



Non-Financial Statement of ENEA Group for 2020

Poznań, date of approval and publication: 25 March 2021

Letter from President of the Management Board and CEO

Dear Stakeholders,

we have the honor to present to you this periodic report of the ENEA Group, in which we have described the activities we carried out during all twelve months of 2020. In this period, the ENEA Group ran its business in a demanding market environment and in an economy fighting the effects of the pandemic.

We successfully reorganized our work at every level of operation to ensure the safety of our employees and customers and a stable supply of electricity to all recipients. During this special time, our employees performed their assigned tasks with responsibility and commitment. I wish to thank them very much for this outstanding effort.

With a great deal of commitment, we are actively supporting governmental and non-governmental endeavors aimed at counteracting the spread of the coronavirus. In 2020, the ENEA Group donated more than PLN 5.3 million through various channels, including the ENEA Foundation. This aid was provided to hospitals, treatment centers, hospices, sanitary and epidemiological stations and non-governmental organizations for the purchase of medical equipment and necessary sanitary and personal protection products. We know what responsibility means. For this reason, we care not only for our employees and customers, but also for the whole communities in the locations where we run our business.



Financial and operating performance

2020 was a tough period for the global economy. Also our domestic power sector experienced a major decline in the activity of large businesses, which triggered a decline in demand for electricity. The ENEA Group's financial and operating performance was affected by the volatile and tough market environment. Despite this, we generated stable results with an increase in revenues by 11% y/y to PLN 18.2 billion and an EBITDA of PLN 3.3 billion.

In 2020, the volume of sales of electricity and gaseous fuel to retail customers reached 21.1 TWh, up by approx. 3.8%, or 774 GWh, compared to 2019. In the business customer segment, the sales volume was higher than the year before by 371 GWh, or approx. 2.5%. In the household segment, the sales volume increased by 133 GWh, or approx. 2.9%. The sales volume of gaseous fuel also increased compared to the corresponding period of the previous year (by 270 GWh, or approx. 25.5%). The total volume of energy generated from renewable sources reached almost 2.4 TWh and increased by 5%, or 112 GWh.

More than 43 thousand renewable sources, including micro-installations, got connected to ENEA Operator's grid, and the total number of renewable energy sources connected by the distribution company was nearly 63 thousand at yearend 2020. The total capacity of the sources installed during this period was over 546 MW, owing to which the current total capacity of connected renewable energy sources, including micro-installations, surpassed 2,043 MW.

In 2020, the ENEA Group's capital expenditures totaled PLN 2.4 billion and were completed largely in accordance with the previously adopted assumptions. PLN 273 million was allocated to capital expenditures related to the Group's environmental protection endeavors, including commercial connection of wind farms to ENEA Operator's grid and upgrades and projects adapting the Group's power plants to the BAT conclusions.

Stable fuel source for power plants

The key supplier of the input commodity for two of our power plants is LW Bogdanka, a member of the Group. Last year, the Company recorded nearly 7.6 million tons of production, down by nearly 19.5% y/y. In the same period, sales of coal decreased by 18%. The company's weaker operating performance in 2020 was driven down primarily by the reduced demand for steam coal from the commercial power and heat generation sectors. LW Bogdanka posted PLN 1,822 million in revenue from sales. EBITDA stood at PLN 466 million.

Before the end of 2020, LW Bogdanka presented a new strategy in response to the challenges presented by Poland's Energy Policy until 2040. The Company focuses chiefly on preserving production capacity, upholding high profitability ratios, demonstrating respect for the natural environment and maintaining the position of the region's economic and social stronghold. In accordance with its objectives, LW Bogdanka remains the performance leader in the mining industry attaining the highest standards of work safety, flexibly adjusting its operations to evolving environmental requirements and market conditions and involved in endeavors aimed at reaching the "green deal" through diversification of its business.

ENEA Group building the power sector of the future

The ENEA Group is also updating its Development Strategy, which will be aligned with the new external conditions and will enable an effective and successful transformation process. The commitment to implement the adopted development directions and objectives is very important, especially in the current period of an economic downturn caused by the pandemic. We strive to play

an active role in building a strong Polish economy and, above all, support the sustainable development of the fuel and power sector. We are taking actions, executing projects and making investments to jointly build the power sector of the future.

We will intensify our investment endeavors in the area of renewable energy sources. We have given up our capital involvement in the project aimed at building a gas-fired unit at the Ostrołęka C Power Plant. We will execute any potential coal-to-gas conversion projects using our own generation assets.

Renewable energy sources in the focus of the Group's attention

In pursuit of the ENEA Group's ambitious transformation, a company by the name of ENEA Nowa Energia was established in mid-2020 to develop and manage projects based on renewable energy sources. The company went through the organization process successfully and in a timely manner. Today, it manages 26 RES facilities, including hydro power plants and wind farms across Poland.

Offshore energy generation from wind sources plays an important role in the ENEA Group's growth plans. In order to boost our competitive edge on the demanding offshore market, we intend to collaborate with other partners active in the Polish energy sector in the execution of future offshore wind farm projects: PGE Polska Grupa Energetyczna and Tauron Polska Energia. We believe that the letter of intent between our companies on the establishment of this collaboration, signed in January 2021, will accelerate and solidify our activities in this business segment.

In addition to developing our own RES capacity, we are involved in endeavors aimed at ensuring the country's energy transformation, supporting RES generators in fulfilling the reporting duty arising from European law (SOGL guidelines). ENEA Operator's experts share their knowledge and experience, supporting entities generating electricity from renewable sources in providing data on electricity generated and introduced to the power grid.

Please read the following summary of activity of the ENEA Group in 2020. On behalf of the ENEA Management Board, I wish to thank all members of the Supervisory Board, the management boards of other Group companies and all employees of the ENEA Group for their professional and committed efforts, permitting us to jointly build and increase the Group's value, making it an even more attractive asset for our investors and shareholders.

Respectfully,

Paweł Szczeszek

President of the Management
Board of ENEA S.A. and CEO

Non-Financial Statement of ENEA Group for 2020

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12.1 Non-financial reporting of the ENEA Group

The publication of this statement (hereinafter referred to as the “Statement”), which forms a separate part of the document entitled *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020* fulfills the obligation arising from Article 49b and Article 55 of the Accounting Act of 29 September 1994 (Journal of Laws 2019 item 351), implementing into the Polish legal system *Directive 2014/95/EU of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups*. Moreover, it provides the company’s response to the expectations laid down in the Supplement on reporting climate-related information (2019/C 209/01) to that Directive and in the public view of the European Securities and Markets Authority (ESMA) on the supervisory priorities for periodic reports of issuers for 2020 in respect of non-financial reporting. It also constitutes the fulfillment, in the non-financial reporting area, of the “Guidelines for companies with a State Treasury shareholding that prepare financial statements for 2020”, developed in September 2020 by the Prime Minister’s Office. The Statement, concerning the period from 1 January to 31 December 2020, pertains to non-financial data of ENEA S.A. as the parent company and all subsidiaries covered by the *Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2020*. It is devoted to the matters referred to in Article 49b(2) of the Accounting Act.

The document was prepared by the Department for Relations with the Socio-Economic Environment, which forms part of the PR and Communication Department of ENEA S.A., in collaboration with an external expert firm. It has not been subjected to any additional vetting by an independent party. The data presented herein have been developed based on the Core option of the (non-financial) Global Reporting Initiative (GRI) Standards. With regard to the statement for 2019, no corrections or adjustments to the published data have been made.

Information on the ENEA Group’s corporate governance and its impact on society and the natural environment, collected for the purpose of preparing the Statement, will be presented more comprehensively in the form of the *ENEA Group’s Sustainable Development Report for 2020*. Its publication in the form of an online platform, to be made available at raport2020.csr.enea.pl, is scheduled for mid-2021.

12.2 Business model

12.2.1 Line of business

The ENEA Group conducts its business in four core areas, tapping into the coordinated collaboration of specialized companies, which are autonomous undertakings in the civil law sense. These areas are as follows:

- **electricity and heat generation** (ENEA Wytwarzanie sp. z o.o., ENEA Ciepło sp. z o.o., ENEA Elektrownia Połaniec S.A., Przedsiębiorstwo Energetyki Ciepłej sp. z o.o., Miejska Energetyka Ciepła Piła sp. z o.o., ENEA Bioenergia sp. z o.o., ENEA Nowa Energia sp. z o.o.),
- **electricity and gaseous fuel trading** (ENEA S.A. – retail, ENEA Trading sp. z o.o. – wholesale),
- **electricity distribution** (ENEA Operator sp. z o.o., ENEA Pomiary sp. z o.o., ENEA Serwis sp. z o.o.), **distribution of heat** (Przedsiębiorstwo Energetyki Ciepłej sp. z o.o., Miejska Energetyka Ciepła Piła sp. z o.o., ENEA Ciepło sp. z o.o.).

The Group's leading members are ENEA S.A., ENEA Operator, ENEA Wytwarzanie, ENEA Elektrownia Połaniec, ENEA Trading and LW "Bogdanka", while other companies provide them with auxiliary services.

Lubelski Węgiel "Bogdanka", a company controlled by the ENEA Group (holding a total of 66% of votes at the company's General Meeting), is a leader on the domestic market of hard coal producers, standing out due to its financial performance, mining efficiency and plans to access new deposits. The buyers of the company's products are for the most part entities operating in the power sector, including electricity generation companies of the ENEA Group.

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

ENEA Operator takes care of the distribution of electricity and the expansion and maintenance of related grid infrastructure.

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

12.2.2 Creation of company value

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

Both the adopted model of increasing the Group's value and the manner in which the Group creates value for its customers are derived directly from the mission and vision adopted by the company.

MISSION:

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

VISION:

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

12.2.3 Market environment

The current Polish energy market was shaped in 1997 when the *Energy Law* was adopted and the Energy Regulatory Office was established. The duties of the President of the Energy Regulatory Office include the granting of approval for the prices of gaseous fuels, electricity and heat and the issuance of certificates of origin for energy generated from renewable sources, from which transferable property rights are derived. The ERO President also issues licenses for the conduct of business on the energy market, including for the generation, transmission, distribution of and trading in electricity. Following Poland's accession to the European Union in 2004, two directives were transposed into national law: one governing the operation of the European electricity market and the other one governing the operation of the European natural gas market. Important changes also took place in 2007 when retail customers were afforded the right to purchase electricity from a seller of their choice.

The electricity market in Poland is comprised predominantly of the following groups: ENEA, PGE, TAURON, Energa and Innogy.

12.2.4 Strategy of the ENEA Group

In accordance with the *Development Strategy of the ENEA Group until 2030 with an outlook to 2035*, updated on 12 December 2019, the Group focuses on transformation to a low-emission concern and on investments in new products and services featuring advanced IT and digital solutions. Accordingly, the pursuit of this strategy exerts a significant favorable impact on the natural environment and the country's socio-economic development.

The document contains the goals that the Group is to achieve in the short-, medium- and long-time horizon (up to 2025, 2030 and 2035, respectively).

Key directions for the Group's growth:

1. Transformation of generation assets towards zero- and low-emission sources;
2. Innovative services for customers;
3. Contemporary communication with customers and modern cooperation models;
4. Electromobility, hydrogen technologies;
5. Smart Grid – smart solutions for customers;
6. Automation, robotization and digitization of processes;
7. Internet of Things, artificial intelligence, blockchain;
8. Energy storage;
9. Sourcing of fuels in accordance with best practices and respect for the environment.

These development directions form a foundation, which is used to define strategic goals for the Group.

OVERRIDING STRATEGIC OBJECTIVE:

Continuous growth of the value of the ENEA Group, while ensuring sustainable development.

The ENEA Group has identified five key strategic goals supporting its transformation to becoming a low-emission utility group. These are:

1. diversification of the Group's generation portfolio;
2. reliability and continuity of electricity supply;
3. responsible partner in sustainable management of relations with local communities, the environment and customers;
4. ensuring financial security of the Group;
5. innovation in all aspects of the Group's activity.

The scenarios envisaged in the strategy are based on the assumption of the full utilization of the Group's existing market position and own assets to develop new lines of business, based in particular on bundles of comprehensive services. This kind of approach, consistent with current global trends, serves the purpose of fully satisfying the needs of customers in the field of grid and infrastructure utilities, while providing a broad range of innovative auxiliary services, including some from outside the power sector.

More information on the strategy is provided on page 21 of the *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020*.

The ENEA Group, striving to be ready for the challenges facing Polish power sector companies today, has embarked on updating its strategy so that it fully corresponds to the new external conditions and enables a reliable and effective transformation of the Group.

12.2.5 Business model and strategy of the ENEA Group vs. the climate

In 2020, ENEA S.A. entities responsible for strategic management, growth management, risk management and social responsibility continued internal consultations, launched in 2019, regarding the possibility of conducting analyses of the company's business model on the climate and vice versa as well as analyses of resilience of the business model and strategy, taking into account various climate-related scenarios. As at the date of publication of this Statement, no final executive decisions have been made in this respect.

12.3. Non-financial key performance indicators of the ENEA Group

Area	Ratio	2019	2020	Change 2020/2019
	Payments to the state budget by virtue of dividends	-	-	-
	Payroll-related expenses and benefits	PLN 1.9 billion	PLN 2.0 billion	+3%
	Confirmed incidents of corruption	2	0	-100%
environmental	Direct greenhouse gas emissions (Scope 1) ¹	22,039,576 Mg CO ₂	18,671,299 Mg CO ₂	-15%
	Intensity of greenhouse gas emissions ²	774 kg/MWh	757 kg/MWh	-2%
	Generation of energy from renewable sources	2,279 GWh	2,392 GWh	+5%
	Amount earmarked for investments in the environmental area	PLN 238 million	PLN 272.5 million	+14%
	Amount earmarked by ENEA Operator sp. z o.o. for investments in the area of energy efficiency and energy security	PLN 0.999 billion	PLN 1.165 billion ³	+17%
	Amount of significant penalties and quantity of non-financial sanctions imposed on for non-compliance with environmental protection laws or regulations	0	0	-
social	Total amount earmarked for social causes ⁴	PLN 3,262,127	PLN 7,634,243	+134%
	– including support provided to counteract the COVID-19 epidemic	-	PLN 5,101,497	
	– including other expenditures for socially beneficial purposes	PLN 3,262,127	PLN 2,532,746	
	Number of beneficiaries of competence volunteerism	None reported	3,412 ⁵	-
	Number of volunteers under voluntary work contracts as at 31 December 2020	None reported	359	-
	Total number of hours spent on voluntary work by employees	1,857	660 ⁶	-64%
	Number of discriminatory incidents and corrective actions taken	0	0	-
customer-related	Trading Segment: number of individual customers (electricity and gaseous fuel consumers) ⁷	2,535 thousand	2,565 thousand	+1%

¹Total emissions related to the generation of energy by the Koźnice Power Plant, the Polaniec Power Plant, the Białystok CHP Plant, the "Zachód" Heat Plant, MEC Piła and PEC.

²Ratio of total CO₂ emissions related to electricity generation and total gross electricity generation

³Total amount of investments made by the company.

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

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

⁶The decrease in the value of the indicator compared to 2019 resulted from the risks associated with the epidemic: because of the sanitary restrictions imposed, it was necessary to abandon a number of anticipated employee volunteerism initiatives.

⁷As at the end of the reporting period.

Distribution Segment: number of customers/energy consumers ⁷	2,626 thousand	2,661 thousand	+1%
Sales of electricity and gaseous fuel to retail customers	20.3 TWh	21.1 TWh	+4%
SAIDI – System Average Interruption Duration Index ⁸	98 min.	77 min.	-22%
SAIFI – System Average Interruption Frequency Index ⁸	2.79	2,06	-15%
Cases of non-compliance with regulations related to the health and safety impact of products and services	None reported	0	-
Cases of non-compliance with regulations related to the provision of information about products and services	None reported	0	-
Customer data breaches that qualified for reporting to the President of the Personal Data Protection Authority	0	0	-

⁸ Reflects scheduled and unscheduled interruptions in electricity supply for high and medium voltages.

12.4 Non-financial risks related to the ENEA Group's business activity

12.4.1. Risk management system in the ENEA Group

The key companies of the ENEA Group manage risks related to their activity in a systematic and coordinated manner to ensure the maximum possible protection against their effects, should they occur.

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

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

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

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

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

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

More information on the risk management model in the ENEA Group is provided on pages 32-34 of the *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020*.

Non-financial risks

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

Labor area:

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

Social area:

- risk of social unrest, additional trade union demands and deterioration of relations with social partners,
- risk of the absence of communication between internal and external customers and/or delays in the provision of necessary documents/information due to e-mail failure,
- risk of improper management of information in a crisis situation (failure to adapt the content of the message and communication channels to stakeholders, provision of false information),
- risk of a breach of stock exchange disclosure obligations,
- risk of an increase in the value of claims of property owners for payment of amounts due for transmission easement/tenancy of properties,
- risk of an increase in the value of local governments' tax claims related to land located under power lines,

- risk of non-implementation or delayed implementation of the *Guidelines to the Compliance Programs developed by distribution system operators and the storage system operator*, as published by the President of the Energy Regulatory Office,
- risk of delays in issuing or a failure to issue connection decisions that are of crucial importance to customers,
- risk of delays in the completion of key connection investments,
- risk of delayed execution of the project "Special radio communication system for the energy sector".

Human rights area:

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

Environmental area:

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

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

Climate risks

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

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

Business area of the ENEA Group	Risk resulting from climate change	Risk factor	Mitigating measures
DISTRIBUTION	Risk of interruption in the continuity of supplies, loss of revenues and significant costs as a result of catastrophic damage to components of line and point infrastructure on the distribution network	Increased frequency of extreme weather phenomena (gusty storms, hurricane winds, icing)	Use of leading-edge technologies during the modernization of power lines, wiring of power lines, monitoring of the condition of the power grid and prompt conduct of maintenance operations.
	Perspective: long term.		
GENERATION	Risk of a decline in or loss of profitability of electricity generation operations resulting from the consolidation of a strong upward trend on the EUA market, with simultaneous disproportionate increases in electricity prices	High price of CO2 emission allowances potentially resulting in a low or negative value of the clean dark spread (CDS)	Greater share of biomass co-firing. Substitution of coal with low-emission fuels.
	Perspective: short, medium and long term		
	Risk of interruption in the continuity of operations, loss of revenues and significant costs as a result of extreme weather phenomena	Increased frequency of extreme weather phenomena (droughts, floods affecting the water level on the Vistula River, heavy snowfalls, frosts, icing, hurricanes)	Vistula River water level monitoring system. Annual assessment of the technical condition of power plant facilities. Continuous supervision of staff over the operation of the power plant. Flood protection system in the event of an increase in the water level on the Vistula River (stoplogs). Ongoing supervision of devices and optimal overhaul management.
	Perspective: short, medium and long term		
	Risk of construction disasters in hydropower plants (damage to hydro-engineering equipment as a result of erosion and water pressure)	Partial or complete damage to hydro-engineering equipment affected by torrential rains increasing the adverse impact of water on hydrotechnical facilities	Continuous execution and preparation of new overhaul and investment projects on hydro-engineering equipment.
Perspective: medium to long term			
Risk of construction disasters on wind farms (damage to generation facilities caused by strong winds)	Extreme weather conditions such as strong winds, hurricanes, tornados	Inability to take preventive actions against the forces (elements) of nature.	
Perspective: medium to long term			
Risk of lost revenues or extra costs resulting from the uncertainty of the legislative environment	Amendments to EU or national regulations, for example resulting from the non-recognition of biomass as a zero-emission energy source	Monitoring of and participation in legislative work.	
Perspective: medium to long term			

<p>Risk of a decrease in revenues from sales of heat</p> <p>Perspective: short, medium and long term</p>	<p>Temperature rising trends during the heating season causing demand for heat to decline</p>	<p>Diversification of revenue sources through the development of cogeneration.</p>
<p>Risk of an increase in environmental fees</p> <p>Perspective: short term</p>	<p>Absence of environmental decisions required by law or failure to fulfill the conditions specified therein</p>	<p>Ongoing monitoring of regulations.</p> <p>Ongoing monitoring of the validity of decisions held, thereby enabling an early preparation of requests for changes.</p> <p>Ongoing supervision over the manner of implementation and compliance with the conditions specified in the decisions held.</p>
<p>Risk of suspension of electricity/heat generation as a result of technological misalignment with the requirements of environmental protection regulations</p> <p>Perspective: short term</p>	<p>Need to adapt generation units to the requirements of the IED and future BAT conclusions, the Water Law, etc.</p>	<p>Regular upgrades of and investments in: units for generation of energy from renewable sources, heat accumulation systems, flue gas heat recovery units, flue gas desulphurization units, boilers.</p> <p>Upgrade of transmission infrastructure and heating nodes, gradual extension of the extent of application of telemetric systems.</p> <p>Use of proper cooling systems in electricity and heat generation.</p> <p>Taking care of the proper technical condition of equipment using fluorinated gases.</p>
<p>Risk of interruption or curtailment of business continuity and loss of revenues resulting from failure to maintain continuity of fuel supplies</p> <p>Perspective: short, medium and long term</p>	<p>Unavailability or limited availability of biomass resulting from natural disasters such as hurricanes, floods, droughts or freezes</p> <p>Unavailability or limited availability of coal resulting from natural disasters in the mining sector or in the supply process</p>	<p>Optimization of fuel supplies.</p> <p>Diversification of the fuel portfolio.</p> <p>Emergency fuel purchases.</p> <p>Gradual shift of all or part of the fuel shipment process to the supplier.</p> <p>Performance monitoring with deviation analysis and update of plans for the performance of contracts for the supply of generation fuels and logistics services.</p>
<p>Risk of an increase in the costs of procurement of plant-based substrates necessary for biogas production</p> <p>Perspective: medium term</p>	<p>Hydrological drought potentially affecting the availability and prices of corn silage, which is the key input substrate in biogas production</p>	<p>Adoption of and early preparation for a comprehensive substrate procurement action.</p>
<p>Risk of an increase in the cost of raising capital and/or property insurance</p> <p>Perspective: short, medium and long term</p>	<p>Global climate crisis making it increasingly difficult for fossil fuel-based businesses to access finance, insurance undertakings treating coal-based power generation as a higher-risk industry</p>	<p>Use of the Group's transformation strategy in consultations with the reinsurance market.</p> <p>Search for new methods of securing assets.</p>

	<p>Risk of reducing or ceasing the operation of power plants due to difficulties in obtaining or maintaining valid environmental decisions and permits.</p> <p>Perspective: short, medium and long term</p>	<p>Activities of environmental organizations conducting aggressive campaigns against power plants by: appealing against and demanding the cancelation of integrated permits or environmental decisions held by power plants, referring to the public interest and joining proceedings aimed at amending integrated permits, thereby delaying or preventing the issue of favorable decisions</p>	<p>Cooperation with leading law firms.</p> <p>Cooperation with environmental organizations.</p>
TRADING	<p>Risk of unplanned costs arising from erroneous assumptions for long-term financial projections</p> <p>Perspective: medium to long term</p>	<p>Progressing climate change affecting the climate policy of various countries and organizations, thereby potentially shaping the operating principles of the system and price of CO₂ emission allowances</p>	<p>Periodic updates of price paths.</p>
	<p>Risk of additional costs or losses resulting from commodity price volatility on the futures market</p> <p>Perspective: short, medium and long term</p>	<p>Potential deviations of electricity and gas prices on the Polish Power Exchange in relation to prices agreed upon in previous months, due to temperatures in the summer and winter seasons different from the originally assumed ones</p>	<p>Maintaining and developing risk management competences in the ENEA Group.</p> <p>Internal risk optimization procedures.</p> <p>Monitoring and analysis of factors affecting prices on the Polish Power Exchange.</p> <p>Adjustment of orders placed, both in terms of price and volumes, to the current market situation.</p>
MINING	<p>Risks related to the need to change the company's operations are run, which would entail additional capital expenditures</p> <p>Perspective: medium to long term</p>	<p>Climate change causing an increasingly restrictive EU climate policy, directly and indirectly translating into a number of more stringent environmental standards imposed on mines</p>	<p>Ongoing supervision over compliance with environmental standards.</p> <p>Continuous monitoring of changes in the EU's climate policy and the resulting amendments to national regulations.</p> <p>Active participation in consultations on new regulations.</p> <p>Continuous search for technical and organizational solutions minimizing the company's impact on the climate, e.g. by energy efficiency improvements.</p>
	<p>Risk of inability to perform coal purchase contracts due to a decline in demand for steam coal in Poland and globally</p> <p>Perspective: medium to long term</p>	<p>Probable gradual decrease in demand for the products offered to date, resulting from changes in the country's energy mix, including the ENEA Group's energy mix, and from a decrease in demand for electricity generated from coal (e.g. as a result of measures favoring energy efficiency, elimination of retail customers from the portfolio, more frequent switching to own sources of energy and heat generation, higher average atmospheric temperatures in winter)</p>	<p>Implementation of a new business strategy, including through diversification of revenues towards the extraction of coking coal, which is a strategic commodity in the EU.</p>
	<p>Risk of an increase in operating costs due to the need to pay greater compensations for losses in grasslands and agricultural land caused by the need to repair of mining damage to the environment</p>	<p>The conduct of mining activities is associated with the occurrence of mining damage and may lead to the formation of subsidence basins and disruption of local water relations, thus causing occasional local flooding</p>	<p>Effective mining damage management policy.</p> <p>Ongoing dialogue with local communities.</p>

<p>Perspective: short, medium and long term</p>		<p>Continuous monitoring of rock mass movements using of modern measurement methods.</p> <p>Monitoring of environmental aspects through the Integrated Quality, Environment and Safety Management System.</p> <p>Ongoing reclamation of areas adversely affected by mining activities.</p>
<p>Risk of an increase in the cost of raising capital and/or property insurance</p> <p>Perspective: short, medium and long term</p>	<p>Global climate crisis making it increasingly difficult for fossil fuel-based businesses to access finance, insurance undertakings treating the mining sector as a high-risk industry</p>	<p>Use of the Group's transformation strategy in consultations with the reinsurance market.</p> <p>Search for new methods of securing assets.</p>
<p>Risk of obstruction in the progress of various administrative procedures conducted with the participation of non-governmental environmental organizations</p> <p>Perspective: medium to long term</p>	<p>The activities of environmental organizations may affect the social acceptance of the company's activities, including by the occurrence of potential protests related to investment and development activities</p>	<p>Execution of project activities in partnership with environmental organizations.</p> <p>Ongoing communication of activities aimed at improving environmental safety.</p> <p>Enhanced environmental measures taken by the company and additional investments in this area (energy efficiency improvements, water treatment plant, construction of a photovoltaic farm).</p> <p>Respect for state-imposed forms of nature protection (e.g. no mining and no future mining plans under the Polesie National Park)</p>
<p>Reputation risk related to the conduct of business in the fossil fuel industry</p> <p>Perspective: medium to long term</p>	<p>Due to the climate crisis, the EU's policy and the activities of environmental organizations, the mining industry may be perceived as the perpetrator of climate change</p>	<p>Participation in business initiatives, involvement in local socially beneficial and pro-development activities, intense communication activities, focusing chiefly on demonstrating the role played by the company in the Lublin region along with its environmental efficiency and openness to change.</p>
<p>Risk of a decrease in revenue from sales of steam coal</p> <p>Perspective: medium to long term</p>	<p>Increase in average atmospheric temperatures, especially during the heating season</p> <p>An increase in atmospheric temperatures during the heating season may translate into a decrease in demand for heat generated from coal in favor of wind energy and other sources</p>	<p>Reduced impact of the company's business on global warming.</p> <p>Taking into account the forecasts of climate models in determining the scope of contracts with customers.</p>

As at the date of publication of the Statement, no analysis of opportunities related to climate change or of climate risks and opportunities in the whole supply chain has been performed.

12.5 Responsibility of the ENEA Group in the context of the COVID-19 epidemic

On 4 March 2020, the first case of infection with a coronavirus causing serious respiratory disease COVID-19 was detected in Poland. A state of epidemic emergency was announced in the country on 14 March, followed by a state of epidemic on 23 March. In this new situation, the key priorities of the ENEA Group became, and continue to be, the reliability of electricity and heat supplies to millions of homes (which in these circumstances have also become places of work for many people), companies and institutions,

including health care facilities, and the safety of employees. A manifestation of the company's responsibility in this area is also its active support for governmental and non-governmental measures aimed at counteracting the spread of the coronavirus and the pursuit of various projects involving local communities and employees in order to mitigate the adverse social and economic implications of the pandemic.

12.5.1 Activities for the benefit of employees

In H1 March 2020, the ENEA S.A. Management Board established a crisis and coordination center for coordinating all activities aimed at protecting employees against a SARS-CoV-2 infection. At the level of distinct companies, local crisis centers have been established to monitor the epidemic situation, provide employees with personal protective equipment and implement safe work rules. The safe work rules category of activities includes, in particular, deployment, where possible, of remote work, and in other cases, rotation (planned so that groups of employees do not meet each other) and the establishment of limits on the number of employees permitted to be present in the same room at the same time. Moreover, mandatory temperature measurements were taken before employees were permitted to enter the buildings, hand disinfectant dispensers were placed in passageways, common areas, toilets and at office workstations, and periodic disinfections of rooms or disinfections on an as-needed basis were performed. Direct contacts between employees and the quantity of face-to-face meetings were reduced to a minimum, with any unavoidable face-to-face meetings held using protective masks and maintaining a minimum distance between participants of 1.5 m. The vast majority of internal meetings and meetings with external counterparties were conducted in the form of teleconferences or videoconferences using the Group's own software tools. Internal training courses were also conducted using the Group's own e-learning platform. At the same time, during the pandemic, the accessibility of remote training, webinars and industry meetings for employees, held on communication platforms or training platforms, was increased, in line with the rules ensuring the stability and security of the Group's information systems. All rules of conduct were written in the form of procedures and instructions (defining, for instance, the steps to take in the event of the outbreak of an epidemic in the work establishment), and were continuously adjusted in accordance with the guidelines issued by the Ministry of Health and the Chief Sanitary Inspectorate. Moreover, occupational risk assessments were updated to incorporate all risks related to the spread of SARS-CoV-2 virus.

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

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

- a) **psychological support** – for several months they had the opportunity to take advantage of gratuitous telephone consultations with specialists who helped them deal with problems related to loneliness, etc.;
- b) **protective masks** – also for use outside the workplace;
- c) **education on disease prevention** – including through the ongoing prevention program of the ENEA Foundation called "Mission: Prevention", information cycles "Healthy Spine" (habits to reduce the adverse effects of prolonged sitting) and "Health begins in the head" (webinar and workshops on reducing stress, including through breathing exercises, and immune-boosting nutrition options).

12.5.2 Selected initiatives of the ENEA Foundation and companies

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

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

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

MEC Piła sp. z o.o. and PEC sp. z o.o. offered their employees free SARS-CoV-2 antibody tests. ENEA Połaniec Serwis sp. z o.o. funded tests for employees who had contact with a person diagnosed with the disease. In the latter company, a shortened procedure for preventive medical examinations (initial, periodic, check-up) was rolled out: employees receive a referral for medical examinations along with a health/treatment questionnaire to be filled out, and these documents are then securely transferred to the occupational medicine unit issuing appropriate medical certificates.

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

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

12.5.3 Financial contribution of the ENEA Group to counteracting the epidemic

In 2020, the Group earmarked a total of over PLN 5.1 million for support to other organizations, chiefly public health care institutions, in their fight against COVID-19.

ENEA Group's support for the fight against the COVID-19 epidemic [PLN]	
Total	5,339,271
including funds transferred:	
– through the ENEA Foundation	4,391,100
– through the “Solidarni Górnicy” Foundation	700,000
– directly by the companies	248,171

12.5.4 Activities for the benefit of the healthcare system

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

Moreover, the Group supported the involvement of its employees in activities aimed at supporting healthcare institutions. Under the “Mission: Prevention” program, they sewed almost 10,000 face masks for hospitals and hospices.

Selected initiatives pursued by Group companies

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

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

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

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

12.5.5 Activities for the benefit of local communities

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

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

Selected initiatives pursued by Group companies

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

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

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

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

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

12.5.6 Activities for the benefit of customers

In order to minimize the risk of COVID-19 infection, the ENEA Group actively promoted remote communication channels among the buyers of its products and services, in particular the eBOK (electronic Customer Service Center). The range of matters that may be arranged without leaving home was expanded. For instance, retail customers may enter into product contracts via electronic channels, the process of changing the electricity vendor was simplified by permitting the provision of scanned terminations, customers of ENEA Trading sp. z o.o. were permitted to send scans of documents instead of using a qualified electronic signature, and arrangements were made with Pekao S.A. and PKO BP to accept electronic authorizations of newly received consents to direct debits. For a significant part of 2020, the ENEA Group's Customer Service Offices were either closed or were operating in compliance with the full sanitary regime, only by appointment. Moreover, employees did not have to read the electricity meters, because customers were able to provide the meter reading by phone, via the eBOK and on the www.operator.enea.pl website. For with smart meters, the readings were carried out remotely. From March to the end of December 2020, the number of accounts in the electronic Customer Service Center increased by 42% and the number of cases related to electricity sales handled through this channel increased by 32%.

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

ENEA Operator sp. z o.o. implemented electronic support for processes previously handled by traditional mail (determining connection conditions, reporting complaints, reporting the connection of micro-installations) and reorganized the work of its Customer Service Offices in terms of sanitary safety.

12.6 Environmental issues – description of due diligence policies and procedures and their results

12.6.1 Protection of the environment in the ENEA Group's strategy

The *Development Strategy of the ENEA Group until 2030 with an outlook to 2035* assumes transformation of the company to a low-emission utility group. According to the document, in 2020-2035, the Group's capital expenditures for new low-emission production capacities will amount to PLN 7.3 billion, while capital expenditure for renewable energy sources (photovoltaic installations, wind farms, biogas plants, biomass-fired installations) will be PLN 14.7 billion. ENEA assumes that, as a result of the pursuit of this strategy, its share of RES in electricity generation will reach 22% by 2025 and 33% by 2030. As a result, in 2030, the Group will generate 41% of electricity from renewable and gas sources, and in 2035 this share will reach 60%. According to the Strategy, the Group will also be interested in, among others, developing clean coal technologies, dispersed power generation and electromobility.

The implementation of the strategy, including in particular the phasing out of conventional generation units and the development of zero- and low-emission units, will result in measurable environmental benefits, including a reduction in CO₂ emissions from 781 kg/MWh in 2018 by 30% by 2030 (550 kg/MWh) and by as much as 56% by 2035 (434 kg/MWh). The strategy also calls for a reduction in the network losses in distribution to 5.4% by 2025 and to 5.3% by 2030.

The ENEA Group, striving to be ready for the challenges facing Polish power sector companies today, has embarked on updating its strategy so that it fully corresponds to the new external conditions and enables a reliable and effective transformation of the Group.

12.6.2 Environmental impact management

Generation and supply of electricity and heat in a way that is safe for the environment and compliant with the law is one of the main priorities for the ENEA Group. It also strives to rationally manage natural resources and to ensure biodiversity and sustainability of environmental processes in its surroundings.

The ENEA Group has a number of policies and procedures in place that refer to environmental matters. The *ENEA Group Code of Conduct*, as defined in the *ENEA Group Code of Ethics*, also covers this area. In line with it, the Group:

- cares for the natural environment and takes all actions necessary to protect it, regardless of the place and type of performed operations,
- uses natural resources and energy reasonably,
- strives for ensuring proper natural environment protection, observing the provisions of the generally applicable law, as well as internal regulations,
- joins actions and actively participates in educational campaigns for environmental protection and development of environmental awareness,
- takes actions to prevent any breakdowns that may be dangerous for the natural environment.

The commitment to sustainable development and natural environment is also embedded in the *ENEA Group Compliance Policy*, which among others requires the Group to:

- take actions to minimize pollution emissions and to ensure reasonable management of natural resources,
- undertake initiatives to retain the balance between the Group's operations and the natural environment,
- carry out capital expenditures using environmentally friendly technologies,
- support renewable energy sources,
- cooperate with environmental organizations.

In turn, the *ENEA Group's Communication Policy* contains provisions stating that the Group's communication is conducted in a manner that promotes environmentally friendly values and that the Group's sponsorship activities will focus, without limitation, on the domain of environmental protection.

The individual companies have their own policies, procedures, instructions and regulations, which are suitable to their unique character, obligating them to protect the environment and use it in a sustainable manner, which are updated on an ongoing basis (in 2020, e.g. in connection with the amendment to the Waste Act). Some of the principles, e.g. ones setting out the requirements for handling the waste produced, must also be observed by external entities performing work on the sites of and for Group companies. Additionally, the Group companies apply methodologies for monitoring and documenting specific environmental impacts and effects of their pro-environmental activities.

Selected due diligence policies, standards and procedures in the area of environmental management in ENEA Group companies

ENEA S.A.	– <i>Environmental Policy</i>
ENEA Wytwarzanie	<ul style="list-style-type: none"> – <i>Policy of the Integrated Quality, Environmental and OHS Management System</i> – <i>Book of the Integrated Quality, Environmental and OHS Management System based on the requirements of the standards PN-EN ISO 9001:2015, PN-EN ISO 14001:2015 and PN-N-18001:2004/OHSAS 18001:2007</i> – <i>Procedure “Supervision over legal and other requirements”</i> – <i>Procedure “Identification and evaluation of environmental aspects”</i> – <i>Procedure “Environmental monitoring”</i> – <i>Procedure “Identification of potential accidents and emergencies and responding to their occurrence at ENEA Wytwarzanie sp. z o.o. at the Świerże Górne site”</i> – <i>Rescue plan in case of a threat to life and human health and property or the environment at ENEA Wytwarzanie sp. z o.o. in Świerże Górne (Kozienice Power Plant)</i> – <i>Procedure “Emergency preparedness and response at the Koronowo site”</i> – <i>Procedure “Goal management”</i> – <i>Procedure “Management review, analysis and improvement”</i> – <i>Other detailed procedures and instructions governing conduct setting out the principles of performing operations that impact the environment, monitoring, performing measurements and exercising metrological oversight over devices used to monitor the effects of environmental activity</i>
ENEA Ciepło, ENEA Ciepło Serwis	<ul style="list-style-type: none"> – <i>Environmental Management System Policy and the following procedures based on this policy:</i> <ul style="list-style-type: none"> > <i>Supervision over documentation (SZŚ)</i> > <i>Supervision over records (SZŚ)</i> > <i>Process monitoring (SZŚ)</i> > <i>Goal management (SZŚ)</i> > <i>Internal audits (SZŚ)</i> > <i>Handling non-compliance – corrective actions (SZŚ)</i> > <i>Periodic evaluation of compliance with legal and other requirements (SZŚ)</i> > <i>Management review (SZŚ)</i> – <i>Procedure PŚ-4.3-01 “Identification of environmental aspects”</i> – <i>Procedure PŚ-4.4-01 “Responding to danger and failure”</i> – <i>Procedure PŚ-4.4-02 “Waste management”</i> – <i>Procedure PŚ-4.5-01 “System of monitoring and measuring parameters affecting the environment”</i> – <i>Quality instruction QI-7.5-11 “Program for prevention of severe industrial accidents relating to the storage and use of hazardous substances and materials at the Zachód Heat Plant”</i> – <i>Internal instructions on monitoring and reporting CO₂ emissions:</i> <ul style="list-style-type: none"> > <i>Instruction I-OŚ-01 “Management of records and documentation”</i> > <i>Instruction I-OŚ-02 “Determination of changes affecting the allocation of emission allowances for installations”</i> > <i>Instruction I-OŚ-03 “Calculation of CO₂ emissions”</i> > <i>Instruction I-OŚ-04 “Quality of the information system used for data flow activities”</i> > <i>Instruction I-OŚ-05 “Estimation of fuel consumption during a belt weigher breakdown”</i> > <i>Instruction I-OŚ-06 “Monitoring of outsourced processes”</i> > <i>Instruction I-OŚ-07 “Identification of installed devices used to determine data values”</i> > <i>Instruction I-OŚ-08 “Staff management for ETS purposes”</i> > <i>Instruction I-OŚ-09 “Evaluation of adequacy of the monitoring plan”</i> > <i>Instruction I-OŚ-10 “Management of data flow activities”</i> > <i>Instruction I-OŚ-11 “Implementing corrections and rectifying measures”</i> > <i>Instruction I-OŚ-12 “Supervision over metering equipment for monitoring CO₂ emissions”</i> > <i>Instruction I-OŚ-13 “Internal reviews and validation of data”</i> > <i>Instruction I-OŚ-14 “Uncertainty assessment”</i> > <i>Instruction I-OŚ-15 “Analysis of CO₂ emission monitoring risk”</i> > <i>Instruction I-OŚ-16 “Analysis of the risk of the PMM monitoring methodology plan”</i> > <i>Instruction I-OŚ-17 “Monitoring of basic data and audit activities related to the application for free allocation of CO₂ emission allowances”</i> – <i>Procedure “Monitoring CO₂ emissions in the Białystok CHP Plant”</i> – <i>Instruction on the organization of rescue operations at the site of ENEA Ciepło sp. z o.o. – Białystok CHP Plant Division</i> – <i>Procedure “Identification of threats and determining how to respond to environmental emergencies at ENEA Ciepło sp. z o.o. – Białystok CHP Plant Division”</i> – <i>Procedure “Prevention and reduction of the impact of emergencies on the environment at ENEA Ciepło sp. z o.o. – Białystok CHP Plant Division”</i> – <i>Procedure “Conduct in the event of environmental emergencies at the Białystok CHP Plant”</i> – <i>Instruction on managing dangerous and hazardous substances and mixtures</i> – <i>Instruction on handling waste at the Białystok CHP Plant</i>

ENEA Ciepło Białystok CHP Plant Division	<ul style="list-style-type: none"> – Policy of the Integrated Quality, Environmental and OHS Management System – Book of the Integrated Quality, Environmental and OHS Management System – Procedure “Goal management” – Procedure “Identification and evaluation of environmental aspects” – Procedure “Environmental monitoring” – Procedure “Identification of threats and responses to environmental emergencies at the Białystok CHP Plant” – Procedure “Prevention and mitigation of emergencies on the environment at the Białystok CHP Plant” – Procedure “Conduct in the event of environmental emergencies at the Białystok CHP Plant” – Procedure “Monitoring CO₂ emissions in the Białystok CHP Plant”
Miejska Energetyka Ciepła Piła	<ul style="list-style-type: none"> – Instruction “Waste management” – Procedures referred to in the CO₂ emissions monitoring plan
Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	<ul style="list-style-type: none"> – Environmental Policy
ENEA Operator	<ul style="list-style-type: none"> – Company Environmental Pollution Bank Program SOZAT – Procedure for fulfilment of obligations towards entities financing the investments of ENEA Operator sp. z o.o. – Procedure for registering power devices containing at least 6 kg of SF₆ gas and operations performed on them
ENEA Oświetlenie	<ul style="list-style-type: none"> – Waste management at ENEA Oświetlenie sp. z o.o.
ENEA Elektrownia Połaniec, ENEA Bioenergia	<ul style="list-style-type: none"> – Procedure for identification and evaluation of environmental aspects – Environmental monitoring procedure – Environmental management program
Lubelski Węgiel “Bogdanka”	<ul style="list-style-type: none"> – Policy of the Integrated Quality, Environmental and OHS Management System with related environmental procedures

In 2020, the ENEA Group had no separate document describing the climate policy applicable to all companies or a policy of adaptation to climate changes. As at the date of publication of the Statement, no binding decisions have been made in this matter, however, at the beginning of 2021, a decision was made that Marcin Pawlicki, Vice-President of the Management Board for Operational Matters, will be responsible for managing issues related to the impact exerted by the ENEA Group on the climate.

In 2020, ENEA Group companies recorded no significant non-financial penalties or sanctions for non-compliance with environmental protection laws or regulations.

12.6.3 Selected environmental activities in the ENEA Group in 2020

In 2020, the ENEA Group conducted numerous activities aimed at reducing its negative impact on the environment. They included large capital expenditures and minor changes in daily operations in individual companies. The Group also made efforts to increase environmental awareness of its employees and their knowledge of rational use of the environment. It also executed environmental education projects in its communities and executed projects to actively protect the nature.

ENEA Wytwarzanie sp. z o.o. executed a number of investment projects that limited the environmental impact of the Kozienice Power Plant. The most important of them were: upgrade of the wastewater treatment plant from the flue-gas desulphurization installation of the third 500 MW unit no. 10, modernization of electrostatic precipitators for 200 MW unit nos. 1, 4 and 5, and draft cooling tower of 500 MW units (cells CB21 and CB22). Moreover, a system for continuous measurement of NH₃, HCl, HF and Hg emissions was installed on the emitters behind flue-gas desulphurization installations I-V, part of the power plant’s lighting system was upgraded and the rain and industrial wastewater treatment plant was equipped with an oil separator to reduce the release of petroleum substances in the event of a failure of installations using light oil. The company also made efforts to maximize sales of combustion byproducts and funded a campaign for active environmental protection under which more than 100 noble crayfish were introduced to the Krypianki River in Garbatka-Letnisko township. In turn, the campaign “Flower garden with ENEA Wytwarzanie and the Ornithological Society of Mazowieckie and Świętokrzyskie Voivodships” was aimed at strengthening the food base of pollinating insects and generating interest in these animals and the abundance of honey plants. Moreover, the company co-organized environmental workshops for children as well as contests, lectures and other events on recycling.

ENEA Elektrownia Połaniec S.A. installed an SCR installation on unit 5 and modernized: wastewater treatment plant in the flue-gas desulphurization installation (thus fulfilling the requirements of BAT conclusions for large combustion plants), FGD D, electrostatic precipitators for units 2 and 7, and cooling water pumps PCH2 and PCH9. In 2020, it also carried out an energy audit of the company, the results of which were subsequently forwarded to the Energy Regulatory Office. The company’s educational activities included communication support for the initiatives pursued by employees, focused on the significance of bees and threats to these insects (#EneaKwiatyDlaPszczoł [#EneaFlowersForBees]), an awareness campaign conducted in partnership with “Tygodnik

Nadwiślański” the subject of which was the need to save water and electricity (as part of the campaign, a photo contest was held for children and youths) and another edition of an art contest on environmental issues for primary school children.

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

ENEA Ciepło sp. z o.o. continued its upgrade of coal boilers in the “Zachód” Heat Plant, aimed at aligning them with the requirements of BAT conclusions. In turn, the Białystok CHP Plant Division of ENEA Ciepło sp. z o.o. modernized the electrostatic precipitator of boiler K8 and expanded its system of continuous flue gas monitoring of Hg, NH₃ and HCl emissions.

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

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

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

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

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

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

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

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

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

12.6.4. Effects of the implemented environmental protection policies

CO ₂ emissions [Mg]	2018	2019	2020	Change 2020/2019
Kozienice Power Plant	14,076,969	14,883,264	13,786,235	-7%
Połaniec Power Plant	8,219,329	6,751,791	4,555,879	-33%
Białystok CHP Plant	280,147	253,522	174,755	-31%
“Zachód” Heat Plant (Białystok)	19,753	12,254	14,588	+19%

MEC Piła	84,107	80,450	81,089	+1%
PEC	14,576	13,597	13,490	-1%
Łęczyńska Energetyka	49,217	44,697	45,263	+1%

The ENEA Group reports the volumes of direct greenhouse gas emissions (Scope 1) related to the operations activities of its electricity and heat generating members. As at the date publication of the Statement, no management decisions have been made on the schedule of implementing full emission reporting in the Group and in its supply chain (Scope 1 + Scope 2 + Scope 3).

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

Intensity of greenhouse gas emissions [kg/MWh] ⁹	2018	2019	2020	Change 2020/2019
	781	774	757	-2%

Consumption of electricity [MWh] ¹⁰	2018	2019	2020
	3,288,484	2,660,204	2,415,110

Water uptake [m ³] ¹¹	2018	2019	2020
Total water consumption by ENEA Group companies:	2,912,857,179	2,851,674,557	2,521,563,139
including water uptake from water intake/municipal water supply system	241,504	231,654	204,558
including surface water uptake ¹²	2,896,571,028	2,834,572,229	2,504,441,015
including deep water uptake	841,364	867,398	833,748
including drainage water uptake	12,565,217	12,872,658	12,928,105
including water uptake from another source	2,638,066	3,130,618	3,155,395

Generated waste [Mg] ¹³	2018	2019	2020
Total mass of waste generated in the ENEA Group:	8,318,353	7,486,683	6,328,559
including hazardous waste	824	5,46414	833
of which: non-hazardous waste	8,317,529	7,481,219	6,327,726

⁹Ratio of total CO₂ emissions related to electricity generation and total gross electricity generation

¹⁰Real properties for which there are no detailed data on electricity consumption (e.g. because the respective companies settle their accounts with administrators on a lump sum basis) and the network needs of ENEA Operator sp. z o.o. have not been taken into account. Data reported by ENEA Nowa Energia sp. z o.o. are estimates.

¹¹Real properties for which there are no detailed data on water consumption (e.g. because the respective companies settle their accounts with administrators on a lump sum basis) have not been taken into account. Data reported by ENEA Nowa Energia sp. z o.o. are estimates.

¹²For generation purposes, the Koźnice Power Plant uses water from the Vistula river. The reversible uptake of water for cooling purposes constitutes over 99% of the power plant's total water uptake.

¹³Real properties for which there are no detailed data on generated waste (e.g. because the respective companies settle their accounts with administrators on a lump sum basis) have not been taken into account.

¹⁴This includes waste collected by ENEA Logistyka from other ENEA Group entities and those resulting from the provisions of the Act on worn-out electric and electronic equipment.

12.7 Labor issues – description of due diligence policies and procedures and their results

12.7.1 Regulations in the labor area

The ENEA Group's approach to employees is based on a strict adherence to the principle of observance of their rights, equal treatment and transparent criteria applicable to recruitment, compensation and promotion, support in professional and personal development and care for a friendly atmosphere that is conducive to cooperation.

Labor issues within the Group level are governed primarily by:

- internal collective bargaining agreements,
- *ENEA Group Code of Ethics* setting out the Group's values,
- *Rules and Regulations of the ENEA Group Ethics Committee*, a document describing the procedure for reporting, accepting and verifying breaches of the Code of Ethics and clarifying any ethical concerns,
- *ENEA Group Compliance Policy*, a document describing, among others, desired employee behaviors and attitudes,
- *Rules of adaptation in the ENEA Group*,
- *Procedure for implementing human capital development activities in the ENEA Group*, which describes and unifies the approach to improvement of professional qualifications of employees,
- *Estimate Budgets of Common Social Activity in the ENEA Group*, setting out the scope and the principles for awarding social benefits to employees for the year,
- *Procedure of the ENEA Group Management Committee on the personnel policy for appointing Management Boards and Supervisory Boards of Companies*.

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

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

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

ENEA S.A.	<ul style="list-style-type: none"> – <i>Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector</i> – <i>Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement</i> – <i>ENEA S.A.'s Work Rules and Regulations</i> – <i>Policy against mobbing and discrimination and other unacceptable conduct in ENEA S.A.</i> – <i>Rules and Regulations for Awarding Bonuses to ENEA S.A. Employees</i> – <i>Rules and Regulations for Awarding Bonuses to ENEA S.A. Employees based on the Management by Objectives System</i> – <i>ENEA S.A. Competence Model</i> – <i>ENEA S.A. Recruitment Procedure</i>
ENEA Operator	<ul style="list-style-type: none"> – <i>Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector</i> – <i>Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement</i> – <i>Work Rules and Regulations for Employees of ENEA Operator sp. z o.o.</i> – <i>Policy against mobbing, discrimination and other unacceptable behaviors at ENEA Operator sp. z o.o.</i> – <i>Recruitment Procedure</i> – <i>Rules and Regulations of the Management-by Objectives System in ENEA Operator sp. z o.o.</i> – <i>Rules and Regulations for Organizing Business Trips in ENEA Operator sp. z o.o.</i>
Lubelski Węgiel "Bogdanka"	<ul style="list-style-type: none"> – <i>Work Rules and Regulations</i> – <i>Internal Collective Bargaining Agreement</i> – <i>Rules and Regulations of the Company Social Benefit Fund</i> – <i>Policy of conduct in the process of employee recruitment and selection at Lubelski Węgiel "Bogdanka" S.A. for production jobs and for managerial and specialist positions</i>
ENEA Centrum	<ul style="list-style-type: none"> – <i>Multi-Company Collective Bargaining Agreement for Employees of the Utilities Sector</i> – <i>Internal Collective Bargaining Agreement for Employees of ENEA S.A. and its Subsidiaries listed in Appendix 10 to the Agreement¹⁵</i> – <i>Work Rules and Regulations in ENEA Centrum sp. z o.o.</i> – <i>Policy against mobbing, discrimination and other unacceptable behaviors at ENEA Centrum sp. z o.o.</i> – <i>Rules and Regulations for Granting Bonuses to Employees of ENEA Centrum sp. z o.o. based on the Management by Objectives System</i> – <i>Rules for parting with Employees in ENEA Centrum sp. z o.o.</i>
ENEA Polaniec Power Plant	<ul style="list-style-type: none"> – <i>Work Rules and Regulations for ENEA Elektrownia Polaniec S.A. Employees</i> – <i>Internal Collective Bargaining Agreement for ENEA Elektrownia Polaniec S.A. Employees</i>

¹⁵ Applicable based on the agreement on the application of the Internal Collective Bargaining Agreement for ENEA S.A. Employees, which means that the company may amend it by itself (though it is bound by its interpretation).

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

ENEA Wytwarzanie

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

12.7.2 Employee motivation

ENEA Group companies apply financial and non-financial incentives to motivate employees. The following benefits are used most frequently:

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

The rights of individuals hired under a part-time employment contract or employed on a fixed-term basis are similar to those of persons hired under a full-time employment contract entered into for an indefinite term. However, the right to some of the benefits depends on the length of service or the value of income. Retired employees also receive selected benefits.

The following solutions also serve as incentives:

- Pomysłodajnia – a program under which the employer has the opportunity to implement proposals submitted by employees regarding improvements in their daily work,
- opportunity for employees to get involved together in projects they propose benefiting local communities, for example in the "Potęga poMocy" (The Power of Help) grant program,
- contests for employees and their children,
- opportunity for employees' children to participate in sports and theater classes,
- Group's participation in the "Two Hours for the Family" campaign to improve family relations,
- flexible working time.

Changes in the employee motivation area in 2020

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

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

Measurement of satisfaction

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

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

Headcount

In 2020, the ENEA Group employed 17,480 staff under an employment contract.

Total number of persons employed under employment contracts	17,480 ¹⁶
full-time employees – women	3,077
full-time employees – men	14,354
part-time employees – women	27
part-time employees – men	22
persons employed under employment contracts for an indefinite term – women	2,816
persons employed under employment contracts for an indefinite term – men	12,368
including other contract types (probationary period, fixed term, traineeship and replacement contracts) – women	288
including other contract types (probationary period, fixed term, traineeship and replacement contracts) – men	2,008

Gender diversity of groups of positions	Number of employees
senior management – women ¹⁷	4
senior management – men ¹⁷	40
directors – women ¹⁷	41
directors – men ¹⁷	161
junior managers – women ¹⁸	229
junior managers – men ¹⁸	925
operational staff – women	2,562
operational staff – men	3,046
administrative staff – women	274
administrative staff – men	10,243

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

¹⁶Total number of persons employed under an employment contract in the ENEA Group companies as at 31 December 2020, including persons with a temporary suspension of employment, i.e. on parental leaves, unpaid leaves above 30 days and those receiving rehabilitation benefits.

¹⁷This additionally includes individuals employed under contracts other than employment contracts, e.g. under management contracts.

¹⁸Including head foremen and dispatchers.

Managing the generation gap

One of the important areas of activity of the ENEA Group aimed at supporting the continuity of employment is to prevent the generation gap. The following initiatives are implemented in this area:

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

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

Industry schools with which the ENEA Group cooperates:

- Power Engineering Technical School in Poznań
- Technical School Complex – Vocational and Adult Education Center in Leszno
- Electrical and Power Engineering Technical School in Bydgoszcz
- Electrical School Complex in Gorzów Wielkopolski
- Electrician Vocational and Adult Education Center in Nowa Sól
- School Complex in Chodzież
- Secondary and Vocational School Complex in Sulęcín
- Electrical and Electronic Engineering School Complex in Szczecin
- Vocational and Adult Education Center in Złotów
- Technical School in Połaniec
- 1st Degree Industry School in Połaniec
- School Complex No. 4 in Szczecin
- Technical School Complex in Gniezno
- Electrical Engineering School Complex No. 2 in Poznań
- School Complex No. 1 in Kozienice
- Mining School Complex in Łęczna
- School Complex in Ostrów Lubelski
- Power Engineering and Transportation School Complex in Chelm

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

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

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

12.7.3 Diversity

The ENEA Group has not developed a separate diversity policy (Lubelski Węgiel "Bogdanka" S.A. is the only company with such a policy), but for years it has made efforts to ensure that diversity among its employees, e.g. diversity of experience, knowledge or interests, is taken into account in its practices. The principle of equal treatment is observed with respect to gender, age, financial status and political opinions. Provisions governing diversity are included in the following documents: *ENEA Group Code of Ethics*, internal collective bargaining agreements, *Policy against mobbing and discrimination and other unacceptable conduct* and *ENEA Group Compliance Policy*. No diversity figures are reported to the management boards and supervisory boards of the companies.

A confirmation of the effectiveness of the ENEA Group's endeavors aimed at creating a friendly workplace is the "Friendly Workplace 2020" award granted by MarkaPracodawcy.pl.

12.7.4 Communication

The ENEA Group strives to offer all employees access to full and current information on the actions undertaken and key events happening in their companies, the Group as a whole and in its surroundings. Efficient flow of information to employees is ensured in particular by:

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

The tools promoting dialog in ENEA Group companies include, among others:

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

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

12.7.5 Freedom of association, social dialog and participation in decision-making

The ENEA Group respects the right of its employees to associate in trade unions and to be actively involved in their activities.

Trade unions operating in key companies and in companies with the largest headcounts in the ENEA Group	
ENE A S.A.	<ul style="list-style-type: none"> – Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENE A S.A. – Inter-Company Power Engineering Trade Union of ENE A Wytwarzanie sp. z o.o. – Inter-Company Trade Union of ENE A Group Employees – "Synergia" Inter-Company Trade Union of ENE A Group Employees – NSZZ "Solidarność" Inter-Company Organization of ENE A
ENE A Operator	<ul style="list-style-type: none"> – Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENE A S.A. – Inter-Company Power Engineering Trade Union, Company Trade Union Organization in ENE A Operator sp. z o.o. – Inter-Company Trade Union of ENE A Group Employees – Inter-Company Trade Union of Continuous Operation Employees of the ENE A S.A. Group – "Synergia" Inter-Company Trade Union of ENE A Group Employees – NSZZ "Solidarność" Inter-Company Organization of ENE A
ENE A Połaniec Power Plant	<ul style="list-style-type: none"> – "Energetyk" Inter-Company Trade Union Organization – NSZZ "Solidarność" Inter-Company Trade Union of Employees of the Połaniec Power Plant and of Companies – Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant – Inter-Company Trade Union of Continuous Operation Employees – Połaniec Power Plant Inter-Company Trade Union
ENE A Wytwarzanie	<ul style="list-style-type: none"> – NSZZ "Solidarność" Company Commission at ENE A Wytwarzanie – Inter-Company Power Engineering Trade Union of ENE A Wytwarzanie sp. z o.o. – Inter-Company Trade Union of Shift Workers of ENE A Wytwarzanie sp. z o.o.
ENE A Centrum	<ul style="list-style-type: none"> – NSZZ "Solidarność" Inter-Company Organization of ENE A – Inter-Company Trade Union Organization of ENE A Ciepło sp. z o.o. with its registered office in Białystok at the National Union of Heat Sector Employees – Inter-Company Trade Union Organization of the Trade Union of Engineers and Technicians in ENE A S.A. – Inter-Company Power Engineering Trade Union of ENE A Wytwarzanie sp. z o.o. – Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant – Inter-Company Trade Union of ENE A Group Employees – Inter-Company Trade Union of Supervision Employees of the Połaniec Power Plant in Zawada – "Synergia" Inter-Company Trade Union of ENE A Group Employees
Lubelski Węgiel "Bogdanka"	<ul style="list-style-type: none"> – NSZZ "Solidarność" – Trade Union of Miners in Poland – "Kadra" Trade Union – "Przeróbka" Trade Union of Employees of Mechanical Coal Processing Plants in Poland

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

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

ENEA Group employees influence the operation of their companies and the Group also by electing their representatives to supervisory boards (of most of the Group companies¹⁹) and through the possibility of electing employee representatives to employee councils (currently in ENEA Elektrownia Połaniec S.A.).

12.7.6 Occupational health and safety

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

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

OHS documents in leading ENEA Group companies which are important in this area

ENEA S.A.	<ul style="list-style-type: none"> – ENEA S.A.'s Work Rules and Regulations – OHS training programs for ENEA S.A. – Occupational risk assessment – Other instructions (instruction on occupational risk assessment and documentation; first aid instruction; fire safety instruction)
ENEA Operator	<ul style="list-style-type: none"> – Procedure for occupational risk assessment and documentation in ENEA Operator sp. z o.o. – Fire safety procedure in ENEA Operator sp. z o.o. – Procedure defining the principles of cooperation in OHS area between ENEA Operator sp. z o.o. and Contractors – Periodic OHS training procedure in ENEA Operator sp. z o.o. – Training procedure for live-line working in ENEA Operator sp. z o.o. – Fall protection procedure for working at height in ENEA Operator sp. z o.o. – Procedure for the organization of safe work with power generators in ENEA Operator sp. z o.o. – Procedure for record-keeping and inspection of electrical insulation protective equipment and voltage indicating devices in ENEA Operator sp. z o.o. – Document circulation procedure for specialist instructions on the fall protection and evacuation rules while working at height in ENEA Operator sp. z o.o. – First Aid Procedure in ENEA Operator sp. z o.o. – Premedical Rescue Organization Procedure in ENEA Operator Sp. z o.o. – Rules and Regulations for Professional Preparation of New Energy Post Employees – Instructions (Instruction on organization of safe work with power devices in ENEA Operator Sp. z o.o.; Instruction on organization of work installing and replacing balancing meters and communication modules in MV/LV transformer stations for the AMI project, operating instructions of power facilities and devices, job instructions) – Other instructions (Standard equipment for Energy Posts and vehicles of Energy Posts teams; Methods and rules of fall protection for works at height in ENEA Operator sp. z o.o.; Notification to the National Labor Inspectorate/District Prosecutor's Office of a fatal, serious, collective accident; Notification of an accident; Standardization – safety tables and signs and rules of their use in ENEA Operator sp. z o.o.)

¹⁹ In ENEA S.A. and ENEA Wytwarzanie Sp. z o.o., this right is derived directly from the Act on Commercialization and Certain Employee Rights.

<p>ENEA Połaniec Power Plant</p>	<ul style="list-style-type: none"> – Integrated Management System including the Occupational Health and Safety Management System – <i>Instruction on Safe Work Organization in ENEA Elektrownia Połaniec S.A.</i> – <i>Instruction on dealing with accidents and sudden illnesses and post-accident procedure</i> – <i>Instruction on conducting and documenting OHS training sessions</i> – <i>Instruction on the assignment of working clothes and footwear, personal protective equipment and cleaning products to employees</i> – <i>Fire safety instruction in ENEA Elektrownia Połaniec S.A.</i> – <i>Instruction on the tobacco smoking ban, including novel tobacco products and electronic cigarettes</i> – <i>Occupational health and safety monitoring procedure</i> – <i>Procedure to identify hazards, assess occupational risk and other risks for the OHS management system</i>
<p>ENEA Wytwarzanie</p>	<ul style="list-style-type: none"> – <i>Policy of the Integrated Quality, Environmental and OHS Management System</i> – <i>Procedure OHS monitoring</i> – <i>Procedure “Emergency preparedness and response at the Koronowo site”</i> – <i>Procedure Hazard identification and occupational risk assessment</i> – <i>Instructions (Instruction on the assessment of occupational risk at workplace; Instruction on the investigation of accidents at work, occupational diseases and potential occurrences; Instruction on the Safe Work Organization; job and OHS instructions, OHS instructions on the operation of devices)</i> – <i>Work Rules and Regulations for ENEA Wytwarzanie sp. z o.o. Employees</i> – <i>Policy against mobbing and discrimination and other unacceptable conduct in ENEA Wytwarzanie sp. z o.o.</i> – <i>Ordinance on the employer’s responsibility for OHS</i> – <i>Initial, job and periodical training sessions for Employees,</i> – <i>Rules and Regulations of Organizational Units of ENEA Wytwarzanie sp. z o.o.</i>
<p>Lubelski Węgiel “Bogdanka”</p>	<ul style="list-style-type: none"> – <i>Strategy for the Work Safety Area</i> – <i>Mine Safety Document</i> – <i>Procedures, rules, guidelines and instructions of the Integrated Quality, Environmental and OHS Management System</i> – <i>Work Rules and Regulations</i> – <i>Ordinance of the Management Board and the Mining Operations Manager</i>
<p>ENEA Pomiar</p>	<ul style="list-style-type: none"> – <i>Procedure for reporting accidents at work</i> – <i>Warehouse OHS instructions (Instruction on the use of a forklift truck; Instruction on the use of a mobile platform; Instruction on manual transportation activities)</i> – <i>Instruction on the operation and maintenance of shelving racks</i> – <i>Instruction on the use of a pneumatic table sealer</i> – <i>Instruction on spraying electricity meters with a spray gun</i> – <i>Fire emergency instruction</i> – <i>Other instructions (Instruction on the use of a computer with a display screen and a printer; Instruction on the use of a shredder)</i>
<p>ENEA Serwis</p>	<ul style="list-style-type: none"> – <i>Procedure for reporting accidents at work and accidents while traveling to or from work in ENEA Serwis sp. z o.o.</i> – <i>Procedure for live-line working</i> – <i>Instructions (Office/administrative job instruction; Electrical equipment installer job instruction; other job instructions)</i>
<p>ENEA Oświetlenie</p>	<ul style="list-style-type: none"> – <i>Work Rules and Regulations for ENEA Oświetlenie sp. z o.o. Employees</i> – <i>Procedure for live-line working with power devices in ENEA Operator sp. z o.o.</i> – <i>OHS-related instructions (among others: Instruction on the organization of safe work with power devices in ENEA Oświetlenie sp. z o.o.; Electrical equipment installer job instruction; Non-electrician job instruction; Instruction on the use of lines and road lighting devices in ENEA Oświetlenie sp. z o.o.; Electrical equipment installer job instruction on measurement of power devices of a portable measuring laboratory; instructions on marking of road lane works; OHS instruction on transport, unloading/loading, storage and assembly of lighting poles; OHS instruction on warehousing and storage of materials; OHS instruction on transport works; OHS instruction on the ladder use; OHS instruction on the use of a computer and a printer)</i> – <i>OHS instruction on the use of office equipment (e.g. binder machines, photocopiers) and OHS instruction on the use of other equipment (e.g. drills, circular saws for wood cutting, grinders)</i> – <i>Rules of operation of power devices in ENEA Operator sp. z o.o.</i>

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

12.7.7 Selected OHS activities taken by ENEA Group companies in 2020

At the Połaniec Power Plant, a recertification audit was conducted by TÜV NORD Polska Sp. z o.o. for compliance of the occupational health and safety management system with the PN-ISO 45001 standard. In connection with the amendment to the ordinance issued by the Minister of Health, as a result of which the list of carcinogenic agents or technological processes was extended, the company developed a program of organizational and technical steps aimed at reducing the exposure of its employees

to dusts containing crystalline silica. Additionally, the campaign “We only engage in safe work” was continued to improve the work safety of contractors, with 5,480 people trained in 2020 and the occupational health and safety page on the company’s intranet updated.

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

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

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

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

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

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

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

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

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

The steps taken to improve the epidemic safety of employees are described in the section entitled *Responsibility of the ENEA Group in the context of the COVID-19 epidemic.*

12.8 Social issues – description of due diligence policies and procedures and their results

12.8.1 Social involvement and volunteerism

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

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

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

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

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

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

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

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

Social involvement and volunteerism in the ENEA Group	2020
Funds donated by companies ²⁰ for socially beneficial purposes other than counteracting COVID-19 ²¹	PLN 2,701,526
Number of beneficiaries of competence volunteerism ²²	3,412
Number of volunteers under voluntary work contracts as at 31 December 2020	359
Total number of hours spent on voluntary work by employees	660

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

Examples of the ENEA Group's social involvement

ENEA for Generations. Together on safety – an educational program on safety and consumer awareness rolled out by the ENEA Foundation. A new initiative launched in 2020 was TeleAdvice (TeleRada) – a free-of-charge helpline with on-duty experts in various fields (physician, lawyer, dietician, social worker, representative of the consumer ombudsman).

The Power of Help (Potęga poMocy) – a grant contest addressed to employees of the ENEA Group involving submission of ideas for activities benefiting local communities. Volunteering employees make repairs, renew gardens, organize festivals or sports competitions, fulfill dreams of children from orphanages, support the elderly, sick and needy and also help animals. In 2020, 8 projects were selected for PLN 25,000 in financial support from the ENEA Foundation. The completed initiatives included hortitherapy workshops for children threatened with social exclusion and renovation of a school day-room.

²⁰Through the ENEA Foundation, the "Solidarni Górnicy" Foundation or directly (in the form of donations and own social programs).

²¹For more information on this subject, refer to the section entitled *Responsibility of the ENEA Group in the context of the COVID-19 epidemic* in the Statement.

²²Without the "Socially Involved Bogdanka" program.

Run – Collect – Help – a charitable campaign carried out by the ENEA Foundation and ENEA Group employees. The kilometers covered during running, cycling and Nordic walking competitions and during charitable competitions and sports events sponsored by the Group are converted into Polish zloty and the resulting amount is used to organize activities and events for local communities to support sports development among children and youths.

Competence volunteerism program – in 2020, within the framework of this project, coordinated by the ENEA Foundation, Group employees continued to explain to children how electricity is generated and how to save it (“Electricity is not so scary” campaign) and carried out social education on appropriate responses to accidents (“First aid – pre-medical rescue” campaign).

Action volunteerism program – under this program, the ENEA Foundation invites Group employees to participate in its various initiatives aiming to support local communities. In 2020, volunteers devoted their time to provide help to children and people in need, including by making purchases for senior citizens from Poznań county under the “ENEA for generations” campaign, through participation in charity fundraisers and sharing their knowledge under the #CONTRA19 project.

Buy for your loved ones, help everyone – during the pre-Christmas period, the ENEA Group organized a traditional charity fair, which in 2020 was held online. It enabled the Group’s employees to purchase Christmas gifts and decorations made by participants of occupational therapy workshops for people with intellectual disabilities in Poznań, Piła and Police, while encouraging responsible shopping habits. Proceeds from the fair were used to support medical treatment of individuals taken care of by these institutions.

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

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

12.8.2 Security of electricity supply

One of the strategic objectives of the ENEA Group is action for energy security of the country: to ensure continuity of electricity supply and reliable operation of the distribution network.

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

1. *Procedure for planning and requesting work on the HV, MV and LV network for investing and operating purposes and for operational management of the network in ENEA Operator sp. z o.o.*
2. *Procedure for live-line working with power devices in ENEA Operator sp. z o.o.*
3. *Procedure for live-line working on 15 and 20 KV overhead grids in ENEA Operator sp. z o.o.*
4. *Procedure for recording work performed in the live-line working technology and calculating electricity supplied to users during live-line working in ENEA Operator sp. z o.o.*
5. *Procedure of exchanging information and reporting events in the electric power grid by the ENEA Operator sp. z o.o.’s maintenance services and cooperation with crisis management teams in case of extensive failures*
6. *Procedure for managing the removal of trees and bushes within the zones under ENEA Operator sp. z o.o.’s power lines*
7. *Catalog of standard operating activities for HV, MV and LV grids in ENEA Operator sp. z o.o.*
8. *Procedure for eliminating collisions*
9. detailed regulations on correct operation of power installations
10. *Standards for the application of measurement and diagnostic equipment for medium voltage cable lines as well as measurement and diagnostics of high and medium voltage cable lines*
11. standards for technical solutions used for building power lines and power installations
12. *Business continuity plan*, containing contingency procedures for critical processes.

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

- implementation of the *MV Grid Development Concept*, which takes into account development of automated solutions within the grid,
- cables of MV grids passing through forest areas,
- elimination of short-circuit hazards in the MV grid in order to increase the cross-section of the MV line where it leaves the main supply points, which will consequently increase reliability of power supply to consumers,
- implementation of the FDIR (Fault Detection, Isolation & Restoration) function in selected MV line sections,
- liquidation of the 6 kV grid in the Poznań urban area,
- ENEA Operator’s activities in respect to measurements and diagnostics of medium voltage cable lines,
- works aiming to take systemic measures related to the removal of trees and bushes within the zones under power lines.

ENEA Operator sp. z o.o. makes all efforts to limit the consequences of failures and restore power supply to customers as quickly as possible. In order to ensure continuity of electricity supply, the company may supply energy to a separate electric power grid using electricity generators, provided that it is technically feasible. In order to limit interruptions in power supply to users to the minimum, the company regularly increases the scope of work performed in the live-line working technology (MV and LV) and carries out preventive diagnostic measurements. The work on locating damage in the grid, making the necessary switching and repairs to restore power supply to the consumers is undertaken immediately after the failure occurs, by ENEA Operator employees or by external contractors. For each failure, a cause analysis is conducted as an element of the assessment of the technical condition and forms the basis for devising the scope of an upgrade/replacement of devices under the modernization and capital expenditure programs implemented by the company or its operating decisions.

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

In 2020, ENEA Operator continued its efforts aimed at improving the operational reliability of the distribution grid by executing upgrading programs, reorganizing the work of teams involved in operational activities and the removal of failures, and providing them with new equipment and tools.

Grid reliability indicators

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

	2018	2019	2020	target for 2025 ²³	target for 2030 ²³
SAIDI – System Average Interruption Duration Index ²⁴	150 minutes	98 minutes	77 minutes	105 minutes	100 minutes
SAIFI – System Average Interruption Frequency Index ²⁴	3.03	2.43	2.06 minutes	2.14	2.03

12.9 Human rights issues – description of due diligence policies and procedures and their outcomes

In the area of human rights, the ENEA Group gives priority to:

- strict observance of the principle of equal treatment irrespective of gender, age, origin, social status, health, sexual identity or beliefs,
- implementation of the uniform mobbing prevention policy,
- providing all support to employees who feel they suffer from mobbing to clarify the case objectively and applying corrective measures if the allegations are confirmed,
- promoting the right attitudes in the organization and identifying prohibited conduct (via training, e-learning, webinars, etc.).

Group companies also make every effort to ensure respect for civil rights (such as the right to freedom of expression or the right to privacy) and social rights (basic employee rights, the right to social protection and health protection).

The model conduct for all Group employees is defined primarily by:

- *ENEA Group Code of Ethics*, which defines the ethical values which should be followed by all employees (honesty, competence, responsibility and safety); it also presents the expected rules of conduct, which are based on equal treatment and respect for human dignity. The document introduces standards for relations with customers, business partners, shareholders, local communities and associates;
- *ENEA Group Compliance Policy*, which emphasizes, among others, the need for building a friendly working environment and commitment to the protection of employee health and safety as well as respect for their personal life and time off;
- *Policy against mobbing and discrimination and other unacceptable conduct*, which identifies unacceptable conduct, the procedures for reporting it and handling the reports, as well as preventive measures in this area and the obligations of the employer and employees;
- *Policy for reporting breaches and protecting whistleblowers in the ENEA Group* (document adopted in 2020) – defines channels through which breaches may be reported, roles and persons responsible for their examination, and measures applied to protect persons reporting such breaches.

²³As adopted in the Group's strategy.

²⁴ Reflects scheduled and unscheduled interruptions in electricity supply for high and medium voltages.

The following units are responsible for the implementation of and supervision over the foregoing regulations:

- in the field of counteracting mobbing and compliance with the ethical principles included in the *ENEA Group Code of Ethics* – Human Resources Management Department at ENEA S.A.;
- in the field of compliance – Legal and Organizational Department at ENEA S.A., whose director is also the Compliance Officer of the ENEA Group (since December 2019).

All employees are also obligated to monitor their surroundings in the context of the applicable standards.

Additionally, the Group has appointed the Ethics Committee, which resolves any ethical concerns reported by employees and ensures objective investigation of suspected violations of the Code of Ethics. The Committee operates on the basis of its rules and regulations, which define, among others, the procedures for reporting concerns and violations, as well as the handling of investigations.

In 2020, no confirmed cases of discrimination occurred in the ENEA Group.

In most companies, special teams have been established to issue opinions in this area. Their task is to investigate all the allegations reported by employees and issue recommendations regarding alleged incidents of mobbing, discrimination or other behavior that is unacceptable in the workplace.

Due to the diversity among Group companies, additional documents or measures have been implemented at the level of each entity, consistent with the rules adopted for the whole organization.

Lubelski Węgiel “Bogdanka” has an internal *Code of Ethics* in place for GK LW Bogdanka S.A. The person in charge of monitoring its regulations is the Ethics Officer, who is also responsible for ethical education of employees, and the CSR Inspector. The Company also has a Compliance Policy Division.

ENEA S.A. in cooperation with ENEA Centrum sp. z o.o. prepared e-learning training for the employees and webinars (for managers) entitled “Building a friendly working environment – prevention of mobbing and discrimination and other unacceptable conduct”. Participation in this training was mandatory for employees of ENEA S.A., ENEA Operator sp. z o.o., ENEA Wytwarzanie sp. z o.o., ENEA Centrum sp. z o.o., ENEA Oświetlenie sp. z o.o., ENEA Trading sp. z o.o., ENEA Serwis sp. z o.o., ENEA Pomiary sp. z o.o. and ENEA Bioenergia sp. z o.o.

ENEA S.A. holds a “Company without mobbing” certificate issued by the Sanduro Anti-Mobbing Center. It confirms the high degree of protection provided to employees.

Selected human rights initiatives pursued by the ENEA Group in 2020

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

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

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

Customer privacy protection

The ENEA Group respects the privacy of its customers and protects the security of stored data, guided by the applicable laws and internal procedures in this area.

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

Implemented internal regulations:

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

Moreover, the companies adopt their own regulations, an example of which is the *Information Security Policy for ICT Systems at Lubelski Węgiel “Bogdanka” S.A.*

In the reporting period, the ENEA Group did not identify any breaches related to the protection of customer data that qualified for reporting to the President of the Personal Data Protection Authority.

Personal data protection in the sales area

The ENEA Group has developed a Code of Best Practices for the processing of personal data in the sales area. It is a set of practical rules pertaining to direct marketing, personal data processing and the fulfillment of obligations under the GDPR, the Telecommunications Law and the Act on the Provision of Electronic Services. It was created in collaboration with the Inspector for Personal Data Protection and is applicable to all sellers.

In turn, the Sustainable Direct Marketing Policy at ENEA S.A. is a form of a public declaration by ENEA S.A. regarding its compliance with the laws governing the protection of personal data and the privacy of customers. It provides for the exercise of due diligence on the part of ENEA S.A. in its marketing activities targeted at customers.

Selected activities in 2020

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

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

At ENEA Serwis sp. z o.o., the *Safety rules for home office work* have been implemented.

12.10 Anti-corruption measures – description of due diligence policies and procedures and their outcomes

12.10.1 Preventing corruption

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

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

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

A particularly significant component of the anti-corruption system is the creation of a proper organizational culture within the ENEA Group. This objective is pursued, among other measures, by direct and e-learning training for employees, promoting ethical and lawful behaviors, and information available on the intranet. The Rules for Offering and Receiving Gifts and endeavors aimed at preventing conflicts of interest and corruption offenses are elements of the mandatory initial training in all Group companies. In addition, training courses on this topic are regularly updated and repeated, especially when a document that governs anti-corruption issues is amended or when a new one comes into life.

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

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

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

In 2020, activities were completed on the adaptation of the ENEA Group's anti-corruption system to the *Standards recommended for the compliance management system on counteracting corruption and the whistleblower protection system in companies listed*

on markets organized by the Warsaw Stock Exchange. The Organization and Compliance Department was responsible for the performance of this assignment.

Selected anti-corruption activities taken by ENEA Group companies in 2020

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

Materials on the compliance system and the Code of Conduct for Contractors were uploaded to the enea.pl website. Moreover, the website was supplemented with a form for the reporting of breaches.

In 2020, ENEA Centrum sp. z o.o. adopted the *Rules for the development, adoption, amendment, withdrawal and publication of internal regulations at ENEA Centrum sp. z o.o.*, and a process for monitoring changes in the legal environment was developed.

Employees of ENEA Trading sp. z o.o. participated in various training courses on ensuring compliance with the EU Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) and on preventing manipulation in the financial instruments market.

ENEA Ciepło sp. z o.o. put in place instructions for counteracting the emergence of conflicts of interest and cases of fraud in connection with the execution of projects co-funded under the Infrastructure and Environment Operational Programme for 2014-2020.

The Extraordinary General Meeting of ENEA Pomiary sp. z o.o. amended the company's articles of association by introducing the obligation to prepare and submit to the Supervisory Board and the General Meeting an annual report on the application of best practices, as referred to in Article 7(3) of the *Act on the Rules for Managing State Property*.

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

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

14. Glossary of terms and abbreviations

Abbreviation/term	Full name/definition
AA1000	International standard of corporate social responsibility, which incorporates social and ethical issues in strategic governance of the organization and its activities.
ACER	European Union Agency for the Cooperation of Energy Regulators
AMI, Advanced Metering Infrastructure	Smart meters.
AMI	Advanced Metering Infrastructure, advanced metering and billing systems with two-way metering and billing.
Balancing market	Technical market operated by TSOs. Its objective is to ensure real-time balancing of demand for electricity and its production in the National Power System (NPS)
Baseload price (BASE)	Contract price for delivery of the same volume of electricity in each hour of the day
BAT	Best Available Techniques – a document drawing conclusions on best available techniques for the installations concerned and indicating the emission levels associated with the best available techniques.
Blockchain	A decentralized platform with a dispersed network infrastructure used to account for transactions, payments or accounting entries. Advantages of this technology include, among others, safety, which is ensured by the application of cryptographic algorithms, resilience to failures and transparency of transactions, while maintaining anonymity of users. The list of possible applications includes, among others, cryptocurrencies, the Internet of Things, exchange transactions without intermediaries and institutions, land and mortgage registers without notaries and mortgage courts, electricity trading between prosumers and buyers without intermediaries, accounting ledgers.
“Blue” Property Rights	Common name of PMEF, PMEF_F, PMEF-XXXX instruments
Capacity auction	A mechanism introduced by the Capacity Market Act of 8 December 2017 (Journal of Laws 2020, Item 247). In capacity auctions, electricity producers offer the operator a capacity obligation for the duration of a delivery period, which means that they undertake to maintain readiness in the delivery period to deliver the specified electric power output to the system and to deliver the specified electric power output to the system in emergency periods.
CDS	Difference between revenue from sales of electricity produced and the variable costs related to production of that electricity (unit CO ₂ cost and unit cost of coal including transportation).
CER	Certified Emission Reduction – the unit of certified emission reduction
CO	Carbon monoxide
CO ₂	Carbon dioxide
Combined heat and power generation	A technological process of simultaneous generation of electricity and useful thermal energy in a CHP plant
Compliance	Assurance of compliance of the organization’s activities with the applicable law and internal regulations.
COR	The price for the operating reserve Corporate Social Responsibility. Responsibility of an organization for the impact exerted by its decisions and actions on society and the environment; it is ensured by transparent and ethical conduct, which:
CSR	<ul style="list-style-type: none"> – contributes to sustainable development, including wellbeing and health of the society, – takes stakeholder expectations into account, – complies with the applicable law and consistent with international standards of conduct, is integrated with the organization’s activities and is practiced in its relations.
DAM	Day-Ahead Market (DAM) has been operating since 30 June 2000. It is a spot electricity market in Poland. Since the beginning of quotation, DAM prices are a benchmark for energy prices in bilateral contracts in Poland. The DAM is intended for the companies that want to actively and safely close their electricity purchase/sales portfolios on an ongoing basis at particular hours of the day
DSO	Distribution System Operator
DSOn	A Distribution System Operator, whose distribution network has no direct connection with the TSO’s transmission network
EFET	European Federation of Energy Traders
Employee Council	Employee representation body established by the Act of 7 April 2006 on Informing Employees and Consultations with Them (Journal of Laws 2006 No. 79 Item 550). Employee Council should be established in employers who conduct business activity and have at least 50 employees. This obligation does not apply among others to employers subject to the provisions of the Act who had signed, by 24 May 2006, an agreement with employee representatives ensuring the degree of information and consultation at least equal to the conditions required by the act.
Employer branding	Activities undertaken by a company to build its image as an attractive employer.
Energy Law	Act of 10 April 1997 - Energy Law (Journal of Laws 2019 Item 755).
Energy Law Act	The Energy Law Act of 10 April 1997

ENTSO-e	European Network of Transmission System Operators for Electricity, which is an association of 43 electricity transmission system operators (TSOs) from 36 countries in Europe. The organization was created in December 2008 and operates on the basis of the Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003
ERO	Energy Regulatory Office
EUA	EU Emission Allowance - emission allowance under the European Emissions Trading System
Euro-peak price (PEAK)	Contract price for delivery of the same volume of electricity in euro-peak (i.e. from 7:00 a.m. to 10:00 p.m. on business days)
EU DSO	The Proposal for a Regulation on the internal market for electricity assumes establishment of the European DSO organization, EU DSO, modeled on ENTSO, which is an existing organization of transmission system operators of great importance for the cross-border energy market.
EU ETS European Emissions Trading System	A European scheme to promote the reduction of greenhouse gas emissions
FDIR	Fault Detection, Isolation, Restoration, a system enabling automatic detection of faults, isolation of the damage site and restoration of power supply.
FGD	Flue gas desulfurization and heavy metal reduction installation.
FIP Tariff	The FIP System is intended for producers of electricity from renewable sources in RES plants with total installed electric capacity of no less than 0.5 MW up to 1 MW, who are or will be selling unused electricity to a selected entity other than the obliged offtaker.
Forward market	Electricity market where forward products are quoted
GPZ	Main Supply Point.
“Green” Property Rights	Same as PMOZE
GWh	Gigawatt hour.
HCL	Hydrogen chloride.
HF	Hydrogen fluoride.
Hg	Mercury
Hortitherapy	Therapeutic method based on the use of gardens in the treatment of patients
HR	Human resources.
HV	High voltage grid. An electric power transmission grid, in which the phase-to-phase voltage ranges from 60 to 200 kV (in Poland: 110 kV). This grid is used to transmit electricity over large distances.
ICE	Platform for trading EU CO ₂ Emission Allowances (EUAs) and Certified Emission Reduction units (CERs) on the futures market
IED	Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 concerning industrial emissions. It tightens the standards for emissions of sulfur dioxide, nitrogen oxides and dust from combustion plants.
ICT	Information and Communication Technologies.
Internal Collective Bargaining Agreement	An agreement between an employer and trade unions, which defines, among others, duties of the employer towards employees and guaranteed employee rights.
Internet of Things	A concept according to which various items, such as household appliances, lighting and heating products, may directly or indirectly collect, process or exchange data via a power installation or a computer network. The purpose of this concept is to create smart cities, transport, products, buildings, power supply systems, health systems or daily life systems.
IT	Information technology. Computer hardware and software as well as tools and other techniques related to the collection, processing, transmission, storage, protection and presentation of information.
LFC System	Automatic Load Frequency Control system
LV	Low voltage grid supplying individual users with 50 Hz alternating current at 230 V phase voltage.
Mg	Megagram, or a ton.
Mobbing	Bullying, persistent harassment and intimidation, psychological violence against a subordinate or co-worker in the workplace.
MWe	Megawatt of electrical power
MWh	Megawatthour (1 GWh = 1,000 MWh)
MW_t	Megawatt of thermal power
MV	Medium voltage grid, in which the phase-to-phase voltage ranges from 1 kV to 60 kV.
NH₃	Ammonia.
Nm³	Normalized cubic meter of gas, i.e. the number of cubic meters that the gas would occupy in normal conditions.

National Power System	A collection of devices used to generate, transmit, distribute, store and use electricity, connected together in a functional system supporting continuous and uninterrupted supply of electricity in Poland.
NO_x	Nitrogen oxides
OSH	Occupational health and safety
PKPZ	Employee Loan and Benefit Fund
PMOZE	Property rights under certificates of origin for energy from renewable sources
PMOZE - BIO	Property rights under certificates of origin of electricity from agricultural biogas plants
POR	generating capacity of JGWa constituting the operating reserve
PPE	Polish Power Exchange
Prosumer	person who generates electricity from renewable energy sources for own needs using a micro-installation, capable of storing energy and transferring surplus energy to the power grid
PSCMI 1	Reflects the price level of class 20-23/1 thermal coal powder in sales to commercial and industrial energy sector.
RAB	Regulatory Asset Base
RAB AMI	Regulatory Asset Base for AMI projects
RES	Renewable energy sources
RS	Switching substation.
SAIDI	System Average Interruption Duration Index – index of the system average duration of a long and very long interruptions (expressed in minutes per Customer)
SAIFI	System Average Interruption Frequency Index – indicator of the system average frequency of long interruptions in energy supply (expressed in the number of interruptions per Customer)
Scope 1	Direct CO ₂ emissions resulting from fuel combustion in stationary or mobile sources owned by an organization or under its control, emissions resulting from manufacturing or processing or fugitive emissions of coolants.
Scope 2	Electricity indirect CO ₂ emissions resulting from the generation of consumed electricity, heat, processing steam and cooling, purchased or supplied from outside.
Scope 3	Other indirect CO ₂ emissions created in the company's entire value chain, e.g. in the production of raw materials, semi-finished products, management of waste, transportation of raw materials and products, business trips of employees or the use of products by final users.
SCoTA	Standard Coal Trading Agreement – a standard agreement used on the international coal market
SCR (Selective Catalytic Reduction)	Catalytic flue gas denitrification installation – it operates based on the principle of reduction of nitrogen oxides to atmospheric nitrogen on the surface of a catalyst, using substances containing ammonia.
SCR installation	Catalytic flue gas denitrification installation
SE	Transformer station.
Smart Grid	Smart electrical grids, which feature communication between all the participants on the energy market, in order to supply energy services at lower costs, enhance efficiency and integrate dispersed energy sources, including renewable energy sources.
Social labor inspection	Social service provided by employees to ensure that the company ensures safe and healthy working conditions and to protect employee rights specified in labor law. Social labor inspectors cooperate with the National Labor Inspectorate and other authorities overseeing and inspecting working conditions. The principal scope of their activity is defined in the Social Labor Inspection Act of 24 June 1983 (Journal of Laws 2015, Item 567).
SO₂	Sulfur dioxide
SPOT market	Cash (spot) market
Stakeholder	A person or group of persons interested in decisions or activities of an organization. A stakeholder is anyone who influences an organization and anyone influenced by it.
Supply chain	A sequence of actions or parties supplying products or services to an organization
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs and considers the expectations of the surrounding communities and societal, environmental and economic challenges. It enables permanent increase of the value of an organization and rational management of resources.
Transmission System Operator	Polskie Sieci Elektroenergetyczne S.A., a company wholly-owned by the State Treasury, which owns highest voltage grids and therefore is the operator of the power transmission system.
TSO	Transmission System Operator
TWh	Terawatt hour.
Upcycling	Form of processing of raw materials resulting in obtaining higher-value products

Wastewater hydrocyclones	Devices serving the purpose of reducing the volume of suspended gypsum particles reaching the FGD wastewater treatment plant and therefore reducing the volume of sediment/sludge discharged from the treatment plant.
“White” Property Rights	Common name of PMOZE-BIO instruments
WP Regulations	Winter Package

Signatures of the Management Board

Date of approval and publication of the "Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2020"

– 25 March 2021

Signed by:

President of the Management Board

Paweł Szczeszek

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