | **7** | **(2)** | **(22%)** |
| | **Total – EPH** | **#** | **45** | **54** | **63** | **60** | **63** | **(9)** | **(17%)** |

Note: Registered injury – in order to be able to report standardised injury data from across all our operations, for the purpose of this Sustainability Report, all injuries that resulted in at least 3 lost working days have been reported. This is a stricter definition than many companies use for their respective national reporting.
(**) This data was verified by the independent audit firm KPMG (2019-2023). Scope in 2023: CZ: 2 companies, SK: 1 company, UK: 1 company.

# Social / Occupational health and safety

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Worked hours – Employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | mil. hours | 2.7 | 2.6 | 2.6 | 3.3 | 3.4 | 0.1 | 5% |
| | Slovakia | mil. hours | 6.7 | 6.7 | 7.0 | 6.9 | 6.9 | (0.0) | 0% |
| | Germany | mil. hours | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 5% |
| | Hungary | mil. hours | – | – | – | 0.3 | 0.4 | – | |
| | Netherlands | mil. hours | – | – | – | – | 0.0 | – | |
| | **Total – EP Infrastructure** | **mil. hours** | **9.4** | **9.3** | **9.6** | **10.6** | **10.7** | **0.1** | **1%** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | mil. hours | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 48% |
| | Netherlands | mil. hours | 0.4 | | | | | | |
| | France | mil. hours | 0.5 | 0.6 | 0.8 | 0.6 | 0.3 | (0.1) | (23%) |
| | Germany | mil. hours | 3.3 | 3.3 | 3.2 | 3.4 | 3.8 | 0.0 | 1% |
| | UK | mil. hours | 1.1 | 1.1 | 1.0 | 1.0 | 0.9 | 0.0 | 0% |
| | Ireland | mil. hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (50%) |
| | Italy | mil. hours | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 1% |
| | Switzerland | mil. hours | 0.1 | 0.0 | 0.0 | – | 0.0 | 0.0 | 131% |
| | **Total – EP Power Europe** | **mil. hours** | **6.7** | **6.3** | **6.3** | **6.2** | **6.2** | **0.4** | **6%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | mil. hours | 0.9 | 0.8 | 0.7 | 0.8 | 0.8 | 0.1 | 10% |
| | Poland | mil. hours | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | 0.0 | 26% |
| | Slovakia | mil. hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (15%) |
| | Germany | mil. hours | 0.3 | 0.3 | 0.3 | 0.1 | 0.1 | 0.0 | 6% |
| | **Total – other companies** | **mil. hours** | **1.3** | **1.2** | **1.0** | **1.0** | **1.2** | **0.1** | **9%** |
| | **Total – EPH** | **mil. hours** | **17.5** | **16.8** | **17.0** | **17.8** | **18.1** | **0.6** | **4%** |



# Social / Occupational health and safety

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Worked hours – Contractors** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | mil. hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (33%) |
| | **Total – EP Infrastructure** | **mil. hours** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **(0.0)** | **(33%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | mil. hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1% |
| | Netherlands | mil. hours | 0.2 | | | | | | |
| | France | mil. hours | – | 0.4 | 0.4 | 0.3 | 0.5 | (0.4) | (100%) |
| | Germany | mil. hours | 0.4 | 0.4 | 0.0 | – | – | 0.0 | 9% |
| | UK | mil. hours | 0.4 | 1.0 | 0.3 | 0.6 | 0.7 | (0.6) | (57%) |
| | Ireland | mil. hours | 0.1 | 0.1 | – | 0.1 | – | 0.0 | 10% |
| | Italy | mil. hours | 3.0 | 1.2 | 1.4 | 1.1 | 1.1 | 1.9 | 165% |
| | Switzerland | mil. hours | – | – | – | – | 0.0 | – | |
| | **Total – EP Power Europe** | **mil. hours** | **4.1** | **3.0** | **2.2** | **2.1** | **2.4** | **1.1** | **38%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | mil. hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (55%) |
| | Poland | mil. hours | 0.0 | 0.0 | 0.0 | – | 0.0 | – | 0% |
| | Germany | mil. hours | 0.0 | 0.0 | 0.6 | – | 0.0 | 0.0 | 1% |
| | **Total – other companies** | **mil. hours** | **0.1** | **0.1** | **0.6** | **0.0** | **0.1** | **(0.0)** | **(11%)** |
| | **Total – EPH** | **mil. hours** | **4.2** | **3.1** | **2.8** | **2.1** | **2.4** | **1.1** | **36%** |

# Social / Occupational health and safety

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Injury Frequency Rate – Employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | index | 2.2 | 3.9 | 5.0 | 3.4 | 4.8 | (1.7) | (43%) |
| | Slovakia | index | 1.9 | 3.0 | 2.0 | 2.7 | 2.9 | (1.0) | (35% |
| | Germany | index | – | 10.9 | – | – | – | (10.9) | (100%) |
| | Hungary | index | – | – | – | – | 2.7 | – | |
| | **Total – EP Infrastructure** | **index** | **2.0** | **3.3** | **2.8** | **2.8** | **3.5** | **(1.3)** | **(40%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | index | 3.0 | – | – | – | – | 3.0 | |
| | France | index | 5.5 | 4.6 | 6.2 | 17.2 | 6.3 | 0.8 | 18% |
| | Germany | index | 4.5 | 3.0 | 5.7 | 3.6 | 4.0 | 1.5 | 49% |
| | UK | index | 1.8 | – | 1.0 | 2.0 | 2.1 | 1.8 | |
| | Ireland | index | – | – | – | – | – | – | |
| | Italy | index | – | 2.1 | 2.0 | – | – | (2.1) | (100%) |
| | Switzerland | index | – | – | – | – | – | – | |
| | **Total – EP Power Europe** | **index** | **3.0** | **2.4** | **4.1** | **4.0** | **3.1** | **0.6** | **26%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | index | 2.2 | 5.9 | 6.1 | 6.6 | 7.1 | (3.8) | (64%) |
| | Germany | index | 16.3 | 13.9 | 19.9 | – | 9.8 | 2.4 | 18% |
| | **Total – other companies** | **index** | **5.2** | **7.4** | **9.6** | **4.8** | **5.7** | **(2.1)** | **(29%)** |
| | **Total – EPH** | **index** | **2.6** | **3.3** | **3.7** | **3.4** | **3.5** | **(0.6)** | **(19%)** |

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



# Social / Occupational health and safety

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Fatal injuries – Contractors** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Slovakia | # | – | – | – | – | 1 | – | |
| | **Total – EP Infrastructure** | **#** | **–** | **–** | **–** | **–** | **1** | **–** | |
| | **EP Power Europe** | | | | | | | | |
| | **Total – EP Power Europe** | **#** | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Other companies within the Group** | | | | | | | | |
| | **Total – other companies** | **#** | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Total – EPH** | **#** | **–** | **–** | **–** | **–** | **1** | **–** | |

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-9 | **Registered injuries – Contractors** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | # | – | – | 1 | – | – | – | |
| | Slovakia | # | – | – | 2 | 1 | – | – | |
| | **Total – EP Infrastructure** | **#** | **–** | **–** | **3** | **1** | **–** | **–** | |
| | **EP Power Europe** | | | | | | | | |
| | France | # | – | – | 13 | 5 | 2 | – | |
| | Germany | # | 4 | 4 | 5 | 9 | 5 | – | 0% |
| | UK | # | 5 | 5 | 4 | – | 2 | – | 0% |
| | Italy | # | 5 | 1 | 1 | 3 | 1 | 4 | 400% |
| | Switzerland | # | – | – | – | – | – | – | |
| | **Total – EP Power Europe** | **#** | **14** | **10** | **23** | **17** | **10** | **4** | **40%** |
| | **Other companies within the Group** | | | | | | | | |
| | **Total – other companies** | **#** | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Total – EPH** | **#** | **14** | **10** | **26** | **18** | **10** | **4,0** | **40%** |

# Social / Employment

For the year ended 31 December 2023

## Country

| GRI | KPI | Unit | Total | Male | Female |
|---|---|---|---|---|---|
| 2-7 | **Headcount (FTE)** | | | | |
| | **EP Infrastructure** | | | | |
| | Czech Republic | FTE | 1,485 | 1,151 | 333 |
| | Slovakia | FTE | 4,232 | 3,334 | 897 |
| | Germany | FTE | 62 | 56 | 6 |
| | Netherlands | FTE | 2 | 1 | 1 |
| | **Total – EP Infrastructure** | **FTE** | **5,781** | **4,542** | **1,238** |
| | **EP Power Europe** | | | | |
| | Czech Republic | FTE | 185 | 128 | 57 |
| | Netherlands | FTE | 258 | 215 | 43 |
| | France | FTE | 426 | 284 | 142 |
| | Germany | FTE | 2,260 | 1,905 | 355 |
| | UK | FTE | 583 | 512 | 71 |
| | Ireland | FTE | 4 | 2 | 2 |
| | Italy | FTE | 604 | 520 | 84 |
| | Poland | FTE | 6 | 3 | 3 |
| | Switzerland | FTE | 39 | 31 | 8 |
| | **Total – EP Power Europe** | **FTE** | **4,365** | **3,600** | **765** |
| | **Other companies within the Group** | | | | |
| | Czech Republic | FTE | 511 | 391 | 120 |
| | Poland | FTE | 41 | 27 | 14 |
| | Slovakia | FTE | 18 | 15 | 3 |
| | Germany | FTE | 251 | 220 | 31 |
| | **Total – other companies** | **FTE** | **821** | **653** | **168** |
| | **Total – EPH** | **FTE** | **10,967** | **8,795** | **2,172** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Males – members of top and middle management** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 56 | 54 | 51 | 59 | 66 | 2 | 4% |
| | Slovakia | FTE | 327 | 332 | 326 | 331 | 358 | (5) | (2%) |
| | Germany | FTE | 2 | 2 | 1 | 1 | 1 | 0 | 9% |
| | Hungary | FTE | – | – | – | 5 | 5 | – | |
| | Netherlands | FTE | 1 | 1 | 1 | 1 | 1 | – | 0% |
| | **Total – EP Infrastructure** | **FTE** | **385** | **388** | **379** | **398** | **431** | **(3)** | **(1%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 19 | 18 | 17 | 16 | 16 | 1 | 4% |
| | Netherlands | FTE | 16 | | | | | | |
| | France | FTE | 6 | 6 | 8 | 17 | 4 | – | 0% |
| | Germany | FTE | 48 | 37 | 38 | 26 | 25 | 11 | 30% |
| | UK | FTE | 27 | 23 | 22 | 30 | 21 | 3 | 14% |
| | Ireland | FTE | 1 | 2 | 2 | 4 | 3 | (1) | (50%) |
| | Italy | FTE | 34 | 36 | 27 | 23 | 28 | (1) | (3%) |
| | Poland | FTE | 1 | | | | | | |
| | Switzerland | FTE | 7 | 2 | 2 | 6 | 1 | 5 | 250% |
| | **Total – EP Power Europe** | **FTE** | **158** | **123** | **116** | **122** | **98** | **35** | **28%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 33 | 37 | 33 | 38 | 34 | (4) | (10%) |
| | Poland | FTE | 4 | 4 | 4 | 9 | 10 | – | 0% |
| | Slovakia | FTE | 2 | 3 | 3 | 1 | 1 | (1) | (33%) |
| | Germany | FTE | 5 | 3 | 11 | 4 | 3 | 2 | 67% |
| | **Total – other companies** | **FTE** | **44** | **47** | **51** | **52** | **48** | **(3)** | **(6%)** |
| | **Total – EPH** | **FTE** | **588** | **559** | **547** | **572** | **578** | **29** | **5%** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Females – members of top and middle management** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 21 | 23 | 21 | 18 | 13 | (2) | (9%) |
| | Slovakia | FTE | 59 | 59 | 59 | 62 | 62 | (1) | (1%) |
| | Hungary | FTE | – | – | – | 1 | 1 | – | |
| | Netherlands | FTE | 1 | 1 | 1 | 1 | 1 | – | 0% |
| | **Total – EP Infrastructure** | **FTE** | **80** | **83** | **81** | **82** | **77** | **(3)** | **(3%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 2 | 2 | 2 | 2 | 2 | 0 | 5% |
| | Netherlands | FTE | 1 | | | | | | |
| | France | FTE | 3 | 2 | 2 | 5 | 2 | 1 | 50% |
| | Germany | FTE | 6 | 3 | 3 | 3 | 3 | 3 | 100% |
| | UK | FTE | 2 | 3 | 3 | 4 | 4 | (1) | (33%) |
| | Ireland | FTE | 1 | 1 | 1 | 1 | 1 | – | 0% |
| | Italy | FTE | 6 | 5 | 5 | 8 | 3 | 1 | 13% |
| | Poland | FTE | 1 | | | | | | |
| | Switzerland | FTE | – | – | – | 1 | – | – | |
| | **Total – EP Power Europe** | **FTE** | **21** | **16** | **16** | **24** | **15** | **5** | **33%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 10 | 9 | 7 | 9 | 6 | 1 | 11% |
| | Poland | FTE | – | 1 | – | 2 | 2 | (1) | (100%) |
| | Germany | FTE | – | – | 3 | 2 | 1 | – | |
| | **Total – other companies** | **FTE** | **10** | **10** | **10** | **13** | **9** | **–** | **0%** |
| | **Total – EPH** | **FTE** | **112** | **109** | **107** | **118** | **100** | **3** | **2%** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Male employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 1,151 | 1,136 | 1,168 | 1,530 | 1,595 | 16 | 1% |
| | Slovakia | FTE | 3,334 | 3,418 | 3,406 | 3,402 | 3,353 | (83) | (2%) |
| | Germany | FTE | 56 | 55 | 54 | 51 | 51 | 1 | 1% |
| | Hungary | FTE | – | – | – | 173 | 173 | – | |
| | Netherlands | FTE | 1 | 1 | 1 | 1 | 1 | – | 0% |
| | **Total – EP Infrastructure** | **FTE** | **4,542** | **4,609** | **4,629** | **5,158** | **5,173** | **(67)** | **(1%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 128 | 107 | 101 | 84 | 71 | 21 | 19% |
| | Netherlands | FTE | 215 | | | | | | |
| | France | FTE | 284 | 263 | 304 | 404 | 406 | 21 | 8% |
| | Germany | FTE | 1,905 | 1,835 | 2,037 | 2,053 | 2,164 | 70 | 4% |
| | UK | FTE | 512 | 486 | 466 | 477 | 450 | 26 | 5% |
| | Ireland | FTE | 2 | 4 | 5 | 8 | 8 | (2) | (50%) |
| | Italy | FTE | 520 | 505 | 507 | 482 | 514 | 15 | 3% |
| | Poland | FTE | 3 | | | | | | |
| | Switzerland | FTE | 31 | 10 | 14 | 6 | 3 | 21 | 210% |
| | **Total – EP Power Europe** | **FTE** | **3,600** | **3,211** | **3,433** | **3,515** | **3,616** | **390** | **12%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 391 | 387 | 346 | 292 | 342 | 4 | 1% |
| | Poland | FTE | 27 | 22 | 16 | 98 | 122 | 5 | 21% |
| | Slovakia | FTE | 15 | 14 | 15 | 6 | 4 | 1 | 7% |
| | Germany | FTE | 220 | 132 | 131 | 129 | 129 | 88 | 67% |
| | **Total – other companies** | **FTE** | **653** | **555** | **509** | **525** | **597** | **98** | **18%** |
| | **Total – EPH** | **FTE** | **8 795** | **8 375** | **8 571** | **9 197** | **9 386** | **420** | **5%** |

# Social / Training

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Female employees** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 333 | 326 | 291 | 359 | 386 | 8 | 2% |
| | Slovakia | FTE | 897 | 894 | 883 | 870 | 856 | 4 | 0% |
| | Germany | FTE | 6 | 7 | 7 | 7 | 7 | (0) | (7%) |
| | Hungary | FTE | – | – | – | 34 | 35 | – | |
| | Netherlands | FTE | 1 | 1 | 1 | 1 | 1 | – | 0% |
| | **Total – EP Infrastructure** | **FTE** | **1,238** | **1,227** | **1,182** | **1,271** | **1,285** | **11** | **1%** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 57 | 22 | 24 | 23 | 17 | 35 | 156% |
| | Netherlands | FTE | 43 | | | | | | |
| | France | FTE | 142 | 131 | 109 | 113 | 112 | 11 | 8% |
| | Germany | FTE | 355 | 332 | 366 | 336 | 352 | 23 | 7% |
| | UK | FTE | 71 | 68 | 62 | 62 | 55 | 3 | 5% |
| | Ireland | FTE | 2 | 3 | 4 | 3 | 3 | (1) | (33%) |
| | Italy | FTE | 84 | 84 | 74 | 99 | 68 | (1) | (1%) |
| | Poland | FTE | 3 | | | | | | |
| | Switzerland | FTE | 8 | 6 | 5 | 3 | 1 | 2 | 33% |
| | **Total – EP Power Europe** | **FTE** | **765** | **647** | **643** | **639** | **609** | **118** | **18%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 120 | 125 | 123 | 115 | 117 | (5) | (4%) |
| | Poland | FTE | 14 | 16 | 14 | 26 | 31 | (2) | (14%) |
| | Slovakia | FTE | 3 | 3 | 3 | 1 | 1 | – | 0% |
| | Germany | FTE | 31 | 27 | 27 | 32 | 25 | 4 | 15% |
| | **Total – other companies** | **FTE** | **168** | **171** | **167** | **174** | **173** | **(3)** | **(2%)** |
| | **Total – EPH** | **FTE** | **2,172** | **2,045** | **1,992** | **2,084** | **2,068** | **127** | **6%** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 403-8 | **Employees covered by OHSAS 18001 / ISO 45001** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 426 | 426 | 423 | 861 | 963 | (0) | 0% |
| | Slovakia | FTE | 4,216 | 4,295 | 4,273 | 2,946 | 2,903 | (80) | (2%) |
| | Germany | FTE | 62 | – | – | – | – | 62 | |
| | **Total – EP Infrastructure** | **FTE** | **4,703** | **4,721** | **4,696** | **3,807** | **3,866** | **(18)** | **0%** |
| | *Covered in % of total headcount* | *FTE* | *81%* | *81%* | *81%* | *59%* | *60%* | *0%* | |
| | **EP Power Europe** | | | | | | | | |
| | France | FTE | 426 | 394 | 413 | 451 | 518 | 32 | 8% |
| | Germany | FTE | 1,861 | 1,825 | 2,087 | 2,179 | 2,284 | 36 | 2% |
| | UK | FTE | 419 | 417 | 345 | 355 | 371 | 2 | 1% |
| | Ireland | FTE | 4 | 7 | – | – | – | (3) | (43%) |
| | Italy | FTE | 604 | 590 | 581 | 581 | 582 | 14 | 2% |
| | **Total – EP Power Europe** | **FTE** | **3,314** | **3,233** | **3,425** | **3,566** | **3,755** | **81** | **3%** |
| | *Covered in % of total headcount* | *FTE* | *76%* | *84%* | *84%* | *86%* | *89%* | *-8%* | |
| | **Other companies within the Group** | | | | | | | | |
| | Germany | FTE | – | – | – | – | – | – | |
| | **Total – other companies** | **FTE** | **–** | **–** | **–** | **–** | **–** | **–** | |
| | **Total – EPH** | **FTE** | **8,017** | **7,954** | **8,121** | **7,373** | **7,621** | **63** | **1%** |
| | *Covered in % of total headcount* | *FTE* | *73%* | *76%* | *77%* | *65%* | *67%* | | |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-30 | **Employees with collective bargining agreements** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 1,187 | 1,170 | 1,200 | 1,672 | 1,783 | 16 | 1% |
| | Slovakia | FTE | 4,101 | 4,259 | 4,236 | 4,220 | 4,158 | (158) | (4%) |
| | Germany | FTE | 54 | 54 | 54 | 51 | 52 | 0 | 0% |
| | Hungary | FTE | – | – | – | 206 | 207 | – | |
| | **Total – EP Infrastructure** | **FTE** | **5,341** | **5,483** | **5,489** | **6,148** | **6,200** | **(142)** | **(3%)** |
| | *Covered in % of total headcount* | *FTE* | *92%* | *94%* | *94%* | *96%* | *96%* | *(2%)* | |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 39 | – | – | – | – | 39 | |
| | Netherlands | FTE | 248 | | | | | | |
| | Germany | FTE | 2,023 | 1,958 | 2,077 | 2,229 | 2,356 | 65 | 3% |
| | UK | FTE | 328 | 336 | 343 | 353 | 365 | (9) | (3%) |
| | Italy | FTE | 603 | 590 | 581 | 581 | 582 | 13 | 2% |
| | **Total – EP Power Europe** | **FTE** | **3,666** | **3,278** | **3,413** | **3,613** | **3,821** | **388** | **12%** |
| | *Covered in % of total headcount* | *FTE* | *84%* | *85%* | *84%* | *87%* | *90%* | *(1%)* | |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 50 | 42 | 18 | 106 | 22 | 8 | 19% |
| | Poland | FTE | – | – | – | 91 | 119 | – | |
| | Slovakia | FTE | – | – | – | – | – | – | |
| | **Total – other companies** | **FTE** | **50** | **42** | **18** | **197** | **141** | **8** | **19%** |
| | *Covered in % of total headcount* | *FTE* | *6%* | *6%* | *3%* | *28%* | *18%* | *0%* | |
| | **Total – EPH** | **FTE** | **9,057** | **8,803** | **8,920** | **9,958** | **10,161** | **254** | **3%** |
| | *Covered in % of total headcount* | *FTE* | *83%* | *84%* | *84%* | *88%* | *89%* | | |

Restatement: In 2021, when preparing 2020 data we found mistake retrospectively, in 2017. In particular, by 98 less employees were covered by OHSAS 180001 in 2017 (145 previsously reported vs 47 corrected).



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 401-1 | **Number of new hires – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 149 | 171 | 112 | 193 | 198 | (22) | (13%) |
| | Slovakia | FTE | 337 | 370 | 235 | 263 | 327 | (33) | (9%) |
| | Germany | FTE | 6 | 4 | 9 | 5 | 4 | 2 | 50% |
| | Hungary | FTE | – | – | – | 7 | 24 | – | |
| | **Total – EP Infrastructure** | **FTE** | **492** | **545** | **356** | **468** | **553** | **(53)** | **(10%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 58 | 29 | 20 | 38 | 31 | 29 | 100% |
| | Netherlands | FTE | 56 | | | | | | |
| | France | FTE | 127 | 140 | 68 | 67 | 6 | (13) | (9%) |
| | Germany | FTE | 239 | 329 | 94 | 71 | 133 | (90) | (27%) |
| | UK | FTE | 35 | 82 | 66 | 27 | 41 | (47) | (57%) |
| | Ireland | FTE | – | 2 | 5 | 2 | – | (2) | (100%) |
| | Italy | FTE | 57 | 48 | 18 | 34 | 18 | 9 | 19% |
| | Poland | FTE | 1 | | | | | | |
| | Switzerland | FTE | 18 | 2 | 12 | 6 | 4 | 16 | 800% |
| | **Total – EP Power Europe** | **FTE** | **592** | **632** | **283** | **245** | **233** | **(41)** | **(6%)** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 113 | 152 | 94 | 97 | 130 | (39) | (26%) |
| | Poland | FTE | 9 | 14 | 11 | 13 | 101 | (5) | (34%) |
| | Slovakia | FTE | 4 | 2 | 13 | 3 | 2 | 2 | 100% |
| | Germany | FTE | 17 | 19 | 33 | 37 | 8 | (2) | (11%) |
| | **Total – other companies** | **FTE** | **143** | **187** | **151** | **150** | **241** | **(44)** | **(23%)** |
| | **Total – EPH** | **FTE** | **1,227** | **1,364** | **791** | **863** | **1,027** | **(137)** | **(10%)** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 401-1 | **Number of leavers – Total** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 121 | 124 | 131 | 165 | 204 | (3) | (2%) |
| | Slovakia | FTE | 429 | 344 | 263 | 184 | 276 | 85 | 25% |
| | Germany | FTE | 3 | 5 | 7 | 2 | 5 | (1) | (29%) |
| | Hungary | FTE | – | – | – | 18 | 12 | – | |
| | **Total – EP Infrastructure** | **FTE** | **553** | **473** | **401** | **369** | **497** | **81** | **17%** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 30 | 36 | 9 | 8 | 21 | (6) | (17%) |
| | Netherlands | FTE | 34 | | | | | | |
| | France | FTE | 104 | 102 | 88 | 94 | 41 | 2 | 2% |
| | Germany | FTE | 205 | 490 | 263 | 317 | 219 | (285) | (58%) |
| | UK | FTE | 53 | 46 | 56 | 29 | 52 | 7 | 15% |
| | Ireland | FTE | 3 | 2 | 8 | 2 | – | 1 | 50% |
| | Italy | FTE | 52 | 36 | 23 | 34 | 21 | 16 | 44% |
| | Switzerland | FTE | 4 | 3 | 5 | 1 | – | 1 | 33% |
| | **Total – EP Power Europe** | **FTE** | **484** | **715** | **451** | **485** | **354** | **(230)** | **(32%)** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 26 | 87 | 62 | 81 | 130 | (61) | (71%) |
| | Poland | FTE | 1 | 2 | 12 | 41 | 101 | (1) | (50% |
| | Slovakia | FTE | 2 | 3 | 2 | 1 | 1 | (1) | (33%) |
| | Germany | FTE | 10 | 23 | 29 | 19 | 5 | (13) | (57%) |
| | **Total – other companies** | **FTE** | **39** | **115** | **105** | **142** | **237** | **(76)** | **(67%)** |
| | **Total – EPH** | **FTE** | **1,076** | **1,302** | **958** | **996** | **1,088** | **(226)** | **(17%)** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| 401-1 | **New hires rate** | | | | | | |
| | **EP Infrastructure** | | | | | | |
| | Czech Republic | % | 10% | 12% | 8% | 10% | 10% |
| | Slovakia | % | 8% | 9% | 5% | 6% | 8% |
| | Germany | % | 10% | 6% | 15% | 9% | 8% |
| | Hungary | % | | | | 3% | 12% |
| | Netherlands | % | 0% | 0% | 0% | 0% | 0% |
| | **Total – EP Infrastructure** | **%** | **9%** | **9%** | **6%** | **7%** | **9%** |
| | **EP Power Europe** | | | | | | |
| | Czech Republic | % | 31% | 22% | 16% | 35% | 35% |
| | Netherlands | % | 22% | | | | |
| | France | % | 30% | 36% | 16% | 13% | 1% |
| | Germany | % | 11% | 15% | 4% | 3% | 5% |
| | UK | % | 6% | 15% | 13% | 5% | 8% |
| | Ireland | % | 0% | 29% | 56% | 18% | 0% |
| | Italy | % | 9% | 8% | 3% | 6% | 3% |
| | Poland | % | 17% | | | | |
| | Switzerland | % | 46% | 13% | 63% | 67% | 100% |
| | **Total – EP Power Europe** | **%** | **14%** | **16%** | **7%** | **6%** | **6%** |
| | **Other companies within the Group** | | | | | | |
| | Czech Republic | % | 22% | 30% | 20% | 24% | 28% |
| | Poland | % | 22% | 35% | 37% | 10% | 66% |
| | Germany | % | 7% | 12% | 21% | 23% | 5% |
| | Slovakia | % | 22% | 12% | 72% | 43% | 40% |
| | **Total – other companies** | **%** | **17%** | **26%** | **22%** | **21%** | **31%** |
| | **Total – EPH** | **%** | **11%** | **13%** | **7%** | **8%** | **9%** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| 401-1 | **Employee turnover rate** | | | | | | |
| | **EP Infrastructure** | | | | | | |
| | Czech Republic | % | 8% | 8% | 9% | 9% | 10% |
| | Slovakia | % | 10% | 8% | 6% | 4% | 7% |
| | Germany | % | | | | 1% | 3% |
| | Hungary | % | 0% | 0% | 0% | 31% | 21% |
| | Netherlands | % | 0% | 0% | 0% | 0% | 0% |
| | **Total – EP Infrastructure** | **%** | **10%** | **8%** | **7%** | **6%** | **8%** |
| | **EP Power Europe** | | | | | | |
| | Czech Republic | % | 16% | 28% | 7% | 7% | 24% |
| | Netherlands | % | 8% | 0% | | | |
| | France | % | 24% | 26% | 21% | 18% | 8% |
| | Germany | % | 9% | 23% | 11% | 13% | 9% |
| | UK | % | 9% | 8% | 11% | 5% | 10% |
| | Ireland | % | 75% | 29% | 89% | 18% | 0% |
| | Italy | % | 9% | 6% | 4% | 6% | 4% |
| | Poland | % | 0% | | | | |
| | Switzerland | % | 10% | 19% | 26% | 11% | 0% |
| | **Total – EP Power Europe** | **%** | **11%** | **19%** | **11%** | **12%** | **8%** |
| | **Other companies within the Group** | | | | | | |
| | Czech Republic | % | 1% | 2% | 2% | 2% | 3% |
| | Poland | % | 2% | 5% | 40% | 33% | 66% |
| | Slovakia | % | | 2% | | | |
| | Hungary | % | | 0% | 0% | 0% | 0% |
| | Germany | % | | 3% | 96% | 15% | 3% |
| | Italy | % | | 0% | 0% | 0% | 0% |
| | Other | % | | 1% | | | |
| | **Total – other companies** | **%** | **5%** | **16%** | **16%** | **20%** | **31%** |
| | **Total – EPH** | **%** | **10%** | **12%** | **9%** | **9%** | **10%** |



# Social / Training

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 404-1 | **Total training hours – all employee** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | hours | 21,056 | 17,209 | 13,988 | 18,332 | 25,082 | 3,847 | 22% |
| | Slovakia | hours | 198,268 | 167,859 | 151,231 | 128,965 | 170,036 | 30,409 | 18% |
| | Germany | hours | 2,445 | 1,041 | 1,142 | 335 | 463 | 1,404 | 135% |
| | Hungary | hours | – | – | – | 5 472 | 2 047 | – | |
| | **Total – EP Infrastructure** | **hours** | **221,768** | **186,109** | **166,360** | **153,104** | **197,627** | **35,660** | **19%** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | hours | 2,236 | 1,889 | 1,795 | 1,157 | 1,284 | 347 | 18% |
| | Netherlands | hours | 10,622 | | | | | | |
| | France | hours | 5,071 | 3,311 | 4,140 | 3,892 | 5,729 | 1,760 | 53% |
| | Germany | hours | 36,624 | 29,766 | 9,599 | 11,426 | 34,278 | 6,858 | 23% |
| | UK | hours | 10,714 | 10,801 | 13,072 | 7,226 | 13,745 | (88) | (1%) |
| | Ireland | hours | 120 | 162 | 219 | 293 | – | (42) | (26%) |
| | Italy | hours | 20,344 | 12,983 | 12,860 | 9,981 | 15,657 | 7,361 | 57% |
| | Switzerland | hours | 311 | – | – | – | – | 311 | |
| | **Total – EP Power Europe** | **hours** | **86,041** | **58,913** | **41,685** | **33,975** | **70,692** | **27,128** | **46%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | hours | 11,267 | 9,378 | 4,756 | 4,556 | 11,009 | 1,889 | 20% |
| | Poland | hours | 160 | 129 | 129 | 615 | 4,616 | 31 | 24% |
| | Germany | hours | 5,958 | 2,400 | 2,000 | 2,101 | 1,002 | 3,558 | 148% |
| | **Total – other companies** | **hours** | **17,385** | **11,907** | **6,885** | **7,297** | **16,627** | **5,478** | **46%** |
| | **Total – EPH** | **hours** | **325,194** | **256,928** | **214,929** | **194,376** | **284,946** | **68,266** | **27%** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | Permanent contract | Temporary contract |
|---|---|---|---|---|
| 2-7 | **Employees: permanent and temporary contract** | | | |
| | **EP Infrastructure** | | | |
| | Czech Republic | % | 94% | 6% |
| | Slovakia | % | 90% | 10% |
| | Germany | % | 95% | 5% |
| | Hungary | % | | |
| | **Total – EP Infrastructure** | **%** | **91%** | **9%** |
| | **EP Power Europe** | | | |
| | Czech Republic | % | 78% | 22% |
| | Netherlands | % | 84% | |
| | France | % | 81% | 19% |
| | Germany | % | 93% | 7% |
| | UK | % | 96% | 4% |
| | Ireland | % | 100% | 0% |
| | Italy | % | 93% | 7% |
| | Poland | % | 100% | 0% |
| | Switzerland | % | 100% | 3% |
| | **Total – EP Power Europe** | **%** | **91%** | **9%** |
| | **Other companies within the Group** | | | |
| | Czech Republic | % | 79% | 21% |
| | Poland | % | 98% | 2% |
| | Slovakia | % | 89% | 11% |
| | **Total – other companies** | **%** | **86%** | **14%** |
| | **Total – EPH** | **%** | **91%** | **9%** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | Employees under 30 years old | Employees between 30 and 50 years old | Employees over 50 years old |
|---|---|---|---|---|---|
| 2-7 | **Employees: age pyramid** | | | | |
| | **EP Infrastructure** | | | | |
| | Czech Republic | % | 7% | 47% | 46% |
| | Slovakia | % | 8% | 47% | 44% |
| | Germany | % | 13% | 37% | 51% |
| | Hungary | % | | | |
| | **Total – EP Infrastructure** | **%** | **8%** | **47%** | **45%** |
| | **EP Power Europe** | | | | |
| | Czech Republic | % | 19% | 70% | 11% |
| | Netherlands | % | 18% | | |
| | France | % | 21% | 52% | 27% |
| | Germany | % | 20% | 41% | 39% |
| | UK | % | 10% | 47% | 44% |
| | Ireland | % | 0% | 75% | 25% |
| | Italy | % | 6% | 35% | 59% |
| | Switzerland | % | 3% | 85% | 13% |
| | **Total – EP Power Europe** | **%** | **16%** | **44%** | **39%** |
| | **Other companies within the Group** | | | | |
| | Czech Republic | % | 13% | 57% | 30% |
| | Poland | % | 15% | 78% | 7% |
| | Slovakia | % | 6% | 50% | 44% |
| | Germany | % | 8% | 48% | 44% |
| | **Total – other companies** | **%** | **11%** | **55%** | **33%** |
| | **Total – EPH** | **%** | **12%** | **46%** | **42%** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Employees: part-time job** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 36 | 42 | 31 | 20 | 67 | (5) | (13%) |
| | Slovakia | FTE | 25 | 14 | 12 | 12 | 14 | 11 | 78% |
| | Germany | FTE | 3 | 1 | 1 | 2 | 2 | 2 | 144% |
| | Hungary | FTE | – | – | – | 205 | 205 | – | |
| | Netherlands | FTE | 2 | 2 | 2 | 2 | 2 | – | 0% |
| | **Total – EP Infrastructure** | **FTE** | **66** | **59** | **46** | **241** | **290** | **7** | **12%** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 8 | 5 | 10 | 30 | 10 | 3 | 66% |
| | Netherlands | FTE | 78 | | | | | | |
| | France | FTE | 7 | 4 | 3 | 7 | 3 | 4 | 100% |
| | Germany | FTE | 91 | 84 | 68 | 45 | 48 | 7 | 8% |
| | UK | FTE | 13 | 4 | 3 | 93 | 2 | 9 | 225% |
| | Italy | FTE | 8 | 8 | 6 | 5 | 11 | (1) | (8%) |
| | Poland | FTE | 1 | | | | | | |
| | Switzerland | FTE | 13 | – | 1 | – | – | 13 | |
| | **Total – EP Power Europe** | **FTE** | **220** | **105** | **90** | **180** | **74** | **115** | **109%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 32 | 24 | 32 | 34 | 29 | 8 | 35% |
| | Poland | FTE | 1 | 1 | – | 2 | 1 | – | 0% |
| | Slovakia | FTE | 1 | 2 | 2 | 1 | 1 | (1) | (50%) |
| | Germany | FTE | 20 | 7 | 11 | 8 | 10 | 13 | 186% |
| | **Total – other companies** | **FTE** | **54** | **34** | **45** | **45** | **41** | **20** | **60%** |
| | **Total – EPH** | **FTE** | **340** | **198** | **182** | **466** | **405** | **142** | **72%** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Employees: full-time job** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 1,450 | 1,420 | 1,428 | 1,870 | 1,916 | 30 | 2% |
| | Slovakia | FTE | 4,207 | 4,298 | 4,277 | 4,260 | 4,185 | (90) | (2%) |
| | Germany | FTE | 59 | 61 | 60 | 56 | 56 | (2) | (3%) |
| | Hungary | FTE | – | – | – | 2 | 3 | – | |
| | **Total – EP Infrastructure** | **FTE** | **5,717** | **5,779** | **5,765** | **6,188** | **6,159** | **(62)** | **(1%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 177 | 124 | 114 | 77 | 78 | 53 | 42% |
| | Netherlands | FTE | 180 | | | | | | |
| | France | FTE | 419 | 391 | 410 | 444 | 515 | 29 | 7% |
| | Germany | FTE | 2,137 | 2,082 | 2,335 | 2,344 | 2,350 | 55 | 3% |
| | UK | FTE | 571 | 551 | 525 | 447 | 503 | 20 | 4% |
| | Ireland | FTE | 4 | 7 | 9 | 11 | – | (3) | (43%) |
| | Italy | FTE | 595 | 581 | 575 | 576 | 571 | 13 | 2% |
| | Poland | FTE | 5 | | | | | | |
| | Switzerland | FTE | 27 | 16 | 18 | 9 | 4 | 11 | 69% |
| | **Total – EP Power Europe** | **FTE** | **4,114** | **3,752** | **3,986** | **3,908** | **4,021** | **362** | **10%** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 479 | 488 | 435 | 373 | 407 | (9) | (2%) |
| | Poland | FTE | 40 | 38 | 30 | 122 | 152 | 2 | 6% |
| | Slovakia | FTE | 17 | 15 | 16 | 6 | 4 | 2 | 13% |
| | Germany | FTE | 231 | 152 | 147 | 153 | 144 | 79 | 52% |
| | **Total – other companies** | **FTE** | **767** | **692** | **629** | **654** | **707** | **74** | **11%** |
| | **Total – EPH** | **FTE** | **10,597** | **10,223** | **10,380** | **10,749** | **10,887** | **374** | **4%** |

# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Employees with disabilities** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 16 | 18 | 13 | 18 | 15 | (2) | (11%) |
| | Slovakia | FTE | 166 | 158 | 148 | 133 | 126 | 8 | 5% |
| | Germany | FTE | 2 | 4 | 4 | 3 | 3 | (2) | (43%) |
| | **Total – EP Infrastructure** | **FTE** | **184** | **180** | **164** | **154** | **144** | **5** | **3%** |
| | **EP Power Europe** | | | | | | | | |
| | France | FTE | 14 | 13 | 20 | 16 | 21 | 1 | 8% |
| | Netherlands | FTE | 2 | | | | | | |
| | Germany | FTE | 69 | 75 | 108 | 84 | 90 | (6) | (8%) |
| | UK | FTE | – | – | – | – | 5 | – | |
| | Italy | FTE | 29 | 27 | 26 | 23 | 24 | 2 | 7% |
| | **Total – EP Power Europe** | **FTE** | **114** | **115** | **154** | **123** | **140** | **(1)** | **(1%)** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 6 | 7 | 5 | 5 | 3 | (1) | (17%) |
| | Slovakia | FTE | 3 | 3 | 3 | 1 | – | – | 0% |
| | Germany | FTE | 4 | 1 | 1 | 1 | 1 | 3 | 300% |
| | **Total – other companies** | **FTE** | **13** | **11** | **9** | **7** | **4** | **2** | **16%** |
| | **Total – EPH** | **FTE** | **311** | **306** | **327** | **284** | **288** | **5** | **2%** |



# Social / Employment

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| 2-7 | **Number of not directly employed workforce** | | | | | | | | |
| | **EP Infrastructure** | | | | | | | | |
| | Czech Republic | FTE | 30 | 47 | 29 | 19 | 28 | (17) | (36%) |
| | Slovakia | FTE | 6 | 6 | 4 | 4 | 6 | – | 0% |
| | Germany | FTE | – | – | – | 1 | 1 | – | |
| | **Total – EP Infrastructure** | **FTE** | **36** | **53** | **33** | **24** | **35** | **(17)** | **(32%)** |
| | **EP Power Europe** | | | | | | | | |
| | Czech Republic | FTE | 13 | 9 | 5 | 1 | 1 | 4 | 42% |
| | Netherlands | FTE | 20 | | | | | | |
| | France | FTE | 173 | 180 | 182 | 190 | 17 | (7) | (4%) |
| | Germany | FTE | 20 | 23 | 7 | 11 | 4 | (3) | (13%) |
| | UK | FTE | 73 | 326 | 166 | 169 | 1 161 | (253) | (78%) |
| | Ireland | FTE | – | – | – | 30 | – | – | |
| | Italy | FTE | 23 | 70 | 47 | 38 | 23 | (47) | (67%) |
| | Switzerland | FTE | 20 | 21 | 15 | – | 2 | (1) | (5%) |
| | **Total – EP Power Europe** | **FTE** | **341** | **628** | **421** | **438** | **1 208** | **(287)** | **(46%)** |
| | **Other companies within the Group** | | | | | | | | |
| | Czech Republic | FTE | 49 | 229 | 45 | 28 | 44 | (180) | (79%) |
| | Germany | FTE | 21 | – | – | – | 1 | 21 | |
| | **Total – other companies** | **FTE** | **70** | **229** | **45** | **28** | **45** | **(159)** | **(69%)** |
| | **Total – EPH** | **FTE** | **447** | **910** | **499** | **490** | **1 288** | **(463)** | **(51%)** |

# Main Slovenské elektrárne figures

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| **Operations and sales** | | | | | | | | | |
| **EU1** | Net installed capacity – Electricity | MW | 4,050 | 4,311 | 3,873 | 3,848 | 3,820 | (260.8) | (6%) |
| | Hard coal | MW | 59 | 59 | 89 | 198 | 198 | – | – |
| | Lignite | MW | – | 215 | 215 | 215 | 216 | (215.3) | (100%) |
| | Nuclear | MW | 2,280 | 2,305 | 1,867 | 1,843 | 1,814 | (25.0) | (1%) |
| | Hydro | MW | 1,590 | 1,590 | 1,590 | 1,590 | 1,590 | – | – |
| | Photovoltaic | MW | 2 | 2 | 2 | 2 | 2 | (0.0) | (1%) |
| | Other | MW | 119 | 139 | 110 | | | (20.5) | (15%) |
| **EU1** | Net installed capacity – Heat | MW | – | 579 | 579 | 579 | 7,290 | (579.0) | (100%) |
| **EU2** | Net power production | TWh | 19.5 | 17.0 | 17.3 | 17.0 | 17.1 | 2.5 | 15% |
| **EU2** | Net heat production | TWh | 0.7 | 0.6 | 0.7 | 0.6 | 0.7 | 0.1 | 12% |
| **102-7** | Amount of electric energy sold | TWh | 53.5 | 19.7 | 19.9 | 20.2 | 21.0 | 33.8 | 172% |
| **102-7** | Heat supplied to district heating network | PJ | 2.5 | 2.2 | 2.4 | 2.3 | 2.5 | 0.3 | 12% |
| | UCF coefficient (Unit capability factor) | % | 92.4% | | 91.5% | 91.4% | 92.1% | 0.92 | |



# Main Slovenské elektrárne figures

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| **Environment** | | | | | | | | | |
| **305-1** | Direct GHG emissions (Scope 1) | mil. tonnes | 1.1 | 1.3 | 1.4 | 1.3 | 1.8 | (0.2) | (17%) |
| **305-4** | Emissions intensity – including heat component | tonnes $CO_2$ eq/ GWh | 53.7 | 74.1 | 79.5 | 73.5 | 102.8 | (20.4) | (28%) |
| **302-1** | Energy consumption | PJ | 210.8 | 185.7 | 185.2 | 182.5 | 187.8 | 25.2 | 14% |
| | Hard coal | PJ | 1.2 | 2.3 | 2.3 | 0.7 | 3.6 | (1.1) | (48%) |
| | Lignite | PJ | 9.8 | 10.9 | 11.5 | 12.0 | 14.3 | (1.1) | (10%) |
| | Nuclear | PJ | 198.6 | 171.6 | 169.6 | 169.3 | 169.5 | 27.0 | 16% |
| | Other | PJ | 1.2 | 0.9 | 1.8 | 0.3 | 0.4 | 0.3 | 32% |
| **305-7** | Total $SO_2$ emissions | thsnd. tonnes | 2.0 | 1.5 | 1.5 | 1.2 | 1.4 | 0.5 | 33% |
| **305-7** | Total $NO_x$ emissions | thsnd. tonnes | 0.9 | 0.9 | 0.9 | 1.0 | 1.2 | (0.1) | (6%) |
| **305-7** | Total dust emissions | thsnd. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 24% |
| **303-1** | Quantity of water withdrawn | mil. $m^3$ | 56.8 | 55.3 | 50.8 | 49.9 | 53.2 | 1.5 | 3% |
| **306-1** | Quantity of water discharged | mil. $m^3$ | 14.9 | 14.2 | 13.6 | 11.5 | 14.5 | 0.7 | 5% |
| **306-2** | Byproducts – Total production | mil. tonnes | 0.7 | 0.6 | 0.6 | 0.5 | 0.7 | 0.0 | 4% |
| | Ash | mil. tonnes | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | (0.1) | (27%) |
| | Slag | mil. tonnes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (27%) |
| | Gypsum | mil. tonnes | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | (0.0) | (2%) |
| | Additional material | mil. tonnes | 0.2 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 47% |
| | Other | mil. tonnes | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 | 0.0 | 14% |
| **306-2** | Waste other than byproducts – Total production | thsnd. tonnes | 34.1 | 49.7 | 74.4 | 22.2 | 65.1 | (15.6) | (31%) |
| | Non-hazardous waste | thsnd. tonnes | 33.7 | 48.2 | 73.0 | 21.8 | 64.6 | (14.6) | (30%) |
| | Hazardous waste | thsnd. tonnes | 0.5 | 1.5 | 1.4 | 0.4 | 0.5 | (1.0) | (68%) |

# Main Slovenské elektrárne figures

For the year ended 31 December 2023

| GRI | KPI | Unit | 2023 | 2022 | 2021 | 2020 | 2019 | 2023-2022 | % |
|---|---|---|---|---|---|---|---|---|---|
| **Social** | | | | | | | | | |
| **403-2** | Injury Frequency Rate – Employees | index | 0.3 | 0.4 | 0.6 | 0.3 | 0.5 | (0.1) | (35%) |
| **403-2** | Registered injuries – Employees | # | 2 | 3 | 4 | 2 | 4 | (1.0) | (33%) |
| **102-7** | Headcount | # | 4,526 | 4,458 | 4,322 | 4,249 | 4,222 | 68.3 | 2% |
| | Male | # | 3,588 | 3,668 | 3,579 | 3,544 | 3,510 | (79.8) | (2%) |
| | Female | # | 938 | 790 | 743 | 705 | 712 | 148.1 | 19% |
| | Executives | # | 1 | 20 | 22 | 23 | 21 | (18.6) | (95%) |
| **401-1** | New hires rate | % | 16% | 9% | 10% | 8% | 7% | 0.1 | 74% |
| | Employee turnover rate | % | 16% | 9% | 6% | 8% | 9% | 0.1 | 86% |
| **404-1** | Total training hours – per employee | hours | 66.7 | 94.0 | 58.5 | 55.9 | 59.1 | (27.3) | (29%) |

EPH Sustainability report 2023

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Pařížská 26
110 00 Prague 1
Czech Republic

**Contact**
Phone: +420 232 005 200
Email: sustainability@epholding.cz
Web: www.epholding.cz

**Concept**
Filip Bělák, Daniel Častvaj, Peter Ďurík, Barbora Hakrová, Petr Choutka,
Eva Kokešová, Jan Nápravník, Václav Paleček, David Židlický

**Graphic design and layout**
Milena Havlíčková, Lenka Chládková, Zdeněk Tuka / Atelier Zidlicky

**Illustration**
Hana Kotulánová / Atelier Zidlicky

**Photos**
Nguyen Phuong Thao page 5, 7; David Židlický;
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