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“
**We want to build
 our future in a predictable
 and responsible way**”

Dear Stakeholders,

We would like to convey to you “Our Responsibility 2016” report summarizing the key achievements of the Energa Group in sustainable development and corporate social responsibility. 2016 was a year of very intensive efforts for our organization associated with fulfilling our obligations to our customers who expect efficient service and reliability of energy supplies, and to our shareholders who expect the company’s share price to grow.

During the next years we are going to achieve our goals, maintaining a balance between our stakeholders’ expectations and environmental protection, in accordance with the sustainable development philosophy we have been following for many years.

New investments in generation sources will be executed using state of the art technologies, satisfying the highest environmental standards, for example construction of a low-emission power generation unit in Ostrołęka and the hydropower plant on the Vistula river.

Further modernization of the grid and its full computerization will also continue to be a top priority, so that Smart Grid meters are installed in each customer’s location by 2025.

Our research and development efforts have led to the launch of the first energy storage unit in Poland with a capacity of 0.75 MW and a volume of 1.5 MWh which, combined with the planned solar park and existing wind sources, the biogas plant and offtakers, will make up what is referred to as a Local Balancing Area (LBA). All these efforts will not only improve the reliability of energy supplies and the efficiency of renewable energy sources but will also allow us to provide customers with innovative services and products.

We want our actions to translate into responsibility for the natural environment and therefore we welcome the fact that last year the European Commission officially confirmed the Energa Group’s presence in the prestigious EU Eco-Management and Audit Scheme (EMAS). Participation in EMAS is the highest environmental distinction for businesses, which is especially important to us because Energa is the first power group in Poland with such a big number of its member companies to become participant in this environmental certification.

Our responsibility shows in both our care for good relations and dialog with local communities, ethical management and respect for human rights, execution of education programs



and charitable activities, which is confirmed by reinstating the Energa Group to the stock exchange index of companies managed in accordance with the best sustainable development standards – Respect Index.

The Energa Group is also committed to activities aimed at combating corruption. As part of our membership in the Global Compact UN organization, together with the Ministry of Development and Ministry of Treasury, we are involved in the program entitled “Counteracting the Gray Zone 2014–2020” aimed at combating unregistered business and business crime. At the same time, we place great emphasis on preventing the use of unfair practices in the power sector by educating customers and guaranteeing clear and transparent rules for the conclusion of agreements through a publically available Code of Best Practices.

The change in our organizational culture in the Group lends support to our strategic goals.

“
**We want to improve our
 customer-oriented organizational culture**”

This change is based on a modern human resources management policy. We are doing our best to ensure that our employees and associates identify with the Group and have a sense of satisfaction from working in member companies. We want to offer them a safe and friendly workplace, growth opportunities and also the ability to balance their private and professional roles.

We would like to encourage you to read “Our Responsibility 2016” report. We hope that the Energa Group’s accomplishments will pique your interest.

Respectfully yours,

Daniel Obajtek

President of the Energa SA
 Management Board

Grzegorz Ksepko

Vice-President of the Energa SA
 Management Board for Corporate Matters



On the Energa Group



1.1. Our Company

The Energa Group is one of the four largest power groups in Poland. Its core business includes electricity and heat generation, distribution and sales and gas sales. It is one of three largest electricity suppliers in Poland. The parent company in the Group, which initiates, coordinates and controls the electricity value chain, is Energa SA with its registered office in Gdańsk. Its shares are listed on the Warsaw Stock Exchange and included in the index of the

largest Polish companies (WIG 20) and the RESPECT Index listing responsible companies, and the London FTSE4 Good Emerging index. The Group's prevailing business model is predicated on operating in three highly specialized segments accompanied by companies supporting their core activity.

Generation Segment



entailing the generation of electricity in conventional power plants and combined heat and power plants, generation of electricity from renewable energy sources as well as distribution of heat. The leader in this segment is Energa Wytwarzanie SA.

Distribution Segment



encompassing the distribution of electricity. The leader in this segment is Energa-Operator SA.

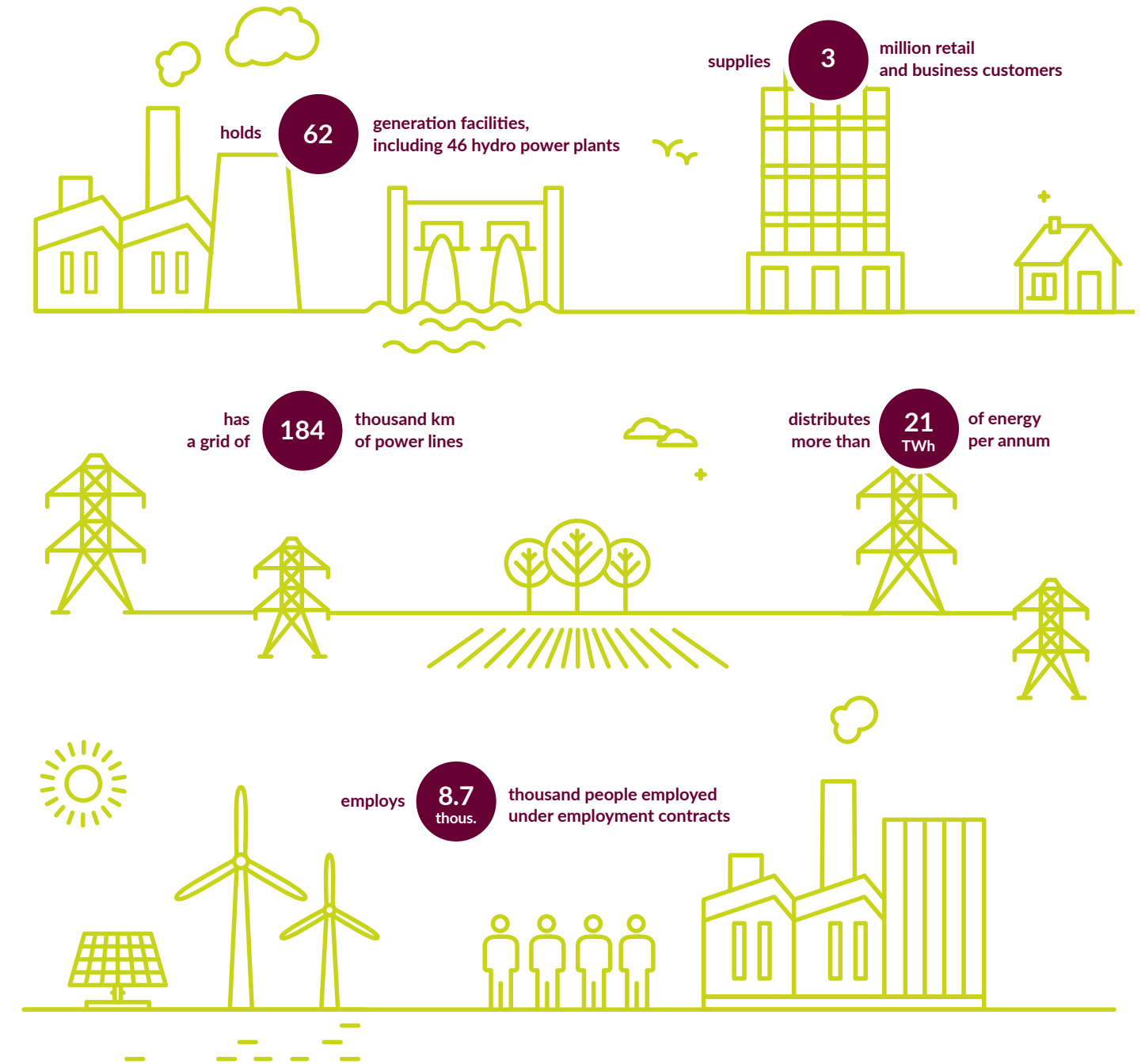
Sales Segment



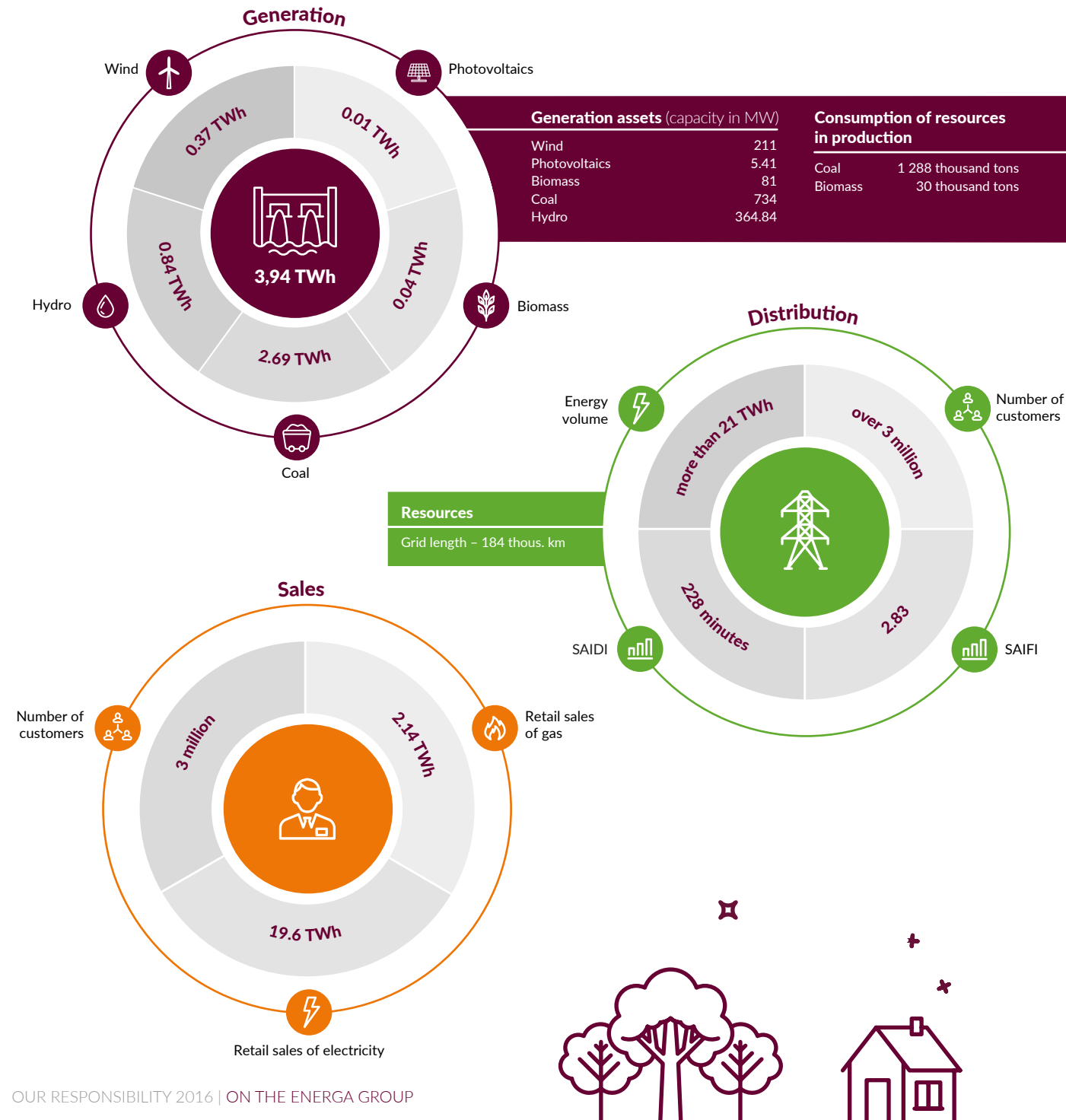
consisting of operations associated with trading in electricity and customer service. The leader in this segment is Energa-Obrót SA.

In addition, the group encompasses shared service companies (centers), providing accounting, HR, payroll, administration and ICT support services.

Energa Group's business highlights



Building Energa Group's value



Energa Group's consolidated financials (in PLN million)

	2015	2016
Revenues, including: net revenues on the sales of products, merchandise and materials (including excise tax), other operating revenue and financial income	11 213	10 650
Operating expenses, including: consumption of materials and energy, external services, depreciation and amortization and impairment losses on non-financial non-current assets, other costs by nature and other operating expenses, financial expenses excluding the costs of interest on incurred debt, share in the loss of entities carried by the equity method	8 348	8 633
Payroll and employee benefits, of which: Payroll and employee benefits, of which: salaries, social security and other employee benefit expenses	913	873
Payments to investors, including: interest costs of incurred debt, dividends paid for last year *	857	440
Payments to the state, including: taxes and fees	825	899
Investments in communities in the form of donations	3	11
Economic value retained	267	(206)

* The dividends paid for the preceding year amounted to PLN 596 million in 2015 and PLN 203 million in 2016.

The above data come from the consolidated financial statements of the Energa Group prepared in accordance with the International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2016 (the data cover all Energa Group companies).

Operational structure of the organization

Energa SA

Energa SA is the parent company of all companies making up the Group. It is the sole shareholder or holds a majority stake. It is an active owner integrating key management and support functions in the Group and making decisions about strategic directions, business model and management of the Group's value.

Since 2014 Energa SA has been listed on the Warsaw Stock Exchange (WSE). It comprises the WIG 20 index of the largest companies on the WSE and belongs to the RESPECT Index, whose portfolio includes Polish and international companies from WSE's Main Market that operate in

accordance with the highest management standards of corporate governance, information governance and investor relations while taking into account environmental, social and economic factors.

From December 2016 Energa SA has been included in the FTSE4Good Emerging Index in London.

Energa SA's shareholding structure is as follows:

- **State Treasury - 51.52%** equity stake in the share capital,
- **other shareholders - 48.48%** equity stake in share capital.



Generation

The Generation Segment is a business unit with **Energa Wytwarzanie SA** as the segment leader. It operates in 4 business lines: the Ostrołęka Power Plant, Hydro, Wind and Other (including CHP). This segment consolidates operations in the key areas of:

- electricity production from renewable energy sources:
 - The Hydro Power Plant in Włocławek;
 - 44 small hydro power plants;
 - 5 wind farms in north-eastern Poland – Karcino, Karścino, Bystra, Myślino, Parsówek;
 - 2 photovoltaic farms near Gdańsk and Czernikowo near Toruń;
- management of the Żydowo Pumped-Storage Plant;
- production of electricity in the conventional power plant:
 - Energa Elektrownie Ostrołęka Elektrownia Ostrołęka B;
- co-generation of heat and electricity:
 - Energa Kogeneracja in: Elektrociepłownia Elbląg, Elektrociepłownia Kalisz, Elektrociepłownia Żychlin, Elektrociepłownia Winnica;
- heat production in heat plants:
 - Energa Kogeneracja Ciepłownia Wyszogród and Energa Ciepło Kaliskie Ciepłownia in Kalisz;
- distribution of heat:
 - Energa Ciepło Ostrołęka;
 - Energa Ciepło Kaliskie;
- ancillary services:
 - Energa Serwis;
 - Energa Invest*;
 - Elektrownia CCGT Gdańsk;
 - Elektrownia CCGT Grudziądz;
 - AEGIR 4 Sp.

* On 28 December 2016, Energa SA acquired from Energa Wytwarzanie SA all the shares in Energa Invest SA, thus becoming the sole shareholder of Energa Invest SA



0.5 GW
of installed capacity
in RES



3.94 TWh
of electricity generated
in 2016



1.34 GWe
of installed capacity,
with 38% being RES

Distribution

The Distribution Segment is a business unit formed by **Energa-Operator SA**, the segment leader, and its specialized subsidiaries. They are jointly responsible for performing the tasks of the Distribution System Operator.

The segment's organizational model defines a clear split of roles and responsibilities for performing tasks, separating the function of the budget and network asset manager and the functions that work on the grid.

Pursuant to the decision made by the President of the Energy Regulatory Office, the segment leader is the Distribution System Operator (DSO). According to the requirements for the distribution activity concession, this segment is responsible for developing, operating and modernizing the distribution infrastructure in the area where it operates and for ensuring the supply of energy with the correct quality parameters to end-users connected to its power grid.

The companies responsible for maintaining the high standards of operation of the energy infrastructure and for conducting the necessary operational work are as follows:

- Energa-Operator Eksploatacja Elbląg,
- Energa-Operator Eksploatacja Płock,
- Energa-Operator Eksploatacja Gdańsk,
- Energa-Operator Eksploatacja Słupsk,
- Energa-Operator Eksploatacja Kalisz,
- Energa-Operator Eksploatacja Toruń.

Technical customer service, in turn, is provided by Energa-Operator Techniczna Obsługa Odbiorców. Energa-Operator Logistyka Sp. z o.o. provides to the segment leader and to other segment companies a comprehensive logistics service and supplies them with materials and equipment required for investment projects and ongoing operation of electric power grids.

Investment project contractor companies, i.e.:

- Energetyka Kaliska – Usługi Techniczne Sp. z o.o.,
- Przedsiębiorstwo Budownictwa Elektroenergetycznego ENBUD Słupsk Sp. z o.o.,
- ZEP Centrum Wykonawstwa Specjalistycznego Sp. z o.o.,
- Zakład Budownictwa Energetycznego Sp. z o.o.

deal with investment and overhaul works in the grid and repair of mass failures.



over **184** thous. km
of power lines



over **3 mln**
customers



over **21 TWh**
of energy transmitted
to customers in 2016





Sales

The Sales Segment is a business unit formed by the segment leader - **Energa-Obrót SA**, and its subsidiaries, i.e. Energa Obsługa i Sprzedaż, ENERGA Oświetlenie and Energa Slovakia. In its operating activity Energa-Obrót focuses on trading on the domestic and international wholesale electricity market and on selling power and gas to individual, business and institutional customers, offering additionally innovative, environment-friendly technologies and services. The company sells electricity to 2.9 million customers with more than 2.6 million of them being households.

It focuses on developing modern contact channels with clients such as electronic channels (eBOK, mBOK), telephone Customer Service Department (tBOK) as well as traditional channels such as showrooms and partnership outlets.

In 2016, it continued the development of the sales network, which currently comprises 64 locations and is composed of 9 proprietary showrooms and 55 partner outlets operated by external partners (44 partnership outlets + 11 islands in shopping centers).

Street, road and other open area lighting services are the domain of Energa Oświetlenie, which has modern technical hardware and specialist equipment and uses energy-saving and innovative solutions in operation of lighting networks.

Energa Slovakia is expanding retail sales on international markets, primarily in Slovakia.

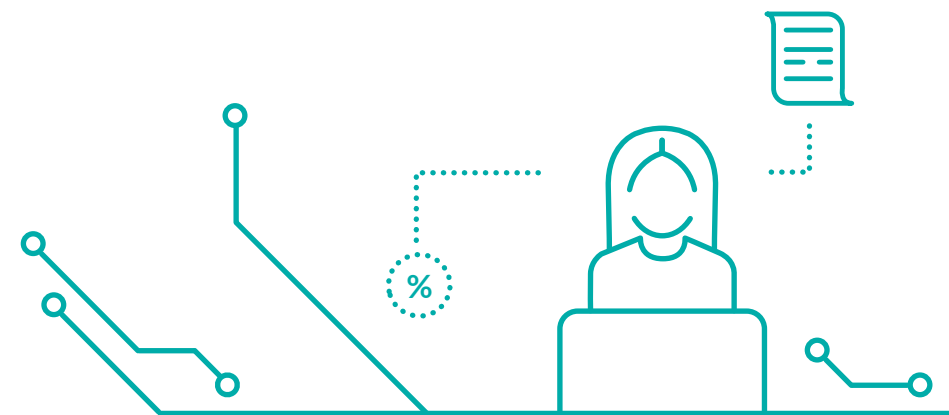
64	9	55
locations	own outlets	outlets operated by external partners



Purpose of the support

The following companies also operate in the Energa Group: Energa Shared Services Center providing human resource and payroll, accounting, financial, administration and environmental protection services, and Energa Informatyka i Technologie managing its corporate IT systems.

It also comprises companies established by Energa SA to perform tasks and functions that are important to the Group and companies performing ancillary tasks not related directly to segment operations.



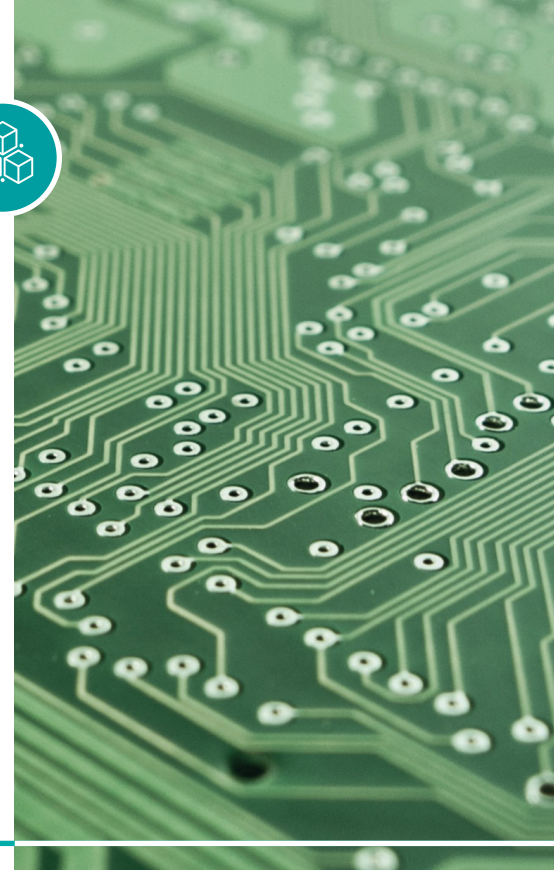
Changes during the reporting period

All major changes to the Group's structure and business have been described in greater detail in the publicly available "2016 Annual Report".

Energa Group's business model

In September 2016, Energa SA started to work on implementation of the Group's new business model whose main assumption is to reduce, over the next three years, the number of companies through their consolidation into business lines, which more efficiently respond to challenges faced by the power sector to improve the quality of the Group's management, competitiveness and profitability.

The business lines associated with generation, sale and distribution of electricity will make it possible to optimize the management, strengthen the role of corporate governance, simplify internal procedures and better utilize the potential offered by the Group employees. The new approach is expected to expedite decision-making processes and introduce better flexibility of the Group's activities, facilitating at the same time effective customer value management based on a coherent product and service offering, development of new areas, and innovation culture.



Composition of the Energa SA Management Board



Energa Group's business model



Membership in organizations

The Energa Group is an active member of many organizations and initiatives, in particular Global Compact, the world's largest UN initiative for corporate social responsibility and supporting sustainable development. Membership in this organization obligates Energa to align its strategic business activities with 10 principles of the organization pertaining to human rights, labor standards, environmental protection and counteracting corruption.

In 2016 Energa continued its cooperation with Global Compact under the so-called Baltic Initiative held under the auspices of UN Secretary General – Global Compact in Poland and the Ministry of Marine Economy and Inland Navigation. The initiative is aimed at promoting the dialogue and debate on a high decision-making level in Poland and European Union on topics associated with sustainable development of the Baltic Sea region such as: innovations, environmental solutions in transport and industry, Poland's energy security, intermodal transport, development of inland water routes as part of international transportation corridors, protection of the Baltic's sensitive ecosystem and Polish rivers, and development of ports and infrastructure. The cooperation has brought publication of the report entitled "Inland Navigation - the Odra", which is another publication after last year's report "The Vistula – Inland Navigation" and "Baltic for everyone". The participation of Energa SA in this initiative has material impact on the implementation of the Group's objectives for the hydroelectric power generation area and contributes to implementation of Sustainable Development Objectives, adopted by the UN in September 2015 for 2015-2030, which include:

- ensuring access to stable, sustainable and modern energy for everyone at an affordable price,
- building permanent and efficient infrastructure,
- supporting sustainable industry,
- developing innovation.

Energa has also become involved in the efforts towards combating corruption and cooperates with Global Compact and the Ministry of Development and Ministry of Treasury in the program entitled "Counteracting the Gray Zone 2014-2020" aimed at combating unregistered business and business crime. Combating corruption and representing fair and ethical business is one of the key tasks of United Nations Global Compact, which is directly referred to by Principle 10 of the Global Compact, an initiative of the UN Secretary General.

In November 2016 Energa, together with 16 other key Polish State Treasury companies, signed a notary deed establishing Polish National Foundation and its charter. The main task of the Polish National Foundation will be to promote and protect the image of the Republic of Poland and Polish economy. The foundation will also support development of good market practices and inspire and participate in development of conditions for building value and developing companies with participation of the State Treasury and Polish business. The foundation will be also involved in activities of such areas of life as: education, health care, culture, art, ecology and animal protection.

The other organizations and associations to which group companies belong are presented in the GRI table.



Network Poland
WE SUPPORT



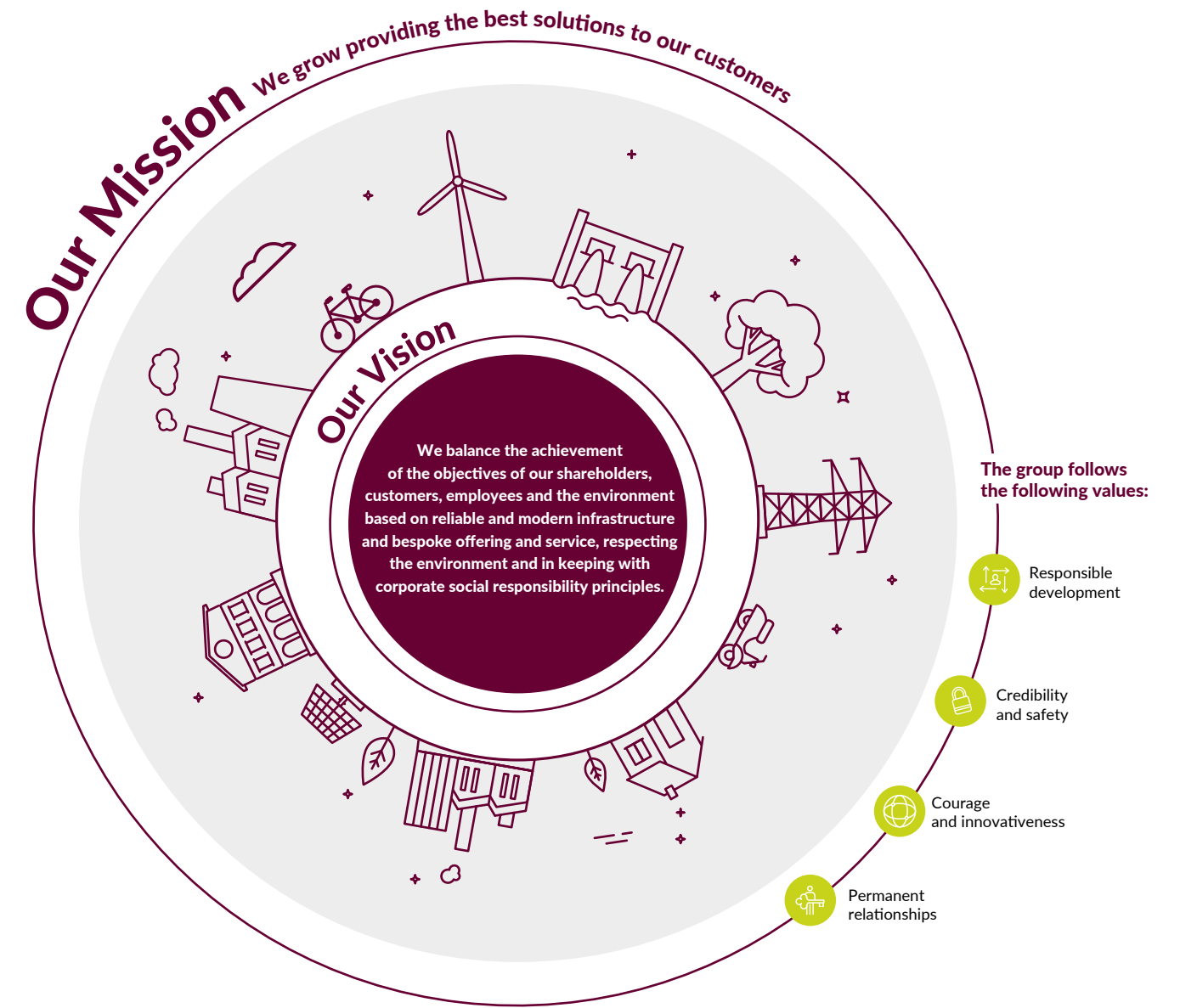
Most important prizes and distinctions received in 2016

- The Energa Group received the CSR Golden Leaf in the fifth edition of ranking of companies employing the principles of corporate social responsibility in their operations. This is the fourth award in this ranking for the Group and the second highest award in a row.
- In June the Energa Group received an EMAS Certificate confirming its registration in the Eco-Management and Audit Scheme (EMAS). Energa is the first power group in Poland with such a big number of its member companies to join the prestigious EMAS certification confirming fulfillment of the most important environmental protection standards.
- In October Energa Oświetlenie was awarded with the title "Public procurement crystals 2016" for modernization of street lighting in Bydgoszcz. This is a prestigious distinction aimed at promotion and popularization of the best rules and practices in public procurement. The use of energy-saving lighting equipment and smart control systems will significantly reduce the energy consumption of the lighting system and will bring tangible savings in electricity costs for the city.
- In November Energa Group employees received the title "Philanthropist of the Year 2015" awarded by the Elbląg Foundation. The Award Committee awards people and private and state-owned companies which in 2015 provided special financial, in-kind or service support to non-governmental organizations, public benefit institutions and individuals from Elbląg and the Elbląg County. The Award Committee awarded their systematic support for the Elbląg dr Aleksandra Gabrysiak Hospice. Funding has been provided for execution of the hospice's statutory objectives since 2008 through the Energa Foundation, the program organizer. In total, PLN 162 thousand has been remitted to equip the center, among others, with respirator masks, hospital beds for the hospice ward, anti-bedsore mattresses and oxygen concentrators.

In December:

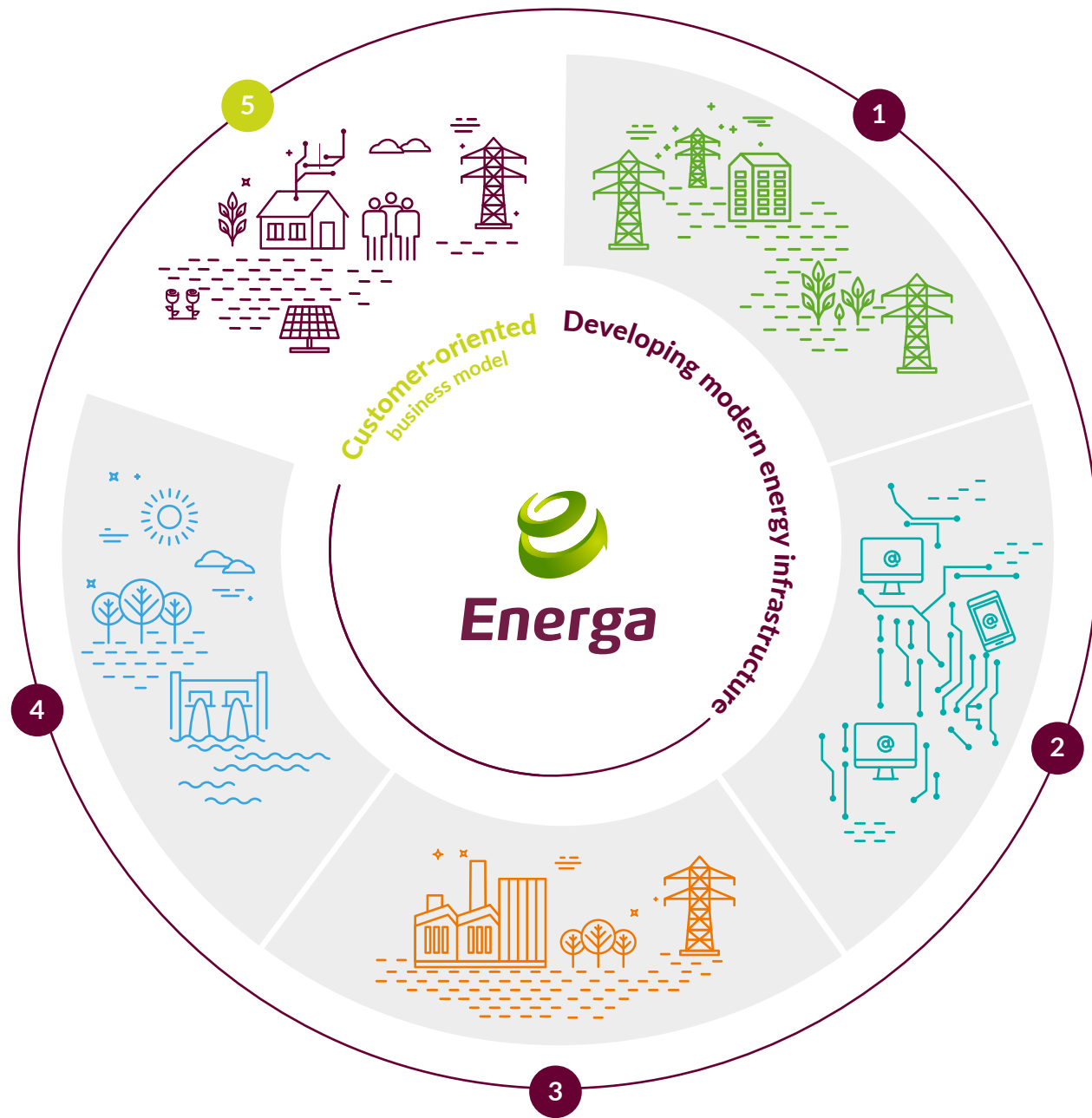
- Energa SA was included in the "70 Emerging Markets" ranking compiled by the rating agency Vigeo Eiris. The ranking presents 70 companies from emerging markets with the highest environmental, social and corporate governance scores. The study included more than 850 companies from 37 sectors in 31 countries.
- Energa SA was included for the third time in the RESPECT index which groups listed companies committed to social responsibility and managed according to the best standards. This is the first in Central and Eastern Europe index of responsible companies introduced by the Warsaw Stock Exchange. Its portfolio includes Polish and foreign companies listed in WSE's Main Market.
- Energa's shares have been included in the FTSE4Good Emerging Index. The index lists companies from more than 20 emerging countries, selected for the compliance of their operations with the environmental, corporate social responsibility and corporate governance criteria. FTSE4Good Emerging was launched in December 2016. It is used to rate companies from more than 20 emerging economies using the ESG criteria (Environment, Social, Governance).
- The "Shine with Energa" campaign was awarded the "Silver Paper Clip" award in the Corporate PR category in the 14th edition of the Golden Paper Clips contest organized by the Association of Public Relations Firms. The contest was open for PR campaigns executed in 2015-2016. "Shine with Energa" is a contest organized for seven years, in which Poles vote for the best Christmas city decorations and the best picture conveying the Christmas atmosphere.

1.2. Responsible and ethical governance



In November 2016 the Energa Group adopted a new "Business Strategy for 2016-2025". The activity of the Energa Group is focused on efficient and sustainable value building. Moving towards a modern power group, being an important element of the stability of the National Power System

and the region, the Group adopted two business development and value creation areas under which the Energa Group's strategic objectives have been defined.



Objective 1

Developing modern energy infrastructure
 in a way that makes it possible to have a stable revenue base, dependent mainly on the quality of services provided rather than on typical market drivers. The infrastructure will respond to the future requirements of the Polish electrical power system, and its development will enable to keep a balance between the interests of all stakeholders of the Energa Group.

Objective 2

Customer-oriented business model
 facilitating effective customer value management based on a coherent product and service offering.

The strategic objectives will be realized through **5 Strategic Programs** in which appropriate result monitoring has been introduced.

- 1** Expansion of a smart and reliable electricity distribution grid affording opportunities to market energy storage and local management services
 - 100% of remotely operated metering systems (AMI meters)
 - satisfaction of the requirements of the quality-based tariff: SAIDI, SAIFI and requirements associated with connection time
- 2** Development of infrastructure for broadband web access
- 3** Utilizing regulations to stabilize revenues in the Capacity Market and tariffs on heat.
 - new 1000 MWe Ostrołęka C power unit
 - maintaining and developing CHP source

- 4** Maintaining a solid position in the RES area through
 - the execution of a hydro power plant construction project as part of the development of the second step dam on the Vistula River and other RES-related projects
- 5** Rolling out a new customer-oriented business model and developing new business areas
 - shifting from electricity seller to provider of utilities and integrated solutions for home, business and local governments
 - broad product offering
 - new sales channels and new IT solutions
 - new organization for processes in sales, service and billing

The company has taken intensive actions to provide customer service in a single IT environment and design and build an analytical data warehouse playing the role of a central data repository.

The rolling out of a new customer-oriented business model and developing new business areas should strengthen Energa Group's position in the market.

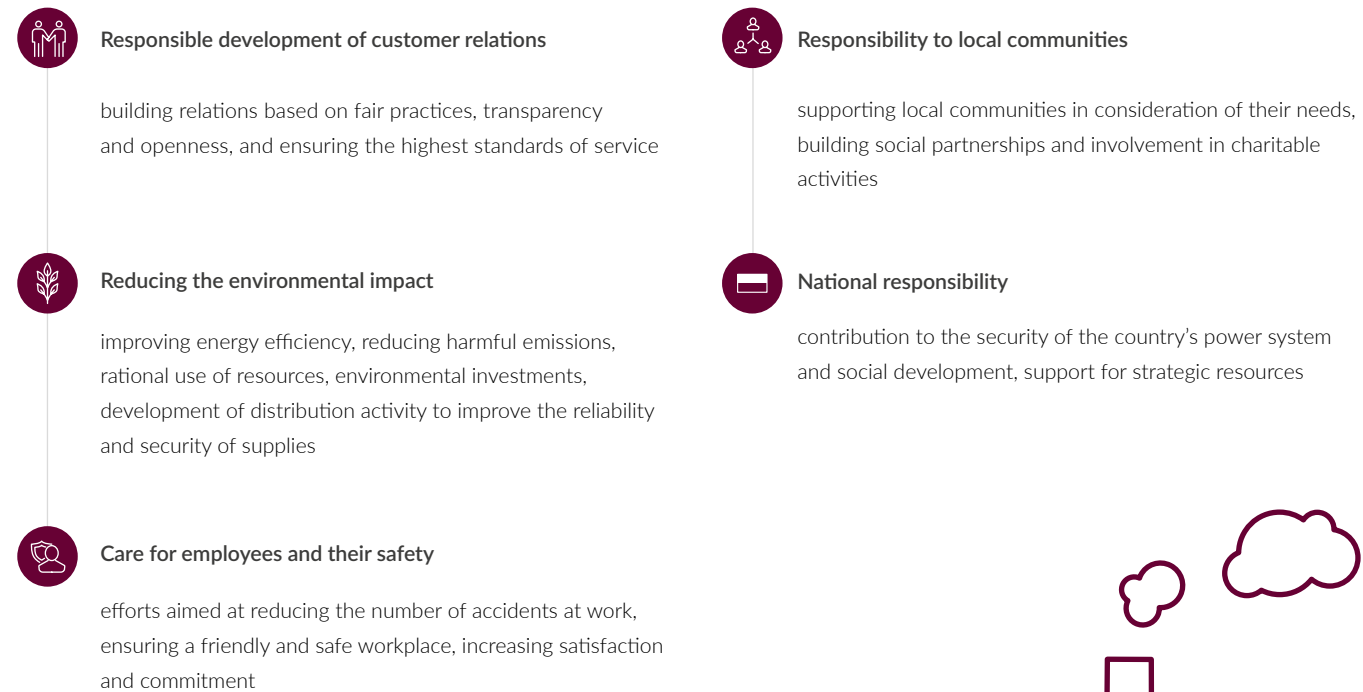
Execution of strategic programs will be supported by processes and actions which are expected to be the foundation and catalyst of execution of strategic programs.

Business foundations:

- Innovation culture,
- Strategic partnerships,
- IT, Big Data,
- Strong commitment to regulatory dialog,
- Improvement of efficiency,
- New marketing,
- New approach to HR management.

The Group pursues its vision, mission and objectives and builds shareholder value in an ethical, transparent and open-to-dialog manner, which allows for attaining long-term benefits while striving to maintain an appropriate balance between operational, ethical and environmental activities and the interests of its stakeholders: shareholders, customers, employees and local communities. Accordingly, our business objectives are supported by goals pursued sustainable development as laid down in the "Sustainable Development and Corporate Social Responsibility Strategy".

"Sustainable Development and Corporate Social Responsibility Strategy" objectives



Organizational governance

In its daily management practice, in addition to the rules and principles arising from the Code of Best Practices for Warsaw Stock Exchange Listed Companies, the Group also applies its own rules and principles governing the cooperation of companies presented in the document entitled "Energia Group's Organizational Governance". The governance determines how the Energia Group operates and how it is managed as well as the rules for exercising control, allocating financial resources and risk associated with its operation.

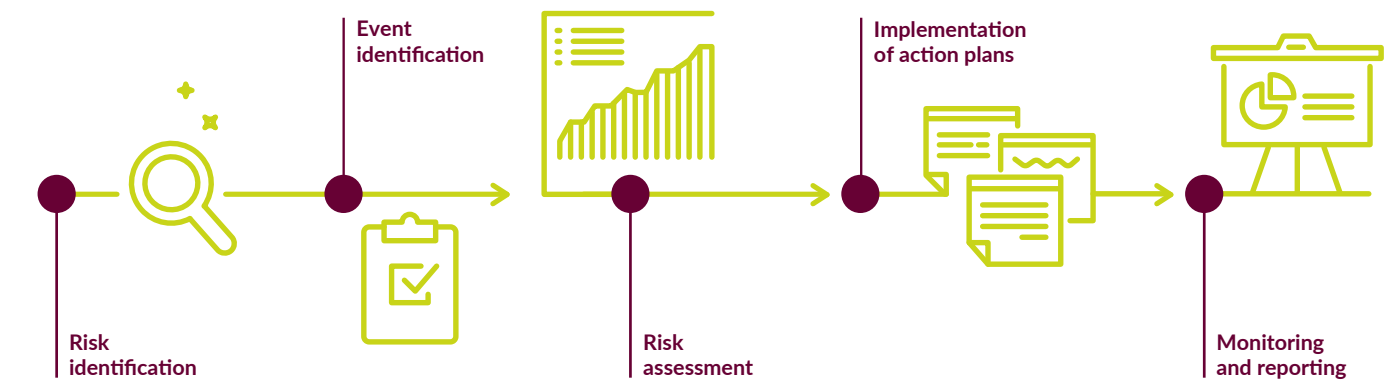
In connection with commencement of the efforts on introduction of a new Group operational model, work has been initiated on a new document regulating the rules of cooperation in the Group. One of the novelties will be a catalogue of standards and principles to be complied with by Group companies and sanctions for non-compliance.

Risk management

Risk in the Energia Group is managed within the framework of the Integrated Risk Management System based on generally applied standards, such as: COSO II, FERMA and ISO 31000. The system consists of the Risk

Management Policy in the Energia Group and Risk Management Methodology in the Energia Group. The risk management process is illustrated in the diagram below:

Risk management process



The risk management aims to identify potential events that may impact the organization, maintain the risk within the set limits and support attainment of strategic and operational objectives in the Energia Group. The aforementioned activities are undertaken through on-going and periodic risk reviews, and improvement of the knowledge and awareness of Risk Owners on, among others, monitoring risk factors and consequences, risk materiality and effectiveness of the control mechanisms used. As part of risk management also the risk tolerance levels for individual risks and the risk appetite for the whole organization are set.

The risk management system in the Energia Group is centrally coordinated and administered by Energia SA. The supervision over risk management on the Energia Group is exercised by the Energia SA Management Board and the effectiveness of the whole system is monitored by the Audit Committee operating as a collective body in the Energia SA Supervisory Board structures.

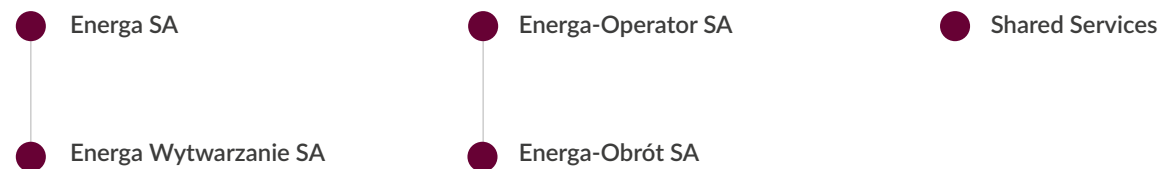
Risk of abuse

In 2016 work was conducted to develop a complete system for prevention of abuse in the Energa Group. The Group started to implement the "Policy of Combating Abuse" which defines the basic terms, obligations and scope of responsibility of the employees of the Energa Group as regards abuse risk management. Individual Group companies have additionally developed "Abuse Combating Principles" which define the provisions of the Policy in more detail.

The main guidelines for combating abuse in the Energa Group obligate key Group companies to carry out regular abuse risk assessments and implement

pertinent controls in this regard. This activity was preceded by the audit entitled "Identification and assessment of potential abuse scenarios and review of controls" carried out in the second half of 2016. In addition, the studies carried out comprise observations regarding selected business processes and recommendations regarding their improvement. In addition, as part of the project, training was carried out for employees from the audit, risk and security area responsible for coordinating the abuse risk management in individual Energa Group companies.

Number of business units assessed for risks related to corruption in 2016



Training on anti-corruption policy and procedures

Company	Employees in sub-managerial positions		Employees in managerial and senior positions	
	2015	2016	2015	2016
Energa SA	100%	100%	100%	100%

No corruption cases were recorded in the ENERGA Group in 2016.

Ethics in the Energa Group

As part of promoting ethical behaviors among employees and implementing solutions to clarify irregularities and problems, if any, the following documents have been implemented:

Code of Ethics



The "Code of Ethics" describes the values and behaviors pertaining to both internal relations and external environment. This applies to values associated with proper conduct, such as: compliance with the law, honesty, respect or no tolerance for abuse.

Policy of Combating Mobbing and Discrimination



The main objective of the "Policy of Combating Mobbing and Discrimination" is to prevent and respond to undesirable behaviors in the workplace.

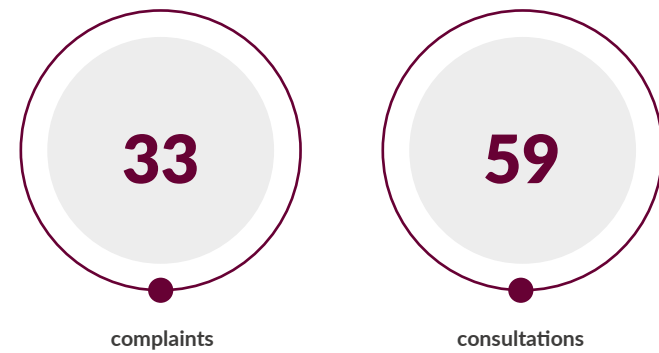
The key institutions of the Policy of Combating Mobbing and Discrimination in the Energa Group are the Council for Counteracting Mobbing and Discrimination, operating since 2015, customarily made up of Energa SA Management Board members and Clarification Commission, composed of 4 lawyers and 4 psychologists not employed in the Energa Group under an employment relationship, but in an organizational structure re-

porting directly and exclusively to the Council. The Clarification Commission members have access to email and telephone details which they can use not only at the time of lodging complaints but also for consultations pertaining to conflict resolution in the workplace. If this is not necessary persons seeking help by telephone are not asked for personal details or other identification data.

The Council manages the overall anti-mobbing and anti-discrimination efforts in the Energa Group. It defines the direction of activities and makes decisions in the process of reviewing employee complaints. Each decision made by the Council is preceded by obtaining the stance and recommendations of the Clarification Commission. The Council assesses the viability of the complaint and specifies the solutions to the problems described therein. In 2015-2016 the Commission provided nearly two times more consultations to Group employees than the number of complaints received. Some of the consultations led to withdrawal of the allegations formulated by the

employees as a result of providing legal information or psychological support, which made the employees revise their assessment of the problem. There were also cases in which employees, having familiarized themselves with the operating process of the Clarification Commission and having built trust in the Policy, lodged formal complaints. The consultations provided by the Clarification Commission play primarily informational and educational role for the Group's employees. All decisions on lodging a complaint in the employee's own or colleague's case have to be made independently by the complainant.

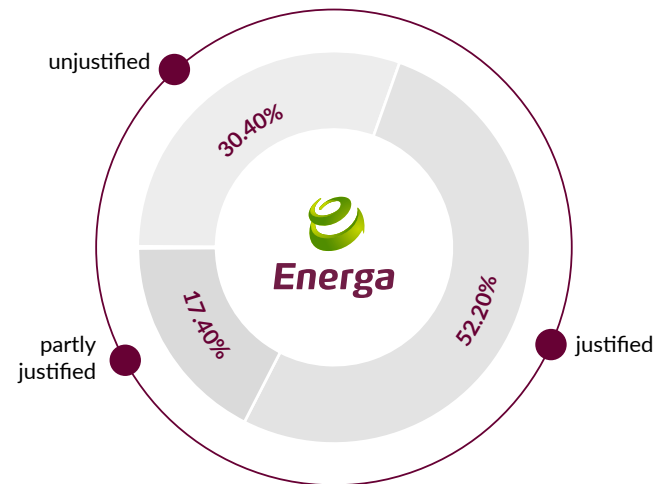
Number of complaints reviewed and consultations provided by the Clarification Commission in 2015-2016.



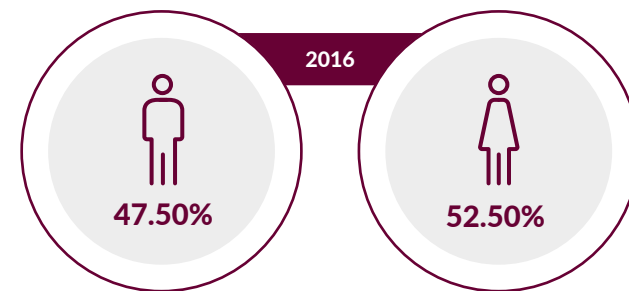
Slightly more than half of the lodged complaints turned out fully justified. Every sixth complaint was partly justified, which means that the inappropriate behaviors alleged by employees in their grievances were confirmed only to a certain extent or did not constitute a form of undesirable behavior as described in the complaint. Every third complaint turned out to be completely unjustified as a result of misunderstanding the meaning of undesirable behavior or the complainant's extreme subjectivism. In some cases complainants were driven by bad will and attempt to slander other people.

In the aforementioned period complaints were lodged by employees of both genders in a similar number, which points to equal availability of the institutions defined in the Policy of Counteracting Mobbing and Discrimination in the Energa Group regardless of gender.

Division of cases by viability of complaint



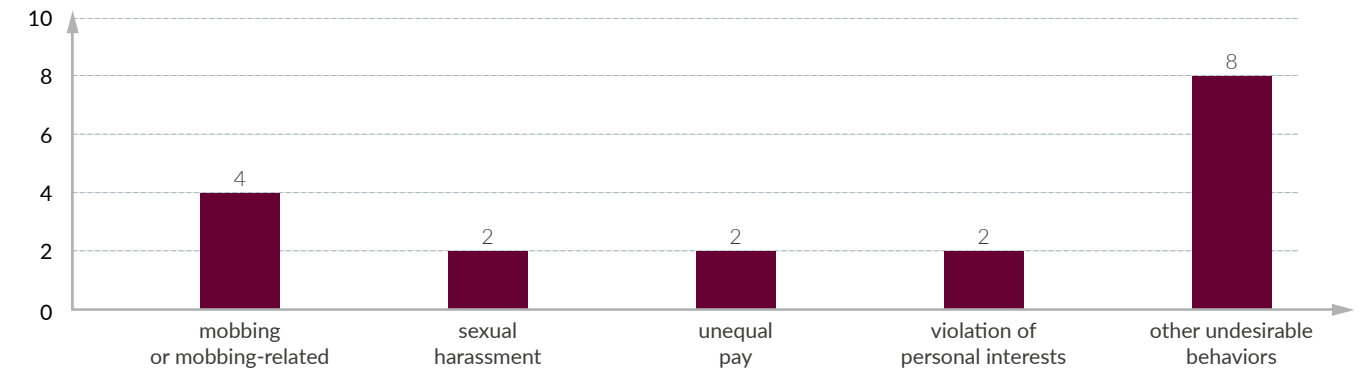
Division of cases by gender of the complainant



In 2015-2016, there were 18 confirmed situations allowing for identifying specific undesirable behaviors and requiring reaction on the part of the Council or employers in the Group. As a result of the adopted complaint resolutions, HR actions were taken, including termination of contracts,

demotion of the perpetrators and, in justified cases, payment of compensations to the victims. In a number of cases, organizational and systemic obligations were put forward for the companies to secure the organization against similar events in the future.

Division of resolved cases in respect of diagnosed types of undesirable behaviors



The anti-mobbing and antidiscrimination system launched in the Energa Group in 2015 is an innovative program which sets appropriate standards for active counteracting undesirable behaviors in the workplace in Poland. This is shown by the strong involvement of a number of structures and bodies in the Group, with the Energa SA Management Board in the lead, and consistent resolution of difficult cases, in particular those which follow from review of employee complaints.

Anti-mobbing and anti-discrimination actions did not bring about an avalanche of complaints, unjustified slanders or attempts to use the Policy instruments contrary to their intended use. Also, the functioning of the regulation did not lead to occurrence of a collective feeling that "everything is mobbing", and did not restrict the managers in using standard and justified methods of organizing the work and holding employees accountable for their work in the Group. Attempts were made to resolve the diagnosed errors in a systemic manner, regardless of their individual background and consequences. It should be also noted that employees filing complaints with the Commission in most cases behaved responsibly and constructively. The formulated allegations were, as a rule, substantive, justified and served the purpose of obtaining support in crisis situations.

For the Energa Group's management the activity of the Clarification Commission, in particular through access to multilevel knowledge about employee problems and relations, as well as the quality of employee management, which could not be obtained in any other way. For the HR departments, in turn, the Commission is a partner in cooperation aiming to improve management of the HR area and a consultation body.

For the employees, trade unions and Social Labor Inspectors, the Clarification Commission provides support in resolution of difficult employee problems and opportunity to obtain professional assistance in crisis situations. The problem was, especially at the beginning, the lack of trust in the work of the Commission among the employees and social partners. In the Commission's opinion, after a year and a half of its work, it managed to build a satisfactory and increasing level of trust in this regard. The open information policy on the work of the Clarification Commission is a measure for building good climate and understanding in the Group around the cooperation towards counteracting undesirable behaviors and shaping positive relations in the workplace.

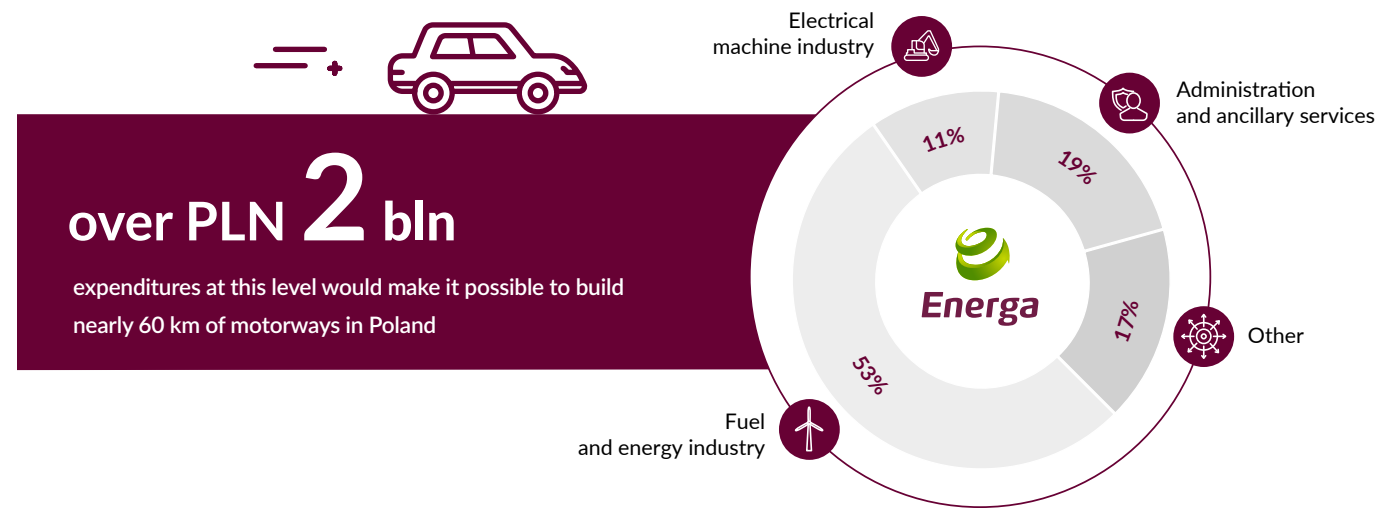
The full version of the Report comprising information on the activities of the Clarification Commission in 2015-2016 is available at the website www.energa.pl in the "For the Environment" tab.

Supply chain

The Energa Group cooperates with approx. 3 thousand suppliers from across Poland, however each segment manages a different supply chain, which conforms to the nature of its business and uses local suppliers in different proportions.



Size and structure of purchases



The Group attaches great importance to responsible conduct of business and wants to make sure that its business partners act similarly.

It employs clauses in contracts with contractors pertaining to requirements such as concern for ethics, respecting human rights and the natural environment or, as in the case of the Distribution Segment, all partners are subject to assessment in terms of satisfaction of employee criteria.

Energa Wytwarzanie introduced the "Environmental, OHS and fire prevention rules and requirements for contractors in Energa Wytwarzanie SA facilities", which obligate the contractors and their subcontractors,

during their work in the company's facilities, among other things to: have all the legally required permits, authorizations, OHS training, medical tests, and conduct work in a way that would prevent the pollution of the environment, take preventive measures when there is risk of degradation of the environment and take immediate action when the environment suffers damage to limit the negative effects for human health and for the environment. The Company conducts occupational health and safety and environmental protection training for all business partners before they begin working in the premises of Energa Wytwarzanie.

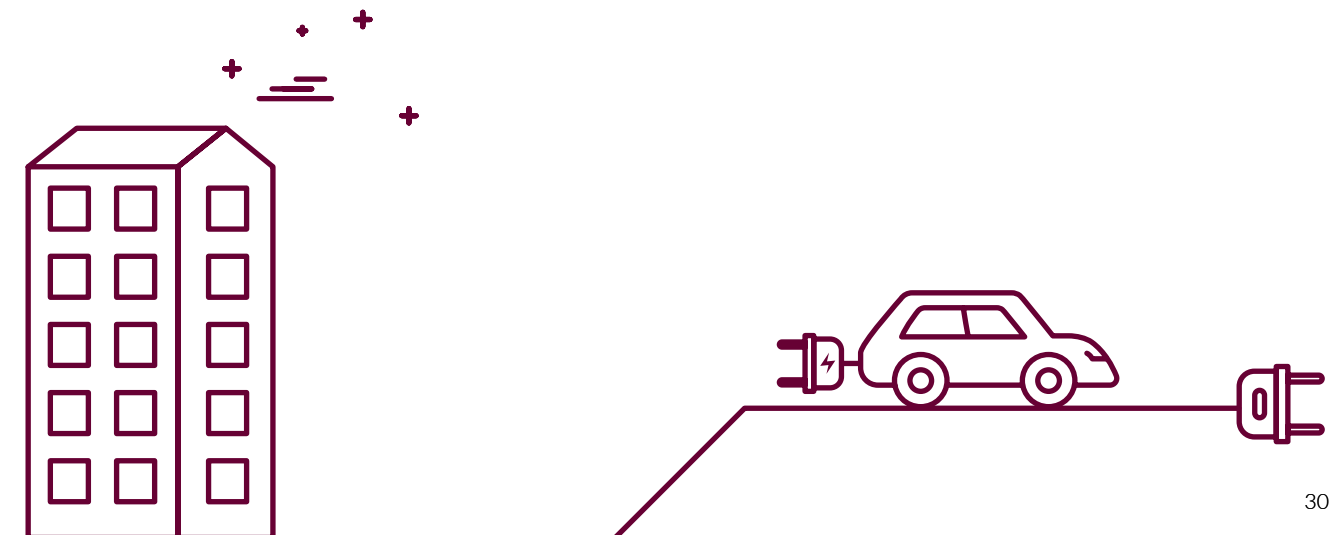
Percentage of suppliers assessed using employment criteria

	2015	2016
Distribution	100%	100%

Innovative Energa

Research and development and innovation activity are becoming increasingly important because they determine the direction of the organization's development and its strategic objectives. The Energa Group appreciates this area, taking a number of actions in research and innovation,

constantly increasing financial outlays in this regard. Information on the Group's innovation projects and research and development activity is presented in the chapter entitled "Environment".



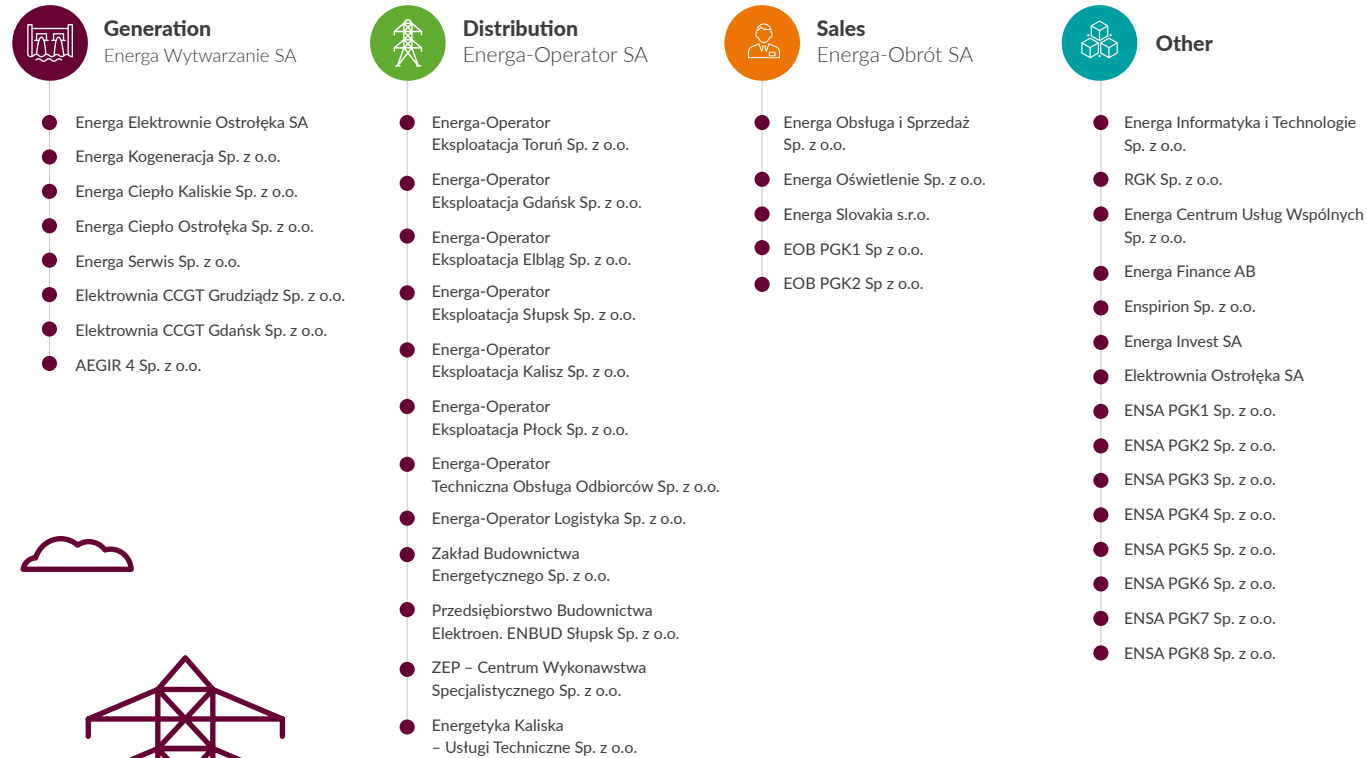
1.3. Report as a tool for dialog with our stakeholders

The report "Our Responsibility 2016" is published annually. This report is the sixth publication in Energa Group's history summarizing its activities in corporate social responsibility. The previous report was published in April 2016. The report has been prepared on the basis of the guidelines from **Global Reporting Initiative G4.0. at the CORE level**, giving consideration to ratios in the supplement for utility sector companies. This year's docu-

ment comprises data for the whole calendar year 2016 of all Energa Group companies. In addition to GRI measures, the report presents also data on the measurement of the impact of Energa Group's CSR activities on the environment. No major changes regarding the scope or applied measurement methods were recorded.

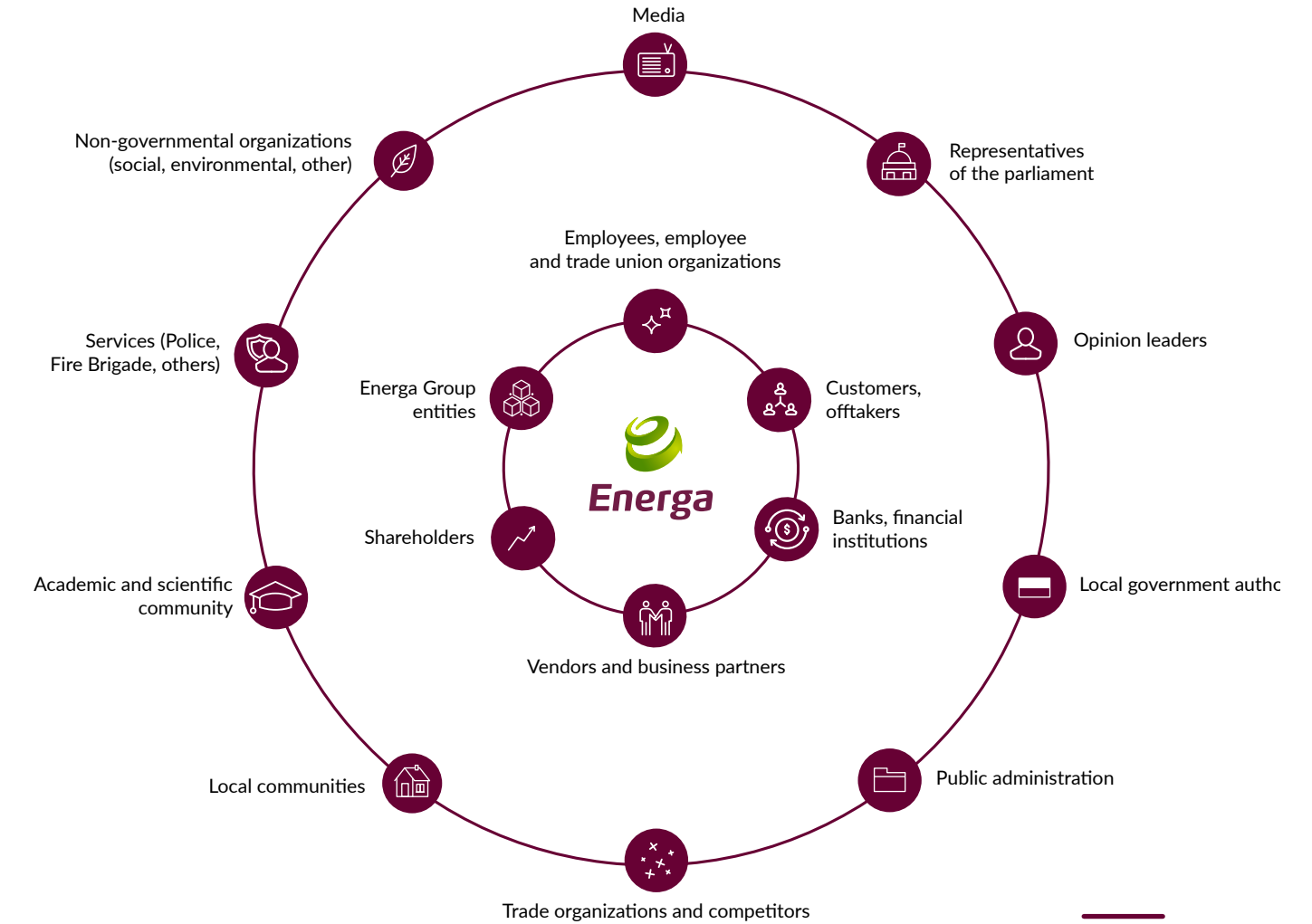
Companies covered by the CSR report in 2016

Energa SA



Our stakeholders

Key stakeholders of the Energa Group were identified from the perspective of the business strategy and direct and indirect impact of the organization.



The method of communication with the stakeholders did not change from last year:

Shareholders

Direct communication, website ww.ir.energa.pl, current, periodic and other reports, events (including one-on-one meetings and conferences, broadcasts, chats, roadshows)

Customers, offtakers

Individual meetings, correspondence, communication via electronic channels, communication via marketing campaigns, undertaking intervention, provision of explanations, information line

Banks, financial institutions

Correspondence, regular reporting, individual meetings

Local government authorities

Consultations, direct meetings, correspondence

Public administration

Correspondence, lobbying activities, regular reporting in crisis situations, meetings, reporting of environmental threats

Vendors and business partners

Exchange of information, e-mail and telephone contacts, correspondence, publications on websites, register of qualified contractors

Local communities

Dialog with local communities during social consultations in the course of the investment process, examination of applications, educational activity, social activities run by the Energa Foundation, sponsoring of events important to the local community

Services (Police, Fire Brigade, others)

Ongoing cooperation, correspondence, sponsoring, joint campaigns

Energa Group entities

Consultations, meetings, exchange of information, e-mail communication, regular meetings of the Group's Supervisory Board

Non-governmental organizations (social, environmental, other)

Cooperation in the projects being run, sponsoring, responses to questions, correspondence, websites, the Energa Foundation's activities

Academic and scientific community

Meetings, job fairs, projects and conferences, financial support, "Acta Energetica", scholarship and internship programs, contests

Representatives of the parliament

Correspondence, meetings

Opinion leaders

Provision of information, presentations and lectures, study visits

Media

Current reports and press releases, interviews, press conferences and individual meetings, website

Trade organizations and competitors

Participation in the work of organizations, participation in trade conferences, joint projects

Employees, employee and trade union organizations

Intranet, employee portal, consultations and arrangements; Management Board meetings with employees and trade union organizations, "Emisja" and "Energa-Ekspress" and other internal publications, periodic employee evaluation system, contests for employees, training courses and workshops, integration meetings

The basis for writing the 2016 report took the form of dialog with stakeholders, both internal and external. Meetings with external stakeholders were held in the form of moderated discussion panels. Focus group interviews were carried out among the company's employees. The task of the panel participants and the interviews was to identify issues of material importance for the CSR reporting process in the Energa Group



Participants of the focus groups in Kalisz, Ostrołęka and Gdańsk held on 16-18 August 2016

Representatives of the Group companies:

- Energa SA
- Energa-Operator SA
- Energa-Operator Oddział Kalisz
- Energa-Operator Eksploatacja Kalisz Sp. z o.o.
- Energetyka Kaliska Usługi Techniczne Sp. z o.o.
- Energa Wytwarzanie SA
- Energa Elektrownie Ostrołęka SA
- Energa Ciepło Ostrołęka Sp. z o.o.
- Energa-Obrót SA
- Energa Informatyka i Technologie Sp. z o.o.
- Energa Centrum Usług Wspólnych Sp. z o.o.



External stakeholders – participants of discussion panels in Gdańsk and Warsaw on 18 August and 7 September 2016

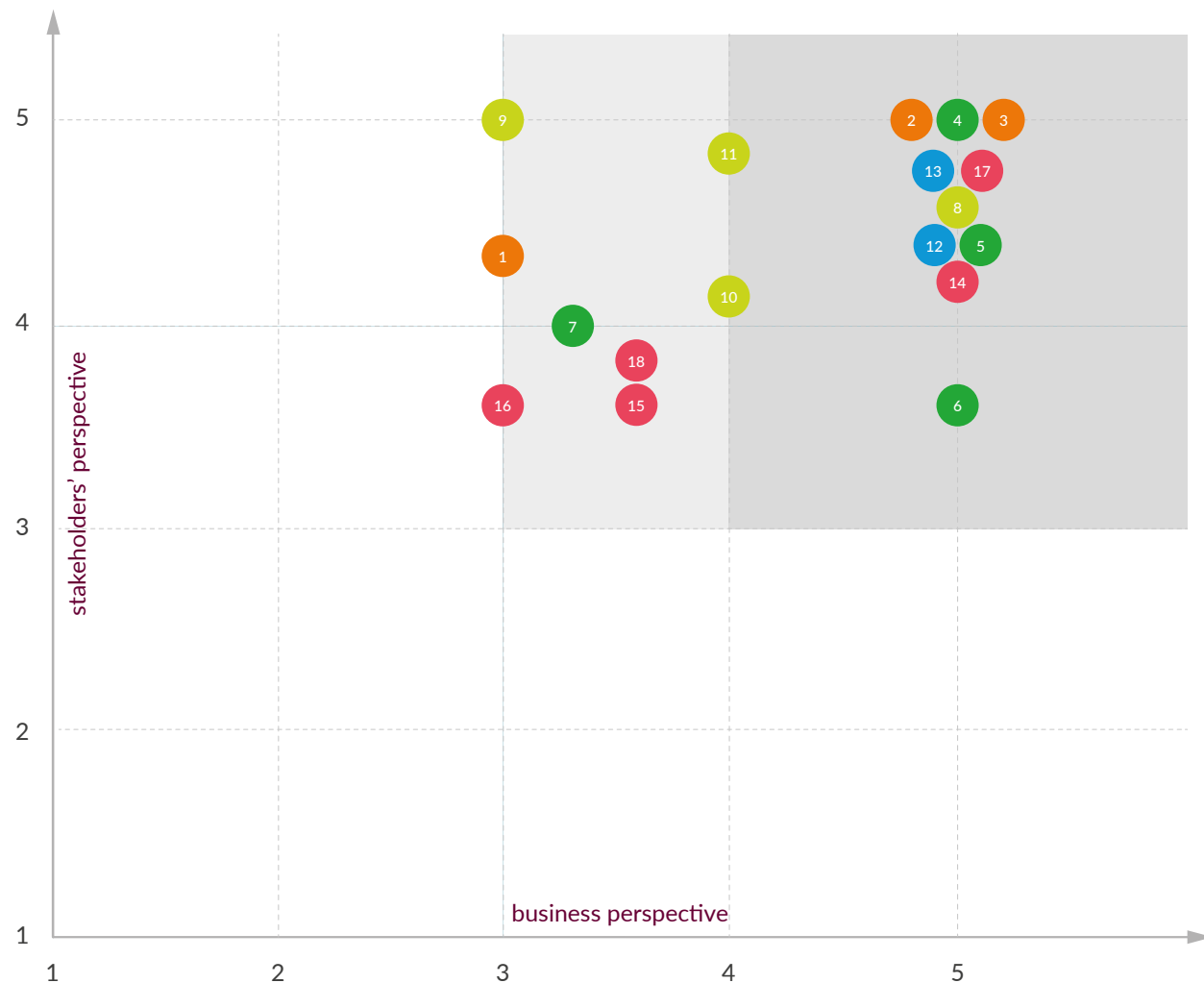
- Regional Environmental Protection Directorate
- Caritas Aid Center
- "Sport na zdrowie" Foundation
- Marshal's Office of the Pomeranian Voivodship
- Lions Club Gdańsk Amber
- Baltic Philharmonics
- Office for Competition and Consumer Protection
- Hospice Foundation
- National Museum in Gdańsk
- Pomorskie Region in the EU Association
- Gdańsk Science and Technology Park
- Power Sector and Environmental Protection Chamber
- School Sports Association
- Pro Natura Nature Foundation
- Federation of Consumers
- Energy Conservation Foundation
- Polish Association of Listed Companies
- Lubelski Węgiel Bogdanka
- Polish Sailing Association
- Polish Member Committee of the World Energy Council
- Rational Entrepreneurship Center
- Responsible Business Forum



Key environmental impacts indicated by the stakeholders

After comparing the issues of importance to stakeholders with the issues of importance to the Energa Group, we derived a list of 18 important topics in the area of the market, workplace, environment and impact on local community that were taken into consideration in our report.

Materiality matrix



● important areas ● areas of special importance

Market

- 1 Customer data security
- 2 Transparency of the offer and a responsible sales process
- 3 Customer service standards, complaints handling system, consumer service
- 4 Standards of quality and security of energy supplies
- 5 Initiatives undertaken to ensure stability of supply
- 6 Investments to expand customer access to energy and distribution efficiency
- 7 Approach with respect to the question of prosumers

Society

- 12 Supporting the local community, developing the good neighborhood policy; actions on the level of individual companies
- 13 Strategic cooperation with social partners, cooperation with central and local government administration

Environment

- 8 Environmental management strategy
- 9 Investments for environmental protection and funding research projects to curtail adverse environmental impact
- 10 Atmospheric emissions
- 11 Use of innovative technologies, products, offering environmentally-friendly services

Workplace

- 14 Employment and salary conditions
- 15 Occupational safety and health
- 16 Promotion of health and healthy lifestyles among employees
- 17 Education and development of employees at different levels
- 18 Employee involvement in the corporate management process



Credibility of the report

The report has been verified internally by the CSR Team consisting of the segments' CSR plenipotentiaries and the directors of the key areas in Energa SA.

Contact information

Please share your remarks and opinions concerning the report and the actions pursued by the Energa Group by sending them to the following address: csr@energa.pl.

Customers



2.1. Customer relations

Energa-Obrót SA focuses its operations on selling electricity, heat and gas and developing modern customer contact channels such as electronic channels (eBOK/energa24.pl), telephone Customer Service Department (tBOK) as well as the traditional channel i.e. the showroom network.

Customer relations are shaped through dialogue with customers, constant learning and molding customer needs while ensuring comfort and security. The customer portfolio is built on the basis of acquisition efforts throughout Poland.

The sales network comprises:



On 1 July 2016 the company introduced into its offer a gas product dedicated to consumers under the name "Simply gas for your home". The offer comprised both retail customers and SOHO (small or home office), increasing the sales growth rate of the dual fuel offering based on electricity and gas. The offering prepared for the customers is based on precise

understanding of their needs, simplicity of the solutions and customer-oriented innovations.

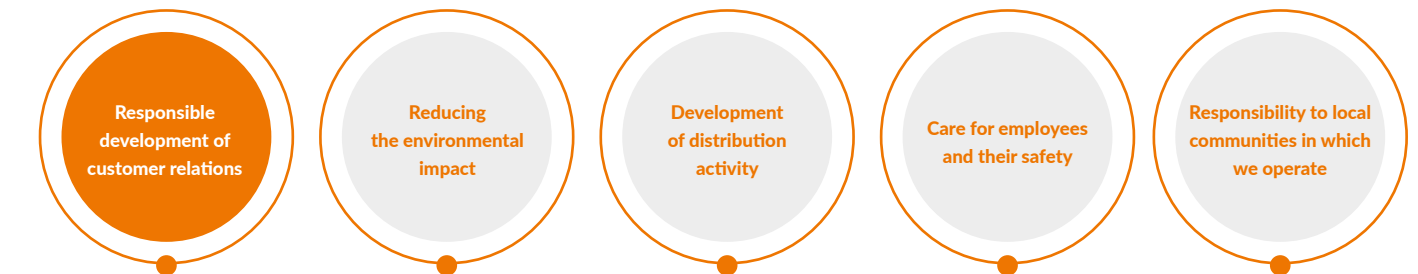
As regards the efficiency, a segmentation project is under way expected to provide information about uniform customer groups, which will allow for:

- 1 Developing a product offering addressing the needs of a specific customer group
- 2 Communication addressed to a specific customer group
- 3 Adapting the sales channels ensuring their more efficient use
- 4 Managing the service channels in accordance with the needs of specific customer groups
- 5 Unifying the above processes for specified customer groups

The priorities defined last year, whose execution determined the company's development and improvement of its efficiency in building lasting

relationships with the existing and prospective customers, were pursued in a number of projects.

Responsible management



Goals for 2016

Progress in achieving the objectives for 2016

Development and optimization of the sales network and strategic partnerships, including development of D2D (door to door) sales and online channels

A network of external partners offering products and services was made available. Due to the lower than expected sales results, the viability of this form of sales is being verified.

Construction and development of digitized transaction environment in the Sales Segment, unifying the sales offered in online channels and mobile applications

As part of a project entitled "Customer digitization and development of the electronic sales channel", a web transaction environment has been prepared making it possible to acquire customers through a modern alternative sales channel. As part of the project, among others 56 thousand leads were collected as a result of which nearly 1,600 agreements with customers were signed. The environment ensures constant presence of Energa-Obrót in the Internet and combines all platforms made available by the Company in a consistent sales mechanism managed from a single place.

Offering new products to customers, among others financial products, products associated with generation of electricity in photovoltaic panels, products with payments based on the effects of optimization of energy consumption

Sale of financial products started on 30 June 2016 and, as a result of a mailing campaign, agreements with nearly 100 customers were signed. As regards the product based on electricity generated in photovoltaic panels, a market analysis was carried out, product concept, and sales and financing model, and IT tools for integration and reporting of product sales were prepared. Analyses are being carried out to determine the impact of the provisions of the act on renewable energy sources on profitability of investments for customers. After completion of the analyses, a decision will be made on launching the offering of photovoltaic sets in the network of Energa-Obrót's proprietary showrooms. As regards products with payments based on effects of optimization of energy consumption, a product concept was developed for modernization of traditional lighting with LED lighting, which would be financed from savings offered by effected investments. The product expanded Energa-Obrót's offering and work is under way to prepare its offering in the proprietary showroom network and the company's electronic transaction environment.

Development of the dual fuel offering based on the existing (gas) or new media in the Polish and foreign energy markets

On 1 July 2016, the company launched the sale of a gas product dedicated to consumers under the name "Simply gas for your home".

Optimization of the Sales Segment as regards sales support processes (including activities aimed at securing revenues in the enterprise)

The company is taking actions aimed at reducing the costs of operations, in particular through rationalization of the service and settlement processes. High efficiency of the organization is to be ensured by long-term improvement of the efficiency of the sales processes, settlements and collections, carried out through optimization of their costs (including work consumption) with regard to the quality of the products delivered by them, taking account of the market.

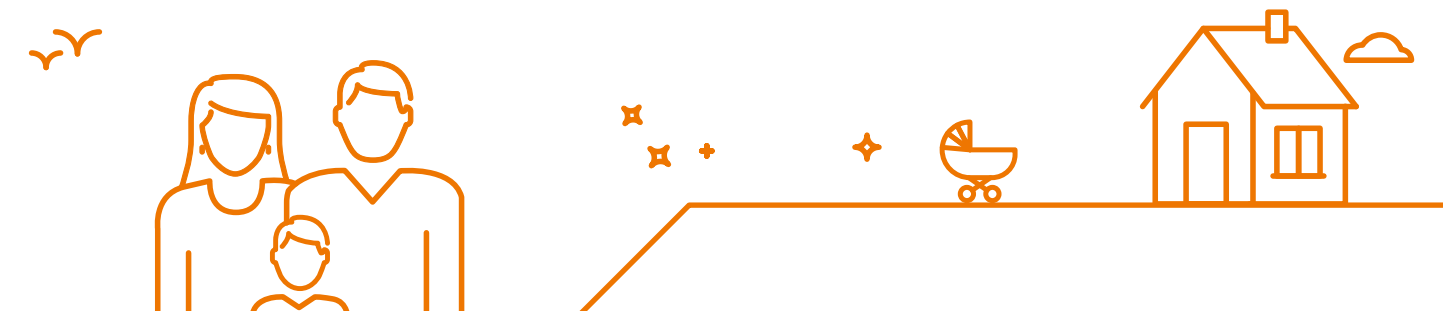
The company continues to work on development of a system of partners supporting provision of services, customer service and the sales process, development of partners and cooperation with stakeholders having impact on selection of the utility provider and take-over of customer acquisition companies.

In March 2016 Energa-Obrót SA, together with Electrolux Poland sp. z o.o., launched an offering entitled "Simply cool calculation" addressed to retail customers who purchased selected Electrolux equipment and completed a form on a special website.

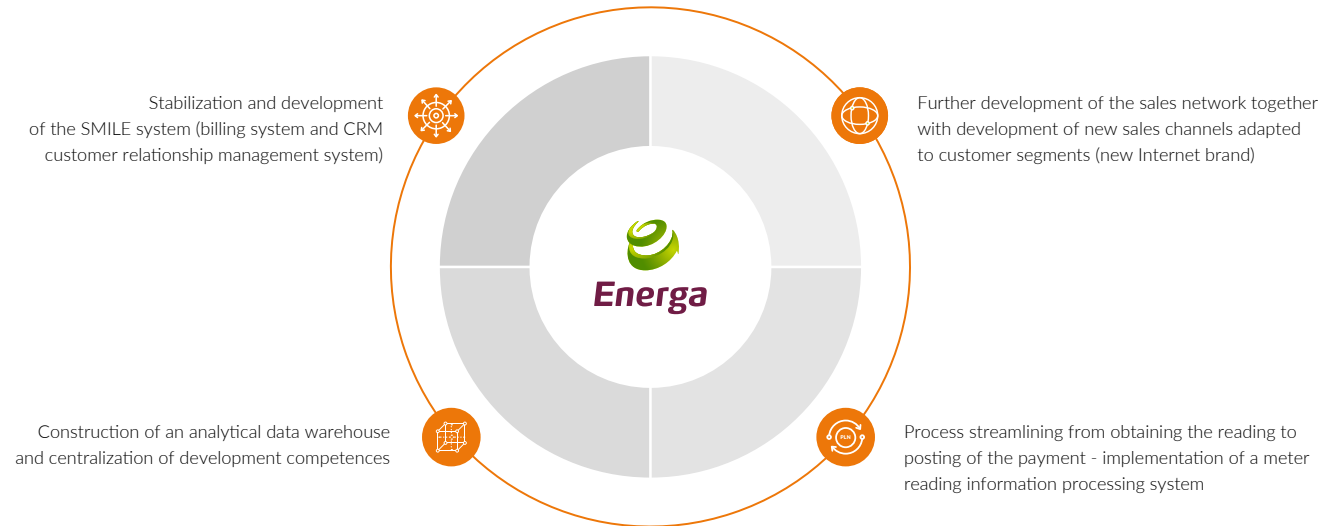


The Company as the only seller of electricity in Poland launched a product for multi-child families holding a Big Family Card, thanks to which they can cut down their electricity bills even more. In connection with the advanced project works on additional electricity-related products, in September 2016 the company launched a comprehensive customer service process, starting from interest in the offering through comprehensive sales service, to support service. The product comprises a financial element in the form of a loan to finance the purchase of Energa Group's products or services.

To address the increasing digitization of Polish society, eCommerce transaction environment was prepared to acquire customers through a modern alternative sales channel. The environment allows for dynamic sales of the product offering in the eShop with a price offering for electricity. At the same time a new version of the transaction service sklep.energa.pl was launched new functionalities in eShop were introduced (payback points, new forms of payment, Inpost deliveries) together with expanding the product range.



The company defined its priorities for 2017, including



2.2. Energa-Obrót SA customer and products

Customers

Energa-Obrót SA is an electricity supplier for over 2.9 million retail, business and institutional customers across Poland.

In 2016 the company had a high market share of approx. 20% in sale of electricity to public sector buyers – where the main purchase procedure is a tender, once again becoming a leader in the number of won procurement procedures following the public procurement law.

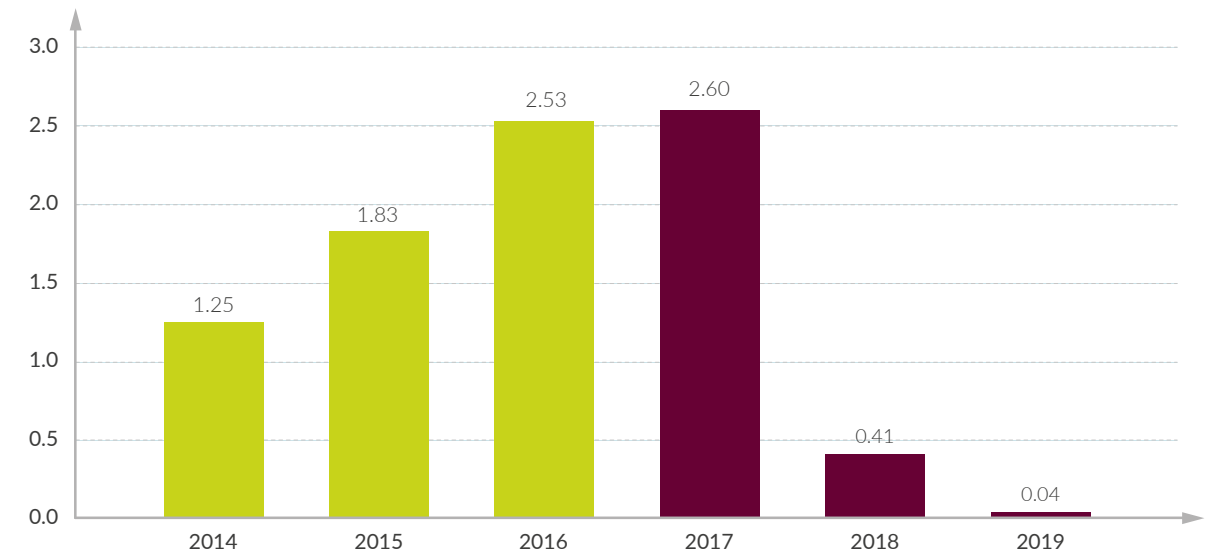
The customer portfolio from the public sector keeps increasing – in 2017

it amounted already to 130 thousand PPE and 2,6 TWh¹ with the revenues exceeding PLN 0.55 bn with an upward trend until the end of 2017.

Among the biggest and the most important public customer acquired one may list: the procurement group of the Gdańsk Metropolitan Area, procurement group of the City of Kalisz, PKP SA, the City of Wrocław, the City of Czestochowa, the City of Rybnik, the Capital City of Warsaw, the City of Łódź, the City of Zakopane, the City of Wałbrzych and the City of Olsztyn.

¹ Data as at 30 November 2016.

Annual sales volume to the public sector in TWh



* The 2017 sales is currently at a halfway point; the sales for the next years has just started

Number of registered retail, industrial, institutional and commercial users

Type of user	Number of users	
	2015	2016
Retail	2 666 907	2 710 995
Industrial	6 837	7 138
Institutional	10 710	10 857
Commercial	285 509	277 583
Total	2 969 963	3 006 573

Disconnections of users resulting from failure to pay the electricity bills are unfortunately an indispensable part of the collection process.

The table below shows a positive trend - shortening the time both between the disconnection and the payment, and between the payment and reconnection.

Number of residential disconnections for failure to pay energy bills by period of disconnection

1. Number of customers by length of time between disconnections and remission of payment to be reconnected:

	Grupa Energa		
	2014	2015	2016
up to 48 hours	0	0	0
48 hours to 1 week	0	0	0
1 week to 1 month	65 056	61 867	24 552
1 year and more	0	0	0

2. Number of customers by length of time between remission of payment and reconnection:

	Energa Group		
	2014	2015	2016
up to 48 hours	0	0	0
48 hours to 1 week	88 360	51 985	0
1 week to 1 month	5	0	20 446
1 year and more	0	0	0

The implementation of new billing systems launched in 2013 (arising from the need to adjust our IT systems to the Polish legal framework and the nature of Energa's offering) created certain unfavorable consequences for our customers, the occurrence of which could not have been foreseen at the design stage and which were not detected at the testing stage.

The fundamental problem concerned invoicing, and although it affected less than 2% of our customers, it received adverse coverage in the media. In order to eliminate these inconveniences, Energa took a number of steps aimed at resolving the problems and improving the quality of customer service in this area, including the following:



special task forces were established to focus on finding the optimal target solutions to the existing problems



customers most significantly affected by the unfavorable consequences were offered a 180-day extended payment deadline



the size of workforce dealing directly with customers was increased



functionality systems were repaired and errors in their operation were repaired

According to the current action plans the scale of the existing problems will soon be significantly curtailed.

Basic brands, products and services

Simply gas for your home



The offer labeled "Po prostu gaz dla domu" [Simply gas for your home] is an offer to sell gas fuel in 2016-2017 at attractive prices. It is targeted at consumers using tariff groups W-1, W-2, W-3 and W-4, utilizing gas fuel for household heating purposes in volumes of up to 110 kWh/h.

Tariff group	Gross price of gaseous fuel and rates of gross subscription fees applicable during the term of the offer	
	Price of gaseous fuel (PLN/MWh)	Subscription fee
W1	121.77	3.57
W2	115.62	5.90
W3	113.16	6.77
W4	110.70	12.18



Office with Energa



The customer, when signing a comprehensive agreement, may choose one of the following Microsoft software packages: Office 365 Personal or Office 365 for home users, each at a very attractive price.

The customer is guaranteed that the sales price for electricity will not change until the end of the offer period. As regards the Office 365 software package, the customer always receives the most recent versions of Word, Excel, PowerPoint, Outlook, OneNote, Access and Publisher as well as permanent access to software updates and 1 TB of cloud storage space per user to store data in the cloud. Furthermore, the customer receives 60 minutes of Skype connection per month to phones in over 60 countries as well as access to online versions of Office packages of Word, Excel, PowerPoint and OneNote.

Indexed Offering Platform (POI)



This is the first solution of this kind on the Polish energy market for business customers using indexed offers.

The Indexed Offering Platform is an online platform for electricity contracting within the framework of offers indexed by prices quoted on the Polish Power Exchange (PPX). The platform serves the purpose of providing the customers with up-to-date information on price trends on the PPX, the current contract price and the possibility of contracting certain 'portions' of electricity through the platform itself.

Using the Indexed Offering Platform, the customer may participate in the electricity contracting process by deciding when, at what price and what percentage of available volume it wishes to purchase.

Simply the Family



Worthy of particular mention is the Energa Group's pro-family offer, the first of this kind in Poland. The establishment of co-operation with the Ministry of Family, Labor and Social Policy marked by accession to the first nationwide Large Family Card program resulted in the creation of the "Simply the Family" offer by Energa-Obrót's Product Division. The offer enables families with three or more children and holding a Large Family Card to reduce their electricity bills significantly. In addition to a more affordable electricity price and sales fee, large families may also take advantage of a guaranteed fixed price for a period of 24 months.

Detailed information on Energa-Obrót's product offer is available on the website www.energa.pl.



2.3. Responsible sales process

Customer service standards

In 2016, we continued to apply in our customer relations model principles and best practices and standards described in the Books of Customer Service Standards providing guidelines for customer relations personnel on how to deal with customers during both the execution of the product sale process and the provision of after-sales services. The application of these standards is aimed at ensuring a high-level professional customer service and at raising awareness among our staff about who the customer is and

what his or her needs and expectations are. Care for customer relations has been embedded, without limitation, in the company's strategy, and professional and reliable customer service is a matter of priority, determining the direction of our efforts.

Each member of staff dealing with customer relations is required to apply the adopted standards every day of his or her work. In 2016, Energa-Obrót continued work on optimizing the available contact channels.

Showrooms



In response to customer expectations, in the first quarter of 2016 the company expanded its service functions in the showrooms. Among the types of information that customers may inquire about, are various line items in invoices and their current account balance. Customers may also change their mailing data, obtain assistance with activating additional services or submit a verbal complaint about an incorrect meter reading reflected in an invoice.

Complaints or notifications that require, for instance, further analysis, are received in the showroom and forwarded to Energa-Obrót's department responsible for dealing with the pertinent kind of issues.

The customer subsequently receives a written reply in the form he or she has chosen: either by e-mail or by regular mail.

Hotline for retail and business customers



Available at 555 555 555 with extended working hours (7 a.m. to 10 p.m.). Qualified consultants solve most of incoming issues during the first contact. The "A grade" hotline enables customers handle issues related to their agreements, payments and Energa's offering.





Provides customers with quick and round-the-clock access to information about all forms of contact with Energa, services, products, document forms, price lists and advice.

In the third quarter of 2016, Energa-Obrót started offering its customers the functionality of booking appointments in the showrooms via the www.energa.pl website, thus eliminating the time customers would otherwise have to spend waiting in lines. The company is the first energy seller in Poland to have launched this kind of service.



Customer service websites at ebok.energa.pl and 24.energa.pl



Available to customers 7 days a week and 24 hours a day. All issues related to settlements, consumption of electricity and payments may be handled quickly and efficiently. With the help of a user-friendly functional online customer service system, our customers may, via their own accounts, for instance:

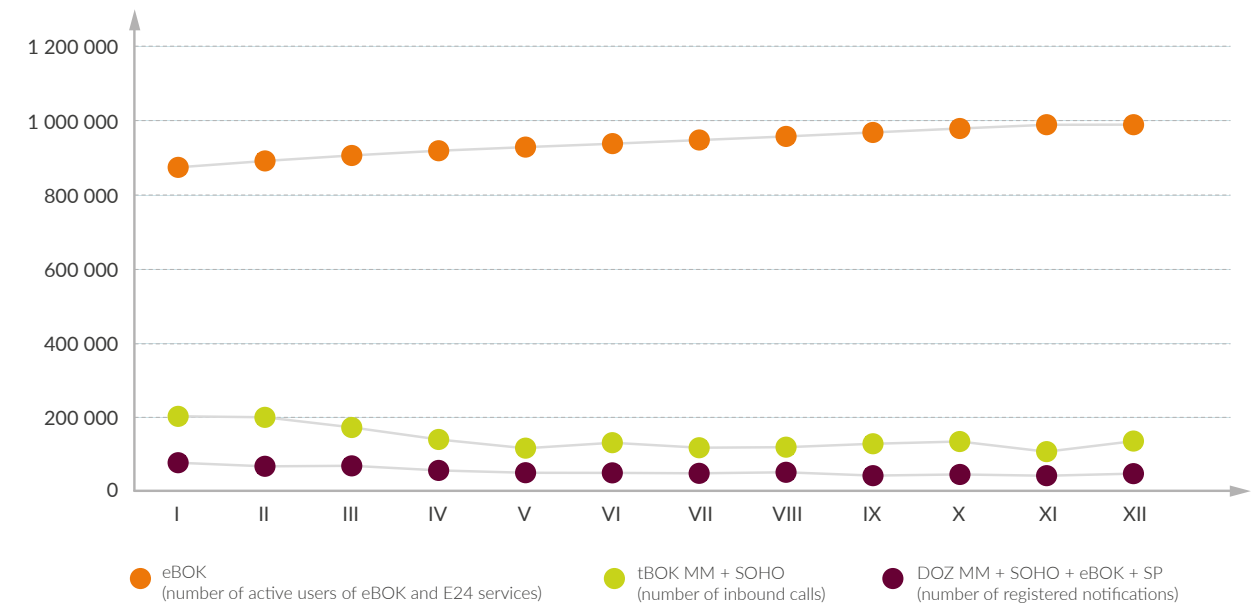
- check the status of their invoices and account balance and pay for electricity
- report their meter readings (the Actual Electricity Consumption service)
- analyze their electricity consumption
- recharge their prepaid counter (the Electricity-by-Card service)
- set notifications to be sent to their phone via text or to their e-mail address
- activate the eInvoice service or a PAYBACK account in Energa
- order products or services offered by Energa

Energa-Obrót SA conducts continuous monitoring of quality standards in its sales and service channels in the form of monthly quality research using the mystery shopping method. The "Mystery Shopper" is a tool aimed at improving the quality of customer service, in particular the level of usage

of adopted customer service standards by the company's staff. Continuous monitoring and use of research results for the application of corrective actions, including employee training, aims to improve on an ongoing basis the quality of service which has a direct impact on customer satisfaction levels.

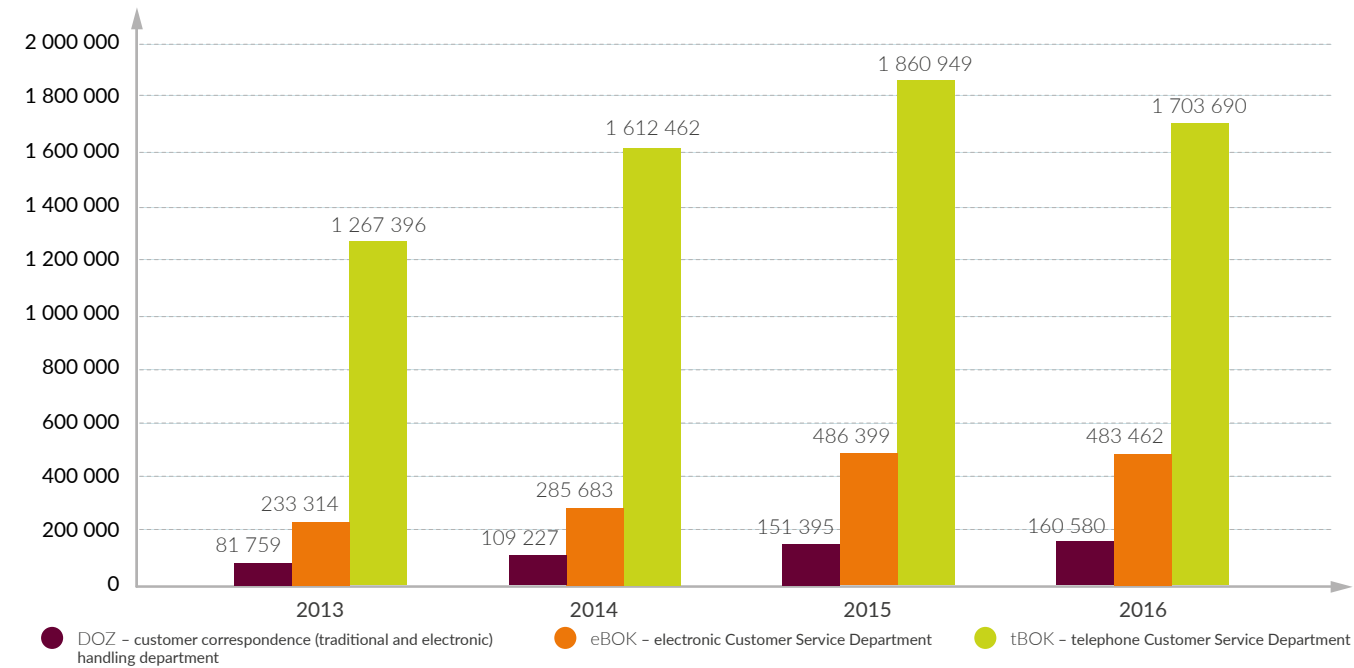


Traffic in contact channels in 2016

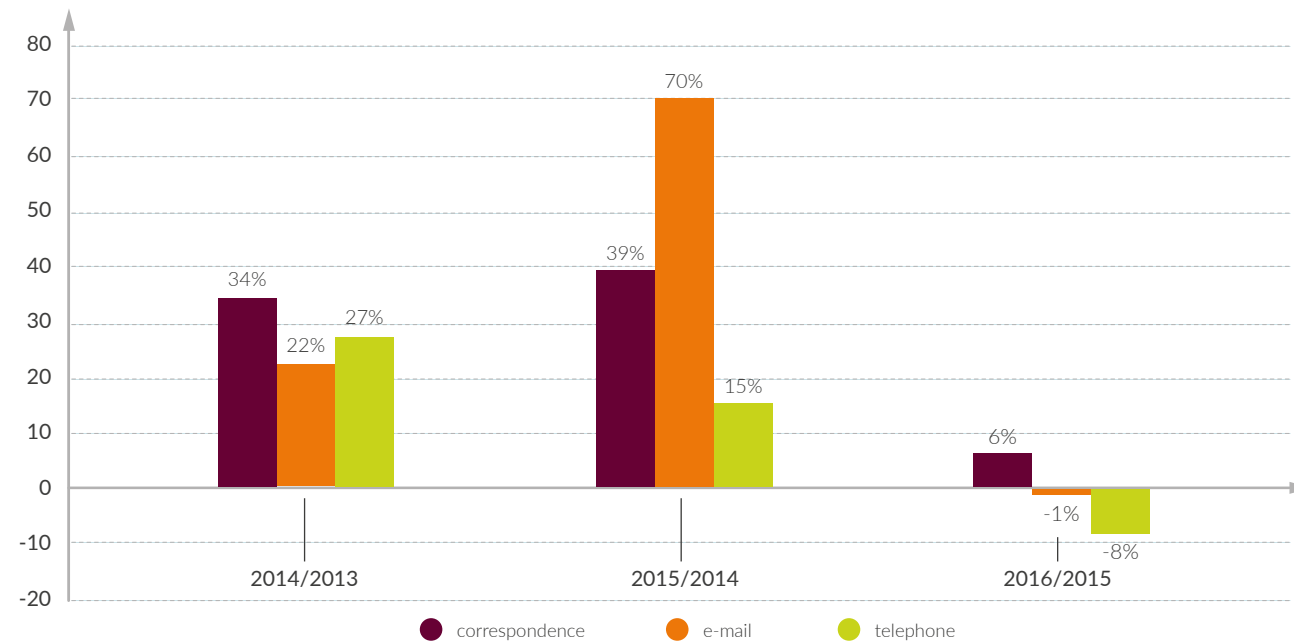


eBOK - electronic Customer Service Department
 tBOK - telephone Customer Service Department
 DOZ - customer correspondence (traditional and electronic) handling department
 SOHO - Small Or Home Office
 MM - Mass Market
 SP - Indirect Sales

Traffic in contact channels in 2013-2016



Rate of change in customers' usage of various contact channels in 2013-2016



Ethics in the customer service area

On 24 November 2016, Energa-Obrót launched a project aimed at improving the efficiency of selected core processes and the process efficiency management system. The purpose of the project is to analyze and streamline the core processes associated with customer contact functions, from product sales, to customer service, settlements and possibly debt recovery. Customers keep setting higher and higher requirements regarding improved attractiveness and quality of services and expect efficient responses to their needs as well as well-mannered contact. Particular care for the quality of contacts with customers is permanently engraved in the company's business DNA.

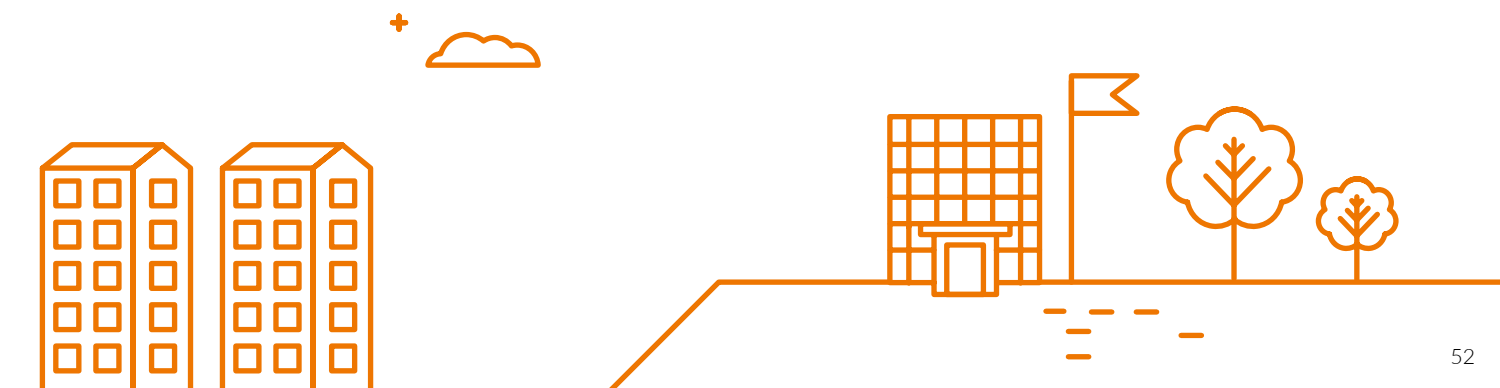
Energa-Obrót SA, while fully agreeing with the concept that personal data are among the most important assets of any organization, keeps taking various kinds of action aimed at ensuring compliance of personal data processing with the applicable requirements of the law.

Information security in Energa-Obrót SA is ensured by:

- regular training to increase awareness among employees,
- periodic internal audits,
- ensuring the confidentiality of information in all contracts signed,
- risk analysis in the area of information security.

Total number of incidents of non-compliance with regulations and voluntary codes of conduct concerning product and service marking and information, by type of outcome

	2015	2016
Incidents of non-compliance with regulations leading to the imposition of a fine or penalty	9	2
Incidents of non-compliance with regulations leading to a warning	0	0
Incidents of non-compliance with voluntary codes of conduct	0	0
Total number of incidents	9	2



Total number of incidents of non-compliance with regulations and voluntary codes regulating marketing communication, including advertising, promotion, and sponsorship, by type of outcome.

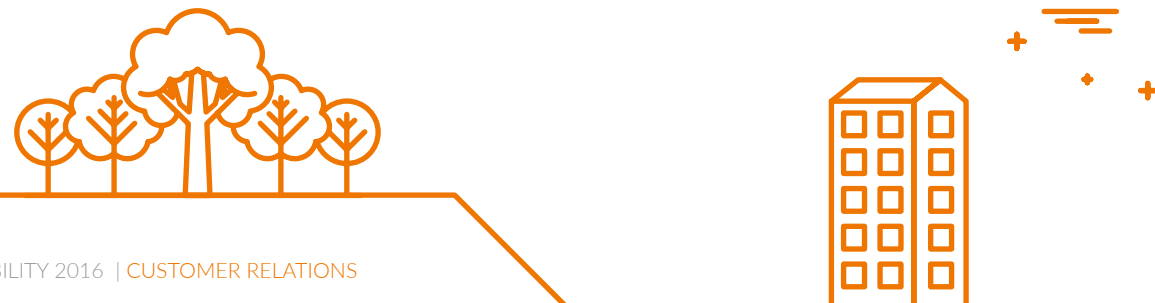
	2015	2016
Incidents of non-compliance with regulations leading to the imposition of a fine or penalty	0	0
Incidents of non-compliance with regulations leading to a warning	0	0
Incidents of non-compliance with voluntary codes of conduct	0	0
Total number of incidents	0	0

Monetary value of major penalties for non-compliance with the law and regulations concerning the supply and use of products and services

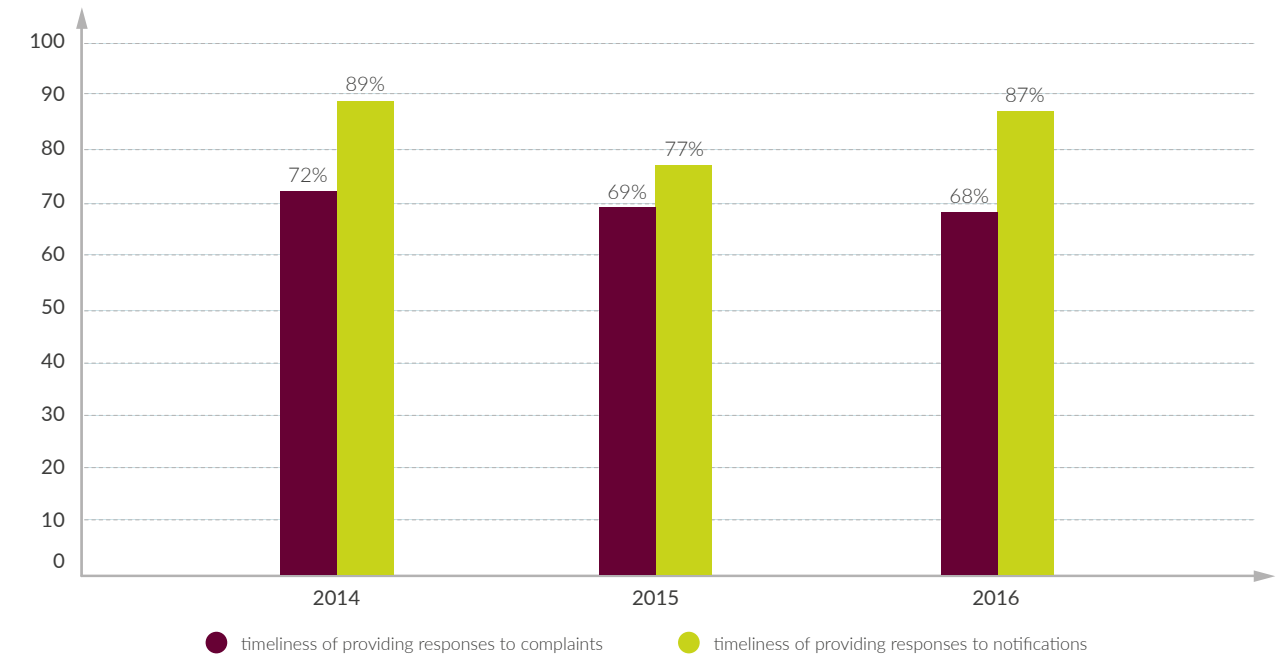
	2015	2016
Total value of penalties (PLN) imposed on the organization for non-compliance with the law and regulations concerning the supply and usage of products and services	170 000	160 000

Complaint handling

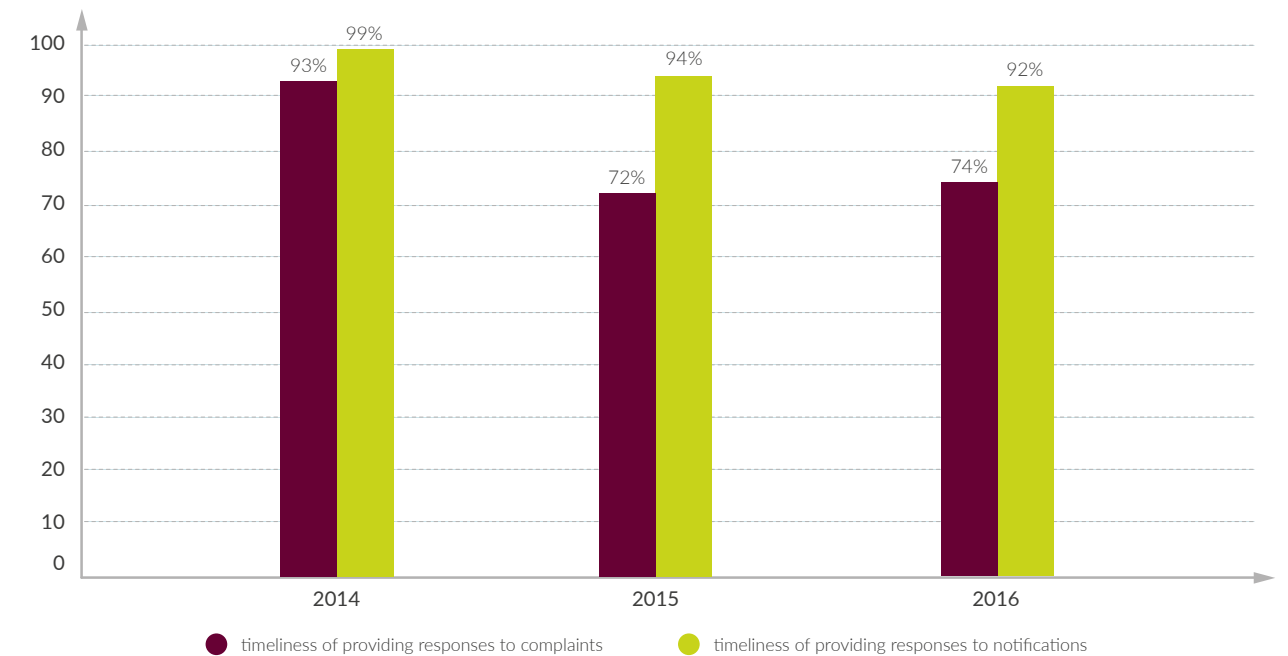
Complaints are an integral part of the business of every operator. Customers of Energa-Obrót SA may submit their complaints via all contact channels.



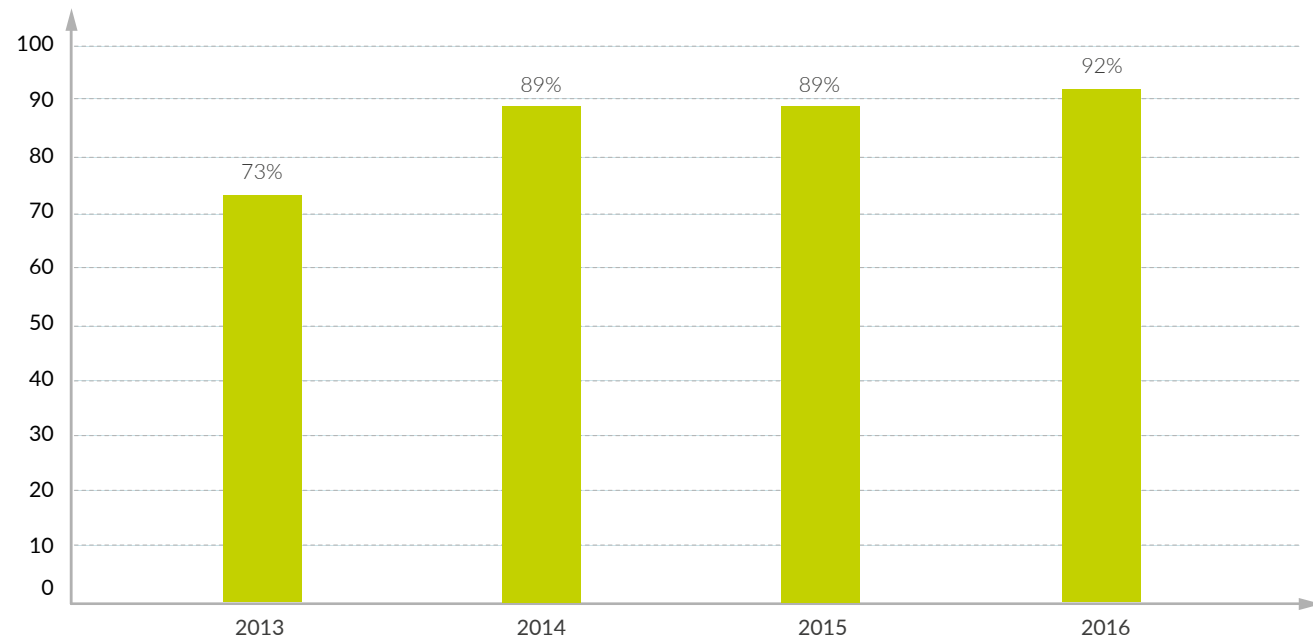
Timeliness of providing responses to client correspondence in 2014-2016



Timeliness of providing responses to client e-mails in 2014-2016



Pickup rate of the telephone customer service department in 2013-2016



Customer satisfaction

In 2016, no customer satisfaction surveys were conducted.

2.4. Customer-oriented innovations

Improvements in customer service

It has been planned that the **24.energia.pl** site will gradually replace the current **ebok.energia.pl** customer service site. ENERGA24 has been expanded to include the following new functionalities:

- personalized preview of products and services available to the customer,
- ability to submit notifications (questions, complaints, requests) and keep track of their status in real time,
- automatically displayed message about exceeding the average consumption,
- ability to switch between customer accounts (e.g. home1, home2) within the same login session,
- ability to invite new users to the customer's eBOK account with an option to set user rights (e.g. for a tenant in the apartment).

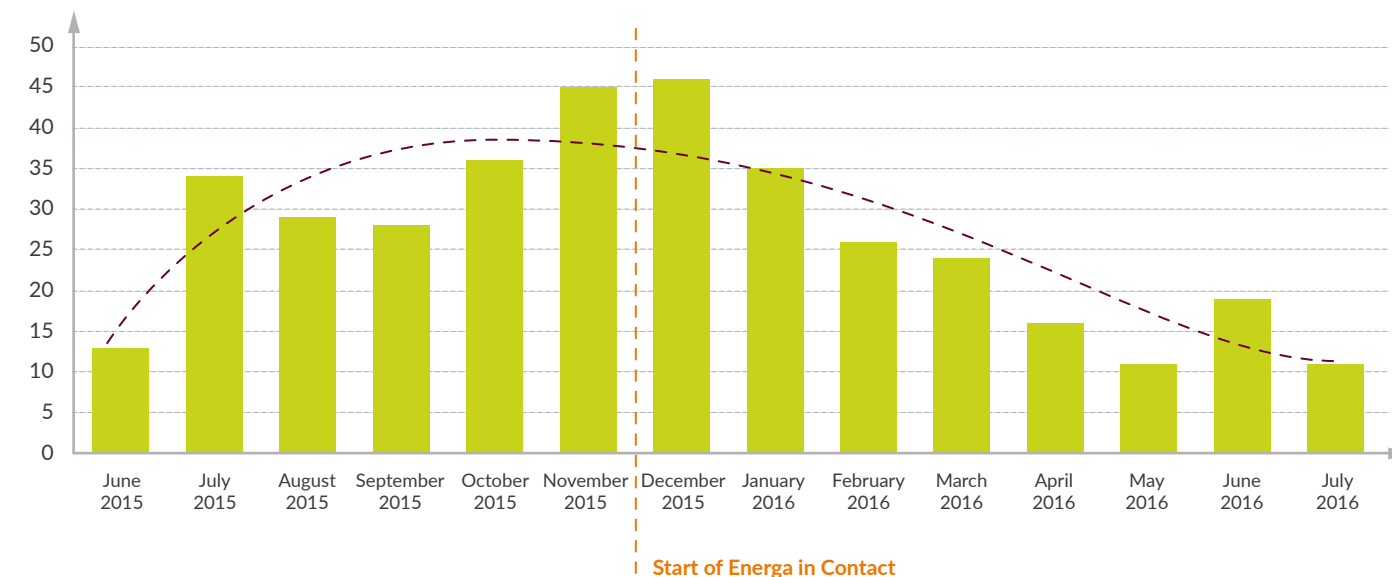
At the same time, customers have been offered a functionality called SMS Balance which provides quick access to information about the current status of the customer's account. Efforts are continuously underway aimed at improving and accelerating settlement processes in the billing systems and processes are gradually introduced to ensure the completeness and cyclicity of settlements for customers billed in an area not covered by Energa's DSO (independently of the completeness and cyclicity of metering data issued by external DSOs).

Also planned is the rollout of a central metering database for the storage of data obtained from DSOs and modification of the current settlement processes towards obtaining data for settlement purposes exclusively by means of a metering information processing system.

Efforts undertaken by Energa-Obrót SA in social media are focused on the emergency handling of customer notifications within the "Energa in Contact" Facebook profile. The purpose of online work is to look for, analyze and solve service-related problems mentioned by customers in their comments under articles, on their private social media profiles or in response to materials shared by other users.

The speed of response in social media has resulted in a reduced number of unfavorable customer opinions concerning Energa on the Internet. This is the result of continuous monitoring of social media, which allows the company to diagnose customer service-related problems on an ongoing basis and, unless unfeasible for technical or organizational reasons, respond to them as quickly as possible.

Number of unfavorable opinions in independent social media



The Energa Group's new strategy for 2016-2025 emphasizes the importance of environmental protection issues in each of its objectives. Development of new and modernization of the existing generation and grid infrastructure, climate-related obligations and diversification of supplies are the tasks that have a direct impact on the business pursued

by the Group companies. Taking this into account, the Group's mission is to continuously develop in response to the needs of its customers and shareholders while ensuring respect for biodiversity through ongoing monitoring of activities and processes affecting the natural environment and involvement in pro-ecological initiatives.

Responsible management



3.1. Environmental objectives in 2016

Goals for 2016	Performance
Increase the share of RES in energy production and supply to customers	Completed: - construction and commissioning of a photovoltaic farm in Czernikowo (3.77 MWe) - construction and commissioning of a wind farm in Parsówek (26 MWe)
Verification of the environmental management system by an external certification unit, completed by registration in the EU system	In October 2015, Group companies covered by the system received an ISO 14001:2004 certificate. In June 2016, Group companies were entered in the EMAS register kept by the General Directorate for Environmental Protection.
Development of the subsidy project entitled "Nature Fund"	We provided grants with the total net value of PLN 35 thousand

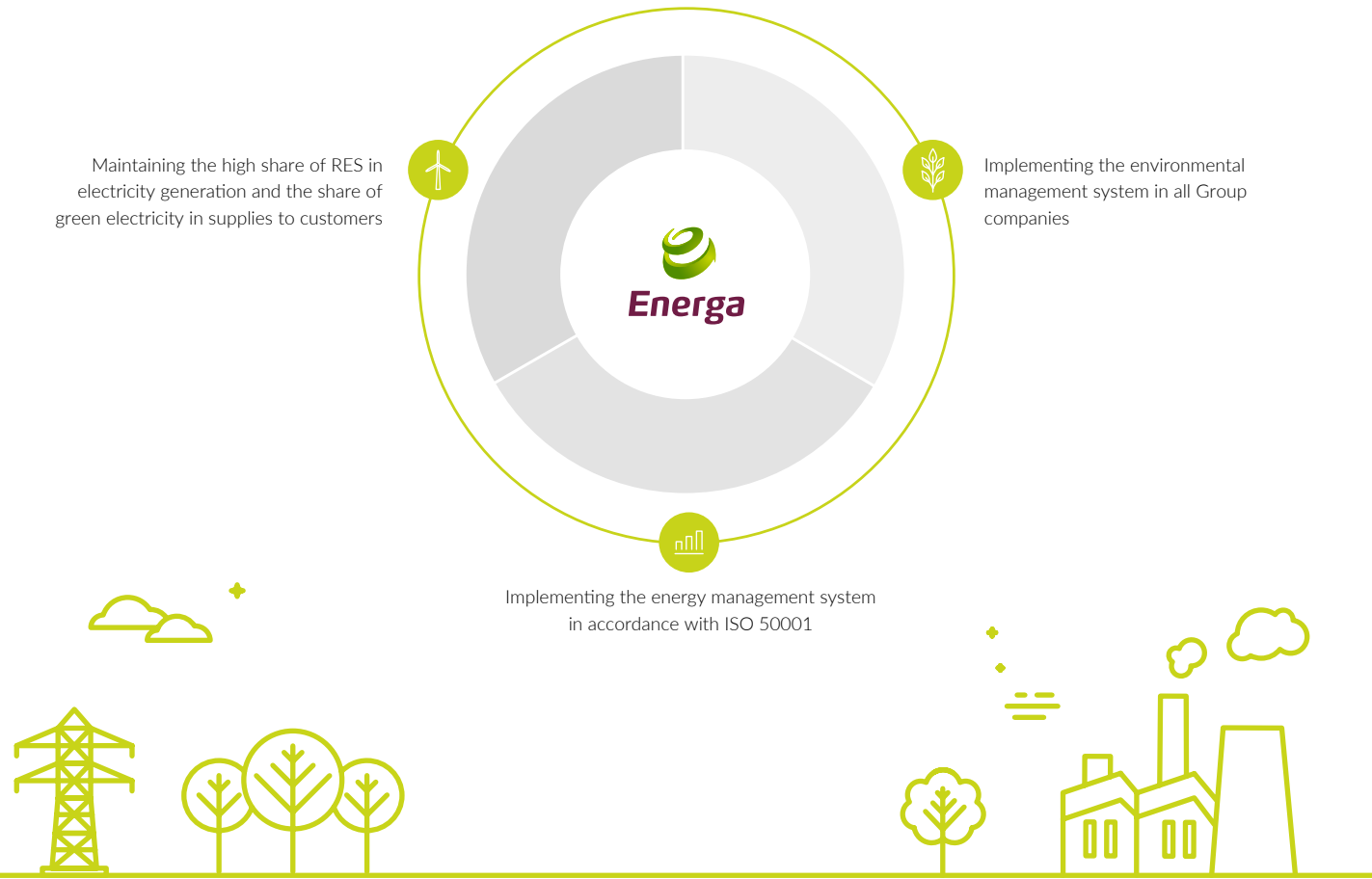
“

Katarzyna Karolak

Chief environmental and sustainable development specialist at Energa Centrum Usług Wspólnych Sp. z o.o.

The EMAS regulation-compliant environmental management system rollout procedure, launched in previous years, was completed last year with a prestigious entry of key Energa Group companies in the EMAS register. It is a great honor for us as it maintains our organization's leading place in the energy sector as the first entity in Poland that has covered such a large number of its facilities by an EMAS system. The actions that were taken demonstrated the commitment of the Group's employees to implementing comprehensive solutions aimed at protecting the natural environment and its resources. We are committed to ensuring our customers that Energa keeps making efforts aimed at protecting the natural environment. This helps raise awareness among our customers that by choosing our services they contribute to environmental protection themselves.

Priorities for 2017



3.2. Environmental management strategy

The environmental management strategy and risk management strategy adopted by the Group incorporate an integrated approach to environmental impact at each stage of the Group's operations (adopted policies, objectives and indicators) and at each organizational level, from the managing company down to single installations and facilities.

Such an integrated approach ensures that each company covered by the EMAS management system:

- is supervised,
- is taken into account in the environmental aspect analysis,
- its legal compliance is analyzed and evaluated,

- is included in the area of objective and task-setting,
 - is subject to systemic supervision, including periodic audits.
- The "Energa Group's Environmental Policy" is a key element of the environmental management system obligating us to maintain compliance with all legal regulations, continuously improve the effects of our operations and limit any adverse effect on the environment.
- The Environmental Management Program serves as a tool to ensure compliance with the declarations made by the Group in the Policy. The requirements of both these documents are cascaded to Segment Leaders and further to Group companies.

The process of implementation of the EMAS management system in the Group companies covered:



In 2015, an independent certification entity conducted a post-implementation audit as a result of which in October 2015 the Group companies received an ISO 14001:2004 certificate and in June 2016 were entered in the EMAS register kept by the General Directorate for Environmental Protection.

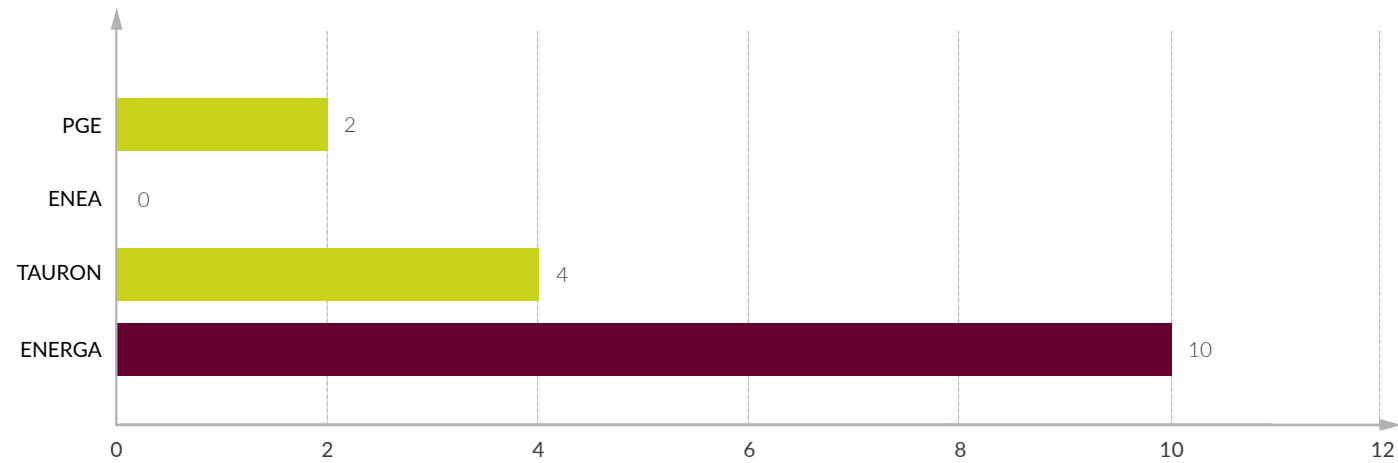
Group Companies whose locations and facilities passed the external audit for compliance with the EMAS regulation:

- Energa SA
- Energa-Obrót SA
- Energa Oświetlenie Sp. z o.o.
- Energa-Operator SA
- Energa Elektrownie Ostrołęka SA
- Energa Ciepło Ostrołęka Sp. z o.o.
- Energa-Wytwarzanie SA
- Energa Kogeneracja Sp. z o.o.
- Energa Centrum Usług Wspólnych Sp. z o.o.
- Energa Obsługa i Sprzedaż Sp. z o.o

A simultaneous registration of such a large number of companies and installations in the EMAS register for a single group of companies (not only in the energy sector) is a precedent on a national scale. For this reason, the Group

feels responsible for promoting the concept of streamlining environmental management among its subcontractors and business partners.

Number of companies in the EMAS register for various utility sector entities



Information based on the EMAS register – lists of organizations registered in the eco-management and audit scheme (EMAS).

After one year of operation of the EMAS system in the Group, the following conclusions may be drawn with reasonable certainty:

- the system allowed us to define what information should be collected,
- the system resulted in a greater degree of order in the records,
- environmental indicators, reports and environmental declarations enable us to inform our employees, public administration authorities and customers about our endeavors in a clear and transparent manner.

In connection with measurable benefits achieved as a result of the implementation of the system (economic as well as organizational), we have begun to extend it to include all Group companies.

For more information about the environmental management system in the Energa Group, see the reports entitled “Our Responsibility 2014” and “Our Responsibility 2015”.

More detailed information on our environmental policy and environmental management program is provided in the “Environmental Declaration of the Energa Group” available on the website:

https://grupa.Energa.pl/zaangazowanie_spoleczne.xml.

EMAS performance indicators for companies subject to EMAS review

The Energa Group recognizes and analyzes eco-management performance indicators as required by the EMAS regulation. The indicators are calculated for the entire Group as well as for the various segments. You can

read more about EMAS indicators in the “Environmental Declaration of the Energa Group” available at:

https://grupa.Energa.pl/zaangazowanie_spoleczne.xml.

Energy efficiency

In 2016, the Energa Group companies launched the process of implementation of the ISO 50001 standard which defines best practices in energy management. With this in mind, energy committees were established in the companies, composed of employees with technical expertise on energy flows, adopted technological processes and their energy intensity.

Until June 2017, the energy committees will conduct energy audits in the companies. Their work will be aimed at identifying energy consumption areas and suggesting actions that will result in improved energy efficiency.

The introduction of proper energy efficiency supervision measures will translate into day-to-day savings in energy consumption, curtailed greenhouse gas emissions and, consequently, cost cuts and compliance with the requirements of environmental law.

Moreover, in 2016, the Group companies implemented a number of modernization and renovation initiatives aimed at diminishing energy consumption.

The following are examples of such initiatives:

Modernization of two of the three installed power units in the Ostrołęka B Power Plant, which included:



- modernization of turbines, generators and unit transformers resulting in improved energy generation efficiency and increased achievable power output to 230 MW,
- overhauls of boilers resulting in their improved reliability and efficiency.

These actions resulted in an improved unitary consumption of the chemical energy of fuel by approx. 170 kJ/kWh in unit 3 and by more than 370 kJ/kWh in unit 2.

Replacement of lighting fixtures in the boiler and slag removal facility in the District Heat Plant in Kalisz



As part of the modernization, old lighting fixtures fitted with traditional discharge lamps – fluorescent and sodium lamps – were replaced with modern lighting fixtures fitted with LED bulbs. In total, 53 fixtures with a combined power of 5,632 W were replaced with 46 LED fixtures with a combined power of 1,889 W, thus reducing the power consumption by 3,743 W.

The table on the following page presents the consumption of energy broken down into key segments in 2015-2016.



Energy consumption in the organization (the summary includes all Group companies)

Company/segment	Total power consumed from renewable and non-renewable fuel resources (GJ)	
	2015	2016
Group management	1 704	881
Distribution Segment	41 080	71 695
Sales Segment	510	724
Generation Segment	35 726 846	33 432 175
Energa Elektrownie Ostrołęka SA	27 681 256	25 168 653
Energa Kogeneracja Sp. z o.o.	3 711 490	3 720 463
Ciepło Kaliskie Sp. z o.o.	336 939	373 931
Energa Wytwarzanie SA	3 990 427	4 167 011
Energa Ciepło Ostrołęka Sp. z o.o.	0	0
Other companies of the Generation Segment	6 597	2 116
Shared Services	0	11
Energa Group's Segments	35 770 140	33 505 486

Total power consumed from non-renewable fuel resources (GJ)		Total power consumed from renewable fuel resources (GJ)		Total power consumed/ purchased power (GJ)	
2015	2016	2015	2016	2015	2016
1 704	881	0	0	1 806	4 291
41 080	71 695	0	0	6 642 296	4 265 273
510	724	0	0	465 834	469 499
25 398 081	28 781 865	10 328 765	4 650 310	1 527 253	1 625 422
21 743 488	25 062 823	5 937 768	105 830	0	0
3 316 867	3 344 156	394 623	376 307	4 455	5 088
336 939	373 931	0	0	471 461	491 489
787	955	3 989 641	4 166 056	8 896	8 444
0	0	0	0	949 554	972 805
0	0	6 597	2 116	327	147 597
0	11	0	0	7 770	8 927
25 441 375	28 855 176	10 328 765	4 650 310	8 644 959	6 373 412



Company/segment	Total power consumed from renewable and non-renewable fuel resources (GJ)		Organization's total energy consumption (GJ)	
	2015	2016	2015	2016
Group management	0	0	3 510	5 172
Distribution Segment	4 943	60	6 678 434	4 336 691
Sales Segment	0	1 840	466 343	468 382
Generation Segment	33 160 326	31 265 017	4 093 772	3 792 579
Energa Elektrownie Ostrołęka SA	25 089 538	22 879 189	2 591 718	2 289 464
Energa Kogeneracja Sp. z o.o.	2 595 706	2 569 946	1 120 238	1 155 606
Ciepło Kaliskie Sp. z o.o.	664 849	705 402	143 551	160 018
Energa Wytwarzanie SA	3 897 092	4 112 923	102 232	62 532
Energa Ciepło Ostrołęka Sp. z o.o.	829 894	853 228	119 660	119 577
Other companies of the Generation Segment	6 597	144 330	327	5 383
Shared Services	0	0	7 770	8 938
Energa Group's Segments	33 165 269	31 266 918	11 249 830	8 611 762

Consumption of fuel resources

In 2016, a total of 1,348,123 Mg of fuel resources was used to produce electricity and heat, which was roughly 15% less than in the previous year. We continued the activities to minimize the use of non-renewable commodities and improve equipment's technical efficiency, among others:

- we renovated and modernized equipment to improve power generation capacity in hydro power plants;

- we overhauled and modernized power and heat generation installations on an ongoing basis.

Optimization of the consumption of fuel resources was also conducted as part of the ongoing operation of generation facilities. An example is Energa Elektrownie Ostrołęka, a company where such optimization is conducted by continuous monitoring and selection, for firing,

of coal with optimal quality parameters, in terms of both economic and physicochemical characteristics, such as: calorific value, ash content, moisture content, sulfur content and milling susceptibility. This causes a decrease in the volume of coal consumed, the amount of furnace waste generated, the consumption of sorbent for the flue gas desulfurization process and the consumption of electricity for own needs.

Due to the low prices of renewable energy certificates (green certificates) in 2016, Energa Elektrownie Ostrołęka did not generate any energy from renewable sources in a process of co-firing of biomass and coal. The quantities presented in the report result from the consumption of biomass for testing the company's installations.

Fuel resources/materials consumed by weight or volume (the summary covers all Group companies)

Fuel resources/materials	2015	2016
Non-renewable:		
coal [Mg]	1 156 660	1 287 712
natural gas [m3]	1 671 923	1 482 674
heating oil [Mg]	1 790	2 571
other non-renewable [Mg]	340	324
consumption of other non-renewable fuel resources and materials [Mg]	28 916	27 236
Total consumption of non-renewable fuel resources [m³]	1 671 923	1 482 674
Total consumption of non-renewable fuel resources [Mg]	1 187 707	1 317 844
Renewable:		
biomass [Mg]	406 350	29 970
Total consumption of renewable fuel resources [Mg]	406 350	29 970
consumption of direct materials (e.g. steel) [Mg]	384	309
Total consumption of fuel resources [m3]	1 671 923	1 482 674
Total consumption of fuel resources [Mg]	1 594 440	1 348 123

Emissions into the air

Greenhouse gas emissions

In 2016, roughly 84% of direct emissions were related to electricity generation, while approximately 16% resulted from heat generation. In total in 2016, 2,675,019 tons of CO2 equivalent, or approx. 11% more than

the year before, was emitted, which was due to an increased generation of electricity from conventional sources.

Direct greenhouse gas emissions (the summary covers all Group companies)

Company/segment	Total direct greenhouse gas emissions [tCO2]		Emissions related to electricity generation [tCO2]	
	2015	2016	2015	2016
Group management	232	237	0	0
Distribution Segment	11 619	9 148	0	0
Sales Segment	1 143	1 273	0	0
Generation Segment	2 367 855	2 664 122	1 999 811	2 236 886
Energa Elektrownie Ostrołęka SA	2 029 009	2 310 775	1 914 411	2 160 222
Energa Kogeneracja Sp. z o.o.	308 299	318 685	85 397	76 662
Ciepło Kaliskie Sp. z o.o.	28 922	33 138	0	0
Energa Wytwarzanie SA	373	359	3	2
Energa Ciepło Ostrołęka Sp. z o.o.	943	833	0	0
Other companies of the Generation Segment	295	331	0	0
Shared Services	130	239	0	0
Energa Group's Segments	2 380 979	2 675 019	1 999 811	2 236 886

Emissions related to heat generation [tCO2]		Emissions related to transport of materials/employees [tCO2]		Biogenic emissions [tCO2]		Emissions from gas leaks, including emissions related to equipment failures [tCO2]	
2015	2016	2015	2016	2015	2016	2015	2016
95	44	137	193	0	0	0	0
1 869	1 080	9 750	8 068	0	0	0	0
33	23	1 111	1 249	0	0	0	0
366 656	425 966	1299	1 265	633 438	48 124	89	4
114 038	150 110	485	443	593 777	10 583	75	0
222 809	241 954	82	66	39 661	37 541	11	3
28 839	33 050	83	88	0	0	0	0
49	47	321	311	0	0	0	0
912	806	28	25	0	0	3	1
0	0	295	331	0	0	0	0
0	0	130	168	0	0	0	71
368 652	427 114	12 427	10 944	633 438	48 124	89	75



In 2016, the Energa Group continued its earlier actions aimed at curtailing greenhouse gas emissions. In order to increase the efficiency of heat and power generation, our equipment and installations underwent thorough modernization.

We also gradually replaced company cars with new vehicles meeting higher standards for exhaust emissions. For instance, in 2016, orders were filled for Energa-Operator's purchase of 51 cars and lease of 13 cars – all meeting

the EURO 6 emission standard, which replaced the worn-out vehicles acquired in 2002-2010.

Energa-Operator regularly replaces transformers and modernizes grid infrastructure, thereby contributing to lower network losses and curtailed CO₂ emissions (more information on this issue is provided in the Distribution section).

Emission of pollutants into the air

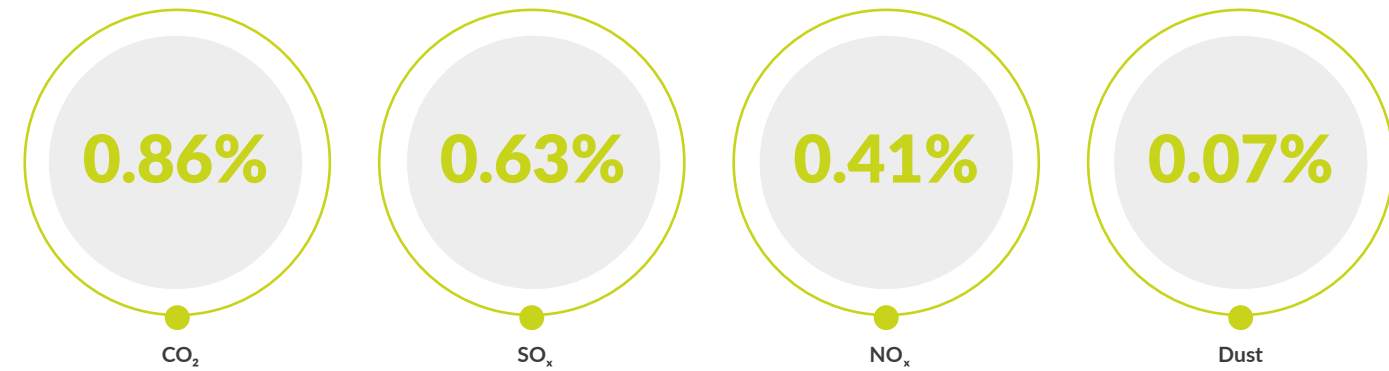
One of the Group's paramount objectives in environmental protection, as set forth in its new business strategy, is curtailing the emission of pollutants into the air, primarily nitride oxides, sulfur and dust.

In 2016, the Group met emission standards and complied with all conditions of permits and regulations on emission of air pollutants, inclu-

ding sulfur dioxide (SO₂), nitride oxides (NO_x), dust and other substances (e.g. volatile organic compounds and mercury).

While the quantity of energy generated from conventional sources rose, air pollutant emissions in 2016 were approximately 32% lower than in the previous year.

Energa Group's share of the total emission of the main air pollutants in Poland*:



* The Energa Group's data on emissions are compared with the "Environmental Protection 2016" report published by the Central Statistical Office (GUS).



Companies undertook a number of measures to curtail emissions of pollutants into the air:



In 2015-2016, the Ostrołęka B Power Plant carried out a complete modernization of electrostatic precipitators for its coal and biomass-fired units 2 and 3, the purpose of which was to curtail emissions of pollutants below the level of 20 mg/Nm³. Also completed was an upgrade of the installation for ash discharge and transport from electrostatic precipitators, replacement of exhaust fans and exchange of exhaust ducts with metering, control, protection and electrical supply systems.



In 2015-2016, the Ostrołęka B Power Plant encased its installation for denitrifying exhaust fumes for boilers OP-650 no. 2 and no. 3, which resulted in a reduction in nitrogen oxide emissions from 400-500 mg/m³ to below 100 mg/m³ of NO_x.



In 2016, the Żychlin CHP Plant modernized its installation for dust extraction from exhaust fumes for boilers WR5 no. 1 and no. 2, which involved the disassembly of old dust collectors and the mounting of new three-stage dust extraction systems consisting of pre-dusters, cyclo-filters and bag filters. As a result of this modernization, dust emissions were curtailed below the level of 100 mg/Nm³.

Emissions of NO_x, SO_x and other emissions into the air (the summary covers all Group companies)

Company/segment	Total emissions of pollutants into the air [Mg]		NO _x [Mg]		SO _x [Mg]	
	2015	2016	2015	2016	2015	2016
Group management	0	0	0	0	0	0
Distribution Segment	215	237	1	12	0	0
Sales Segment	2	3	0	0	0	0
Generation Segment	14 005	9 419	4 822	3 006	7 107	5 042
Energa Elektrownie Ostrołęka SA	11 373	7 145	4 221	2 438	5 635	3 506
Energa Kogeneracja Sp. z o.o.	2 356	2 042	557	534	1 323	1 378
Ciepło Kaliskie Sp. z o.o.	274	225	43	33	149	158
Energa Wytwarzanie SA	0	0	0	0	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	1	1	1	1	0	0
Other companies of the Generation Segment	1	7	0	0	0	0
Shared Services	0	0	0	0	0	0
Energa Group's Segments	14 222	9 659	4 823	3 019	7 107	5 042

Volatile organic compounds [Mg]		HCl [Mg]		Dust [Mg]		Other [Mg]	
2015	2016	2015	2016	2015	2016	2015	2016
0	0	0	0	0	0	0	0
7	9	0	0	0	0	207	215
2	2	0	0	0	0	0	0
1	7	293	162	315	287	1 467	915
0	0	153	114	172	197	1 192	890
0	0	132	39	116	85	228	6
0	0	8	9	27	5	47	19
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1	7	0	0	0	0	0	0
0	0	0	0	0	0	0	0
10	18	293	162	315	288	1 674	1 131



Since 2012, the Group has been reporting its greenhouse gas emissions resulting from the conduct of its operations to the Carbon Disclosure Project, an independent organization involved in the disclosure of emission-

-related data. Such reporting enables comparison of activities focused on sustainable development and their results in the area of greenhouse gas emissions between various companies operating in the energy sector.

CO₂ emission allowances

Group companies producing electricity acquire some of their allowances to emit CO₂ for free as a benefit of derogation granted under the EU ETS directive, on condition of completing their investments reported to the

National Investment Plan. Moreover, companies that generate heat receive free allowances to emit CO₂ in their installations as part of the National Allowances Allocation Plan.

Number of free CO₂* emission allowances granted

Company/segment	Number of free CO ₂ emission allowances granted	
	2015	2016
Energa Elektrownie Ostrołęka SA Ostrołęka A CHP Plant	119 080	96 203
Energa Elektrownie Ostrołęka SA Ostrołęka B Power Plant	1 084 471	825 164
Energa Kogeneracja Sp. z o.o. Elbląg CHP Plant	138 457	109 332
Energa Kogeneracja Sp. z o.o. Żychlin Heat Plant	8 827	7 368
Energa Kogeneracja Sp. z o.o. Kalisz CHP Plant	36 338	29 365
Ciepło Kaliskie Sp. z o.o.	20 715	16 324
Generation Segment	1 407 888	1 083 756

* Only allowances compliant with the pool of awarded free allowances to emit CO₂ (for electricity and heat production) in line with the National Allowances Allocation Plan have been considered.

Water resources

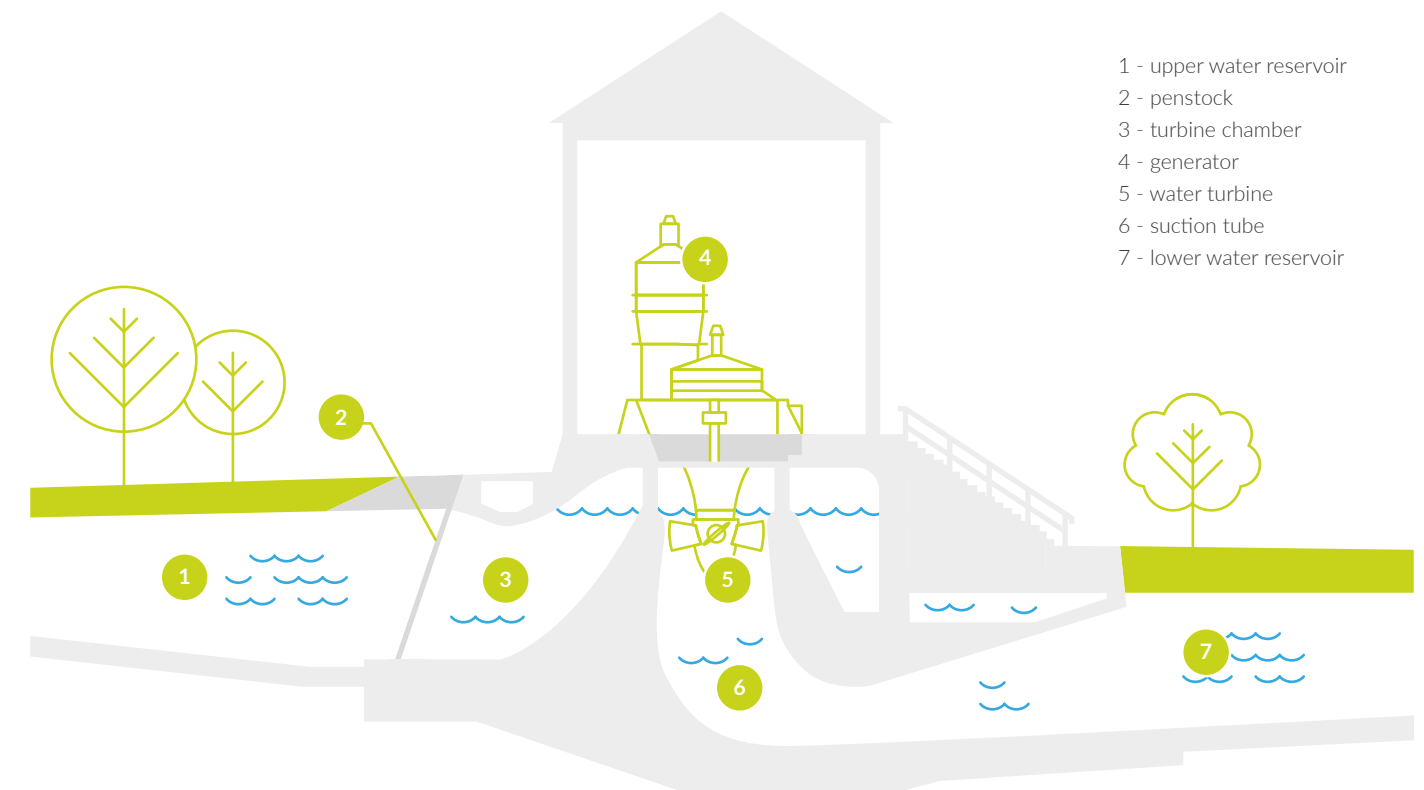
Water is one of the main natural resources used by the Energa Group. In 2016, the Energa Group obtained water from surface intakes and deep wells to cool power generation installations, generate power in hydropower plants, provide potable and household water to employees, etc.

The quantity of drawn water was approximately 32,751,899,808 m³, up 15% from the previous year, of which water used directly for production and social purposes amounted to approximately 32,320,886,232 m³, compared to nearly 430,931,029 m³ utilized for cooling purposes.

The largest water intake was noted in Energa Wytwarzanie, even though

hydro power plants do not experience water losses while producing electricity (for more information about this topic, see the report entitled "Our Responsibility 2015"). The higher quantity of surface water intake for the purposes of electricity generation compared to the previous year is associated with hydrological conditions. Moreover, Energa Wytwarzanie regularly increases water intake for energy generation purposes as a result of modernization upgrades, using turbines with a greater discharge capacity which allow it to increase the share of renewable energy sources in total generation of electricity.

Hydro power plants as an element of symbiosis



In 2016, a scheduled optimization of the hydropower potential of the Włocławek hydro power plant was performed, involving the development and application of real energy characteristics and the selection of the power

plant's optimum operating point. Confirmation of the expected effect, i.e. an improved turbine efficiency, will only be possible in the subsequent years when real operational data are collected.

Total water consumption by source (the summary covers all Group companies)

Company/segment	Total volume of water drawn from all sources taken into consideration [m ³ /year]		Rivers (for cooling purposes) [m ³ /year]	
	2015	2016	2015	2016
Group management	1 606	1 272	0	0
Distribution Segment	82 835	73 992	0	0
Sales Segment	2 467	2 180	0	0
Generation Segment	27 868 119 555	3 275 1821 342	452 984 208	429 140 009
Energa Elektrownie Ostrołęka SA	429 573 170	406 715 428	425 074 799	402 498 238
Energa Kogeneracja Sp. z o.o.	19 312 270	16 806 732	19 048 499	16 574 943
Ciepło Kaliskie Sp. z o.o.	9 377	5 602	0	0
Energa Wytwarzanie SA	27 419 223 992	32 328 292 423	8 860 910	10 066 828
Energa Ciepło Ostrołęka Sp. z o.o.	510	472	0	0
Other companies of the Generation Segment	31	685	0	0
Shared Services	958	1 023	0	0
Energa Group's Segments	27 868 207 422	32 751 899 808	452 984 208	429 140 009

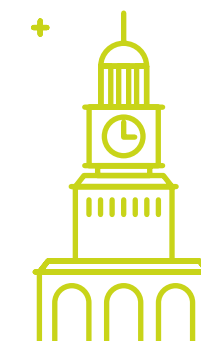
Rivers (for purposes other than cooling) [m ³ /year]		Lakes (for cooling purposes) [m ³ /year]		Underground water (for purposes other than cooling) [m ³ /year]		Water from the municipal utility network [m ³ /year]	
2015	2016	2015	2016	2015	2016	2015	2016
0	0	0	0	0	0	1 606	1 272
0	0	0	0	230	299	82 605	73 693
0	0	0	0	0	0	2 467	2 180
27 413 027 992	32 320 556 949	1 791 020	1 873 567	248 048	205 434	68 288	45 382
4 253 201	4 013 762	0	0	245 170	203 428	0	0
209 169	198 860	0	0	0	0	54 602	32 929
0	0	0	0	0	0	9 377	5 602
27 408 565 622	32 316 344 327	1 791 020	1 873 567	2 878	2 006	3 562	5 695
0	0	0	0	0	0	510	472
0	0	0	0	0	0	31	685
0	0	0	0	0	0	958	0
27 413 027 992	32 320 556 949	1 791 020	1 873 567	248 278	205 733	155 924	123 550



Total volume of sewage by quality and destination (the summary covers all Group companies)

Company/segment	Total volume of sewage [m³]		Sewage discharged to the sewage system [m³]	
	2015	2016	2015	2016
Group management	1 606	1 271	1 606	1 271
Distribution Segment	80 832	77 450	76 601	74 960
Sales Segment	7 558	7 996	4 350	4 294
Generation Segment	21 071 386	18 479 823	72 962	59 674
Energa Elektrownie Ostrołęka SA	1 636 301	1 510 720	52 820	38 922
Energa Kogeneracja Sp. z o.o.	19 342 472	16 880 875	16 750	17 471
Ciepło Kaliskie Sp. z o.o.	966	790	958	785
Energa Wytwarzanie SA	90 983	86 665	1 771	1 797
Energa Ciepło Ostrołęka Sp. z o.o.	430	421	430	421
Other companies of the Generation Segment	31	352	31	279
Shared Services	955	1 000	955	1 000
Energa Group's Segments	21 162 337	18 567 541	156 474	141 200

Sewage transported to a sewage treatment plant [m3]		Sewage discharged into surface waters (lake, river, etc.) [m³]		Sewage discharged into the soil [m³]	
2015	2016	2015	2016	2015	2016
0	0	0	0	0	0
4 231	2 490	0	0	0	0
0	0	0	0	3 209	3 702
1 054	1 302	20 996 941	18 418 451	428	394
0	0	1 583 481	1 471 798	0	0
0	0	19 325 722	16 863 404	0	0
8	5	0	0	0	0
1 046	1 292	87 738	83 249	428	326
0	0	0	0	0	0
0	5	0	0	0	68
0	0	0	0	0	0
5 285	3 792	20 996 941	18 418 451	3 637	4 096





Waste management

The total amount of waste produced by the Group in 2016 was 371,647 Mg, or 5% more than in the previous year, mainly as a result of an increase in the volume of firing by-products.

All waste was segregated, stored or recycled in conformity with the binding regulations and delivered to companies authorized to pick it up.

Fly-ash, ash-and-slag mix and gypsum had the greatest share in the produced waste, a situation typical for conventional generation sources. Striving to curtail the volume of stored furnace waste, Energa Elektrownie Ostrołęka makes efforts aimed at increasing the use of generated ash

by passing it on to recipients, directly from the installation in volatile form, and by minimizing the volume of waste deposited in the landfill. Furthermore, by extracting waste collected in the landfill in the past, the company keeps increasing the available capacity of the landfill, thus contributing to reducing the risk of an adverse impact of the landfill on the natural environment. Similarly, in Energa Kogeneracja furnace waste is transferred for recycling at a level not lower than 90% of the total volume of this type of waste produced during the year.

33 km
of road embankments

may be built from the ash-and-slag produced in 2016 by the Energa Group



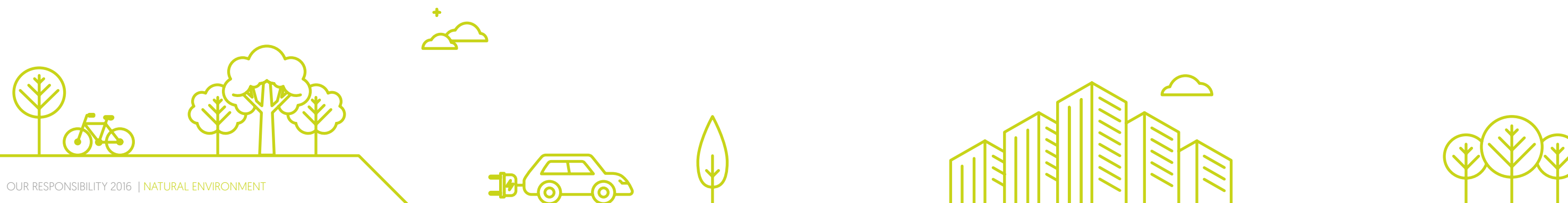
Total weight of waste by type and treatment method (the summary covers all Group companies)

Company/segment	Total weight of waste [Mg]		Weight of hazardous waste [Mg]		Weight of non-hazardous waste [Mg]		Weight of ash-and-slag [Mg]	
	2015	2016	2015	2016	2015	2016	2015	2016
Group management	0.11	0.41	0	0.04	0.11	0.36	0	0
Distribution Segment	4 890	5 110	1 865	1 639	3 025	3 471	0	0
Sales Segment	144	184	19	7	125	177	0	0
Generation Segment	348 241	366 354	106	144	149 702	50 901	198 434	315 310
Energa Elektrownie Ostrołęka SA	310 559	327 348	54	74	148 360	48 188	162 145	279 086
Energa Kogeneracja Sp. z o.o.	32 254	32 170	8	27	300	393	31 947	31 749
Ciepło Kaliskie Sp. z o.o.	4 386	4 486	0	5	44	6	4 342	4 474
Energa Wytwarzanie SA	365	391	38	21	327	370	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	1.70	0.71	0.05	0.15	1.64	0.56	0	0
Other companies of the Generation Segment	671	1 958	6	16	666	1 942	0	0
Shared Services	5	2.5	1.721	0.06	3.1	2.5	0	0
Energa Group's Segments	353 280	371 651	1 991	1 790	152 855	54 551	198 434	315 310



Company/segment	Total weight of waste [Mg]		Recycled waste [Mg]	
	2015	2016	2015	2016
Group management	0.11	0.41	0	0
Distribution Segment	4 890	5 110	0	0
Sales Segment	144	184	29	0
Generation Segment	348 241	366 354	4 296	4 890
Energa Elektrownie Ostrołęka SA	310 559	327 348	0	0
Energa Kogeneracja Sp. z o.o.	32 254	32 170	0	0
Ciepło Kaliskie Sp. z o.o.	4 386	4 486	3 900	4 025
Energa Wytwarzanie SA	365	391	0	0
Energa Ciepło Ostrołęka Sp. z o.o.	1.70	0.71	0	0
Other companies of the Generation Segment	671	1 959	396	865
Shared Services	4.87	2.5	0	0
Energa Group's Segments	353 280	371 651	4 325	4 890

Recovered waste (including energy recovery) [Mg]		Storage in landfills [Mg]		Storage on plant premises [Mg]		Other methods of waste handling [Mg]	
2015	2016	2015	2016	2015	2016	2015	2016
0	0	0	0	0	0	0.11	0.41
0	0	212	25	22	13	4 656	5 072
0	0	0	0	0	0	144	184
32 565	32 284	1 971	1 453	93	216	309 315	327 511
85	114	1 847	1 323	28	20	308 599	325 891
32 039	31 721	119	130	65	194	31	125
442	449	0	0	0	2	44	9
0	0	0	0	0	0	365	391
0	0	1.36	0	0	0	0.34	0.71
0	0	0	0	0	0	276	1 094
0	0	0	0	0	0	4.87	2.5
32 565	32 284	2 183	1 478	115	229	314 120	332 770

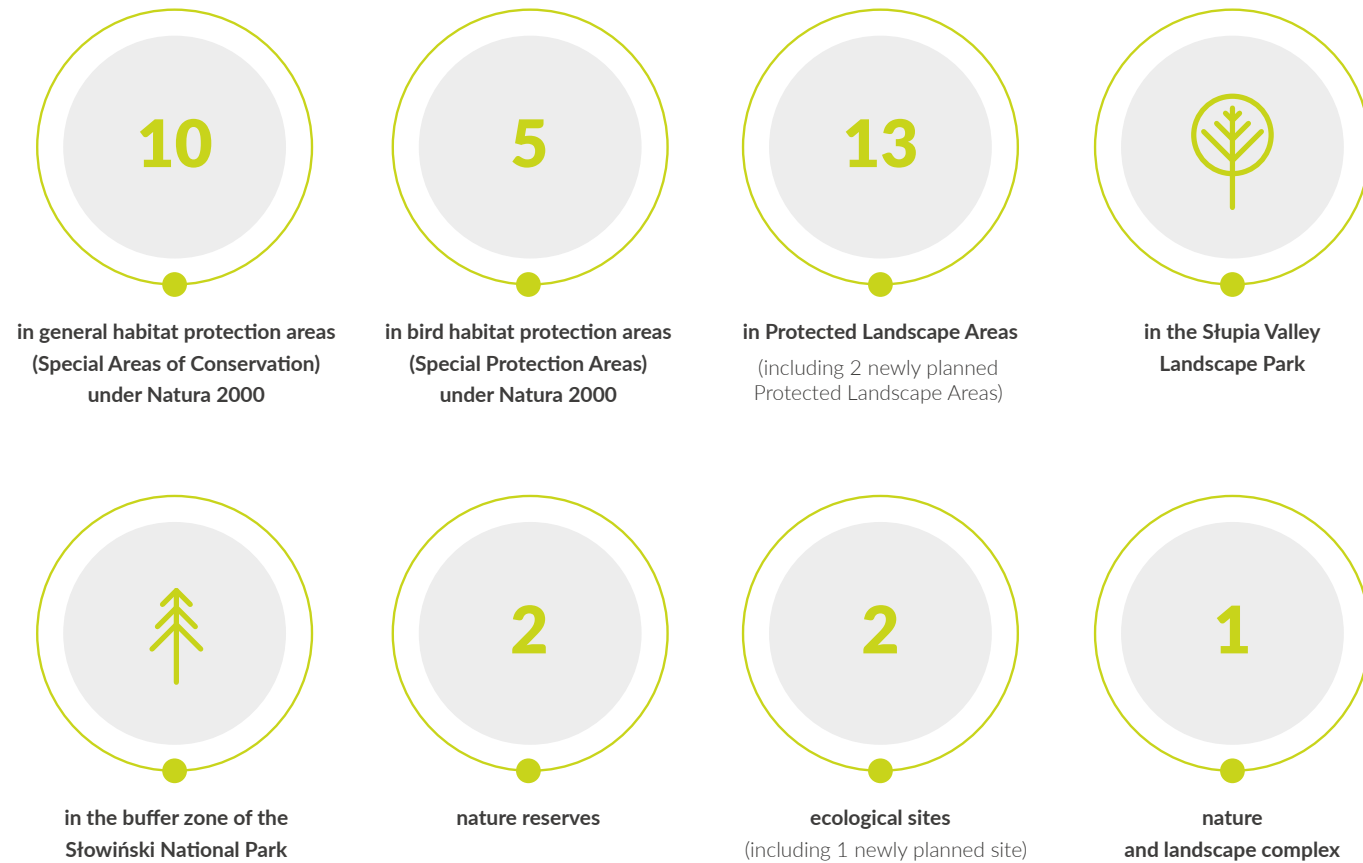


Environmental protection

Activities conducted by the Group companies, especially as regards generation and distribution of electricity and heat, occasionally need to interfere with areas protected under environmental regulations. Such interference cannot be avoided because of the public utility nature of such activities.

Even though most facilities of generating companies are located in protected areas, no major impact of their operations on habitats or protected species has been recorded.

Facilities operated by Energa Wytwarzanie are located in the following protected areas:



In 2016, the Energa Group conducted activities aimed at preserving the biological diversity of watercourses on which its hydro power plants are situated. The Group kept losses in the ichthyofauna to a minimum, mainly by gradually equipping its power plants with fish passes. Additionally, Energa Wytwarzanie, a member of the Group, participates in stocking rivers with fish in order to maintain the proper population sizes of various fish species. The costs of stocking increase regularly, reaching PLN 135,000.96 2016, or 41.43% more than in the previous year.

The Group cooperates with research institutions involved in nature monitoring, including the Inland Fishing Institute in Olsztyn (Migratory Fish Department in Gdańsk), which monitors the eel population around the hydro power plant in Smółdzin. Together with the Department of Environmental Biology of the Koszalin University of Technology, the Group conducts telemetric studies in the Rościno Hydro Power Plant on fish migrations in the area affected by the operation of the fish pass.

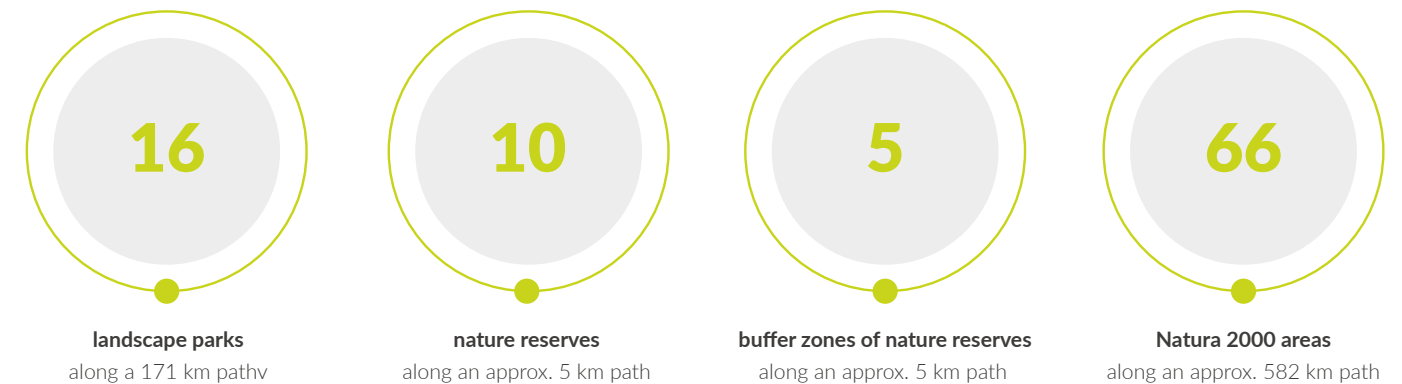
To minimize the environmental impact exerted by a furnace waste landfill situated in a special protection area for birds, the Lower Narew River Valley (PLB 140014) forming part of the Natura 2000 network, Energa Elektrownie Ostrołęka takes a number of measures in this area. The landfill is regularly protected against dusting by sowing grass mixtures on its surface and spraying all operational sites with water. Since 2009, the company has

been monitoring avifauna at the furnace waste landfill, which has become a site for bird gatherings in the post-breeding period. The company deploys nesting boxes on the landfill in order to safeguard bird nesting sites.

In order to minimize the environmental impact of the furnace waste landfill in Jagodno, the municipality of Elbląg, located within the boundaries of the Special Area of Conservation "Vistula Lagoon and Vistula Spit" and the Natura 2000 Special Protection Area "Vistula Lagoon", the landfill instructions contain recommendations for reducing to the necessary minimum any work to be performed with the use of heavy equipment so as not to interfere with the naturally created several millimeter-thick solid layer on the surface of the ashes in the moist microclimate of the Vistula Lagoon, which protects the waste against dusting. At the same time, a protective green belt around the landfill of at least 10 meters in width is maintained. Since 1992, regular monitoring has been conducted of the quality of surface and underground waters in the area of this facility.

Moreover, bird and bat migrations are subject to mandatory monitoring on an annual basis in Energa Wytwarzanie's wind farms, enabling the assessment of any potential migration-related risks. The wind farms are also subject to constant monitoring at their operational stage to ascertain their actual impact exerted on the natural environment.

Energa-Operator's high-voltage lines intersect:



All capital expenditure projects conducted by Energa-Operator, including projects aimed at building power lines located near or within protected areas, are subject to environmental impact assessment procedures. We publish the

relevant reports on our website at <http://www.Energa-operator.pl/25231.xml>. The development and impact of infrastructural capital expenditure projects and the services provided to the society are described in the Society section.

Expansion of the “Energia for Nature” program

In the “Energia for Nature” program, special attention has been devoted to the white stork, as it resides in great numbers in Energia-Operator’s areas of operation.

The Group is a partner in the “Bociany.pl” program run by the “pro Natura” Polish Society of Wildlife Friends whose objective is to preserve the stork population in Poland. A National Database of White Stork Nests was launched on the www.bociany.pl website, showing the status and condition of stork habitats. The website is also a compendium of information about this species, allowing anyone interested to contribute to bird watching and

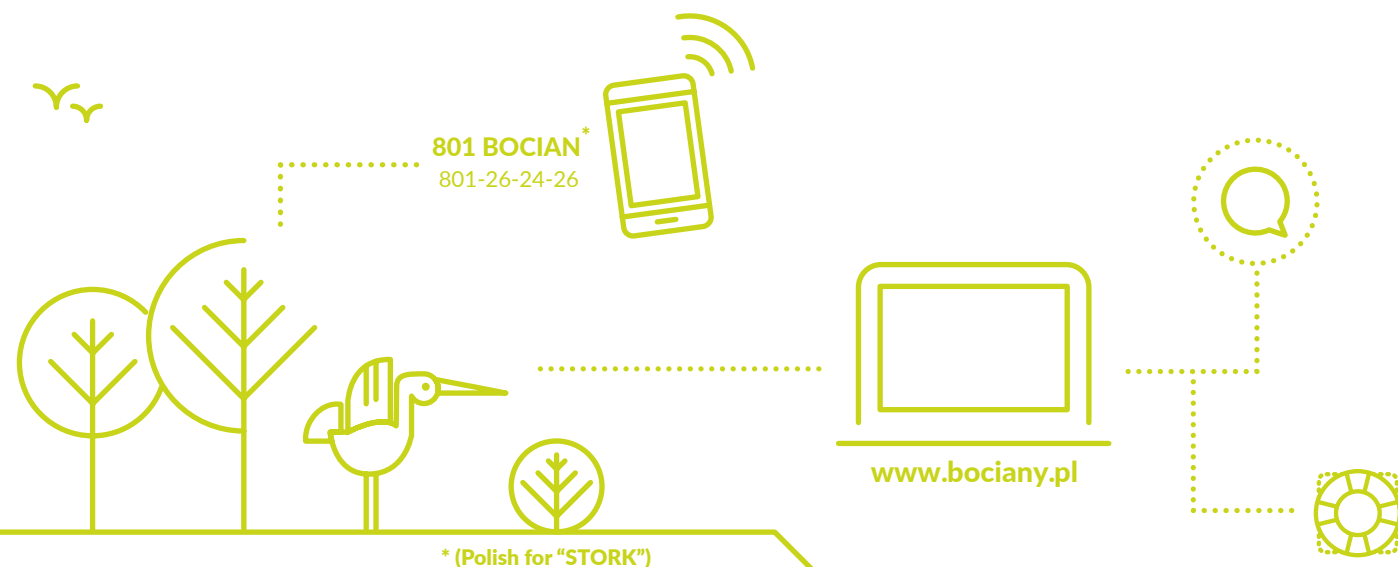
protection efforts. The Energia Group also popularizes information about storks and their protection on the following websites:

www.dbajobociany.pl and www.bocianopedia.pl.

Thanks to the Group’s involvement, the “pro Natura” Society has for 4 years been operating a free-of-charge hotline 801 BOCIAN (Polish for “STORK”) (telephone number 801-26-24-26), Monday to Friday, manned by environmentalist experts. Since the launch of the hotline, the operators have registered more than 4 thousand reports and provided assistance to storks all over the country.

Expenditures on stork protection-related activities in 2013-2015

2013	178 354 zł
2014	224 700 zł
2015	280 464 zł
2016	253 321 zł



Nature Fund

The Nature Fund is one of the first initiatives in Poland undertaken in coordination by a social organization and a commercial company in order to disseminate funds earmarked for environment protection projects. The Nature Fund was created at the initiative of the “pro Natura” Polish Society of Wildlife Friends based on the financial involvement of the Energia Group. It is an innovative undertaking on a national scale. It is a tool to provide support to initiatives that contribute to the conservation of Polish nature by preserving specifically targeted species and natural habitats. It is currently run by the “pro Natura” Nature Foundation.

In the past six editions of the competition, the authors of the most interesting concepts for nature conservation received a total of nearly PLN 175,000 for the implementation of their concepts.

The topics of the grant competition change every year. This enables the Nature Fund to support a broad range of environmental initiatives.

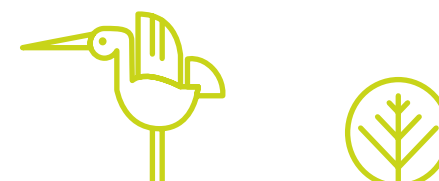
During the 6th edition of the Nature Fund, the preferred projects focused on the conservation of rare or nearly extinct species. An important criterion in the selection of projects was the selection of species of flora or fauna from the Red Books or Lists. Preferred were actions associated with the implementation of good practices, associated with the conservation of endangered plant or animal species and their natural habitats.

In total, thanks to the joint undertaking by the Energia Group and the “pro Natura” Nature Foundation, in 2016 naturalists from all over Poland obtained funds for the implementation of 8 initiatives which helped to protect certain rare and seriously endangered species.

Among the initiatives that received a subsidy was a project aimed at an active protection of the nesting sites of the endangered Eurasian curlew, a bird nesting in the Lower Bug River Valley.



Photo by the “Stork” Nature Society





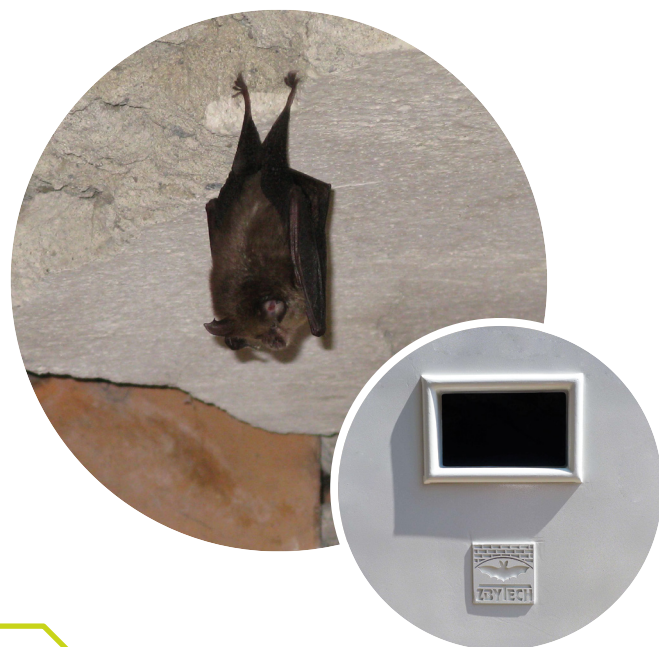
Another initiative that received a subsidy was a project aimed at the protection of the Barbastella bat population in the Oder Riverine. It is a specific and particularly demanding species which reluctantly lives in standard nest boxes. Especially for this species, new crevice boxes are prepared which imitate crevices in the trees.

Photo by the Edusilesia Foundation



Another project, initiated by the Zofia Kossak Foundation, is aimed at the protection of lesser horseshoe bats, which is the species of bat found in particular in the old distillery in Górki Wielkie. In order to protect these bats against curious humans and ensure an appropriate air temperature for them, the funding obtained by the Foundation will be spent on the construction of special entrance doors.

Photo by the Zofia Kossak Foundation



Another interesting project is the follow-up of actions aimed at increasing the availability of nesting sites for the white-throated dipper. It is a rare bird which appears in Poland only in the Carpathians and the Sudetes. Thanks to last year's funding, 60 breeding boxes for white-throated dippers were prepared in the northern part of the Middle Sudetes, the Izerskie Mountains and the Opawskie Mountains. The locations for the boxes are selected so that each box hangs above water (when in danger, chicks have the reflex of

jumping out of the nest). Three years after the launch of the project, as many as 40% of the boxes are occupied by new birds and their number keeps increasing. It is exactly because of these favorable effects that the project has received funding also in this year's edition of the Nature Fund.

More details on the contest are available on the website: www.funduszdla przyrody.org

3.3. Ecological energy from conventional and renewable sources

The maintenance of environmentally friendly power generation sources remains one of the basic strategic priorities of the Energa Group, next to ensuring energy security.

For the period 2016-2025, the Group's new business strategy assumes an increase in the installed capacity of modern conventional power plants

and the development of heating and cogeneration installations. Equally important for the Group is to maintain its strong leading position in terms of the share of RES in total energy generation (for more on this subject, see section 3.4).

Maximum achievable generation capacity by commodity (and regulatory requirements)

Company	Energy source	2015		2016	
		Electricity [MW]	Heat [MW]	Electricity [MW]	Heat [MW]
Ciepło Kaliskie Sp. z o.o.	coal	0	58	0	58
Energa Elektrownie Ostrołęka SA	coal	581.1	539.3	621	201.7
	biomass	140.9	74.5	56	17.8
	hydro	352.44	0	364.84	0
Energa Wytwarzanie SA	wind	185	0	185	0
	solar	3.77	0	3.77	0
Energa Kogeneracja Sp. z o.o.	coal	49	246.8	47	331.66
	biomass	581.1	539.3	25	47
Total		1 337.21	948.60	1 302.61	656.16

Net quantity of power produced by main energy source (and regulator's requirements)

Energy source	2015		2016	
	Electricity [MWh]	Heat [MWh]	Electricity [MWh]	Heat [MWh]
coal	2 134 000	898 324.44	2 455 000	1 008 935
biomass	575 000	105 521.38	35 000	40 638
hydro	711 000	0	831 000	0
wind	413 000	0	363 000	0
gas	0	7 311.38	0	7 370
solar	4 000	0	5 000	0
Total	3 837 000	1 011 157.2	3 689 000	1 056 943

3.4. Investments in environmental protection

The Group's investment projects will be executed under the "Long-term Strategic Investment Program of the Energa Group for 2016–2025", adopted together with the business strategy (for more information about this subject, see the section "About the Company"). The total value of the Energa Group's planned capital expenditures in the Distribution, Generation and Sales segments in 2016–2025 is expected to reach PLN 20.6 billion. In accordance with the assumptions, 65% of the pool of basic expenditures will be incurred in the Distribution Segment to build the regulatory value of assets and keep the quality requirements of DSO performance. In the Generation Segment there will be investment projects associated with modernization of assets and construction of new capacities for which approx. 30% of the resources will be earmarked. The potential of the Group's

generation infrastructure will be strengthened in particular through the construction of the modern, highly efficient Ostrołęka C power plant with a capacity of approx. 1000 MWe, and the construction of the second step hydropower plant on the Vistula River with a capacity of approx. 80 MWe. The remaining capital expenditures will be earmarked for, without limitation, the operations of the Sales Segment associated with customer service, development of new business activity areas and provision of support for the Group's basic operating processes.

In 2016, capital expenditures in the Energa Group amounted to PLN 1,6 billion, of which investments in the Distribution Segment consumed PLN 1,3 billion.

Distribution Segment



Major investments in the Distribution Segment in 2016:

- grid development related to the connection of new customers,
- grid development and modernization related to the connection of RES plants,
- modernization of the distribution network to improve the reliability of supplies,
- smart metering and other elements of implementation of smart grids.

Generation Segment



Major investments in the Generation Segment in 2016:

- overhaul and environmental expenditures in the Ostrołęka Power Plant, including modernization of electrostatic precipitators for boilers at the Ostrołęka B Power Plant and the construction of a NO_x emission reduction installation at the Ostrołęka B Power Plant.
- completion of the 26 MW Parsówek Wind Farm construction project.

More on environmental objectives and tasks can be found in the "Environmental Declaration of the Energa Group" available at: https://grupa.Energa.pl/zaangazowanie_spoleczne.xml



Total expenditures on and investments in environmental protection in the Group (the summary covers all Group companies)

Type of expenditure	PLN
Discharge of sewage to water or ground	184 814
Intake of surface or underground waters	599 820
Emissions of gas or dust into the air	4 983 709
Waste disposal	6 604 877
Costs of waste treatment, including costs of land reclamation in connection with leakages	2 463 905
Waste collection costs	219 666
Expenditures on the purchase and use of emission permits	87 346
Testing and measuring of emissions of substances into the air, noise emissions, water and sewage quality, height of water surface in wells	560 124
Expenses on curtailment of emissions into the air (on filters, substances)	3 995 363
Depreciation of machines and equipment contributing to reducing the environmental impact, costs of maintaining materials and the associated services	10 385 065
Total expenditures	30 084 688
Type of investment	PLN
Insurance covering environmental protection obligations	7000
Environmental management system (implementation)	408 684
Third party services concerning environmental protection management (training)	133 850
External certification of management systems	92 832
Additional expenditures on the purchase of ecological products (recycled paper, energy-saving bulbs, etc.)	0
Expenditures on research and development	188 975 800
Capital expenditures on large, important investments to reduce environmental impact	103 889 141
Total expenditures	293 542 627

3.5. Environmentally friendly innovative technologies

Expenditures on research and development and on innovation activities delineate the organization's directions of development and strategic goals. In 2016, the Group's total expenditures on such activities reached nearly PLN 189 million, or 14% of the Group's gross profit on sales.



	2015	2016
Innovative activity (I) in PLN 000s	229 907.00	179 235.60
Research and development (R&D) activities in PLN 000s	35 337.00	9 740.20
Total expenditures (R&D&I) in PLN 000s	265 244.00	188 975.80

Particularly noteworthy are the eMobility and Living Lab programs as well as an initiative of the four largest energy producers in Poland aimed at launching the manufacture of electric cars.



Electric vehicle



The eMobility project is being executed by Enspiron and is aimed at identifying new sources of revenues for the Energa Group in the area of the electric vehicle market currently emerging in Poland. In addition to identifying business models, among the primary objectives of the eMobility project is to test the performance of such models in practice.

As a consequence of efforts made in connection with the eMobility project and other projects, the Energa Group has joined the shared initiative of Poland's four largest utility companies (together with PGE, Tauron and Enea). The purpose of the initiative is to establish a company for the manufacture of electric cars. The new company is expected to be an important part of the domestic electric vehicle market segment. The development of electric cars is also very important for the protection of the natural environment, because electric vehicles contribute to curtailing the volume of greenhouse gas emissions and reducing the levels of pollution and noise.

The initiative associated with the Polish electric car is embedded in the strategic plans of the Polish government, according to which the electromobility development plan is anticipated to be one of the driving forces of the Polish economy and Polish reindustrialization. Work on the development of Polish electromobility is expected to allow Polish companies to enter this young market, which is still at this development stage, and launch the manufacture of electric buses and cars on a global scale.

10-24%

reduction in greenhouse gas emissions

According to research conducted by the Norwegian University of Science and Technology, in EU Member States, assuming that the current diversification of energy sources will be maintained, the propagation of electric cars should result in a reduction in greenhouse gas emissions by 10-24% compared to vehicles fitted with gasoline engines. Assuming that an electric car will cover an average distance of 200 thousand kilometers during its lifetime, this ratio should increase to 27-29% compared to gasoline-engine vehicles.

If all cars in Poland were electric, then greenhouse gas emissions would be reduced by the volume of pollutants that is currently emitted by all combustion-engine cars in Warsaw, Wrocław and Kraków.

Living Lab project



Poland's first energy laboratory, the Living Lab Gdynia, is the country's first home power engineering laboratory, developed by and for the inhabitants. Electricity users test pilot energy management solutions in their own homes, evaluating in real-life conditions how the proposed innovations work on a daily basis. The Living Lab has involved 300 households in Gdynia since the second quarter of 2015, with the residents testing modern price solutions and services that will help them use electricity with a higher degree of awareness.

The main goal of the Energa Living Lab project is to improve the quality of the environment (by reducing CO2 emissions) through optimizing energy management in the households of the participants – the results of the project will be used in other European cities. The activities are carried out within the project entitled "Energa Living Lab for the improvement of end-use electricity efficiency".

The project is co-financed by the European Commission and the National Fund for Environmental Protection and Water Management within the LIFE+ Instrument dedicated to initiatives supporting new solutions contributing to improvement of the natural environment.

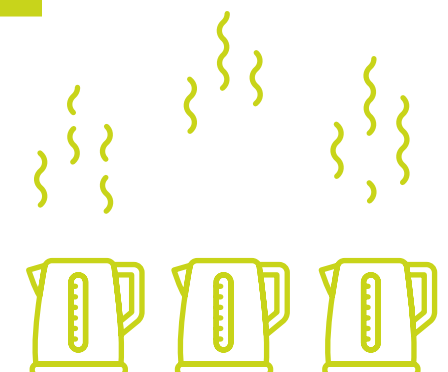
Benefits for an average household*

In an average household, the share of electricity expenses in the total house/apartment utility expenses (water, gas, electricity, etc.) is 20.7%.

A
10%
cut in electricity expenses

translates into 3 years of free use of an electric kettle

*Calculations based on data published in the Statistical Yearbook of Gdynia and the Statistical Yearbook of the Republic of Poland, Warsaw 2015.



Distribution activity



4.1. Development of distribution activity as a strategic area

The Distribution Segment stimulates economic development of the areas in which the Energa Group operates. Projects for power infrastructure which appear to be remote from the customer are now crucial for the improvement of not only service quality but also the life and functioning of electricity users.

Energa-Operator SA takes up challenges in the area of technological innovations, such as the implementation of selected smart power grids in the entire area of its activity, as a result of which the customer becomes an actual partner rather than a passive recipient as was the case earlier.

A smart power grid makes it possible to ensure continuous and secure services of electricity distribution and creates technical opportunities for

offering customers new services that enable optimization of the use of electricity and allow customers to effectively participate in the process of power generation.

Furthermore, a smart grid increases the users' comfort in such basic issues as the possibility of an automated readout of meters every month or an easy change of tariff but, first of all, it reduces the number and duration of failures. Energa-Operator SA, in response to customer expectations, monitors strategic and operational plans for the development of municipalities in which it has its energy infrastructure and invests in the expansion and modernization of such infrastructure, especially in dispersed energy generation facilities.

Smart power grid

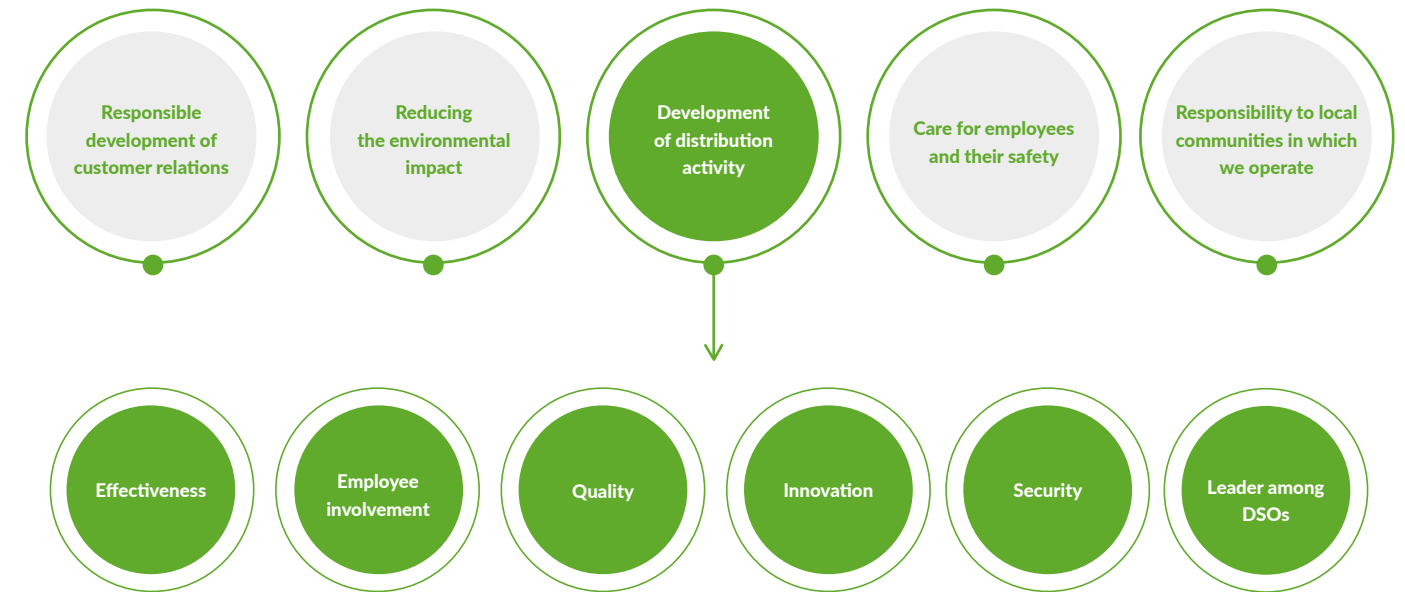
The implementation of new innovative smart grid technologies significantly improves the reliability and security of electricity supplies, increases customer involvement, improves the quality of customer service and enables the connection of new energy sources, including distributed RES. Within the existing electrical power system, smart grids integrate information technologies, advanced telecommunications systems and new power electronics technologies. Through the integration and use of technologies already existing and in use in the company, such as an AMI smart metering system, telemechanics devices installed in high-, medium- and low-voltage networks as well as data and information on the power grid, with advanced

control algorithms, it is possible to improve the efficiency of grid operation, increase the potential use of available grid assets, improve the security of grid operation and optimize grid asset management processes. For several years, Energa-Operator SA has been consistently pursuing its smart grid implementation strategy,

as defined in the document entitled "Vision for the implementation of smart grids in Energa-Operator SA by 2020" and in the document supplementing the vision with a smart grid implementation timetable entitled "Roadmap for the implementation of smart grids in Energa-Operator SA".

Responsible management

CSR objectives in the area of distribution activity pursued within the framework of Energa-Operator SA's strategy



Objectives achieved in 2016

Objectives set in 2016	Performance
Connection of new end-users and renewable energy sources	Connection of over 33,000 new customers and RES with a capacity of 108 MW
Construction and modernization of the distribution network	Construction and modernization of 4,489.82 km of high-, medium- and low-voltage lines and connections
Expenditures on smart metering and other elements of implementation of smart grids	Largest number of installed smart meters among Distribution System Operators (DSOs): 38,000



The highest capital expenditures were incurred on modernization of the distribution system to improve the reliability of supplies and grid expansion related to connecting new customers. Nearly PLN 1,052 m was spent on modernization of the distribution system, accounting for almost 84% of total capital expenditures. A considerable challenge is the need to gradually expand and modernize the 110 kV grid with HV connections to enable the connection of new electricity sources, especially wind farms. In 2016, the company spent PLN 31 m on expansion and modernization of the 110 kV grid, including PLN 6.3 m on connecting new electricity sources (including RES).

As a result of these investments, over 33,000 new customers were connected, 4,489.82 km of high-, medium- and low-voltage lines were built and modernized, and 973 new RES sources, including 793 microinstallations with a capacity up to 40 kW, were connected to the grid.

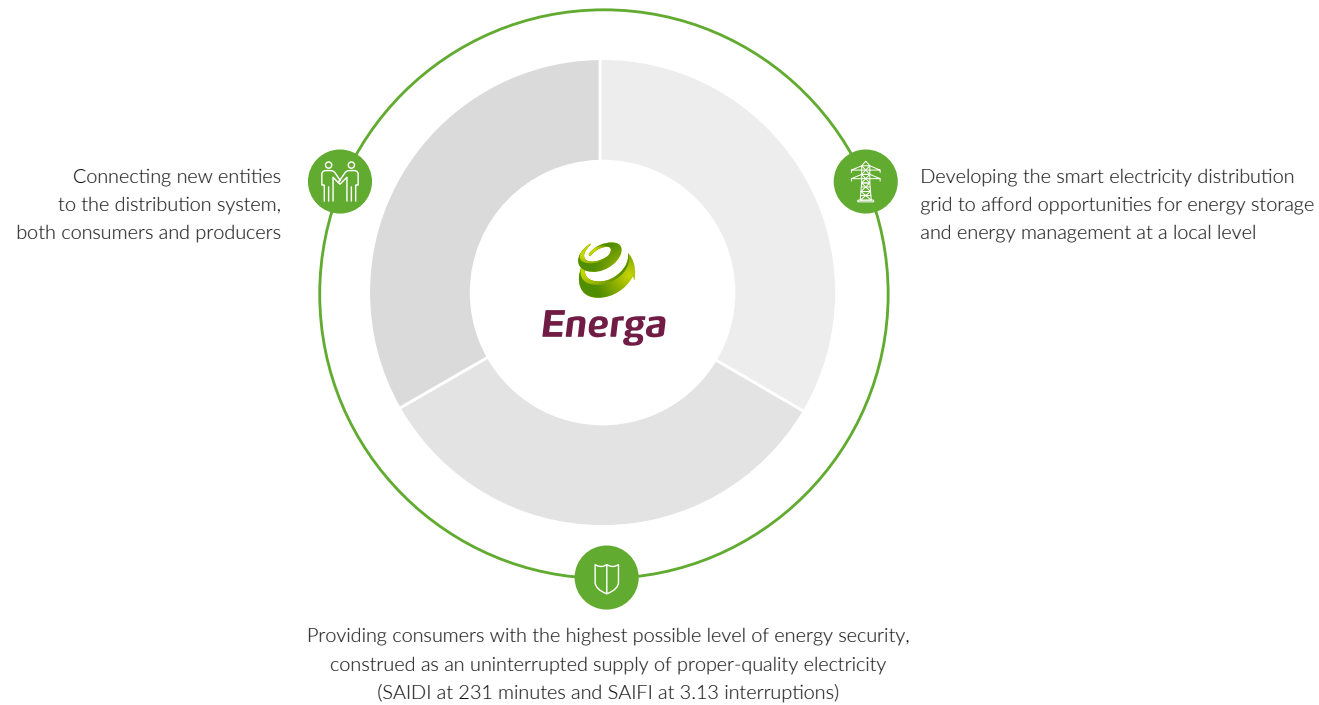
In 2016, Energa-Operator SA spent PLN 627.4 m on modernization of the power grid, including PLN 244.5 m on initiatives to improve SAIDI and SAIFI, indices reliability of electricity supply.

In 2016, owing to smart metering systems, the power industry for prosumers was managed more effectively by monitoring and analyzing the condition of power grids, which resulted in fewer failures of power infrastructure.

As regards SAIDI (System Average Interruption Duration Index calculated per customer per year), we drove the result down from 603 minutes in 2011 to less than 228 minutes in 2016 (with the planned annual target for Energa-Operator SA set at 251 minutes), i.e. by 62%.

On the other hand, SAIFI (System Average Interruption Frequency Index per customer per year) was reduced by 48%, i.e. from 5.45 interruptions in 2011 to 2.83 interruptions in 2016 (with the planned annual target for Energa-Operator SA set at 3.3 interruptions).

Priorities for 2017



4.2. Quality and security of energy supply

Management of distribution in accordance with the sustainable development principles

Increase of the negawatt potential

The term "negawatts" means the energy from the transmission network, which is not consumed in critical situations experienced by the National Power System (NPS), which helps balance energy supply and demand. In Poland, negawatts are obtained through the Demand Side Response (DSR)

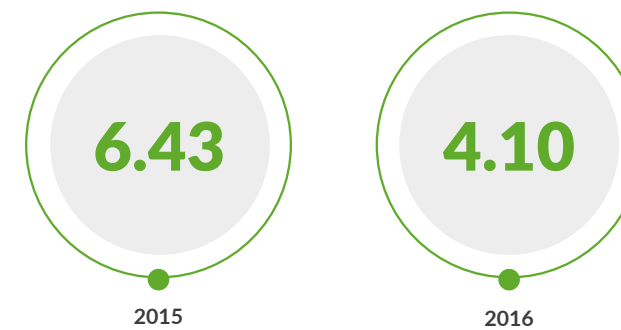
service, which is addressed at business customers, who may reduce or shift some of their electricity consumption to other hours during the day, as compared to their standard consumption profile.

Methods used to reduce consumption of electricity (savings)

One of the ways to reduce electricity consumption in the power system is to build awareness among consumers of their behaviors and of how they use electricity. The next step is to stimulate them to reduce their electricity consumption. By providing the customers with personalized information about how much electricity they use, as compared to similar households, the average reduction of electricity consumption achieved over the entire "Energy for Saving" project was 1.91%. In one of the areas covered by the study, i.e. in the city of Gdynia, the savings reached almost 2.84%. The personalized energy reports offered the customers a unique additional value from the Energa Group and gave them a true opportunity to reduce their electricity consumption.

The personalized reports are an effective tool for improving energy efficiency in households. The savings potential is between 500 and 660 GWh per year. For almost 3 years now, the Energa Group has been providing this service to reduce electricity consumption to industrial off-takers as well. This service is provided by ENSPIRION, one of the Group's companies. The DSR service is provided to about 70 clients. So far, the company has managed to reduce the electricity consumption volume by 2.5 thousand MWh. For comparison, the statistical four person family uses 2.5 thousand kWh per year, which means that 2.5 MWh is the energy consumed by 1,000 households).

Distribution losses



Reduction of network losses

Loss management is one of the areas of Energa-Operator SA's operation that are driven by the grid capital expenditure and development activities. This means that the company reduces its technical losses naturally by developing and modernizing the grid and by switching to modern devices with better parameters (lower losses) than the previous generation devices. The reduction of commercial losses involves the reduction of illegal uptake of energy, increasing the quality of metering data supplied and eliminating reading errors, for example by introducing remote reading systems.

Reduction of network losses

In the situation of the steady growth of dispersed generation, network layout monitoring (mainly of the 110kV network) is critical for the optimized operation of the power grid. In the case of medium voltage distribution networks, network layout optimization to reduce losses often requires

building new power line sections, which enable electricity supply from several sources. The construction of new connections is a major element of the capital expenditure program carried out by Energa-Operator SA.

The greatest grid efficiency improvements may be achieved through replacement of:

- cables on 110 kV power lines, since that is where about 30% of network losses arise
- transformers – with ones with a lower level of losses as compared to the old designs

Other methods are also sought to reduce the volume of losses. They include:

- development of AMI projects,
- balancing of MV/LV substations using the available methods,
- development of area RB monitoring systems
- development of systems integrated with the Geographic Information System (GIS) and the Supervisory Control And Data Acquisition (SCADA) system



Length of land-based distribution lines

Changes in length of land-based distribution lines over the years

In comparison with 2015, we can observe a decline in the length of overhead medium and low voltage lines, which is associated with new connections and replacement of the existing lines with underground cable lines. For other lines, an increase in length can be observed, especially in LV cable lines in relation to the connection of new offtakers, such as residential projects and small service businesses.

The increase in the length of HV lines is driven by the expansion of the existing networks. In the Olsztyn branch, it is driven by the connection of the new Ostróda East substation and in the Gdańsk branch – the new Czatkowy substation.

Length of landline distribution lines, by branch office

Branch Office	HV power grids [kms]		MV power grids [kms]		LV power grids with connectors [kms]	
	Overhead	Cable	Overhead	Cable	Overhead	Cable
Gdańsk	911	28	5 263	3 917	7 797	11 074
Kalisz	1 099	0	9 709	1 426	14 542	5 081
Koszalin	1 167	0	8 913	2 653	5 666	7 938
Olsztyn	1 247	1	11 722	1 993	11 828	5 934
Płock	892	0	10 864	973	15 843	3 146
Toruń	1 071	11	8 905	1 695	14 326	6 367
Energa-Operator SA	6 387	40	55 376	12 657	70 002	39 540

Grid development program

Information on progress in the implementation of the “HV Grid Development Program for 2016-2025”

The HV Grid Development Program for 2016-2025 is Energa-Operator SA's long-term capital expenditure program encompassing all of its investments in HV 110 kV grids.

The fifth edition of the HV Grid Development Program was developed in November 2015. It contains an updated list of capital expenditures considering the current needs of the HV grid and the uncertain situation on the

RES market following the introduction of the auction system.

As a result of the implementation of the Program, 84 HV/MV substations were built, rebuilt or expanded and a total of 683 km of lines were built in 2016. The summary of subsequent projects will form grounds for developing the sixth edition of the HV Grid Development Program.

Planned capacity of the power grid and the expected demand for electricity

According to the current forecasts of Polskie Sieci Elektroenergetyczne (PSE), the anticipated growth of demand for electricity in the National Power System (NPS) from 2015 to 2025 will be between 15 to 17% of the current demand, resulting in the average annual growth from 1.4 to 1.6%.

This forecast was taken into account in the HV Grid Development Program for 2016-2025 document; it was one of the factors determining the capital expenditure plan, including mainly all the capital expenditures needed to increase the transmission capacity of the various network components.





Andrzej Lamparski

Manager of the Operations Management Department, Energa-Operator SA

The capital expenditure programs and the operational work on the electrical power grid are focused mainly on improving reliability of distribution services. The Company is implementing a consistent policy in this area by classifying various power facilities for upgrades and by taking organizational measures, as a result of which the customers will be less exposed to the effects of interruptions in power supply. Such actions include, among others, live-line work on LV and MV networks, which allows the company to perform many different operational procedures and replace grid components without interrupting power supply, thus gradually improving the SAIDI and SAIFI ratios. At present, Energa-Operator SA is one of the leading domestic DSOs in terms of reliability of its distribution services.

Frequency of energy supply interruptions

Information on interruptions in energy supply and most frequent causes

In 2016, a large part of unplanned interruptions was caused by bad weather conditions (mainly hurricane winds) as a result of which breaking and falling trees caused permanent damage to power grid elements (e.g. broken poles, torn cables) and by operational wear of grid infrastructure elements. In order to limit the frequency, extent and time of unplanned interruptions for its customers, Energa-Operator SA continues a large number of projects started earlier, which are aimed mainly at improving resilience of the grid to weather conditions, improving the process finding and repairing

failures and eliminating the grid elements that are the most susceptible to damage or that are in the worst technical condition. Moreover, the regular clearance of trees and bushes along and under electric power lines has effectively improved the unplanned interruption ratios. The company has been consistently reducing its planned power supply interruptions, among others by rolling out the live-line working technology for planned interruptions and by consolidating the different planned tasks to perform them during a single interruption.

System Average Interruption Frequency Index and System Average Interruption Duration Index

SAIFI	2015	2016
Planned	0.34	0.33
Unplanned incl. catastrophic	3.09	2.50
Total	3.43	2.83

SAIDI	2015 [min]	2016 [min]
Planned	46.4	50.8
Unplanned incl. catastrophic	239.4	177.0
Total	285.8	227.8

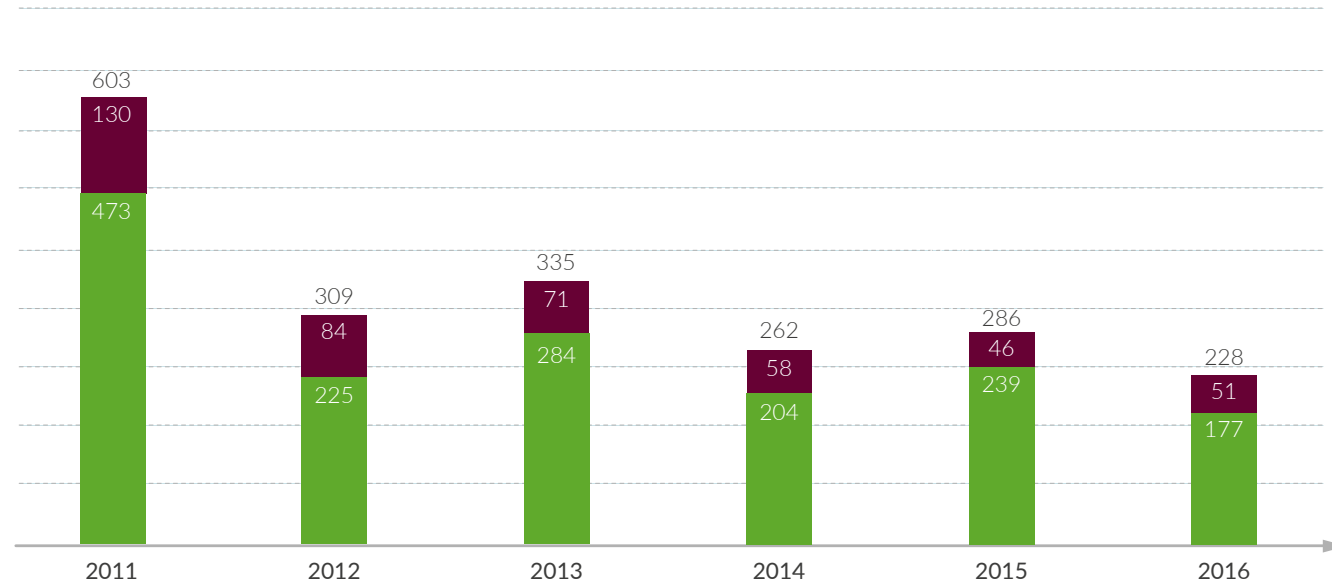
Reduction of SAIDI and SAIFI in the last 3 or more years

We are able to offer our customers the highest level of reliability of power supply as a result of the efforts aimed at improving the quality of operation and organization of work, and thanks to expenditures on network moderni-

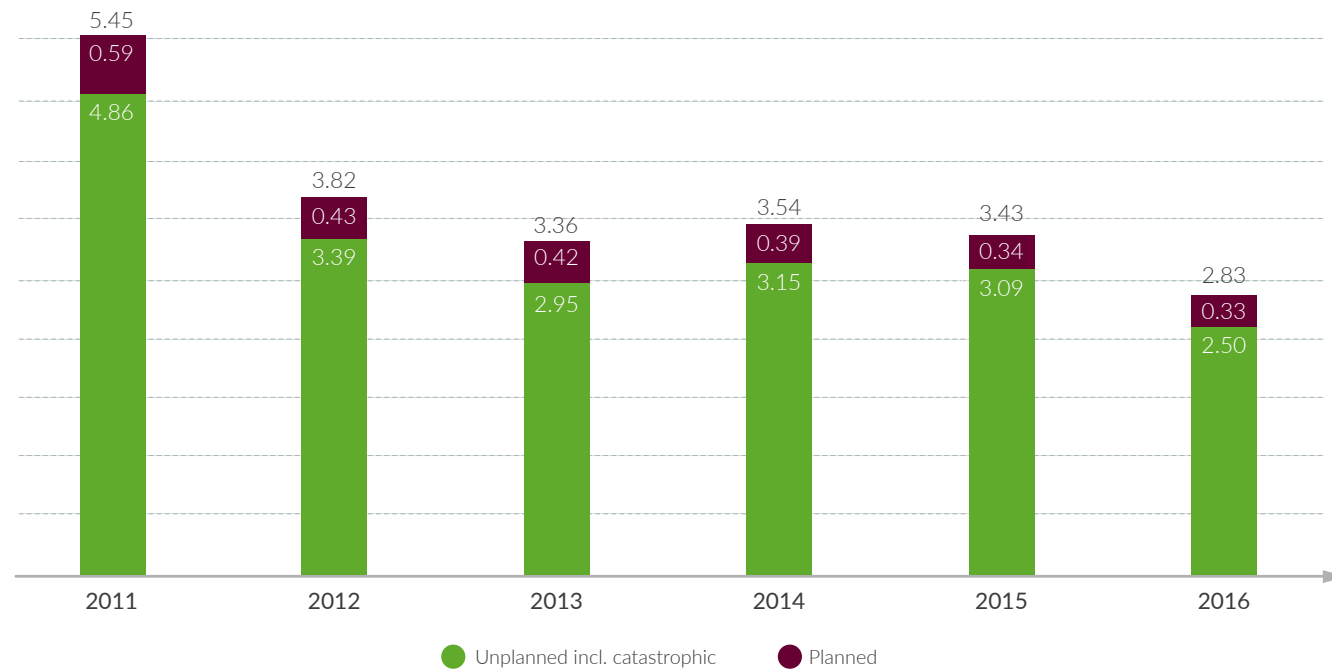
zation incurred in recent years, including capital expenditures on network components and components most susceptible to damage. This is reflected in the continuous power supply indicators.



SAIDI



SAIFI



In 2011, 2013 and 2015, SAIDI for unplanned interruptions was higher because of the strong hurricane winds (Yoda, Ksawery and Feliks storm

winds), which caused mass failures of power grids in the Energa-Operator SA's area of operation.

Development of smart grid as a way to reduce duration of interruptions in electricity supply

The best efficiency in removal of failure effects was achieved by using The Fault Detection, Isolation and Restoration (FDR) system offered the best performance in handling failures as it automatically switches the

networks and restores power supply to the largest possible number of off-takers in less than 3 minutes.

Progress in smart grid development in 2016

Energa-Operator SA continued the execution of its smart grid projects, placing great emphasis on the innovativeness of projects and studies. The most important projects include research conducted in the Upgrid project,

which allows for the use of the AMI system infrastructure and data for purposes other than just collection of data for billing purposes and which is also related to electromobility.

4.3. Investments in the distribution network

Development of the distribution network

One of the key priorities of Energa-Operator SA that are important from the point of view of stakeholders is to develop the distribution network to connect new off-takers and new sources.

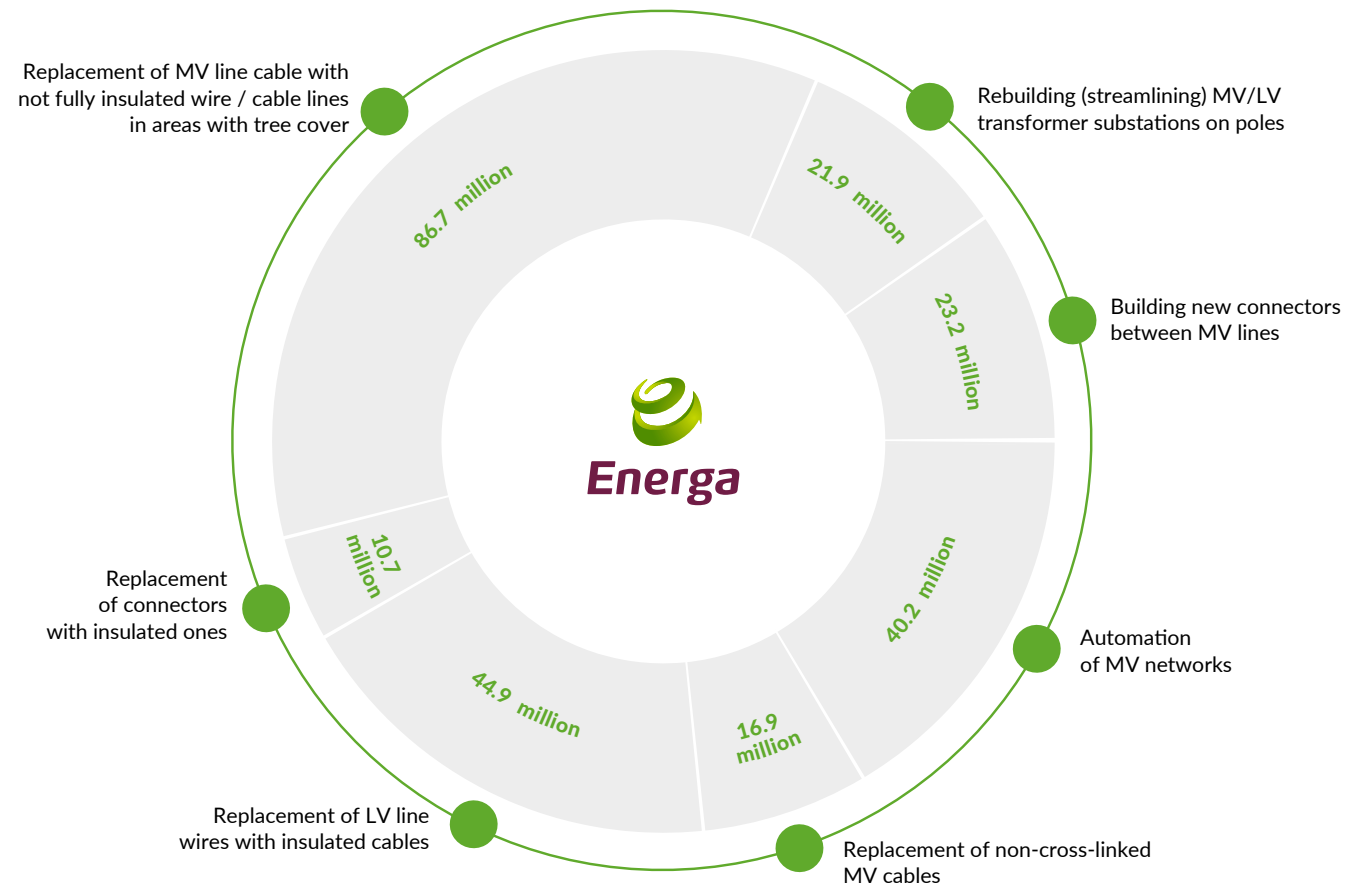
Execution of tasks in this area is related to the construction and extension of:

- 110 kV/MV power substations, so-called Main Supply Points
- MV/LV substations
- 110 kV network
- MV network
- LV network

Energa-Operator SA performs tasks related to the connection, based on the concluded connection agreements.



Capital expenditures of Energa-Operator SA in 2016



PLN
1 259
million

was the amount of the Distribution Segment's capital expenditures in 2016, with **528 million** to modernize the distribution network and **509 million** to build and extend the grid to connect off-takers, including **10 million** for connection of new RES sources.



Initiatives undertaken to ensure stability of supply

One of the initiatives undertaken by Energa-Operator SA to ensure stability of electricity supply is investment in new production capacity. In recent years, sources with the combined capacity of over 2700 MW were connected to Energa-Operator SA's grid. Those include mainly

renewable energy sources, of which more than 95% are wind farms. By 2020, the production capacity connected to Energa-Operator SA's grid is to increase by another 2000 MW.

Better customer access to energy

It is the priority for Energa-Operator SA to connect new entities, off-takers and producers alike, to the grid and provide them with the highest possible level of energy security, defined as customer access to energy and

uninterrupted supply of energy of adequate quality. This priority was followed by capital expenditures aimed at building, expanding or rebuilding:

- distribution network to connect new off-takers and new sources, including in particular renewable energy sources (RES)
- interconnectors between systems in the territory where Energa-Operator SA operates
- distribution network for all voltage levels to increase transmission capacity and reduce failure rates, which affects supply continuity indicators (SAIDI/SAIFI), reduce network losses and ensure the capacity for network traffic in the distribution network with the necessary reliability and quality of electricity supplied
- IT and telecommunication networks and systems that support the business operations of the distribution system operator, to ensure effective and efficient operation of the technical function
- methods and tools to manage network assets to improve quality of management of the distribution network

Contemporary solutions to protect safety of supply

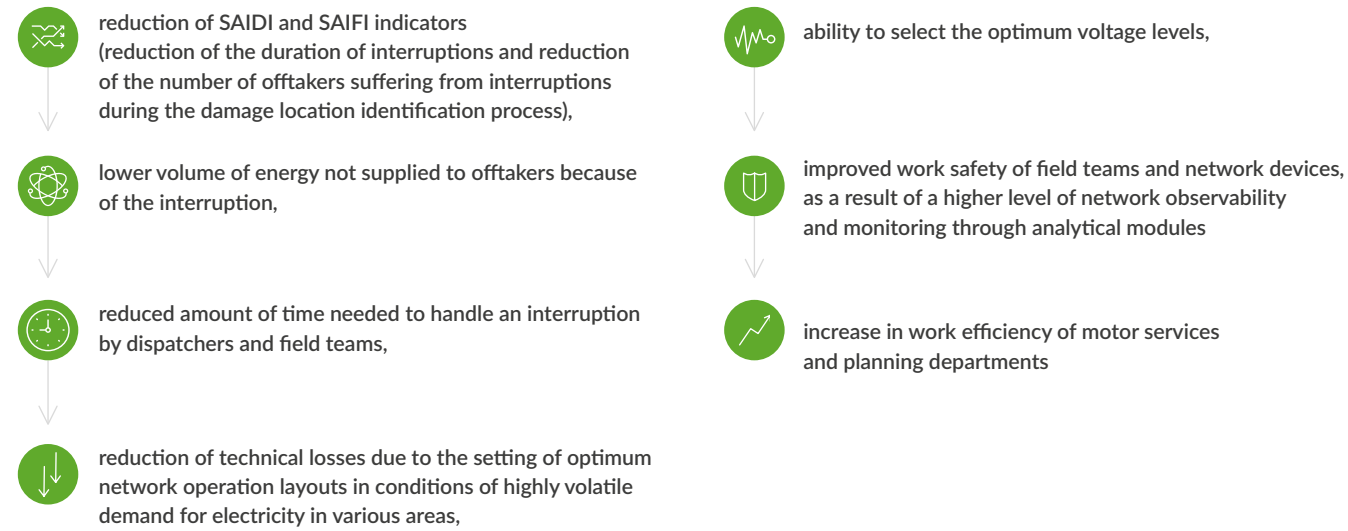
Standards used to ensure quality and safety of energy supply

Energa-Operator SA, by implementing the program to improve safety and reliability of power supply, which is one of the key parameters for evaluating the quality of distribution services, took measures involving the implementation of new technologies for monitoring and management of the distribution network's operation.

In effect of these activities, the concept of a centralized SCADA/DMS grid management system was developed. The dispatching systems currently in operation in Energa-Operator SA are dispersed and used for the most part

to collect data and to execute remote control in the grid (with the exception of a more developed system in the Power Dispatch Center). In light of the current problems of the power sector (reduction of reliability indicators to levels set by the Energy Regulatory Office, improvement of energy efficiency, effective and safe management of the ever more numerous RES sources connected to the network at all levels), the functionalities implemented in the system require the use of DMS class and Advanced Distribution Management (ADMS) systems.

The key benefits provided by the implementation of such systems include:



Execution of the “Vision of implementation of a smart grid at Energa-Operator SA by 2020”

Execution of the vision to implement a smart grid at Energa-Operator SA in 2016 referred to all the areas identified and described in the document: “Active off-taker”, “Supply quality”, “Smart grid control” and information and telecommunication technologies. In addition to the wide continuation of activities related to the development of network monitoring and automation, implementation of the AMI and TETRA systems, in 2016 Energa-Operator SA began the development of new areas of DSO’s activity. In October, the first energy storage in Poland was launched in the vicinity

of Władysławowo. The storage is the key element of the Local Balancing Area, which is currently built. It will be used for testing the new demand-side response and island operation capacity. Another key element is the customer activation area mentioned before. In our pilot projects, i.e. the consumer test in Kalisz or the “Energy for savings” initiative that followed, new tools and solutions used to influence the demand site are tested. The tools that we have developed may be used to render demand-side response services for the Transmission System Operator in crisis situations.

Smart Grid Program - key assumptions and effects in 2016

The program to implement the Smart Grid focused in 2016 mainly on the development of solutions, installation of devices and developing functionalities, which form the basis for the implementation of ADMS, the advanced distribution network management system. The various activities undertaken as part of the Smart Grid program include: implementation of the AMI smart metering system, MV grid automation projects, implementation of the TETRA terrestrial trunked radio, development of solutions dedicated for the

LV network in the Upgrid project, construction of a local balancing area and the completed “Energy for Saving” project. In the beginning of the year, a document was developed in Energa-Operator SA containing an implementation concept for an ADMS class system, which is one of the most advanced and comprehensive tools to improve efficiency of operation of a distribution network. One of the key components of the ADMS system is FDIR, the automatic fault detection and restoration system mentioned before.

Information on other key projects

Energa-Operator SA is actively involved in projects executed with foreign partners in international consortiums. This cooperation encourages exchange of experiences, knowledge and best practices with various foreign companies operating in realities and legal conditions that are different from those existing in Poland.

The Upgrid, or the urban grid of the future pilot project, is carried out under the Horizon 2020 program co-funded by the European Union. The purpose of the project is to analyze selected technologies for their potential to improve reliability and optimize operation of the MV and LV grids on a selected portion of the grid, with special focus on developing new IT solutions and utilization of data from IT systems, in particular the AMI system. The main goal of the Upgrid project is to develop functionalities used for integration of the LV and MV grids with demand-side management and distributed generation.

This goal will be achieved mainly by increasing the grid observability level and the capacity to affect the distribution network. 19 companies from 7 EU countries are involved in the project. In 2016, the IT system to be implemented in the project was designed and some of the work on modernizing the power grid in the area covered by the project was performed.

The project with NEDO, a Japanese government agency, is implemented in cooperation with Energa Wytwarzanie, PSW and a consortium of Japanese companies.

The goal of the project is to launch, on a selected area of an HV grid, an IT system supporting dynamic management of renewable production sources, i.e. wind farms, while ensuring safe operation with a considerable saturation of such energy sources. The operation of the system will be supported by an energy storage facility installed near one of the wind farms.

Benefits for customers/off-takers

Because of the smart metering system, customers have access to information on the actual consumption of electricity in their households. Additionally, through the AMI system, the company may offer its customers new demand-side response services, in which customers are rewarded for reducing their energy consumption at peak demand hours.

The increased network observability is also an opportunity for DSOs to increase flexibility of operation of the electric power network. Better utilization of the existing network assets and the use of new energy storage technologies will have a positive effect on the capacity to connect new off-takers and new energy sources.



Employees



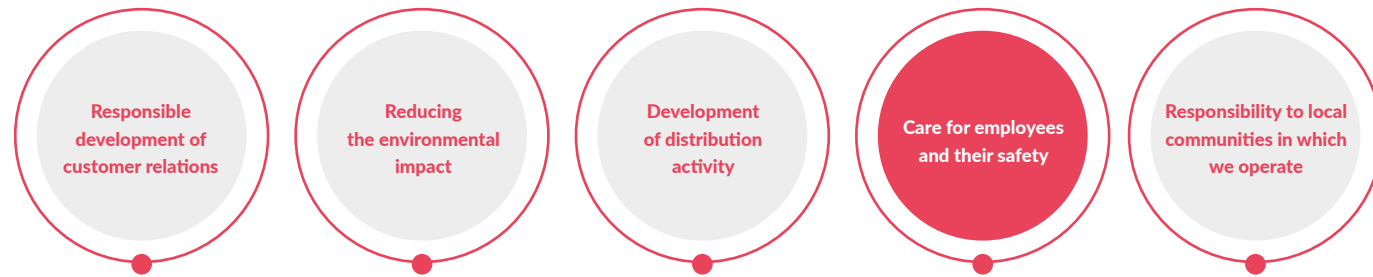
5.1. Responsible employer

One of the fundamental responsibilities of the Energa Group is to ensure the safety and health of its employees and subcontractors. The Group takes measures to continuously raise its working standards, improves its knowledge on safety, takes preventive measures, trains employees and subcontractors, updates internal regulations and work safety procedures and complies with

the applicable provisions of law. Through numerous initiatives, the Energa Group promotes healthy attitudes among its employees and in its social and business environment.

It encourages its employees to take part in campaigns and take new social initiatives supporting local communities.

Responsible management



Employees as the pillar of Energa Group's operations

The efficiency of activity and development of the Group relies on a qualified team. Employees are the most important asset of the Energa Group. Thanks to their commitment, competences and experience, we build an organization based on values and successfully realize assigned tasks.

The Energa Group appreciates the importance of the process of recruitment and employment of employees – people with the desired features, sharing similar values, ready to execute objectives of strategic importance for the organization.

Employees of all levels, trained and employed within the Energa Group structures, make up a professional, qualified team, highly valued in the labor market, holding specialist qualifications and experience required in the power sector.

Integration of the Group employees in a safe and friendly work environment is a key element of the organizational structure. Employees perform their tasks with passion, are open to changes, respect each other and fulfill their commitments.

Key directions of the activities in the HR area pursued under the Energa Group's strategy

One of the priorities of the Energa Group in the HR policy is to create a safe and friendly workplace for employees.

Energa Group's strategic objectives focus on the following:

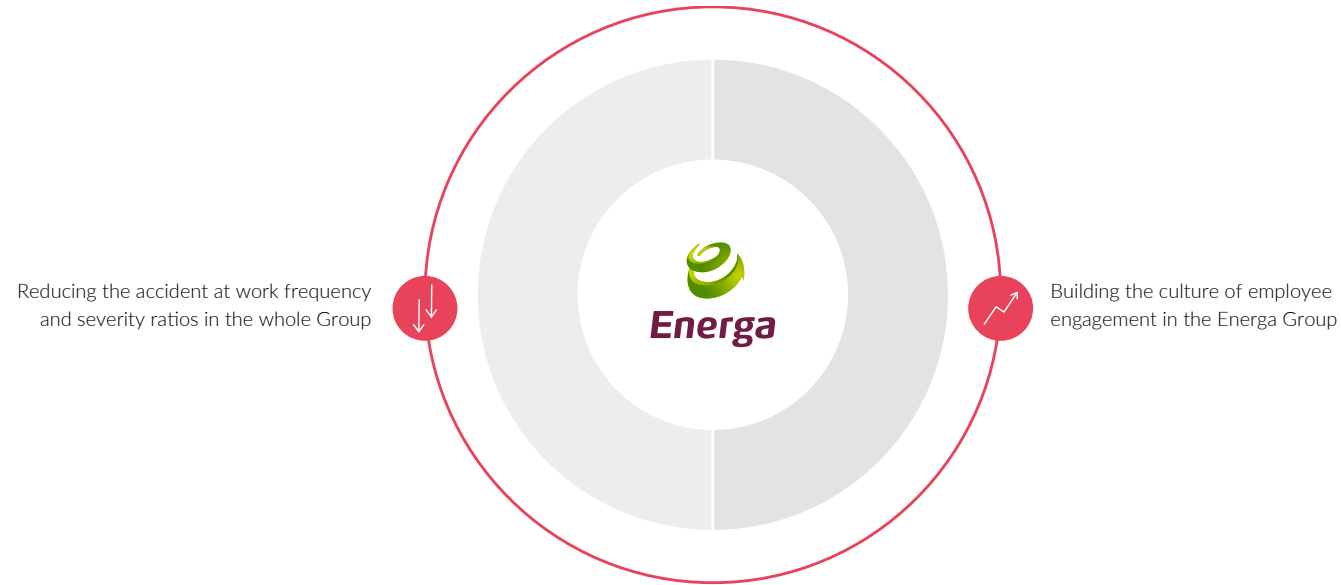
- a constantly reducing the number of accidents in the workplace
- b improving the efficiency of the tools used in communication with employees
- c ensuring employees' work life balance
- d raising employee satisfaction and engagement

Priorities for 2016 and progress in their execution

Priorities for 2016	Performance
Improving occupational safety and health	Practical training and examinations for electrical installation personnel.
Aligning third party contractors to our safety standards	<ul style="list-style-type: none"> - Implementation of a new version of the procedure entitled "Occupation safety requirements for external contractors". - Carrying out audits in Energa-Operator SA's Branch Offices and companies with process links.
Building the culture of engagement in the Energa Group	In 2016, a number of development projects were carried out for employees and employee volunteerism activities.



Priorities for 2017



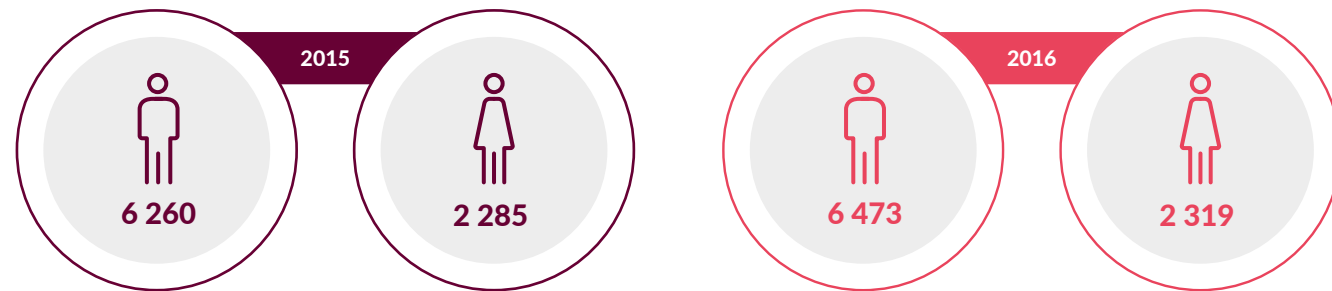
5.2. Our employees

Employment structure

Energa, as one of the biggest employers in the Pomeranian Region, at the end of 2016 employed nearly 8.8 thousand employees (including on those employed on the basis of management contracts), of which 26% women

and 74% men. A clear majority of the employees have previous professional experience and are aged over 30.

Number of employees by gender



Number of employees by age group

Total number of employees	2015	2016
< 30	601	623
30-50	5 217	5 214
> 50	2 727	2 955

Number of employees by contract type

Total number of employees	2015	2016
Fixed term contract	433	510
Indefinite term contract	8 064	8 226
Management contract	48	56

Employment and salary conditions

The Group has in place clear and transparent remuneration systems, consistent with the Company Collective Bargaining Agreements and remuneration bylaws.

Employment contracts for an indefinite term are the dominant form of employment. Newly employed workers enter into an employment contract for a trial period and then for a fixed term.

Special importance is attached to setting the right level of remunerations, in accordance with the type, nature or uniqueness of the work performed. In addition there is a well developed system of fringe benefits. It comprises, for example, an additional medical package, Multisport card, Employee Pension Plan, or vouchers and benefits under the Company Social Benefit Fund. Considering compliance with the provisions of the Labor Code, Company Collective Bargaining Agreements, and internal regulations laid down in the

mobbing and discrimination counteracting policy in the Energa Group, the aspect of diversity and equal opportunities is an important element of employee relations. All employees are bound by the same principles pertaining to equal treatment, regardless of gender, age, disability, race, religion, political convictions, trade union membership etc. with regard to establishing and terminating the employment relationship, terms and conditions of employment, promotion and access to training.

In accordance with the adopted regulations, the Group companies are committed to take prevention and intervention actions aimed at effective resolution of conflicts, and counteracting mobbing and discrimination. Training on counteracting mobbing and discrimination was delivered in 2016 to over 452 Energa Group employees.

Adaptation procedure



Adaptation is the key stage in the career of each employee, regardless of the function discharged. Effectively carried out adaptation process significantly increases the comfort and satisfaction with the work, which translate directly into productivity and continuity of employment. For three years Energa-Operator has been successfully applying a structured adaptation procedure, which supports progress tracking and mutual communication between the employee and direct manager. Based on the experience of Energa-Operator, the new employee adaptation program is successively rolled out in other Energa Group companies.

Knowledge sharing



Energa regularly initiates and is engaged in events aimed at enriching student education to include practical expertise. With the intermediation of the so-called Ambassadors, the Group closely cooperates with the University of Gdańsk (UG). It regularly organizes workshops for students devoted to different areas of the company's operations. The value of these initiatives is confirmed by the continuing interest and attendance among students of faculties related to finance, information technologies, investments and other. A total of 100 UG students participated in the workshops organized in 2016.

"Energa(-y) for Science" Program



The program has been planned for 2012-2017. Its main objective is to build a positive image of the employer among potential future employees of the Distribution Segment. As part of the program Energa-Operator SA assumes the patronage over classes with a power sector and electrical engineering profile. Currently Energa-Operator SA cooperates with 3 universities and 10 secondary schools (Gdańsk, Wejherowo, Malbork, Elbląg, Koszalin, Białogard, Starogard Gdański, Kalisz, Grudziądz, Słupsk). The forms of co-operation include:

- scholarship contests in secondary schools after each semester (approx. 100 persons are awarded yearly) and, once a year, at universities, 8 people from each university are awarded
- organizing power sector field trips to the Power Dispatch Center to the experimental training center in Straszyno or to Main Supply Points
- apprenticeships and vocational internships in Energa-Operator – 100 people every year
- in-kind awards for the best students in vocational subjects
- subsidies to power laboratories in schools



Trade unions

Energa Group treats social dialogue as a continuing and systematic process for maintaining direct contact with social partners. Trade union organization representatives may freely present their positions, which are taken into consideration when making employee-related decisions. The dialogue serves the purpose of seeking constructive and permanent solutions, where joint values and mutual trust form the social capital. At the end of 2016, in Energa Group companies there were inter-company and company trade union organizations, affiliated mostly in 3 trade unions represented on the national level – NSZZ "Solidarność", Trade Union of Engineers and Technicians and the Power Sector Trade Union Association. As at 31 December 2016, union

membership in the Energa Group was 57.5%. Approx. 5 thousand Group employees belonged to trade unions.

The dialogue in 2016 pertained, among other things, to issues related to OSH, remunerations and benefits for employees and pensioners, social assets, organizational changes and company sources of labor law. Dialog in the Energa Group was conducted in accordance with the prevailing provisions, in particular with the provisions of the Trade Union Act and Social Agreement no. 1/1 GK ENERGA/2007 pertaining to securing employee rights and interests in the process of consolidation and restructuring of the Energa Group.

Number of collective disputes



Employees covered by collective bargaining agreements in Group Segments

Segment	Percentage of employees covered by collective agreements	
	2015	2016
Group management	79.6%	47.8%
Distribution Segment	98.5%	96.4%
Sales Segment	96.7%	97.3%
Generation Segment	71.1%	70.2%
Shared Services	52.4%	48.7%
Energa Group	90.6%	88.3%

Collective agreements – binding collective agreements encompass agreements signed by the organization itself or employer organizations of which the organization is a member. These agreements may pertain to sector, country, region, organization or workplace level.

Employee satisfaction

Dialog culture

As regards building correct relations between the management and employees, the Energa Group uses internal communication tools such as electronic mail, newsletters, intranet, information displayed on notice boards, and the “Emisja” corporate magazine.

Appreciating open communication and care for direct relations, it organizes regular Management Board meetings with the management staff and employees, off-site meetings or weekly teleconferences, during which employees, apart from ongoing issues, have an opportunity to express their

opinions on the cooperation on the Energa Group level.

As part of the efforts aimed at increasing employee satisfaction and engagement, integration events are organized in the form of family picnics, competitions or employee volunteerism activities.

In connection with the new strategy, the Energa Group for 2016-2025 and works on the new organizational model, no “Employee Opinion Surveys” were carried out in 2016.

5.3. Health and safety

Management approach to occupational safety and health

In 2016, like in previous years, occupational safety and health were priority issues for the Energa Group. Further decrease in the number of accidents at work was recorded in the Group, from 53 in 2015 to 46 in 2016. This improvement was achieved through continuously carried out and improved preventive actions, including specialist professional training on safety.

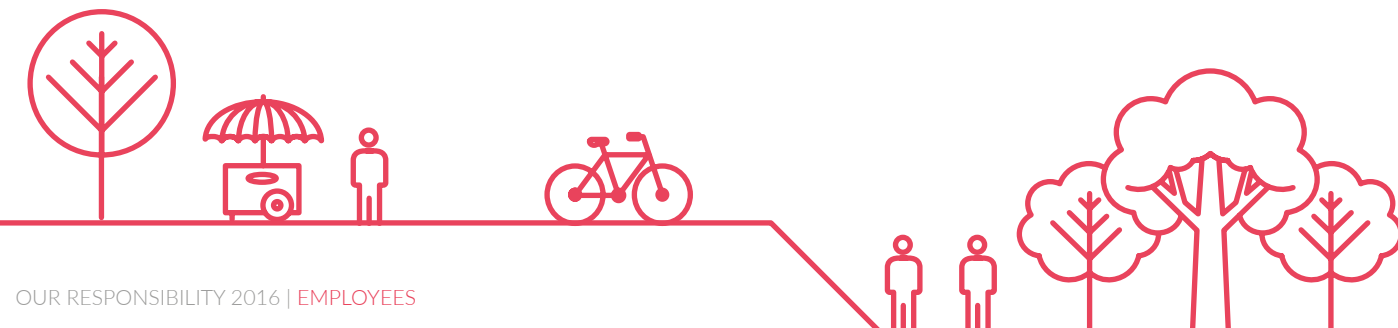
The Group continued its commitment to collaboration with subcontractors in occupational safety and health. The agreements concluded with

subcontractors contain provisions obligating them to work in compliance with the Labor Code, the Regulation of the Minister of Economy of 28 March 2013 on occupational safety and work on electrical devices, and the internal procedures of Energa Group’s various Segments.

September 2016 witnessed implementation of a new version of the procedure entitled “Occupation safety requirements for external contractors” which introduced a number of new provisions and elements, among others:

- a mechanism consisting in verification of the contractors’ compliance with the requirements, was introduced and responsibility in the case of further subcontracting was defined in more detail
- as regards contractor OSH inspections, a catalog of sanctions for negative outcomes of the OSH inspections as added and contractor discipline mechanisms were added
- as regards accident reporting, the contractor’s obligation to report accidents at the subcontractor’s and report all accidents at work was added

On the basis of the provisions of the new edition of the “Procedure” in October 2016, an OSH assessment element was introduced for all external entities inspected.





As part of implementation of the procedure "Occupation safety requirements for external contractors", an information brochure was prepared for the contractors regarding basic requirements and rules of cooperation with Energa-Operator SA.



887
inspections

of external contractors in the field, focusing on prevention, but also promotion of safe work were carried out in 2016 in Energa -Operator SA



Energa-Operator SA introduced and implemented standardized tools for periodic self-evaluation of the effectiveness of occupational safety and health activities, and for drafting occupational safety and health conditions improvement plans. In 2016, the Head Office and 6 company Branch Offices were involved in the plan evaluation and drafting process. As a result of those actions, 7 local plans for improvement of occupational safety and health conditions were devised, which contained 63 initiatives to support the achievement of strategic objectives.



In 2016, Energa-Operator SA implemented the new edition of the "Instruction for Organization of Safe Work on Power Installations" (IOBP), whose scope includes all the works performed on the power infrastructure by the Distribution Segment employees and external contractors. The purpose of IOBP is to determine general safety requirements for organization and performance of work on functioning power installations. It is a framework document which refers - in terms of detailed solutions and principles - to relevant operating instructions or work performance instructions prevailing in Energa-Operator SA.



As part of activities aimed at increasing the safety level of the employees of Distribution Segment companies, Energa-Operator SA launched a campaign to increase the knowledge and awareness of employees who use company cars as part of their duties. An analysis of the causes of major accidents at work over the past few years has shown that driving at work is one of the biggest occupational risks for Distribution Segment employees.

Therefore, all employees driving company cars were provided with custom-made training material, and company cars were equipped with "Vehicle rescue cards".

Employee and subcontractor training

As regards training for the employees and subcontractors of the Energa Group companies, the work agreements concluded with subcontractors require that all third party employees assigned to commissioned tasks have the required qualifications and appropriate occupational safety and health training. In the cases defined by internal procedures, before commencing work, they are obligated to attend training during which they are

informed about the hazards to their life and health in the workplace, inter alia about the rules of conduct in the event of a breakdown and other situations threatening employees life and health, about protective and preventive actions taken to eliminate or mitigate the hazards, and about the persons appointed to provide first aid and take actions regarding fire fighting and employee evacuation.

Operation of the experimental training center in Straszyno



The experimental training center in Straszyno, owned by Energa-Operator SA since July 2014, is a training and development center. It trains power sector experts both from the Energa Group and external companies from the power sector. The priority of this unit is to provide training on work under high voltage (PPN), which accounts for 75% of all training delivered in the center. PPN training courses are delivered on the basis of the instructions in place in Energa-Operator SA.

Information about the activity of the center in 2016 compared to 2015

Energa Group	2015	2016
number of training courses	73	94
number of persons trained	844	1 843
including Group employees	492	1 407

PPN training courses, including the Group's employees and external contractors

As part of PPN courses, the following numbers of employees were trained in 2016:



Regular meetings of Social Labor Inspectors in Energa Group



The purpose of the meetings organized was to exchange experience and self-education of Energa Group Social Labor Inspectors, with external training elements. The meetings were held in the form of lectures, discussion panels and workshops, and were delivered by representatives of the State Labor Inspection, legal advisors and OSH experts. The meetings were devoted to, in particular, legislative issues, activity of the anti-mobbing commission, and cooperation with the State Labor Inspection. The District State Inspectorate in Gdańsk honored, for the 23rd time, the persons and companies that are the most committed to cultivating an occupational safety culture. The winner of "The most socially active labor inspector" competition was Mariusz Kaźmierczak from Energa SA, who, in addition to discharging his social function, is the director of the Development Organization Division in Energa SA.

Total number of accidents and occupational diseases and the number of days off work by gender

	2015	2016
Total number of days of inability to work as a result of accidents and injuries at work	3 695	2 726
Total number of work-related accidents	53	46
including the number of work-related fatalities	1	0
Number of incidents of work-related occupational diseases	0	2

Accident frequency and severity ratios by gender



Accident rate = the number of persons injured in accidents at work x 1000 / the total number of employees at the end of the reporting year.

Incidence of employee accident severity by gender



Accident severity rate = the total number of days of inability to work by persons injured in accidents at work / the total number of persons injured in accidents at work (net of persons injured in fatal accidents).

5.4. Education and development

Employee development

Caring for development of employee qualifications, the Energa Group adapts employee competences to the changing needs of the organization, which entails a number of business benefits, among others increasing the efficiency and improving work quality. Group employees improving their qualifications through participation in specialist training courses, development projects for the management staff and language

courses, take advantage of the subsidies funding their university, post-graduate and MBA studies. In selected thematic areas, in addition to traditional training methods, they use e-learning. The Group runs its training programs on the basis of the knowledge and experience of both external experts and internal experts selected from among employees with many years of service and expertise.





To improve the knowledge about the EMAS environmental management system in place in the Group and the related environmental requirements, the Environmental Management Program (Energia Centrum Usług Wspólnych) has developed e-learning training for the Sales Segment. The training covered the following topics:

- What is the EMAS system?
- Description of implementation of the EMAS system in the Energia Group
- Benefits from implementation of the EMAS system
- Actions that each employee can take to protect the environment every day

In 2016, 300 employees of Energia-Obrót attended the training. The training will be continued in 2017.

Management of the training and education area is to expected to help trigger positive changes and bring specific measurable effects. Energia SA has in place a regulation entitled "Rules and conditions for improving professional qualifications by employees" which defines the duties

of both the company and the employee. As part of the best practices we coordinate filling the competence gaps of the employees on the basis of information from the periodic development assessment sheet through searching for the best development solutions.

Technical Academy



The Technical Academy is a project whose major tenet is to develop the technical staff of the Distribution Segment. Its goal is to provide Distribution Segment employees with unique market competences, and to integrate and create a work environment fostering the sharing of knowledge and experience.

The Academy is addressed to nearly 2,300 people, 1,650 people from Energia-Operator SA and 650 from Energia-Operator SA's related companies – employees of the technical units, both among the engineering and technical staff and support functions. Development activities have been scheduled up to 2019.

Internal trainer development program



Energia-Operator SA has been executing the internal trainer development program since 2013. Its aim is to select, mainly in the personnel area, persons with a trainer potential who, after obtaining pertinent development support, will provide internal training on the so-called "soft" skills, in accordance with the on-going needs of the substantive units and long-term development programs. 10 female trainers have been selected in the program. They continued to deliver internal training sessions in 2016. The internal trainer development program enjoys extensive interest in the organization.



Thursday Knowledge Exchange



Many things are happening in the Energia Group. Employees have new ideas every day when they are handling additional tasks or implementing projects. Thursday Knowledge Exchange is our response to the need of sharing and exchanging knowledge about the company and its environment. Regular monthly meetings constitute an opportunity for Energia Group employees to share knowledge about important, intriguing and inspiring things.

Thursday Knowledge Exchange is a blended presentation and discussion. Each panel discussion contemplates a meeting lasting 1.5-2 hours combined with sharing knowledge, experience, observations and opinions. The assumption is that these meetings should be an opportunity for employees to learn about what is going on in various divisions and to become familiar with the newest directions of growth, trends and benchmarks.

Thursday Knowledge Exchange entails a synergy of the organization's internal expert knowledge and experience gained in the environment. Exchanging knowledge and experience plays a very important role in the organization. Whenever possible, expert panels are enriched with visits by third party experts. Participation in panel discussions is totally voluntary.

Training new staff

The Energia Group endeavors to popularize knowledge about electricity and environmentally-friendly mindsets among children and youth. ty and cultivating cognitive and research interests as well as promoting

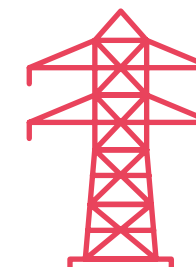
"Energy of the Young"



In 2016 the project name was changed from "ENERGY of the Future" to "Energy of the Young".

The "Energy of the Young" competition is a popular science project run by the Group under the Energia Education program targeting pupils attending post-middle school with an electricity and energy profile. It has been held regularly by Energia SA since 2012. The purpose of this competition is to encourage the youth to gain and share knowledge about the modern power sector and to inspire them to combine their scientific and professional paths. Teams consisting of at most three persons under the guidance of a teacher are eligible to take part in the competition. 40 teams from across Poland vied for the five spots in the "Energy of the Young" competition finals in 2016.

The winners of the 2016 competition proposed solutions based on an energy audit and the attributes of their school's natural location. These solutions first called for optimizing the consumption of electricity and heat and then applying sophisticated solutions to produce and store energy, among others, transparent solar panels installed on walls, wind power plants installed on the roof, piezoelectricians on the street and water generators.



5.5. Employee involvement in developing organizational culture

Employee involvement in developing organizational culture

The Energa Group promotes social attitudes encouraging employees to work for local communities and focus on aid-related efforts. It shapes environmentally-friendly mindsets among its employees, it supports employee participation in cultural, educational, historic and patriotic initiatives. It propagates health-friendly mindsets and a healthy lifestyle, encouraging employees to undertake more physical activity by co-funding the

Multisport card, organizing sports games in the Group and co-funding employee participation in external events and tournaments. Group employees happily take part in volleyball and football games in the summer and the winter, in the Power Sector Employee Championships in Alpine Skiing and in holiday employee competitions that integrate not only Group employees but also their families, an important part of the Energa Group's community.

Employee volunteerism

Energa Group employees get involved in charitable campaigns willingly, selflessly and in big numbers regardless of whether they are organized centrally or locally. They devote their leisure time by jogging, bicycling and walking to collect money for the needy; they give blood to care for the health and save the lives of others. They hold collections of school supplies, cleaning articles and money to help Gdańsk's Hospice Foundation. They also collect plastic bottle caps and waste for recycling under the campaign

entitled "Tune In". Recently, on account of the initiative demonstrated by employees a campaign entitled "A Little Heart for Michalinka" was run. That campaign was for the granddaughter of one of our employees. Money was collected for Michalinka, who was diagnosed with a heart defect, to be born and put in the care of an outstanding cardiologist. Energa Group employees are very well organized and they are aware that a small gesture is capable of accomplishing a lot.

"Active and Charitable 2016"



The third annual program for the employees and associates of the Energa Group companies and their loved ones took place in 2016. The campaign entails traversing kilometers through physical activity such as walking, jogging, bicycling, etc. The kilometers traveled are counted using the Endomondo mobile application.

Thanks to the kilometers traveled the **Energa Foundation** donates money to children in nine children's care centers in the Energa Group's operating area. The cities in question are Ostrołęka, Olsztyn, the Tri-City, Toruń, Płock, Kalisz, Słupsk, Koszalin and Elbląg. In 2016 campaign participants „spun their wheels” and jogged to collect PLN 150 thousand. Thanks to their efforts 422 wards of these nine children's care centers will go on a summer holiday trip in 2017.

These campaign enjoyed enormous interest in all the areas where the Group's member companies operate, thereby mobilizing local bicycle lovers in cities as distant as Ostrołęka and Kalisz.

Edition/Year	Number of participants	Monetary amount	Number of kilometers
2014	204	240 tys. zł	242 000 km
2015	443	140 tys. zł	350 000 km
2016	477	150 tys. zł	515 000 km



"A Drop of Energy"

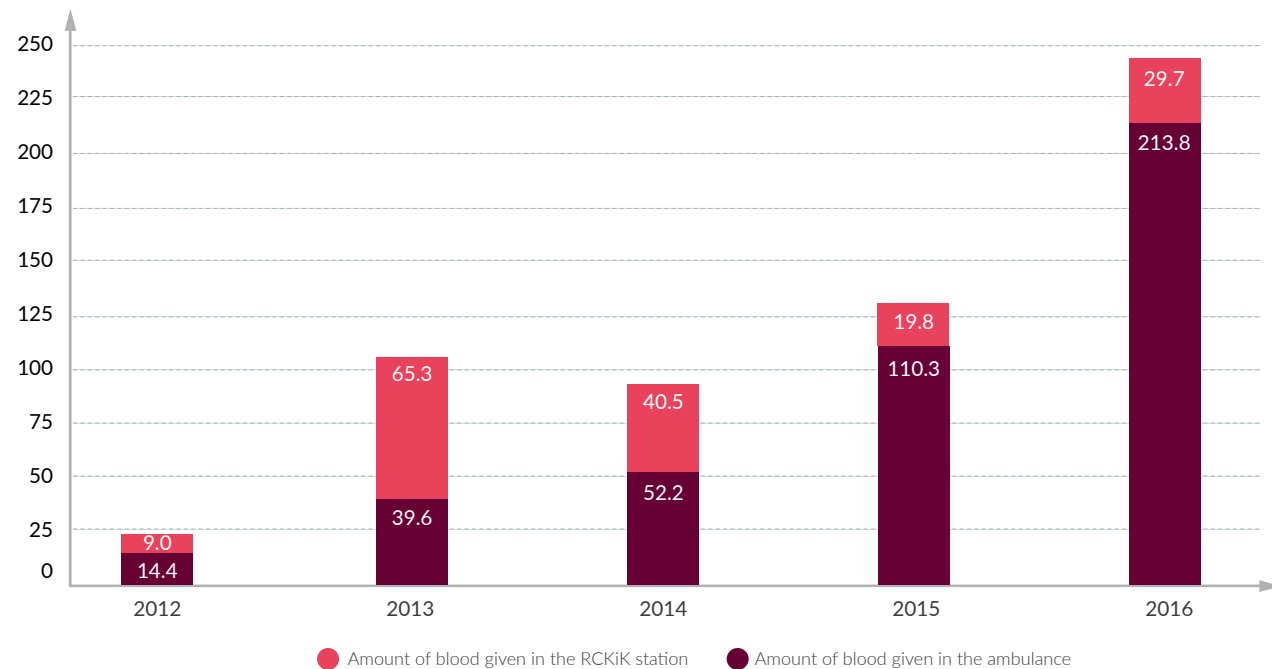


This Informal Club of Honorary Blood Donors set up by Energa Group employees has been propagating the idea and setting an example for honorary blood giving since 2012. In 2016, during the five blood drives organized by the club - a total of more than 243,450 liters of blood was donated in bloodgiving buses (541 donations of 450 ml each). In addition, the people taking part in the drive gave 29.7 liters (66 donations) in brick and mortar bloodgiving centers – these quantities confirm that the 2015 record has been broken.

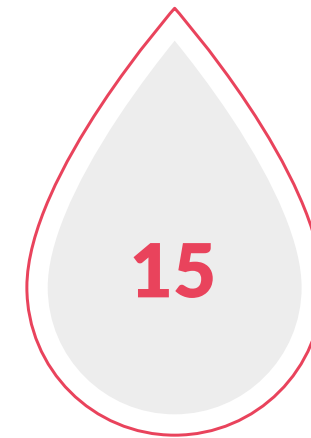
The turnout grew considerably compared to the previous year. In 2015, 438 people took part in these blood drives (249 men and 189 women), while in 2016, 724 took part (491 men and 234 women). During blood drives, participants can give blood and submit to preventive tests, consult with a physician and learn the basics of giving first aid under the watchful eye of the Sopot Water Voluntary Rescue Service. Energa Group employees also help people with cancer by enrolling in the National Bone Marrow Donor Bank. The club's initiatives enjoy more and more popularity year by year. "Drop of Energy" has now won the support of nearly 255 Energa employees and 457 friends, people from other companies and Tri-City residents. The Regional Bloodgiving and Blood Treatment Center in Gdańsk (RCKiK) is a standing partner. It makes a modern ambulance available and it makes it possible to run a blood drive with professional medical personnel.

In mid 2016 a "Drop of Energy" profile was set up on Facebook. All events related to giving blood are reported there. This has made it possible to enhance the popularity of "Drop of Energy" and streamline interactions with donors. "Drop of Energy" is well received by the community of Honorary Blood Donors and by people who need blood. There are plans to set up a "Drop of Energy" Foundation to enhance collaboration with donors and various other entities operating on the market.

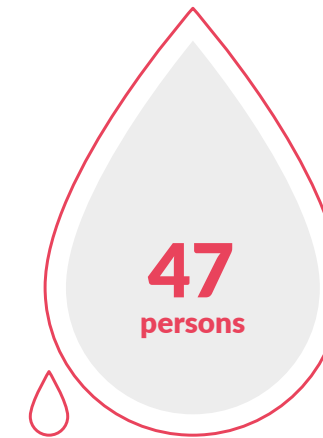
The quantum of blood collected in recent years by the Energa "Drop of Energy" Informal Club of Honorary Blood Donors



Drop of Energy highlights from 2012 to 2016



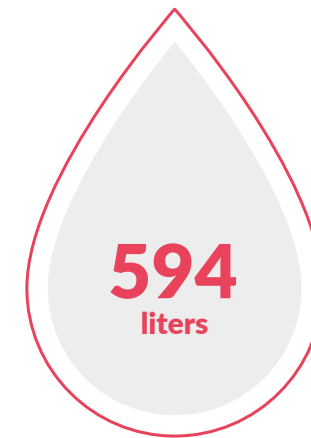
blood drives using RCKiK's ambulances



were transported in electric vehicles to WCKiK by the Energa Group



in all the blood drives



of blood collected by "Drop of Energy" since its inception



took part in these blood drives



have been registered since 2012



“Energya for Health” Pilot



In the second half of 2016 Energa-Operator Head Office kicked off the “Energya for Health” pilot. Under this program employees have the option to take advantage of regular health checkups available in the Tri-City area. Such a checkup illustrates all the ways in which employees can invest in their health after working hours. Additionally, as part of promulgating a healthy lifestyle, “Diet and Stress” workshops are held to show the correlations between nutrition and stressful conditions in our lives. This program contains elements to improve the quality of working conditions for disabled persons. As the examples of companies that have launched wellness programs demonstrate, these types of efforts have a genuine business case. For employees to be able to do their jobs well, it is necessary to keep their mental and physical health in good condition. Employees with certified levels of disability should be given special care in these types of programs. Moreover, every Thursday is “Apple Day” in the Head Office of Energa-Operator SA. All company employees working in Gdańsk may take an apple to care for their proper nutrition. A contest to make the best apple cake has been organized among the employees thanks to “Apple Thursdays”. Ten employees enrolled in this contest. All the participants received a cookbook with a host of intriguing dessert recipes for their delicious baked morsels. Additionally, the winner received a voucher to attend a one-day-long culinary workshop at the Culinary Academy.



Number of employees by gender

Segment	Number of employees by gender			
	2015		2016	
	Females	Males	Females	Males
	53	60	80	81
Group management	1 007	4 252	1 032	4 424
Distribution Segment	658	512	626	517
Sales Segment	250	1 278	255	1 276
Generation Segment	317	158	326	175
Energa Group	2 285	6 260	2 319	6 473

Number of employees by gender and type of employment agreement

Segment	2015						2016					
	Fixed term		Indefinite term		Management contracts		Fixed term		Indefinite term		Management contracts	
	F	M	F	M	F	M	F	M	F	M	F	M
Group management	2	1	48	49	3	10	8	6	69	59	3	16
Distribution Segment	45	91	961	4 159	1	2	66	194	966	4 226	0	4
Sales Segment	151	71	506	431	1	10	90	53	535	457	1	7
Generation Segment	19	26	228	1 238	3	14	19	31	233	1 227	3	18
Shared Services	13	14	302	142	2	2	15	28	311	143	0	4
Energa Group	230	203	2 045	6 019	10	38	198	312	2 114	6 112	7	49

F—Females M—Males

Number of employees employed for an indefinite term by gender and working time

Segment	2015				2016			
	Full time		Part time		Full time		Part time	
	Female	Males	Female	Males	Female	Males	Female	Males
Group management	48	47	0	2	64	57	5	2
Distribution Segment	953	4 156	8	3	963	4 224	3	2
Sales Segment	503	430	3	1	531	454	4	3
Generation Segment	226	1 236	2	2	232	1 224	1	3
Shared Services	299	140	3	2	306	140	5	3
Energa Group	2 029	6 009	16	10	2 096	6 099	18	13

Number of employees by gender and age group

Segment	2015						2016					
	<30		30-50		>50		<30		30-50		>50	
	F	M	F	M	F	M	F	M	F	M	F	M
Group management	9	3	34	47	10	10	19	4	54	65	7	12
Distribution Segment	34	232	672	2 551	301	1469	47	235	667	2 555	318	1 634
Sales Segment	129	74	471	361	58	77	115	76	455	358	56	83
Generation Segment	26	58	134	600	90	620	28	56	133	574	94	646
Shared Services	26	10	226	121	65	27	25	18	225	128	76	29
Energa Group	224	377	1 537	3 680	524	2 203	234	389	1 534	3 680	551	2 404

Number and type of accidents and number of incidents of job-related occupational diseases

Segment	Number of job-related accidents (total)				Number of job-related fatalities				Number of incidents of job-related occupational diseases			
	2015		2016		2015		2016		2015		2016	
	F	M	F	M	F	M	F	M	F	M	F	M
Group management	1	0	0	0	0	0	0	0	0	0	0	0
Distribution Segment	1	33	1	32	0	1	0	0	0	0	0	0
Sales Segment	1	6	0	4	0	0	0	0	0	0	0	0
Generation Segment	1	7	1	6	0	0	0	0	0	0	0	2
Shared Services	3	0	1	1	0	0	0	0	0	0	0	0
Energa Group	7	46	3	43	0	1	0	0	0	0	0	2

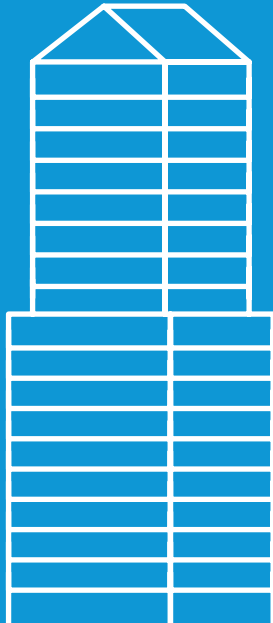
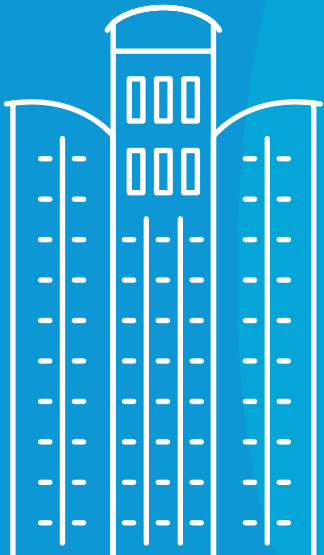
Incident frequency and severity ratios

Segment	Accident frequency ratio (accident incidence rate)				Accident severity ratio			
	2015		2016		2015		2016	
	Females	Males	Females	Males	Females	Males	Females	Males
Group management	18.9	0.0	0.0	0.0	3.0	0.0	0.0	0.0
Distribution Segment	1.0	7.8	1.0	7.5	71.0	60.2	12.0	67.0
Sales Segment	1.5	11.7	0.0	7.7	45.0	112.2	0	33.3
Generation Segment	4.0	5.5	7.8	4.7	0.0	109.0	16.5	56.0
Shared Services	9.5	0.0	3.1	5.7	29.0	0.0	0.0	0.0
Energa Group	3.1	7.3	1.7	6.8	29.4	74.7	11.3	60.9

Average number of training hours per employee by gender and employment category

Segment	Managers				Others			
	2015		2016		2015		2016	
	Females	Males	Females	Males	Females	Males	Females	Males
Group management	69	67	46	21	40	32	29	30
Distribution Segment	60	56	46	38	16	24	16	29
Sales Segment	54	47	2	8	12	10	1	4
Generation Segment	43	27	45	42	18	12	22	13
Shared Services	22	67	20	84	15	38	12	30
Energa Group	52	50	33	36	15	21	13	24

Local communities



6.1. Responsibility to local communities as a strategic area

Every day the Energa Group translates its responsibility to the environment in which it operates into practical activities. As we are convinced that dialog is the most creative form, we rely on partnership relations and open communication with the local community, local institutions and organizations. It creates conditions conducive to regional growth and it supports important

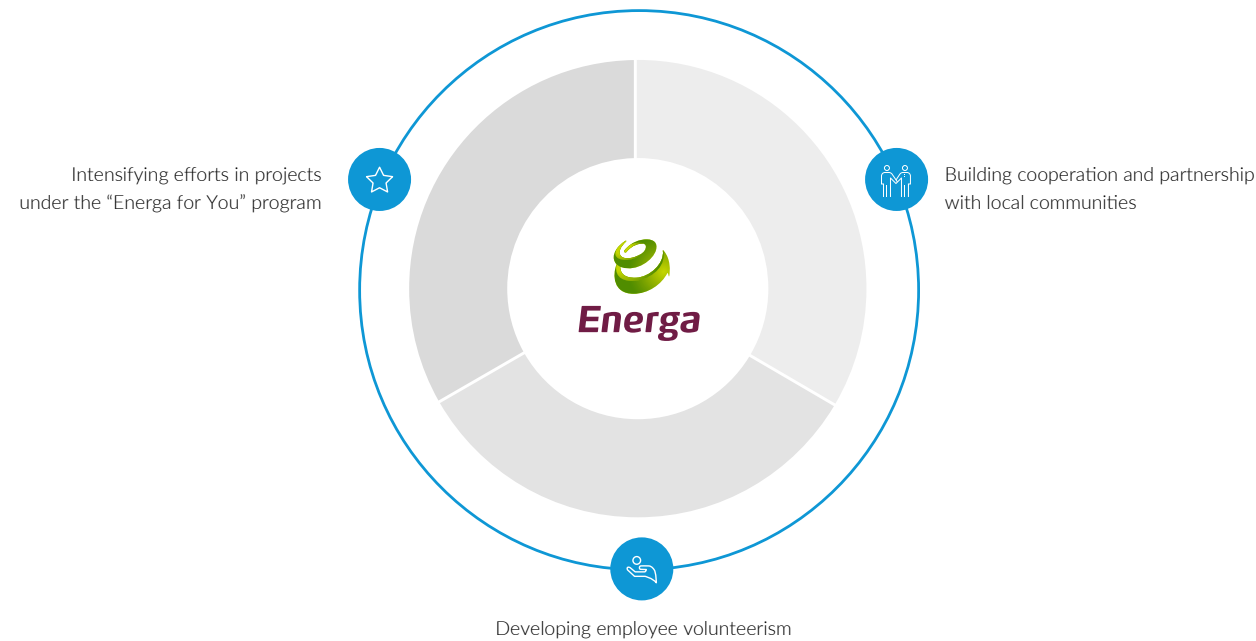
initiatives for local communities for the purpose of responding to their needs and expectations. Under the "Energa for You" program underway since 2008, it gets involved in projects focusing on important values espoused by the Group including: human beings, joy of life, education, environment, ecology, security and children's future.

Responsible management



Our goals and their performance in 2016

Goals for 2016	Performance
<p>Intensifying efforts in projects under the "Energa for You" program</p>	<p>Growing the number of project participants by more than 8 thousand children.</p> <p>Under the "Planet of Energy" program:</p> <ul style="list-style-type: none"> - the number of teachers participating in the program has climbed roughly 40%, - new lesson plans fitted to the age of children who are just starting their school education have been introduced. <p>Under the Energa Basket Cup program:</p> <ul style="list-style-type: none"> - the number of schools participating in the project has surged roughly 14%, - another plebiscite called "Show Your Energy" was held for the parents of school age children. <p>The windsurfing training program under Energa Sailing was extended to include another two centers.</p>
<p>Building cooperation and partnership with local communities</p>	<p>Energa-Operator SA devised and implemented a best practices catalog containing examples of mutual cooperation between the company and local governments.</p> <p>Energa Oświecienie Sp. z o.o. launched an initiative to introduce a new model of cooperation with local government units in the Pomeranian Region – it made its own lighting assets available to municipalities to enable them to obtain funding from European funds to modernize lighting infrastructure.</p> <p>Under the "Shine with Energa" plebiscite, the authorities of the winning cities were involved in selecting the neediest centers and institutions in their region. Modern household appliances were given to them.</p> <p>In the "Energa for You" program the Group endorsed many initiatives stemming from the needs of local communities.</p>
<p>Developing employee volunteerism</p>	<p>Under the "Help with Energa" program:</p> <ul style="list-style-type: none"> - the number of employees involved in the program has grown 14%, - the value of donations made to public benefit organizations has risen 14%. <p>Under the "Active and Charitable" program:</p> <ul style="list-style-type: none"> - the number of program participants has moved up 22%, - the total number of traversed kilometers has spiked by 48%, - the total value of the pool of donations has jumped by 7%. <p>Within the "Drop of Energy" project:</p> <ul style="list-style-type: none"> - the number of project participants giving blood has shot up by more than 40%, while the number of employees has shot up by 47%, - the number of liters of blood collected has risen 47% - the project's fanpage was launched on the Facebook social portal. <p>Detailed information concerning volunteerism projects is available in the chapter on Employees</p>



6.2. Activities benefiting society

New approach to social management

The Energa Group is part of the environment in which it functions. Its energy infrastructure is part of the scenery in those places where the company operates. Its generation fleet, grids and electric power stations are situated in an area covering nearly 1/4 of Poland's landmass. The nature and magnitude of the business we run mean that the Group takes a highly responsible approach to building good and long-lasting relations with the environment while blending its business activity with efforts to benefit the local communities. This is reflected by the company's vision embraced in connection with the new strategy for 2016-2025: "We endeavor to attain the objectives of our shareholders, customers, employees and the environment in a sustainable manner by harnessing modern and reliable infrastructure and aligning our offer and service to their needs while conserving the environment and abiding by the principles of corporate social responsibility."

According to the Organizational Governance in force in the Energa Group, Energa SA is responsible for devising its social commitment strategy and coordinating its execution. This company also runs most of these activities. Group companies that are well-versed with the challenges and needs of their immediate environment get involved in socially beneficial activities in parallel. The other companies can take advantage of the best practices they frame for cultivating relations with local communities.

The analysis of materiality conducted in 2016 among the Energa Group's internal and external stakeholders has confirmed that building relations with the environment is a natural and necessary way of extending the company's business activity, chiefly by engaging in planned, long-term collaboration with social partners, the national government and local government administration at the level of various companies.

The Energa Group's activity to build relations with local communities is manifested by the following:

- ✓ running the "Energa for You" program
- 🗨️ communicating about the products and services offered
- 🔄 providing financial backing for important initiatives in the local community according to standards communicated to the public
- 🗨️ running clear and transparent communication on planned and current outages of electricity
- 🗨️ running social consultations with residents and local governments on investment processes
- 📄 advising of possible burdens caused by a production process or renovation and modernization work

„Activities for local communities giving consideration to their needs are one of the essential elements of the Energa Group's Sustainable Development and Corporate Social Responsibility Report. We strive to attain this objective comprehensively and with unwavering determination by holding a series of seminars for representatives of local governments and running proprietary education, sports and nature programs and by lending support to initiatives of importance to the environment in which we operate. We direct special attention to children and young adults. Through our actions we endeavor to evoke their curiosity in the world, encourage them to look for responses to the questions that intrigue them, to develop their interests and passions, e.g. scientific or sports-related. We are also keen on modern patriotic education and cultivating the historical awareness of the younger generation. At the same time, we would like to enable the youngest people to grow while eradicating obstacles and limitations such as a shortage of financial resources, access to knowledge and infrastructure. We want to inculcate conscious and responsible, social and environmentally-friendly attitudes in the younger generation



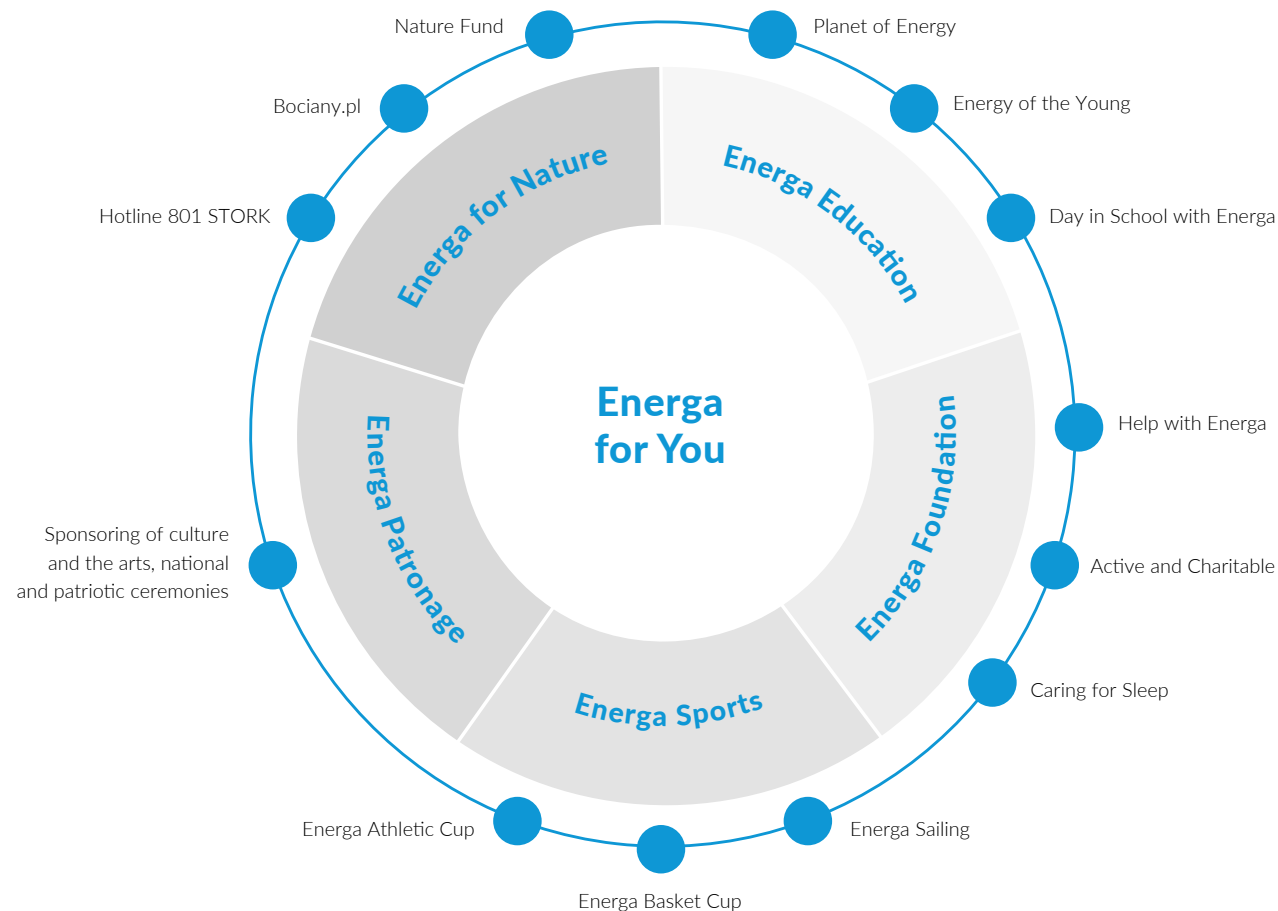
Robert Kwiatek

Director of the Sponsoring Department at Energa SA

Programs for local communities

The Energa Group treats the building of relationships with local communities as a long-term activity focused on accomplishing specific objectives. Under the "Energa for You" slogan, the Group supports initiatives propagating physical activity and a healthy lifestyle, education and science, culture and art and inculcating environmentally-friendly mindsets. Through its Foundation, Energa conducts charitable activity whereby it lends support to

many institutions and organizations. The Group provides special support to the development of the younger generation. Tens of thousands of children and youths participate in the firm's programs every year. By acting consistently and comprehensively the Group gains greater certainty that the initiatives undertaken for the public at large will affect the largest possible group of beneficiaries.



Energa Education

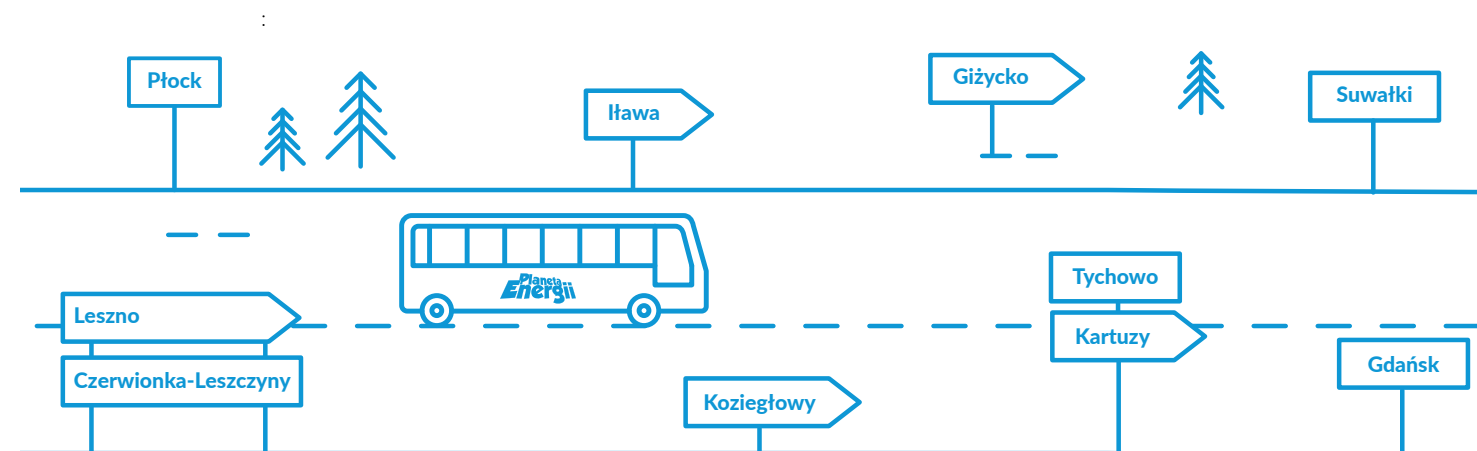
For years the Energa Group has been involved in projects to promulgate knowledge about electricity. In its operations the Group's key messages are safety and care for the natural environment. That is why it focuses its efforts on raising awareness on how to use electrical devices correctly and how to behave properly when in the vicinity of power facilities, promoting good habits in using electricity rationally and shaping environmentally-friendly mindsets. The Group also encourages people to discuss the opportunities and threats facing the contemporary power sector. The Energa Group operates at different levels of education by adjusting the form and tools to impart knowledge commensurately. The youngest children are educated through fun in programs entitled "Planet of Energy"

and "Day in School with Energa" Knowledge contests are organized for slightly older children, i.e. "Energy of the Young", as are internships and fellowships and scholarships are funded for good grades in school under the program "Study with Energy(a)". The "Acta Energetica" scientific quarterly is addressed to scientists and experts. The Group also willingly gets involved in initiatives to support the development, creativity and innovativeness of children and youth. It acted as a partner in the participation of four Polish teams consisting of pupils and students in the 37th Odyssey of the Mind World Finals held in the United States and the 14th Annual Days of Science and Art in Olsztyn.

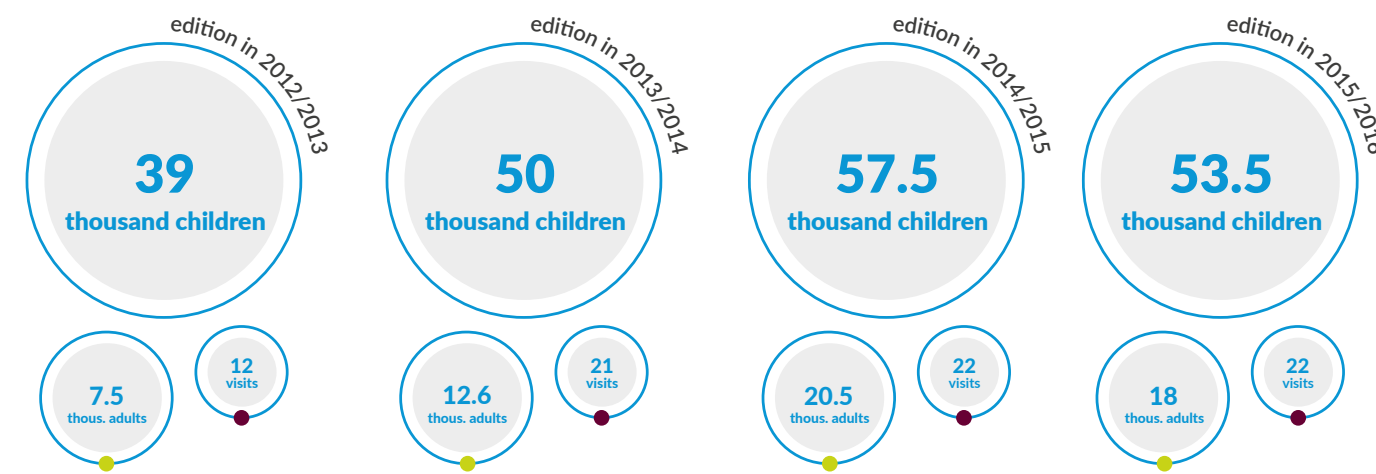


The ENERGA Group's key proprietary educational program entitled "Planet of Energy" launched in 2010 continues to flourish. Every subsequent edition contains new elements corresponding to teachers' needs, contemporary education and current issues. The sixth edition (2015/2016) included new lesson plans devised by Tomasz Rożek for the youngest pupils who are just embarking on their scholastic adventure.

"Planet of Energy" experts also took part in various events focusing on children and families during which they taught the youngest participants how to use electricity safely and reasonably, for instance, at a family picnic called "Kids Rule" to celebrate Children's Day held in the gardens belonging to the Prime Minister's Office and during the ceremony held in conjunction with signing the annex to the Large Family Chart agreement. The mobile science center "Planet of Energy" went on tour around Poland in April and May 2016 to pay visits to the winners of the 7th annual "Planet of Energy" in the following cities:



Planet of Energy highlights



● Number of adults who visited the "Planet of Energy" mobile center of science ● Number of visits made by the "Planet of Energy" mobile center of science

more than
270
thousand

children from across Poland have learned about electricity in the six editions held so far in the "Planet of Energy" program – that's 11% of the elementary school pupils in Poland enrolled in the 2015/2016 school year

100
visits

were paid to the „Planet of Energy” mobile center of science so far



dr Tomasz Rożek

journalist, popularizer of science, host of the „Probe 2” program in TVP2, ambassador of the „Planet of Energy” program

“Our youngest children should understand what electricity is and how to use it rationally. After all, children are surrounded by electrical devices from the time they are born. In my opinion, practical and specific knowledge is one of the two main benefits children derive from taking part in the “Planet of Energy” program. What is the other one? In a certain way we are able to eliminate the bad reputation science has as being difficult and unintelligible. Children see that science is simply intriguing. In addition, the way in which we convey knowledge to the youngest children means that they will retain it for a very long time. In “Planet of Energy” we want for children to have fun because we believe that science is more effective when it is interactive and fun”.



For many years the employees of Energa-Operator SA have been educating the youngest children about electricity and how to behave correctly when they are close to electrical power infrastructure so as to reduce the number of accidental electrocutions to the greatest degree possible. Every school interested in the company's area of operation may apply to take part in the program called “Day in School with Energa”. More than one thousand children and young adults participated in the project in the 2015/2016 school year. From its launch, more than 168 thousand of our youngest children have taken part.



The “Acta Energetica” quarterly has been published in cooperation with the Gdańsk University of Technology since 2009. It targets professionals: engineers and technicians, senior management, university employees and students of faculties related to the power sector.

This magazine's subject of interest is related to the power sector and the electrical power sector as well as neighboring fields. It constitutes a platform for representatives of the world of science and business to exchange thoughts and experience. All the editions of the “Acta Energetica” quarterly are available through Open Access in Polish and English. The articles may be downloaded in electronic form from the www.actaenergetica.org website. The quarterly's printed version is distributed to Polish libraries and international universities and scientific institutes. 4 editions of this magazine were published in 2016: editions 26-29.

Since 2009 “Acta Energetica”:

29

published editions

313

published articles

356

authors of publications



Rafał Hyrzyński

Director of the Department of Strategy and Strategic Asset Management in Energa SA, Deputy Editor in Chief of “Acta Energetica”



The Energa Group has allowed visitors to tour its facilities for years. Its one-of-a-kind historical hydro power plants are veritable treasures of engineering and great attractions. The Hydro Power Plant in Włocławek, the Ostrołęka Power Plant, its wind farms and solar parks also enjoy interest. Scientists, pupils and students on field trips, power sector lovers and representatives of business from Poland and abroad are among the visitors. Nearly 6,000 people visited the company's facilities in 2016.

Energa Sports

Blending corporate social responsibility and the promotion of sports is our response to the needs of contemporary reality in which work, determination and rivalry in the spirit of fair play drive the success of individuals and collective bodies. This idea is effectively gaining traction among more age groups through the sports projects we pursue regularly and in an unwavering manner and among larger youth groups thanks to the improved form of how we run these campaigns. Energa Sports means energy for a good start. Under this program the Energa Group supports and executes initiatives propagating an active lifestyle among children and youth, inculcating the proper social mindsets through sports rivalry and allowing the youngest members of

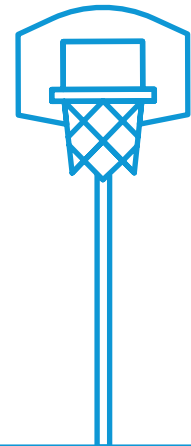
our society to cultivate their passions and interests in athletics. The Group's programs encourage them to compete fairly and enjoy playing sports and their personal development. The youngest ones are given an opportunity to train under the watchful eye of experts in special sports centers and take part in professional competitions. The Energa Group devotes special attention to three proprietary programs that support athletic development and discovering athletic talent in basketball, track and field and sailing. Open enrollment and extensive catchment area mean that every year tens of thousands of young children take part in them across the country.

3%

more than the expenditures of the Ministry of Sports & Tourism in 2016 to implement tasks under the Fund for Sports Lessons for Pupils, were total expenditures of the Energa Group on the Energa Sports program and professional sports in 2016



The "Show Your Energy" plebiscite accompanied the eighth edition of the Energa Basket Cup (2015/2016), Poland's largest organized basketball program for girls and boys aged 11-13. Under this program parents submitted pictures of their children when they were engaged in actively spending their leisure time. 16 photographers whose photos received the highest number of votes in each region were the winners of this plebiscite. The prize for the winners was a three-day stay in the Tri-City filled with sporting attractions.



88
thousand

players took part in the 2015/2016 Energa Basket Cup

nearly
7.4
thousand

primary schools from across Poland were represented by players



530
thousand

players took part in the eight editions of Energa Basket Cup - that is nearly three times more people than the number of players registered in Poland's basketball associations (198,897*)

** data based on the players' licences issued by the Polish Basketball Association*



A series of training sessions on the basics of sailing was held in 2016 in collaboration with the Polish Yachting Association in the Optimist and Windsurfing class for children aged 7 to 11 from 10 cities around Poland under the Energa Sailing program, Poland's largest comprehensive program to support Polish sailing. The windsurfing training program was extended to include two more centers and was delivered in four cities: Sopot, Gdańsk, Kalisz and Warsaw. Another 13 thousand of the youngest children took part in Energa Sailing's open enrollment lessons held in November in primary schools located across Poland. It was possible to incorporate more schools in the program thanks to the additional support provided by the Ministry of Sports and Tourism. The group of the 15 most committed and best participants from each one of the centers running this training took part in a sailing daycamp held in the summer.

This project once again made it possible to provide support in the form of equipment for sailing clubs and sections across Poland - 110 full sets of sails and accessories were given to them. From the initial launch of the Energa Sailing program, the total donations made for training youth were as follows:

70

completely outfitted Optimist boats

50

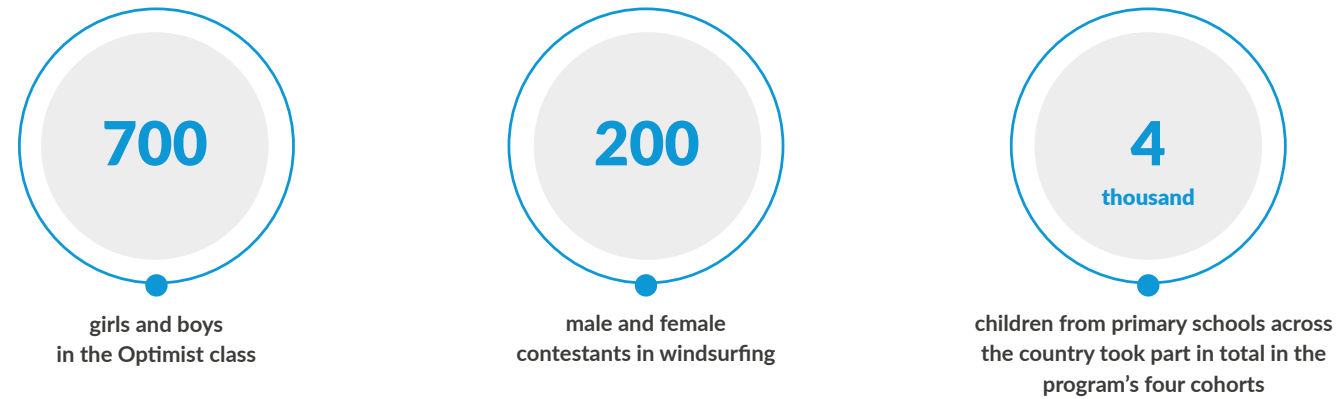
windsurfing boards

100

complete sets of sails for Optimist boats including life vests and educational materials

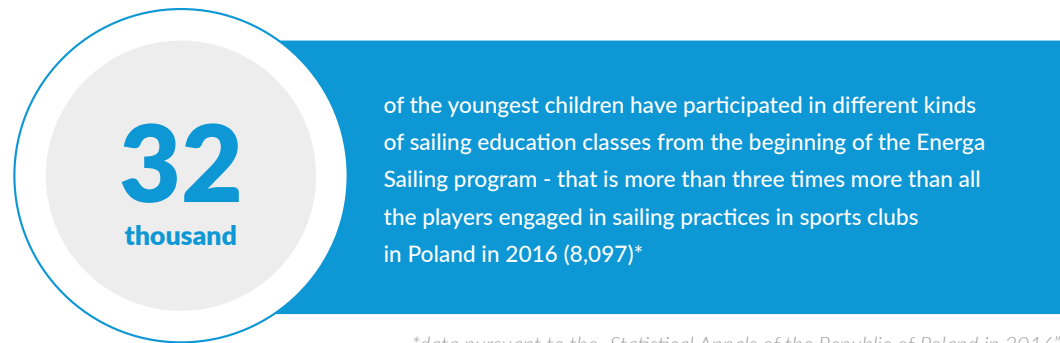


In 2016, the following numbers of people took part in the Energa Sailing education program consisting of theoretical, general development and practical sailing lessons:



The Energa Sailing Cup was organized for the fourth time for the best Optimist class competitors in Poland (Group "A") together with the Polish Yachting Association and the Polish Optimist Class Association. More than 100 participants competed in the elimination rounds based on general classification points. These points allowed the top 40 to become eligible to participate in the Energa Sailing Cup Grand Finals that traditionally

take place on the pier in Sopot. The prizes for the best contestants in the general classification for all the rounds were scholarships to purchase sports equipment. They joined the group of scholarship winners on the Energa Sailing Junior Team. For the next three years they will receive monthly financial support to develop their sporting careers.



*data pursuant to the „Statistical Annals of the Republic of Poland in 2016”, Central Statistical Office, Warsaw 2016

The group of Poland's best sailors in Energa Sailing Team Poland received support to prepare for international events, including chiefly the Olympic Games in Rio de Janeiro in 2016 thanks to Energa Group's strategic collaboration with the Polish Yachting Association launched in 2013. In February 2016 Małgorzata Białecka and Piotr Myszka won individual gold medals

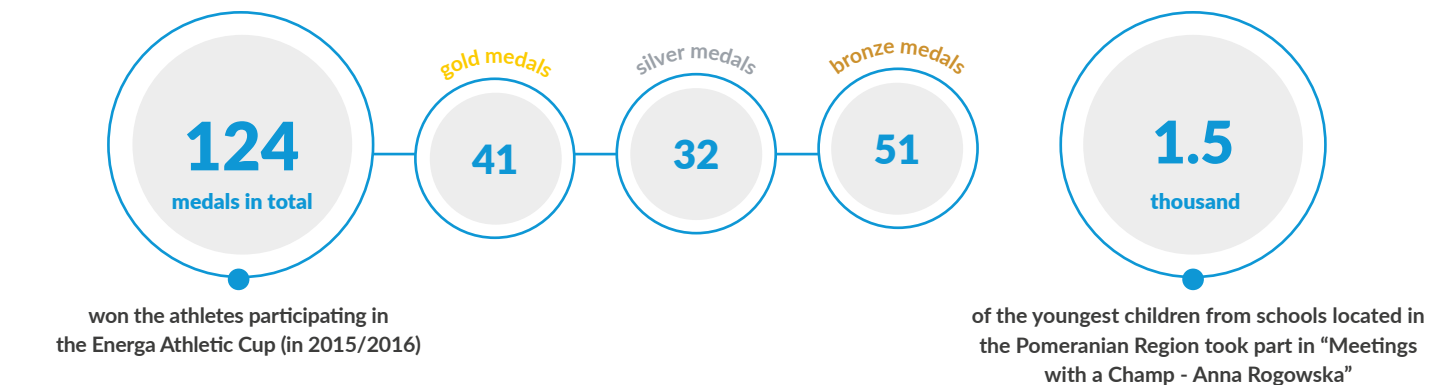
in the world championships in the RS:X class in Eilat, Israel. However, the objective of Energa Sailing Team Poland was to qualify for the Olympics and subsequently to compete for Olympic medals. Ultimately, 7 players representing Poland participated in the Olympics. Piotr Myszka took the highest position among them by taking fourth place.

Przemysław Miarczyński
Sailor, world champion in RS:X and Mistral class windsurfing many times, Olympic bronze medalist and ambassador of the Energa Sailing program

“Sailing is not just a sport; it is also an incredible school for character building. It teaches perseverance, determination and hard work. All that produces results not just in sports but in day-to-day life. It is important to inculcate these values in children. Energa Sailing makes it possible to combine pleasure with something beneficial while being able to spend your leisure time in an interesting way, regardless of whether you intend to continue your career in sports or not”.

(March 2016)

Approximately 1,800 athletes from more than ten cities in the Pomeranian Region took part in the 2015/2016 season during the competition held during the Energa Athletic Cup program to educate children and youth about track and field run in collaboration with the Sopot Track and Field Club. Training for athletes was conducted in 9 cities: Osieczna, Karsin, Lubichowo, Nowa Cerkiew, Pinczyn, Wilczęta, Pogórze, Mikołajki Pomorskie and Sopot. Program participants took part in group training sessions and in local, national and international athletic meets. Anna Rogowska, program ambassador encouraged pupils to take part in physical activity and in the program during “Meetings with a Champ”.



13
thousand

young athletes took part in the eight rounds of the Energa Athletic Cup – that is 30% of the total number of athletes taking part in track and field in sports clubs in Poland in 2016 (42,817 persons)*

**data pursuant to the „Statistical Annals of the Republic of Poland in 2016”, Central Statistical Office, Warsaw 2016*

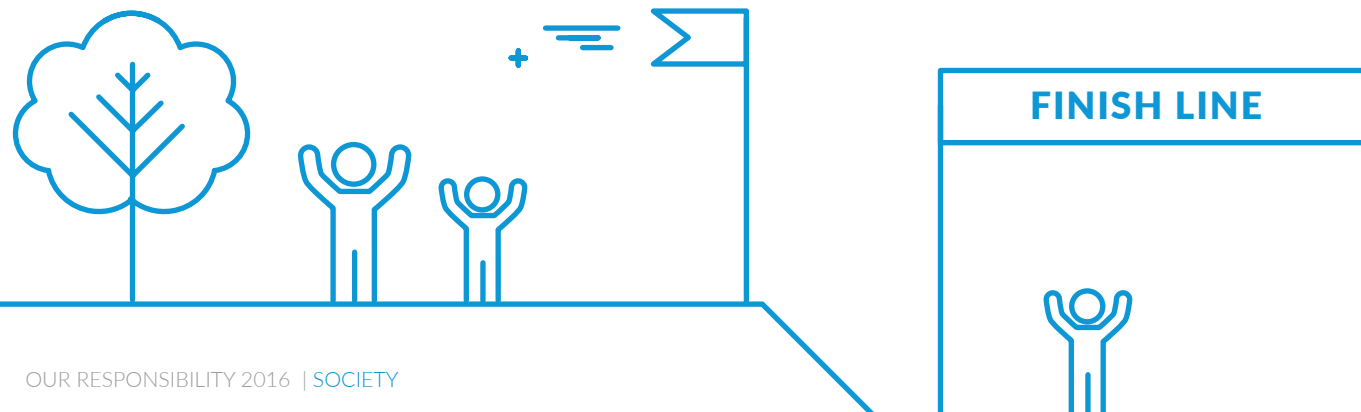
“

Anna Rogowska

World pole vault champion, bronze medalist at the Olympic Games, Poland's record holder, ambassador of the Energa Athletic Cup program

“The Energa Athletic Cup is a driving force for young track and field athletes. It gives them the opportunity to participate in physical activity but it also shapes their mindset and it ignites passion to compete in sports. More importantly, through its consistent and long-term approach this project delivers outcomes in the form of medals at junior, youth and senior meets, and even participation in the Olympic Games”.

(November 2016)



Energa Patronage

This program evidences the Energa Group's concern for culture and tradition. The Group gets involved in large-scale cultural projects and smaller-scale ones whose potential lies not so much in their extent but in the passion shown by their authors. They are important for the region and local communities. It supports organizations and projects.

In 2016 the Energa Group acted as a partner with the following, among others:

- Poland's Baltic Philharmonic in Gdańsk
- Legends of Rock Festival
- Polish Piano Playing Festival in Słupsk
- Elbląg Chamber Orchestra
- Gdynia Blues Festival
- Włocławek 2016 Finals of the Sung Poetry Tournament
- Varmia and Mazura Philharmonic in Olsztyn
- "Energa Varmia Musica" Early Music Festival
- Youth and Film Festival in Koszalin
- Ostrołęka Gallery
- LUXFEST Music Festival
- Sting's exclusive concert in Toruń to promote his new album

It also subsidizes cultural events for children such as educational classes held by the Coast Theater in Gdańsk and the World Days of Fairy Tales in Olsztyn. National and patriotic ceremonies of importance at the regional and national level hold a special place in the Energa Group's operations. The Group supports initiatives that emphasize love for, and nurturing, national values, tradition and culture as well as cultivating national, civic and historic awareness. Among others, it acted as a partner for the following:

- ceremonies to commemorate "Inka", a paramedic in the Home Army
- concert to celebrate the 98th anniversary of Poland regaining independence entitled "Singing for Freedom"
- the project entitled "Oratorium for Persons Persecuted for their Belief. Because of My Name" by Piotr Rubik and Zbigniew Książek whose premiere performance took place in Kielce in June and was also performed during World Youth Days in Kraków
- National Parade of Unbroken Soldiers in Gdańsk
- event devoted to the "Hymn to the Baltic" and its author Feliks Nowowiejski entitled "As Long As One Drop Remains in the Baltic"
- Westerplatte Independence Concert
- ceremony to commemorate the victims of martial law on its 35th anniversary



It is also involved in projects dedicated to patriotic education such as the national annual history quiz entitled "Solidarity Olympics. Two Decades of History" for post-middle school pupils.

The Energa Group conceived the original idea and was the main sponsor of the first edition of the Energy of Freedom festival to commemorate one of Poland's greatest victories in history: the Battle for Warsaw referred to as the "Vistula River Miracle".

We support the best

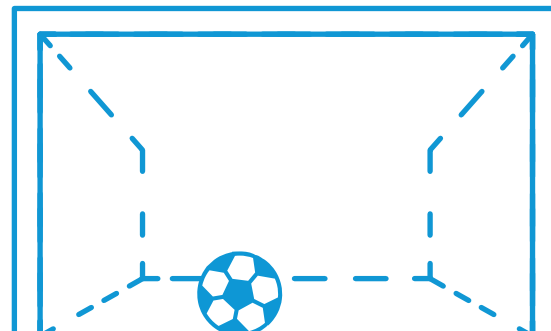
For many years we have been supporting the very best - one of the Energa Group's areas of sponsoring activity is sports, including professional sports. The Group supports sports clubs that compete in the top in class leagues in their disciplines by providing them professional conditions for their development and efforts to achieve the best possible results in sports. The fact that the persons the Group sponsors very frequently contribute to defining the feeling of local identity and integrating local inhabitants and the Group's employees around the idea of sporting competition is also of importance. This approach enables Energa to blend its business objectives (by relying on positive emotions and passion the Group may linger in consumers' awareness for a longer period) with its efforts for local communities. The Energa Group's areas of activity include disciplines that spark positive emotions while simultaneously giving the best reflection of the Energa brand's values. Lechia Gdańsk is one of the professional sports clubs the Energa Group supports. Our cooperation with this club has been continuous since 2007 when the White and Greens were yet to join Ekstraklasa.

Since 2015 Energa has been the sponsor of the Energa Gdańsk Stadium where Lechia Gdańsk plays its games. It is the largest sports facility in the Pomeranian Region. It plays a role as a center of business, entertainment and recreation while also being one of the most modern multiple function sports facilities. It is the only Polish facility of this class to belong to the European Healthy Stadiums. It is also Poland's first facility outfitted with an automatic smart energy management system and rainwater utilization system in a stadium's day to day operations. The Lechia Gdańsk team took fifth place in the 2015/2016 season in the Ekstraklasa football league, while in 2016 it tied for first in the Lotto Ekstraklasa league. Energa became the club's main sponsor in the 2016/2017 sports season. For many years, Lechia Gdańsk has served an important pro-social role. It is one of the

This concert lasting several hours given by bands and vocalists whose creativity is inspired by Christian and patriotic values took place on the fields surrounding the Energa Stadium on the 96th anniversary of this event. More details about the projects run by the Energa Group under the "Energa for You" banner may be found in its CSR reports for 2013-2015.

strongest sports education centers for children and youth in the Pomeranian region. Through the work of Lechia's coaches, young athletes have achieved success not only regionally but also nationally. Cooperation with Energa will extend the scope of these efforts through the "White and Green Energy" program. The purpose of this project to be run in 2017 is to incentivize and support schools and physical education teachers to run interesting classes in which children will want to participate. This project also calls for educating parents on the significance of physical activity in the lives of young people, both now and in the future.

Lechia Gdańsk's cooperation with the main sponsor is not limited, however, just to football. Joint charitable efforts are also being taken. In December 2016 Sebastian Mila, Sławomir Peszko and the Paixao brothers (Marco and Flavio) visited the children's ward of the Regional Hospital in Gdańsk. These White and Green footballers delivered the young patients holiday presents funded by Lechia Gdańsk and Energa. They also lent a helping hand in decorating the holiday area of the children's playrooms on the children's ward in the hospital. A crew from Polish Television accompanied them to prepare a report on the team, which was aired during the "Question for Breakfast" program in TVP2.



Energa's commitment to basketball stems among others from the exceptional mindset of the fans of this sport. During these sporting events they are capable of creating an unparalleled holiday atmosphere. Basketball encounters are always spectacular games involving commitment, teamwork, superb results and positive vibes on the court and in the bleachers. The Energa Group supports two professional basketball teams: the Energa Czarni Słupsk men's team and the Energa Toruń women's team. The Energa Czarni Słupsk men's team is one of the basketball teams with the highest turnout in the 2015/2016 season. More than 42.5 thousand spectators watched the Black Panthers' twenty home games. This gave this

team fourth place in the league in terms of turnout. The Energa Czarni Słupsk men's team completed the 2015/2016 season in basketball's top league in third place, thereby winning the bronze medal in the Polish championships for the fourth time in history. The club has also initiated many projects that are happily replicated by other clubs in the ekstraklasa league such as a series of special lessons in physical education in Słupsk and its vicinity under the slogan of "Physical Education with the Black Panthers". The Energa Czarni Słupsk basketball players also take part in charitable campaigns, including auctions with the collected money being designated for children with illnesses.

6.3. Cooperation with public administration and heeding the voice of local communities

Cooperation with local government administration

Attaining the Energa Group's business objectives is inextricably connected with cooperating with local government authorities. The local government is our partner not just when obtaining building permits, securing environmental impact studies and obtaining decisions on whether such studies

should be conducted but also when interacting with local communities; moreover, the local government is one of the Group's customers (for comprehensive lighting services).

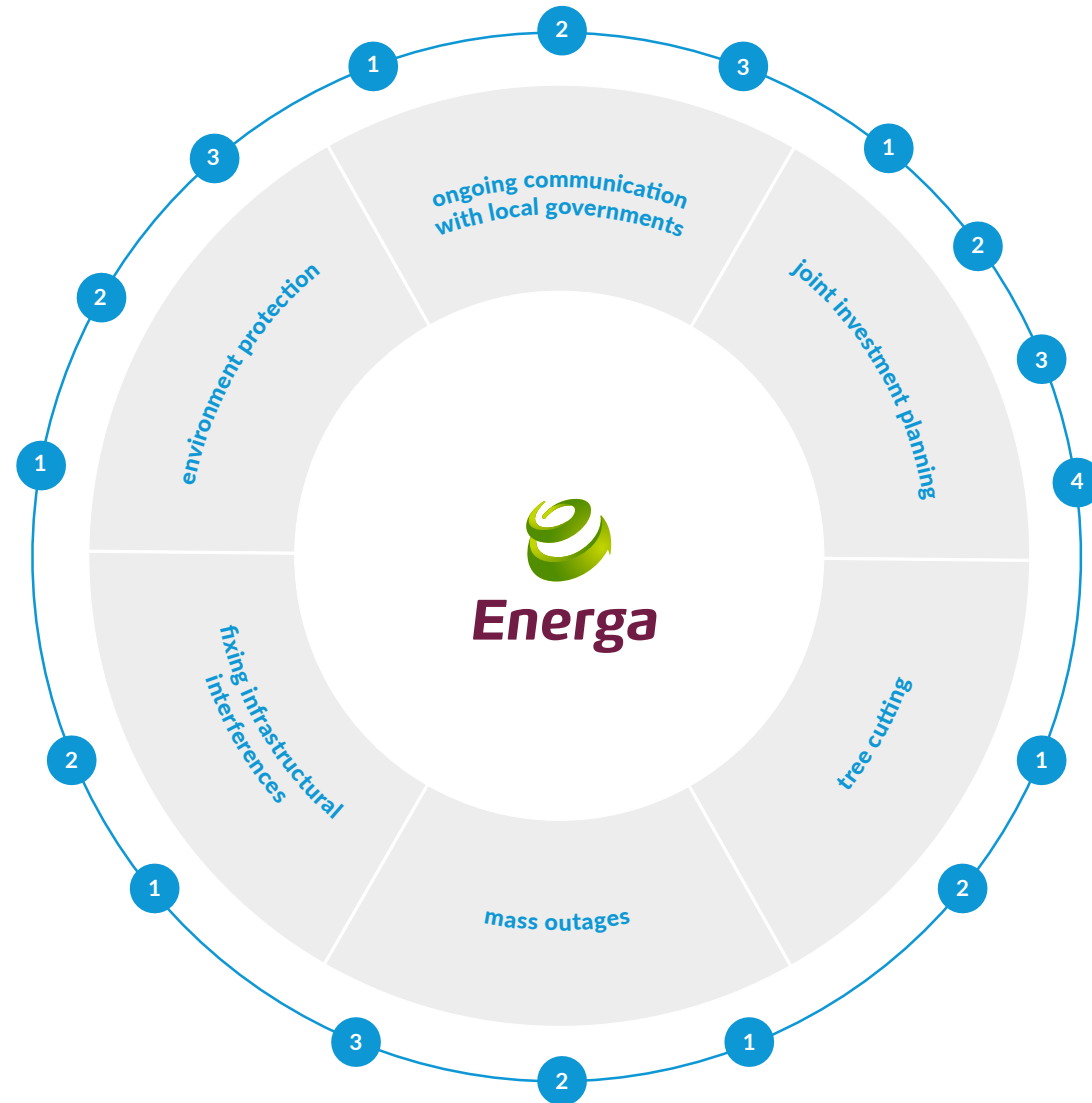
The following activities are just some of the activities we do together:

-  regular meetings to run the National Critical Infrastructure Protection Program
-  cooperation to devise regional spatial development plans
-  devising the Catalog of Best Practices in relations with local governments
-  conferences on investment plans organized for local government officials
-  jointly setting the power-related priorities in a given area
-  Group employee participation in sessions of the municipal councils to present the assumptions underlying new investment projects
-  cooperation to fix mass outages caused by catastrophic weather conditions
-  financial and physical support for local communities initiated by local governments

Cooperating with local governments is one of the important parts of implementing the assumptions laid down in the Sustainable development and corporate social responsibility strategy of the Energa Group. Deepening and caring for good relations with representatives of local authorities across the Group's entire operating area Energa does its utmost to ensure the energy security of the residents in its operating area and to enhance the comfort and safety of local communities in their lives.

The outcome of collaboration to-date is the Catalog of Best Practices devised and implemented by Energa-Operator. These are examples of mutual collaboration streamlining the implementation of tasks performed by the company and municipalities and enhancing communication with representatives of local governments and residents, among others by using municipal web portals and text message notification systems.

Catalog of Best Practices – areas of collaboration



Ongoing communication with local governments

- 1 - Organizing regular direct meetings with representatives of local governments
- 2 - Publishing information on the websites of local governments about planned limitations in energy supplies
- 3 - Organizing information meetings and preparing materials on how to connect renewable energy sources to the grid

Joint investment planning

- 1 - Consultations with local governments on modernization plans Combining investment plans with local government's development plans
- 2 - Acquiring legal titles to local government land to build/rebuild the grid
- 3 - Connecting investments financed by European funds
- 4 - Cooperation for the development of investment areas

Tree cutting

- 1 - Tree cutting by local governments
- 2 - Agreeing on and consultations concerning the method of tree cutting and tree surgery

Mass outages

- 1 - Clearing access roads to outage sites
- 2 - Using local government channels (e-mail/text messages) to convey information about a mass outage
- 3 - Collecting information on outages by municipalities

Fixing infrastructural interferences

- 1 - Advisory services to fix interferences
- 2 - Information on the geodetic subdivision of land plots prior to draw up the zoning plan

Environmental protection

- 1 - Implementation of the EMAS system at Energa-Operator
- 2 - Protecting the migratory routes of birds
- 3 - Protecting storks

In 2016 nearly 400 local government officials took part in seminars organized by Energa-Operator SA. They focused on sourcing money from EU funds dedicated to power investments to enhance the comfort of the inhabitants of cities and municipalities in their daily lives, to develop prosumer energy and to engage in discussion, exchange opinions and continue building best practices in cooperation. As the panel session and the collected questionnaires demonstrated,

interest in the topic of these seminars is very great among local government authorities. These regular meetings are perceived as a highly valuable initiative. Meetings with invited guests also provide added value. This year, that meant representatives of the Effective Energy Development Forum and the National Federation of Consumers and energy advisors from the Regional Environment Protection and Water Management Fund (WFOŚi-GW) whose speeches focused on the European Union's climate objectives.



In October 2016 an employee of Energa Invest took part in a session of the Kolbudy Municipal Council during which he discussed the expert opinion prepared by Energa Invest on the ability to build a photovoltaic installation on public utility buildings in the Kolbudy Municipality. The Municipality's Executive Board and Council took part in the session.

The Energa Group is responsible for the form and development of the environment in which it operates. It constantly strives to obtain social

endorsement and appreciation for its projects and investments to ensure energy security.

Cooperation between Energa-Operator SA and the Rypin Municipality

In 2016 the Rypin Municipality won the second edition of the contest entitled "Energy-friendly Local Government" run by the Polish Association for Electricity Transmission and Distribution (PTPiREE). This award was given for the commitment shown by the employees of the office in obtaining the formal and legal documents required to perform investment tasks, mediation with property owners to secure ownership rights and

assistance in completing investments by making roads and urban areas available. The local government received an investment grant of PLN 15 thousand for its collaboration. Last year's winner - the Municipality of Zalewo invited representatives of Energa-Operator SA in 2016 to invest the award its received as best as possible in more energy infrastructure to enhance the energy comfort enjoyed by the residents.

Collaboration with the city of Włocławek

In 2010 the Energa Group launched the Energa Vistula River Program. This project's aim is to build another dam and hydropower plant with a capacity of roughly 80 MW on the Vistula River. The authorities of the city of Włocławek took part in the work and jointly with the Energa Group

submitted an application to the Regional Environmental Protection Directorate to obtain an environmental decision as their priorities include flood protection safety for Włocławek and the surrounding areas. This collaboration may accelerate the execution of the planned investment.

“Building a second step on the Vistula River is extremely important for our region. The measures we are taking would not be plausible without the Energa Group's support. This commitment particularly strengthened the campaign to collect signatures, which was observed by the local press, regional television and members of parliament”.



**Marian Krzysztof
Gołębiewski**

Plenipotentiary responsible
for Waterways Marshall's Office
of the Kujawy
and Pomeranian Region



Energa Wytwarzanie SA purchased a defibrillator known by its abbreviation of AED, which it makes available to all the residents of Pruszcz Gdański. This device, thanks to automatically generated electrical impulses supports the regulation of a disrupted heart rhythm. This device is located in the registered office of Energa Wytwarzanie. It is fully mobile. It thereby makes it possible to provide help around the busiest and most dangerous street of Pruszcz, and thanks to the building's 24/7 security service, access is also possible 24/7. All the employees (roughly 250 persons) were trained on how to give first aid using this device.

Supporting regional development

Many business tasks performed by Energa Group companies become drivers of regional development, especially when improving infrastructure management, improving the standard of living of residents and growing economic potential. For instance, all the investments in generation, grid investments elevating the reliability of electricity supplies, investments to

expand the heating grid, investments to modernize lighting infrastructure, investments to implement a smart power grid, AMI (installing remotely read meters) and setting up a modern power sector laboratory directly contribute to development. Collaboration with local businesses also exerts an impact on regional development.



Energa Wytwarzanie SA dispatched letters to the municipalities in whose area it operates with a request to disseminate information among local businesses on the ability to subscribe for the tender newsletter. Its objective was to find new bidders in tender proceedings. Cooperating with a stable partner like the Energa Group not only positively builds a company's portfolio in terms of references but it also gives a stable source of income guarantee thereby indirectly contributing to local growth.

Building modern sources of supply

In 2016, one of the largest and most important investment projects in the distribution grid in Tczew County was completed, namely the construction of the Czatkowy main supply point. This investment will largely contribute to the potential for growth and to improving the quality parameters of the electricity distributed, especially the continuity of supply in the city and across the county.

In the latter half of the year, the construction of the Gdańsk Center main supply point was launched to facilitate rapid growth, enhance the safety and quality of energy supply in the main quarter of Gdańsk. This investment in

the Gdańsk Center Main Supply Point will contribute to lowering the burden on the Chełm Main Supply Point and it will considerably improve the electrical energy security of the Gdańsk city center.

The Gdańsk Center Main Supply Point will supply energy to many strategic facilities, namely: Pomeranian Regional Office, City Office, Gdańsk Labor Office, Copernicus Hospital, Ministry of Internal Affairs and Administration's Independent Public Health Care Facility, District Rail Hospital, District Court, Detention Center and others.

Expansion of the heating grid in Kalisz

In 2016 Energa Ciepło Kaliskie Sp. z o.o. continued to modernize and expand the city's heating grid (6 more streets were connected to the grid). More than 18 km of the grid and 20 heat nodes were rebuilt. In this manner

the company has improved the reliability of supply, it has cut the emissions of carbon dioxide and it has reduced heat losses in transmission.



Marek Bartczak

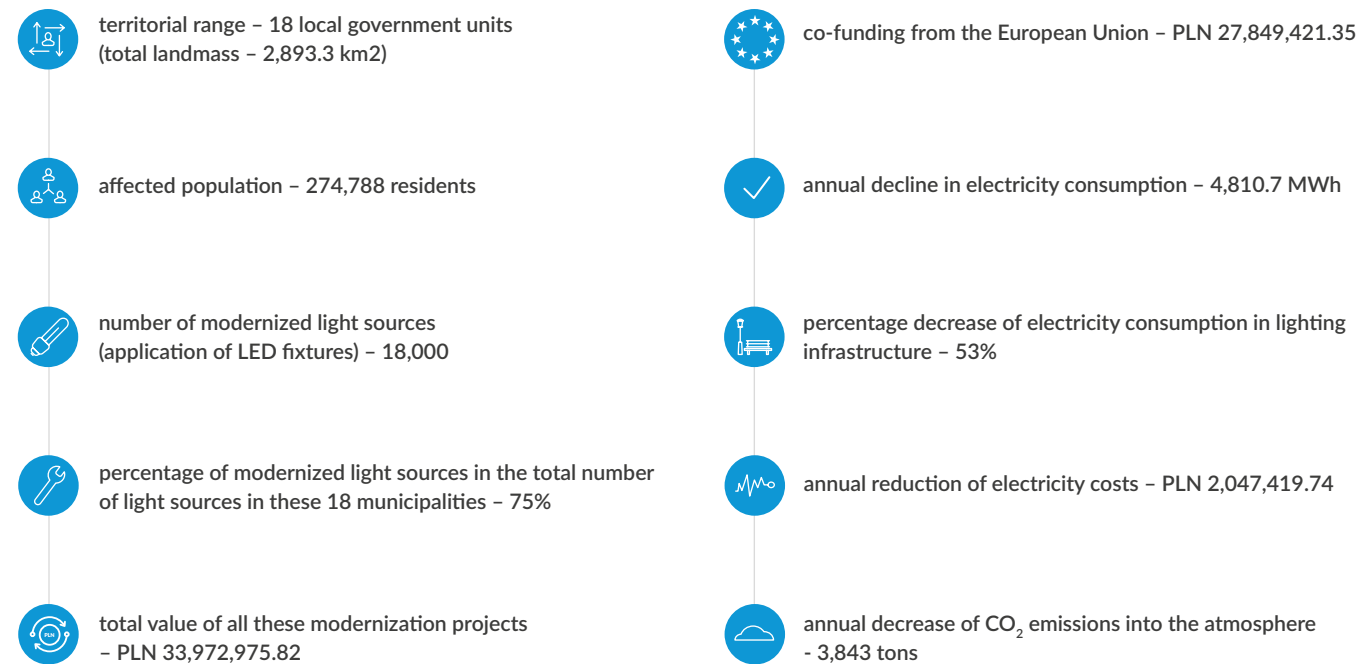
President of the Management
Board of Energa Ciepło
Kaliskie Sp. z o.o.

“Thanks to the work we have done to expand the heating grid more and more residents of Kalisz will be able to utilize our modern, energy efficient and, more importantly, our reliable heating system. All our efforts are chiefly to serve the residents of Kalisz”.

Modernization of lighting infrastructure

In 2016 Energa Oświetlenie Sp. z o.o. launched an initiative to introduce a new model of cooperation with local government units in the Pomeranian Region. To enable municipalities to obtain co-funding from European funds to modernize lighting infrastructure, it made its own lighting assets available to municipalities. The business model for cooperating with local government units in the Pomeranian Region crafted by Energa Oświetlenie Sp. z o.o. enables municipalities and cities to apply for co-funding to modernize their lighting infrastructure to the Regional Operating Program of the Pomeranian Region – Action 10.4 – Reduction of Emissions. As a result of this cooperation 18 local government units in the Pomeranian Region elected to participate in the project and submitted applications for

co-funding to the Regional Operating Program of the Pomeranian Region for projects to modernize lighting. They involve the replacement of energy-intensive mercury and sodium fixtures with modern and energy efficient LED fixtures. Energa Oświetlenie actively participated in the process of drafting the co-funding applications by contracting at its own expense energy audits and feasibility studies and by coordinating the work done by the municipalities to prepare the indispensable documentation. The approval of these co-funding applications will make it possible to modernize lighting in 2017-2018 and attain measurable social, financial and ecological objectives:



“Shine with Energa” is an annual plebiscite held by the Energa Group. For eight years now Polish nationals have been voting for the most beautifully illuminated places in the country. Through this campaign the most beautifully illuminated cities have the opportunity to compete with other communities to win charitable prizes. The winners – 16 cities from across Poland (one city per region) – receive energy efficient household appliances that are given to the neediest centers and institutions in a given region.

The pool of prizes for the finals of the current round of this campaign held in January 2017 is PLN 200 thousand. The winner will receive devices worth PLN 50 thousand while the other 15 finalists, the regional winners, will receive equipment worth PLN 10 thousand. More than 100 communities from across Poland participated in this year’s round of the national plebiscite. Zamość won this contest for the first time. This means that 34 needy families and local social centers received refrigerators, washing machines and stoves – a total of 41 modern appliances specially designed to meet their needs. Prizes were also handed to all the winners of the regional finals. 161 energy efficient appliances in total were earmarked for social objectives. Each city selected prizes unilaterally and then handed them over to the needy in its home area.

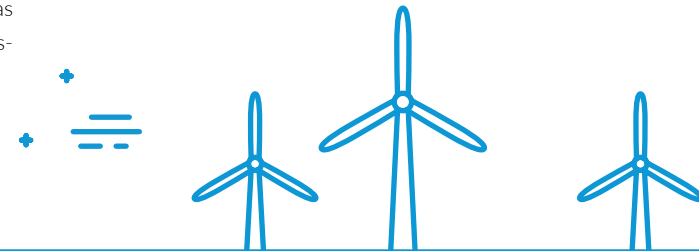


photo by Kazimierz Chmiel/swiatloczuly.pl

Communication with local communities

People are fearful of change, especially change that pertains to their immediate environment. That is why on account of a lack of knowledge they have a negative mindset toward new investments. Being aware of these concerns the Energa Group endeavors to minimize them and thereby alter the negative mindset taken by local communities to investments in progress, i.e. through dialog, meetings and information campaigns. One of the forms of communicating with local communities is to hold social consultations on investment projects. The material aspects of projects are introduced to residents during meetings to which experts in various areas are invited and responses are given to all the questions to dispell all possible doubts.

Social consultations were held in Q1 2016 on the construction of wind farms in the following projects: Tuszyn, Manowo-Bonin, Królowe, Kętrzyn and Pырzyce. During these meetings information pertaining to an investment project and its scope was given, responses were given to residents' questions and doubts when it came to its possible environmental impact by presenting ornithological and chiropterological studies (namely studies depicting the investment's impact on birds and bats). Each participant in the meeting received a folder and a leaflet on the planned wind farm.



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Jarosław Kołodziejski

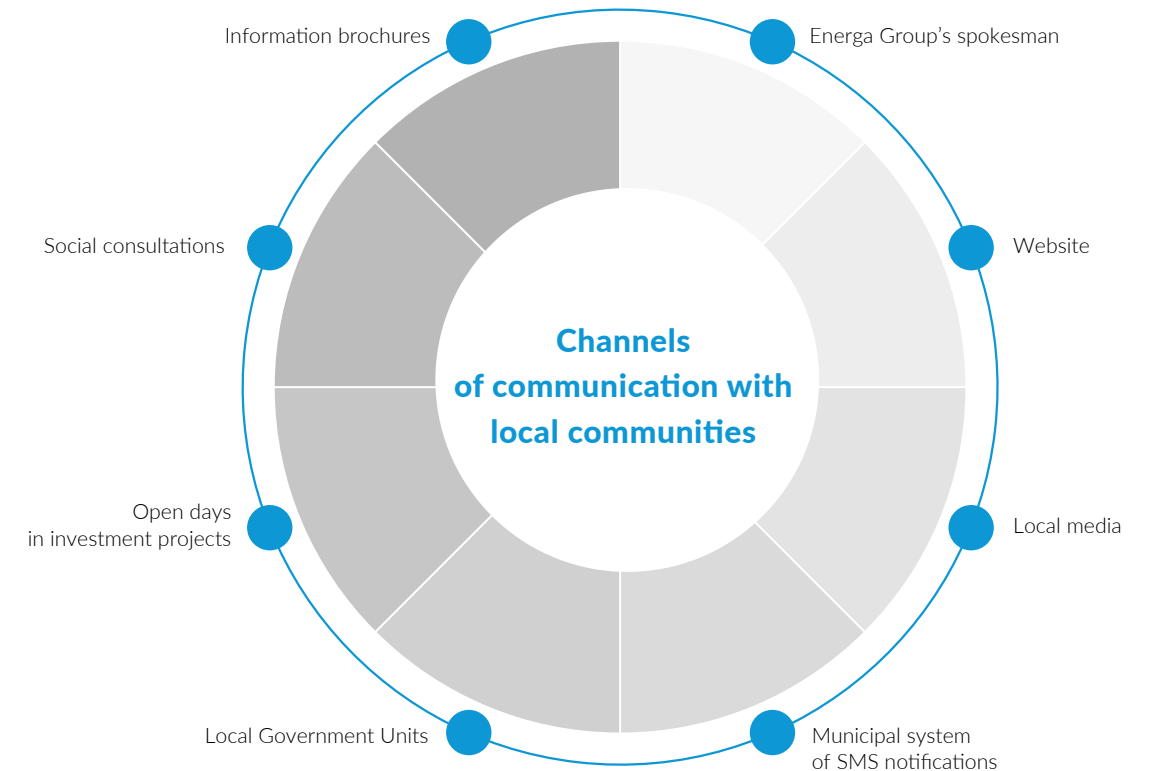
Investment Project Manager
at Energa Invest Sp. z o.o.

“As an investor we are not afraid of taking up difficult subjects during meetings with residents. By preparing for them substantively and professionally, we build trust in the local community. The social consultations that ended with the Office of the Municipality of Świeszyno issuing an Environmental Decision for the Manowo-Bonin Wind Farm may serve as one example. During the meeting in which approximately 40 persons participated, we discussed the impact exerted on the local residential community in terms of noise, flashing and infrasound as well as the impact on fauna, especially interference with birds and bats. An expert cooperating with the County Sanitary and Epidemiological Station in Koszalin also fielded the residents' questions”.

Method of holding social consultations

Social consultations take place according to the regulations of the Act of 3 October 2008 on the Provision of Information on the Environment and its Protection, Society's Participation in Environmental Protection and Environmental Impact Assessments (i.e. Journal of Laws of 2013, Item 1235). During the procedure to obtain an environmental decision every person has the right to submit remarks and requests by a designated deadline. In 2016 the Group conducted proceedings to obtain an environmental decision

in which social consultations were held. In addition to consultations, another important way of communication with a local community is to take part in fairs. In 2016 Group representatives took part in the TEO Renewable Energy Fair in Bydgoszcz during which environmentally friendly RES facilities and services were promoted and in the 41st Days of Electricity in Gdańsk during which a Group representative delivered a presentation on its completed investment projects.



Having in mind the care it shows for cultivating good relations with local communities the Energa Group does its utmost to run investments that

present a burden to residents or that entail renovation and modernization in a way that minimizes the adverse environmental impact.

K3 boiler blowdown in the Ostrołęka Power Plant

In July 2016 Energa Elektrownie Ostrołęka SA conducted the K3 boiler blowdown in the Ostrołęka Power Plant, which led to burdensome noise. To minimize the inconvenience caused by the blowdown operation, the duration of noise emission was slashed to the bare minimum by using noise mufflers, with the overall blowdown operation being conducted on

business days during daytime hours. Prior to this operation, an information campaign targeting the local residents, authorities and local bodies responsible for environmental protection was conducted in the local internet media and the press.

Securing power lines over watercourses

In the efforts taken by Energa-Operator to enhance inland navigation on the watercourses in its operating area, the grid regularly undergoes rebuilding so as not to pose a threat to lovers of water sports. In 2016 the height of the power lines over the Wisła Królewiecka River was raised and they were laid

underground underneath the bottom of the Szkarpa River. The visibility of the labeling of the power infrastructure running along watercourses is regularly renewed and improved.



Participation of an Energa representative in the Steering Committee responsible for Investment Projects on Inland Waterways. The Ministry of Marine Economy and Inland Navigation is the initiator of this Committee. The Ministry of the Environment, the Ministry of Development, the Ministry of Infrastructure and Construction and representatives of marine parts, the largest energy, transport and logistics firms and the executives of the regions are our partners. The purpose of this committee is to work on developing inland navigation.

Cooperation with national government administration

Consultations in the legislative process and participation in the government's development plans in areas related to the overall power sector are the main issues reviewed at the national government level.

Consultations, dialog and other forms of collaboration with public entities frequently take place through power sector trade organizations in which Energa SA and entities in the Energa Group participate.

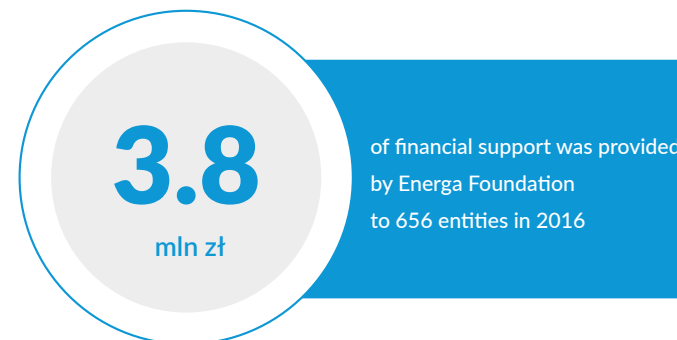
Taking part in conferences and congresses is an example of another form of collaboration at the national government level. In 2016 Energa SA representatives took part in the following events, among others: in the 13th Congress of New Industry that focused on the European Union's common energy policy and the Conference entitled Round Table of Energy focused on diversification of energy supply, the future of Polish coal in the context of EU climate policy and the expansion of transmission infrastructure.

6.4. Charitable activity

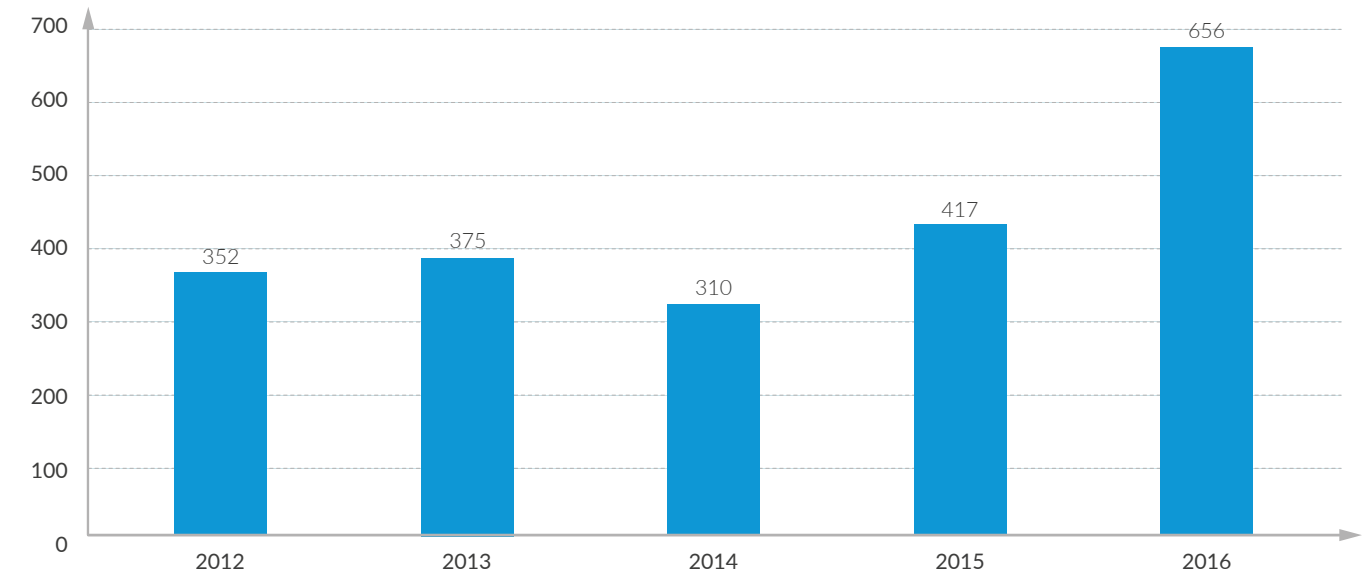
Energa Foundation activity

In pursuing our corporate social responsibility strategy we are open to the needs of other people. Since 2009 together with the Energa Foundation we have been engaged in dialog with the local community, we have been listening to its opinion and we have reacted to its needs.

The Foundation provides assistance chiefly to young people affected by illness and disability and patients undergoing palliative care as well as organizations and institutions operating for their benefit. It also aids the Group's employees, their loved ones and friends and victims of natural calamities. Since last year, it has also started to take senior citizens under its wing.



Number of support agreements



Key performance indicators


Consolidated financial data	Year	
	2015 [PLN]	2016 [PLN]
Donations for charitable causes	2 411 775	3 756 960
Public charity income	3 222 776	3 227 310
including:		
from 1% of personal income tax	14 525	6 241
corporate income tax	3 207 200	3 220 000
from other sources	1 052	1 069
financial income	33 079	31 702

Energa Foundation's areas of involvement in 2016:

- 1 Proprietary programs: "Help with Energa", "Caring for Sleep", "Active and Charitable" – PLN 800 thousand
- 2 Energa Foundation for Health Protection and Rescue Services" - PLN 2,700 thousand:
 - Co-funding for hospital wards: oncology, pediatrics, gynecology, rehabilitation and motorcycle rescue services as well as palliative care centers - PLN 1,200 thousand
 - Support for Voluntary Fire Brigade units totaling PLN 200 thousand
 - Support for organizations to help the needy and to co-fund the treatment and rehabilitation of individual beneficiaries, mostly children from across Poland totaling approximately PLN 1,300 thousand
- 3 Support for treatment and rehabilitation for the Energa Group's employees and former employees and their families totaling PLN 170 thousand
- 4 Support for senior citizens totaling PLN 36 thousand
- 5 Support for victims of natural calamities (tornadoes and fires) totaling PLN 33 thousand

On top of the efforts undertaken under the leading topic the Foundation also acts as a partner in national projects and it also runs proprietary projects. Our most important projects are "Help with Energa", "Caring for

Sleep" and "Active and Charitable". The "Active and Charitable" program has been described in greater detail in the part focusing on employees.



Halina Lewkowska

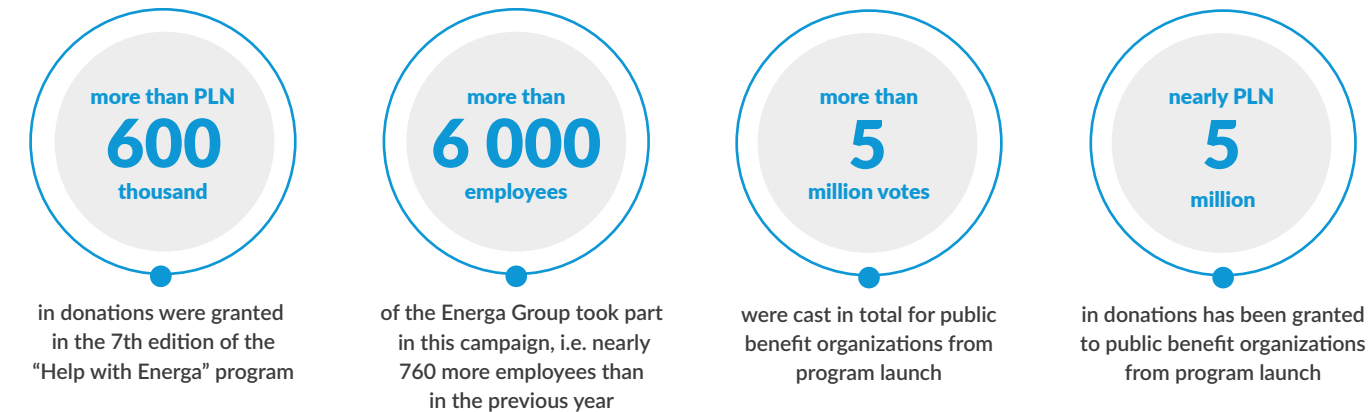
Vice-President
of the Management Board
of the Energa
Foundation

"The Energa Foundation pursues the plan approved by the Foundation's Supervisory Board. The leading topic in the efforts undertaken in 2016 was the slogan: "Energa Foundation for Health Protection and Rescue Services" under which we gave more than PLN 1 million to medical and rescue service institutions. Notwithstanding our annual leading topic, every year we lend support to organizations and institutions operating for the benefit of sick and disabled people, children in orphanages, senior citizens, wards of hospices, the Energa Group's employees and former employees who are in need and victims of natural calamities. One of the Energa Foundation's achievements is its efficacy in providing help and its every wider scope of operation".

"Help with Energa"

The 7th edition of the program was completed in 2016. Its major objective is to focus the Energa Group's employees on the idea of helping local public benefit organizations and their wards.

The beneficiaries of this year's program consisted of 88 public benefit organizations and more than 100 individual wards.



"Caring for Sleep"

A pioneer nationwide program to provide care to all children affected by congenital central hypoventilation syndrome, a genetic disorder considered to be fatal. In 2016, 17 children received regular monthly financial support

designated for therapy, rehabilitation and the purchase of medical equipment and to participate in rehabilitation camps. The amount set aside to run this program exceeds PLN 200 thousand.

Its status as a public benefit organization imposes a duty of acting transparently on the Foundation's Management Board. The requests submitted to the Energa Foundation are examined regularly in accordance with the rules adopted for providing financial support and its current budgetary capabilities. Applications that meet formal requirements, that are aligned

to its priorities as laid down in its articles of association and that are covered by its operating plan for a given year are approved. Information about who and in what form may apply for support is available on the Energa Group's website: http://grupa.energa.pl/komu_pomagamy.xml



GRI TABLE

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-1	Statement from top level management (e.g. executive director, CEO, or some other person with an equivalent position) on the importance of sustainable development to the organization and its strategy	Energa Group	FULL	4, 5	
G4-3	Name of the organization	Energa Group	FULL	8	
G4-5	Location of main headquarters	Energa Group	FULL	8	Map – internal page of the report's cover
G4-6	Number and names of countries where the organization operates	Energa Group	FULL	8, 10	Energa Group companies operate in Poland. The Group has two companies domiciled abroad, i.e. Energa Slovakia s.r.o. with its registered office in Bratislava and Energa Finance AB (publ.) with its registered office in Stockholm.
G4-7	Organization's form of ownership and legal structure	Energa Group	FULL	8, 11, 12-16	
G4-8	Markets served indicating geographical range, sectors served, description of customers/consumers and beneficiaries	Energa Group	FULL	8-15	Map – internal page of the report's cover
G4-9	Scale of the reporting organization	Energa Group	FULL	8-15	Map – internal page of the report's cover, more information in the 2016 Annual Report
G4-10	Number of employees by business region, age, gender and type of contract Energa Group	Energa Group	FULL	9, 116, 117, 132, 133, 134	
G4-11	Percentage of employees covered by collective agreements	Energa Group	FULL	120	
G4-12	Organization's supply chain	Energa Group	FULL	28, 29	
G4-13	Significant changes during the reporting period regarding size, structure or form of ownership	Energa Group	FULL	15	Detailed Information is provided in the Energa Group's 2016 Annual Report
G4-14	Principle of prudence	Energa Group	FULL	23-25	
G4-15	List of external initiatives adopted by the organization	Energa Group	FULL	17	

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	Energa Group	FULL	17	Organizations of significant importance to the Group in which its companies operate: <ul style="list-style-type: none"> • Transfer Price Center • Polish Electricity Committee • Polish Association of Listed Companies • Global Impact Foundation • Association of Polish Treasurers • Polish Association for Electricity Transmission and Distribution • Płock Branch of the Association of Polish Electricians • Polish Wind Energy Association • Hydropower Plant Society • Association of Energy Trading • Power Sector and Environmental Protection Chamber • Polish Power Plants Economic Society
G4-17	List of entities included in the organization's consolidated financial statements	Energa Group	FULL	30	
G4-18	Process of defining the report's contents and barriers to reporting important aspects	Energa Group	FULL	31-35	
G4-19	Important aspects identified in the process of defining the report's contents	Energa Group	FULL	34, 35	
G4-20	Scope and significance of the identified aspects for particular business units in the organization	Energa Group	FULL	34, 35	
G4-21	Scope and significance of the identified aspects for particular business units outside the organization	Energa Group	FULL	34, 35	
G4-22	Consequences of adjustments to information in the previous report and the reasons for them	Energa Group	FULL	-	No adjustments to information in the previous report
G4-23	Substantial changes compared to the previous report referring to the scope, range or methods of measurement used in the report	Energa Group	FULL	-	No changes to the previous report referring to the scope, range or methods of measurement used in the report
G4-24	List of stakeholder groups engaged by the organization	Energa Group	FULL	31-33	
G4-25	Identification and selection of stakeholders engaged by the organization	Energa Group	FULL	32, 33	
G4-26	Organization's approach to engaging stakeholders	Energa Group	FULL	32, 33	
G4-27	Key issues and concerns raised by stakeholders and the organization's response, also through reporting them	Energa Group	FULL	34, 35	
G4-28	Reporting period	Energa Group	FULL	-	31 January 2016 – 31 December 2016

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-29	Date of the most recent previous report	Energa Group	FULL	-	4 April 2015
G4-30	Reporting cycle	Energa Group	FULL	30	annual
G4-31	Contact information	Energa Group	FULL	35	
G4-34	Organization's supervisory structure including committees reporting directly to the top-level regulatory authority	Energa Group	FULL	16	More information in the 2016 Annual Report
G4-56	Values, principles, standards and norms of behavior like codes of conduct and codes of ethics	Energa Group	FULL	25-27	
G4-DMA	Management approach to research and development	Energa Group	FULL	29, 93, 94, 95	
G4-EC1	Direct economic value generated and distributed, including revenues, operating expenses, employee salaries, grants and other community investments, retained earnings, and payments to owners of capital and state institutions	Energa Group	FULL	11	More information in the 2016 Annual Report
G4-DMA	Management approach to indirect economic impact	Energa Group	PARTIAL		This aspect is important for Energa Invest. It makes it possible to assess the impact exerted by the company's operations on local communities in the areas where it operates (construction and electric power work). The benchmark is set by the current development plans of municipalities (gminas) and local spatial management plans. The organization prefers a management approach to this aspect as it aims to produce positive outcomes for local communities. Operations are run according to local legal acts or in response to the explicit requests made by local government representatives (e.g. RES micro installations). A set of best practices has been created for proprietary needs. It contains a collection of sample solutions devised on the basis of experience gained to date with national and local government authorities and representatives of local communities.
G4-EC7	Development and impact of infrastructure investments and services provided to society	Energa Group	FULL	153-159	
G4-DMA	Management approach to assessing the social impact	Energa Group	FULL	138, 139, 140	
G4-SO1	Percentage of operations in which the local community was involved and in which an outcome assessment and development programs were utilized	Energa Group	FULL	141-149, 156-162	

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-SO2	Operations involving a major physical or prospective adverse impact on local communities	Energa Group	FULL	156-160	
G4-DMA	Management approach to fighting corruption	Energa Group	FULL	24	
G4-SO4	Communication and training on anti-corruption policy and procedures	Energa Group	FULL	24, 25	
G4-SO5	Confirmed incidents of corruption and actions taken	Energa Group	FULL	25	
G4-DMA	Management approach to labeling	Energa Group	FULL		Important aspect for Energa-Operator SA on account of employee and stakeholder safety. Pursuant to the Regulation issued by the Minister of the Economy on 28 March 2013 on occupational safety and health in power equipment and according to the "Guidelines for doing inspections, reviews, assessments of technical wear and tear and the conservation and renovation of equipment, installations and distribution grids operated by Energa-Operator SA" forming an attachment to the Distribution Code, when conducting inspections and reviews the status is checked of the information and warning signs as is the consistency between labels and technical documentation, maintaining the proper distance between wire cables and the earth, plants, tree limbs and other objects close to power lines; furthermore, inspections are conducted to ensure that unauthorized access to infrastructure is not possible.
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and branding, having in mind the repercussions of non-compliance	Energa Group	FULL	51	
G4-PR5	Customer satisfaction survey results	Energa Group	FULL	54	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes regulating marketing communication, including advertising, promotion, and sponsorship, by type of outcome.	Energa Group	FULL	52	
G4-PR9	Monetary value of major penalties for non-compliance with the law and regulations concerning the supply and use of products and services Energa Group	Energa Group	FULL	52	
G4-DMA	Management approach to the following: materials and commodities, energy consumption, water consumption, emissions management, sewage and waste management	Energa Group	FULL	58-62	

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-DMA	Management approach to marketing communication	Energa Group	FULL	-	Marketing communication primarily aims to strengthen the Energa Group's market position fostered by the single logo embraced by all the group member companies. The purpose of proactive marketing communication is chiefly to generate positive outcomes for Group companies but in our business that depends on uncontrollable weather conditions and acts of fate we act swiftly to curtail the adverse impact exerted by such events. Credible communication concerning the products and services we offer is a necessary element of building relations with customers. In the communication efforts concerning the Energa Group's offering we endeavor to convey knowledge in a clear and friendly manner to foster the optimal choice of products and services that are supposed to form a source of satisfaction for our customers. We devote a lot of attention to promotion and convenient electronic contact channels which our customers are electing to use even more frequently. Quick and clear communication on planned and current electrical outages, especially when the weather poses a greater threat is extremely important from the vantage point of Energa's customers. In these circumstances it is highly important to furnish customers information about outages (there is a map presenting data in real time on Energa-Operator's website). It is also important to field inbound phone calls on the 24/7 alarm numbers 991 and 801 404 404, text messages containing the word OUTAGE sent to 3991 and the notification form sent to the website: www.energa-operator.pl . Customers' inbound calls to an emergency number reporting a direct threat to life and limb are automatically switched to a qualified consultant who helps to classify events properly. Energa-Obrót also communicates promptly with customers when there are planned and unplanned failures of billing systems, transaction systems and other systemic failures. It is a matter of standard practice that this communication includes the news reported on the website, the informational "screens" in eBOK and the boards on the advertising monitors in Showrooms and the message bars in information kiosks. Our customers can also contact our information line at 555 555 555 during mass outages. In our marketing communication we place great emphasis on promoting attitudes and behaviors that are important to us and the public at large; in particular, this applies to the deliberate and reasonable usage of electricity and conserving the natural environment. The education, environmental and sports programs we run and communicate extensively (described in greater detail in the Society chapter) are aligned to these efforts. The marketing activities we implement comply with industry regulations (for instance the ICC/ESOMAR International Code of Market and Social Research) and internal guidelines. The Group's Strategy and Code of Best Practices are applicable to us.
G4-EN1	Materials used by weight or volume	Energa Group	FULL	66-67	
G4-EN3	Energy consumption in the organization	Energa Group	FULL	63-66	
G4-EN8	Total water consumption by source	Energa Group	FULL	75-77	
G4-EN11	Location and area of all owned, leased or managed land located close to protected areas or highly valuable areas of biodiversity located outside protected areas or adjacent to them	Energa Group	PARTIAL	84-85	
G4-EN12	Description of the material impact exerted by business, products and services on the biodiversity in protected areas and highly valuable areas of biodiversity located outside protected areas	Energa Group	FULL	84-85	
G4-EN15	Direct greenhouse gas emissions	Energa Group	FULL	67-70	

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-EN21	NO _x , SO _x and other air emissions	Energa-Operator SA, Energa Kogeneracja, Energa Elektrownie Ostrołęka, Ciepło Kaliskie, Energa OPEC, Energa Serwis	FULL	70-73	
G4-EN22	Total volume of sewage by quality and destination	Energa Group	FULL	78-79	
G4-EN23	Total weight of waste by type and treatment method	Energa Group	FULL	80-83	
G4-EN31	Total expenditures and investments for environmental protection	Energa Group	FULL	91-92	
G4-EU1	Maximum achievable generation capacity by commodity (and regulatory requirements)	Energa Wytwarzanie SA, Energa Kogeneracja, Energa Elektrownie Ostrołęka, Ciepło Kaliskie	FULL	89	
G4-EU2	Net quantity of power produced by main energy source (and regulator's requirements)	Energa Wytwarzanie SA, Energa Kogeneracja, Energa Elektrownie Ostrołęka, Ciepło Kaliskie	FULL	90	
G4-EU3	Number of registered individual, industrial, institutional and commercial users	Energa-Operator SA	FULL	43	
G4-EU4	Length of overhead and underground transmission and distribution lines by regulatory system (km)	Energa-Operator SA	FULL	102-103	
G4-EU5	Number of free CO ₂ emission allowances awarded	Energa Kogeneracja, Energa Elektrownie Ostrołęka, Ciepło Kaliskie	FULL	74	
G4-EU12	Transmission and distribution losses as a percentage of total energy transmitted/distributed	Energa-Operator SA	FULL	101	
G4-EU18	Percentage of employees, contractors or subcontractors duly trained in occupational safety and health for the job performed	Energa Group	FULL	123	

Indicator	Description of the indicator	Companies reporting the indicator	Extent of reporting	Parties	Additional information
G4-EU27	Number of residential disconnections for failure to pay energy bills by period of disconnection	Energa-Operator SA, Energa-Obrót SA	FULL	44	
G4-EU28	Power supply interruption frequency	Energa-Operator SA	FULL	106	
G4-EU29	System average energy supply interruption duration	Energa-Operator SA	FULL	106	
G4-EU-DMA	Management approach to demand response	Energa Group	FULL	42-45	
G4-DMA	Management approach to occupational safety and health	Energa Group	FULL	121-125	
G4-LA4	Minimum period of notice to announce substantial changes with an indication of whether these periods are defined in collective agreements	Energa Group	FULL	119	
G4-LA6	Injury, occupational diseases, lost days and absenteeism rates and the total number of work-related fatalities, by region and gender	Energa Group	FULL	124, 125, 134, 135	
G4-LA9	Average number of training hours per employee by gender and employment category	Energa Group	FULL	135	
G4-LA12	Composition of supervisory bodies and staff by gender, age, minority status and other diversity indices	Energa Group	FULL	132, 133	
G4-LA14	Percentage of suppliers assessed using employment criteria	Energa Group	FULL	29	