



**ENERGO-PRO**

**SUSTAINABILITY  
REPORT  
2021**



# ENERGO - PRO a.s.

SUSTAINABILITY REPORT 2021



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01

## Message from the CEO

## **Dear Stakeholders,**

*We are proud to present our first Sustainability Report. We recognize that in today's investment climate we bear responsibilities outside our core business which is why we are committed to living up to our values and policies. This first Sustainability Report introduces our approach to sustainability and Environmental, Social and Governance ("ESG") and describes our efforts to transform into an even more sustainable and resilient business.*

*ENERGO-PRO Group experienced a significant year in 2021. Our profitability reached record levels and we have every reason to be optimistic about the future. We were challenged by several factors, mainly related to volatility on electricity markets and the Covid-19 pandemic. Despite this, our operations continued without interruption. We adapted our daily work to address quarantine measures and other challenges. We were able to keep our employees safe by making health and safety our number one priority, while our distribution companies in Bulgaria and Georgia continued to provide stable energy supplies to our customers.*

*This year we made a decision to scale-up our sustainability efforts by combining our Business Unit efforts to ensure a wider positive impact and align with the European and local regulatory environment, and expectations from our partners, issuers, and stakeholders. We recognize the changing investment climate, and we are ready to adapt to these changes and advance our efforts. We believe in transparency and accountability of our actions and have made these commitments in our policies and code of conduct. We would also like to contribute our share of responsible and sustainable endeavours to inspire others and maybe become sustainability and ESG leaders in the markets we already operate in.*

*Our mission drives our decisions and commitments, working in a challenging global environment, from rising impacts of climate change, the post Covid-19 pandemic recovery to energy challenges, inflation, and the war in Ukraine. We have adapted and continue adapting to remain competitive whilst creating pathways for growth and environmental and social performance. We believe that in our business, growth and sustainability are not contradictory terms and we are developing sustainable business models that contribute to our growth whilst protecting biodiversity and ecosystems, communities, our workforce and achieving net zero by 2050. We believe sustainable hydropower plays a key role in reducing GHG emissions and achieving the goals of the Paris Agreement.*

*We acknowledge we have challenges to overcome in our energy distribution and supply business to increase the share of clean energy in the grid networks. Transitioning the grid networks to 100% clean energy is challenging due to market regulations but we will continue looking for innovative solutions in collaboration with partners and stakeholders.*

*Our recently developed sustainability strategy highlights three interconnected main pillars: i) reducing our GHG emissions to achieve net zero emissions by 2050 by focusing on reducing our grid losses, removing unsustainable energy generation from our portfolio while maintaining electricity grid stability, increasing investments in clean energy to support electricity self-sufficiency, engaging with partners to increase the share of clean energy in the grid networks, and investing in innovative solutions; ii) reducing the loss of nature by protecting, maintaining and enhancing biodiversity, protecting and reducing dependency on natural resources, rehabilitating our sites, compensating for biodiversity and ecosystem losses, and minimizing impacts on nature during the planning phase of our projects; iii) increasing our social capital by investing in our employees and communities and providing a safe working environment.*

*In a short period of time we have made substantial progress; we put in place policies aligned with Good International Industry Practices, we became members of the UN Global Compact, we hired an Environmental and Social Group Head, we appointed ESG Focal Points at all our Business Units (these are senior staff dedicated to driving and integrating ESG within the business), we put in place an ESG Committee headed by me, we conducted our first ESG rating assessment, we initiated work on understanding our GHG emissions and we are establishing specific programs and actions to align with our commitments and strategy.*

*I hope you will find our Sustainability Report insightful, and we are looking forward to continuing with our sustainability journey for years to come. I want to thank our employees, partners, and stakeholders for being part of this journey.*



**Petr Z. Milev**

CEO and Member of the Board of Directors  
ENERGO - PRO a.s



02



How we do business



## 2.1. Our business

ENERGO-PRO Group, established in 1994, is a multinational energy group headquartered in the Czech Republic focusing on generating electricity from hydropower and on the distribution and supply of electricity. Through hydropower, we strive to facilitate energy transition in Central and Eastern Europe and the neighbouring regions. We own and operate hydroelectric power plants and infrastructure networks for the distribution and supply of electricity (99% of electricity generated from hydropower).

The 2021 Sustainability report covers businesses of ENERGO – PRO a.s. (hereinafter “ENERGO-PRO” or “EPAS” and its affiliated companies Murat Nehri Enerji Üretim A.Ş. (hereinafter “Murat Nehri”), Bilev Enerji Üretim VE Ticaret A.Ş. (hereinafter “Bilev Enerji”) (all together hereinafter referred as “ENERGO-PRO Group”, “the Group” or “EP”).

### 2.1.1 Strategy

ENERGO-PRO Group focuses on generating stable and predictable cash flows from electricity distribution and hydropower generation assets, as well as on selective expansion through attractively priced assets. We follow a strategy of international expansion by building up our asset base and developing it over the long term. Our business is conducted in a responsible way; we aim to sustain long-term stable growth while taking into consideration the needs of the communities and environment surrounding our business activities. The Group continues to look for new investment opportunities in renewable energy, focusing on Central-Eastern Europe, the Black Sea region, and South America.

### 2.1.2 Mission

Our mission is to work in compliance with nature.

### 2.1.3 Values

- **Integrity:** We all share integrity as one of our core values and abide by this while conducting professional and personal activities. We are consistent and lead by taking a stand for what we believe is right and complying with the law, our Code of Conduct, and corporate policies and standards.
- **Respect:** We respect each other, our partners, and our stakeholders. We work in a multicultural environment, and we create an atmosphere that enables all our staff to treat each other with respect.
- **Transparency:** We value transparency in all business undertakings, reporting and verbal communication.
- **Ethics:** We are committed to ethical standards in our professional and personal behaviour. We take responsibility and accountability for each of our individual actions and decisions, and we behave professionally during our daily activities, whether it is dealing with our business partners or working in a sustainable manner.
- **Operational Excellence:** We strive to achieve operational excellence across our businesses, with particular focus on safety, efficiency and reliability across generation, distribution and supply activities in all our countries of operations.

## 2.1.4 Vision

Our long-term vision is to position ourselves as a leading renewable energy operator, distributor, and supplier of electricity in the countries where we operate, meeting energy demand and serving the needs of actively developing regions.

Over the last 25 years, ENERGO-PRO Group has gradually expanded into Central and Eastern Europe, the Black Sea region, and the Caucasus, with new expansion underway in Latin America. We currently operate 36 hydropower plants with a total installed capacity of 1,126 MW, where a gas turbine power plant with installed capacity of 110 MW offering grid support services in Georgia complements our hydropower asset portfolio. Our commitment to bringing modern, green energy reliably and safely to people's homes underpins our activities and continues to shape our strategy.

## 2.1.5 Business model

We focus on three core activities: power generation, distribution and supply, and trading, which are highlighted below.

Figure 1: Group's core business activities

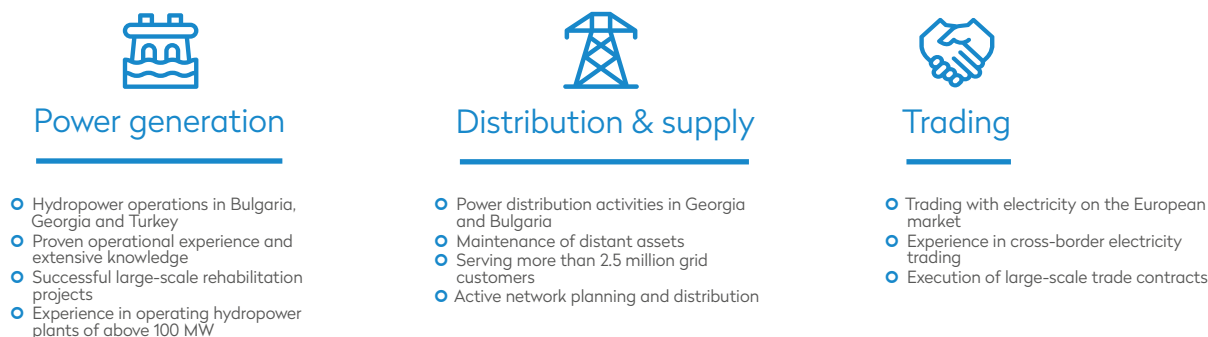
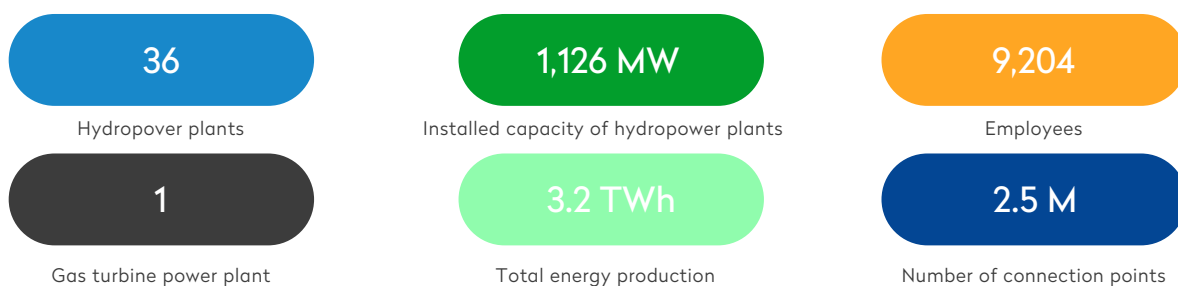


Figure 2: 2021 ENERGO-PRO Group highlights <sup>1,2,3</sup>



## 2.2. Where we operate

**ENERGO-PRO Group has** grown its portfolio over the past 25 years through targeted acquisitions and greenfield development. The Group has established a solid presence in Central and Eastern Europe, the Black Sea region, and the Caucasus, namely the Czech Republic, Bulgaria, Turkey, and Georgia. We have recently expanded to Colombia, where the construction of our 20 MW hydropower plant Chorreritas will soon begin.

<sup>1</sup> of which Murat Nehri and Bilsever Enerji: Operating hydropower plant: 2 with an installed capacity of 377 MW; Total net energy production 0.8 TWh; Employees: 52

<sup>2</sup> The number of employees represents the average FTE for the period 1 January to 31 December 2021.

<sup>3</sup> Total number of employees includes 357 OPPA JSC employees. OPPA JSC is not in the scope of this Report.

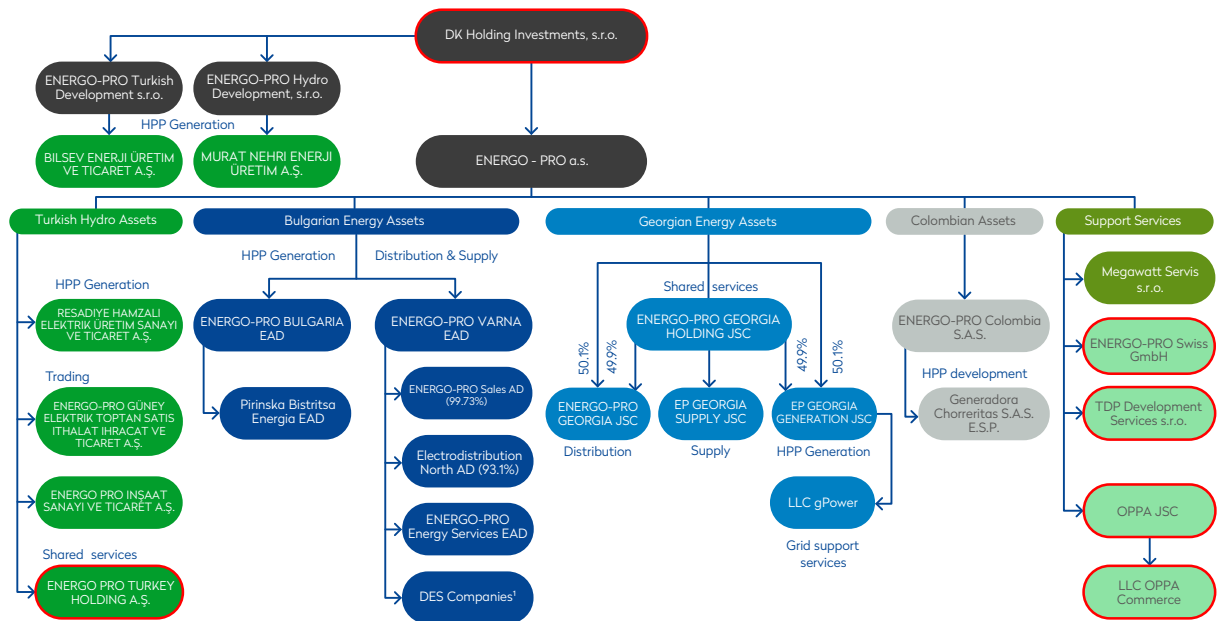
Figure 3: Countries where we operate



## 2.3. Organisational structure

ENERGO-PRO Group is organised and managed based on the geographical markets in which it operates (Bulgaria, Georgia, Turkey, Colombia). The Figure below shows the structure of ENERGO-PRO Group entities (the entities highlighted with red line indicate the companies that are not included in the scope of this Report).

Figure 4: ENERGO-PRO Group structure as of 31 December 2021 <sup>4,5</sup>



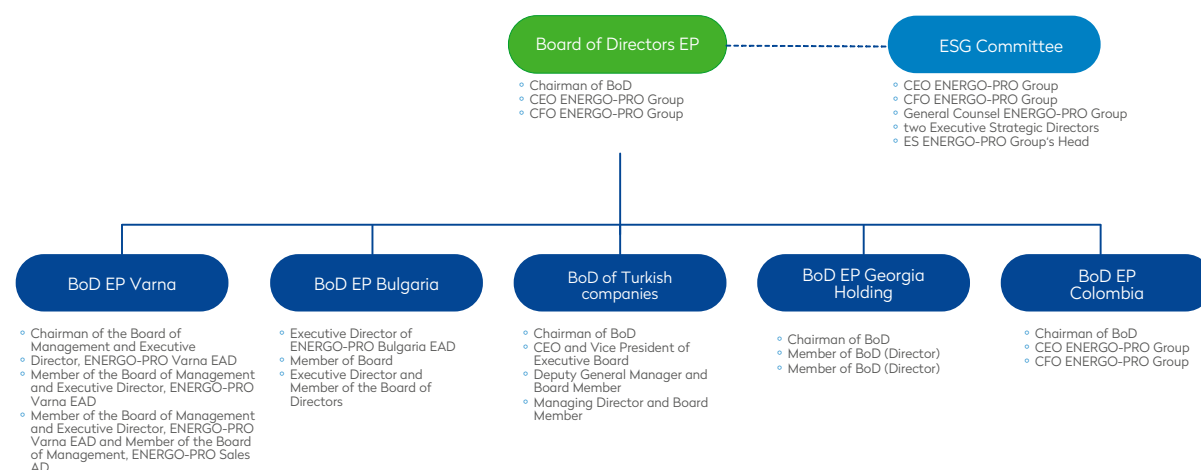
<sup>4</sup> DES Companies: DES 001 EOOD, DES 002 EOOD, DES 003 EOOD, DES 005 EOOD, DES 007 EOOD are SPVs established for solar projects development in Bulgaria.

<sup>5</sup> Ownership interests are 100% unless stated otherwise.

## 2.4. Governance

### 2.4.1 Governance structure

Figure 5: ENERGO-PRO Group governance structure of key business units (“BUs”)



The Board of Directors of ENERGO – PRO a.s. is ultimately accountable for Environmental, Social and Governance (hereinafter “ESG”), as per our policies and Code of Conduct. The ESG Committee, reporting to the BOD, drives ESG and all sustainability activities within the Group. The Committee meets four times a year and their responsibilities are highlighted in the Group’s ESG Policy as well as below:

- Reviewing and updating the Group policies
- Driving forward the integration of ESG in the business
- Ensuring KPIs are reported annually, and the data are accurate
- Ensuring the rollout of the Policies and that all employees understand them
- Ensuring all Business Units appoint ESG Focal Points
- Providing oversight to all issues concerning ESG and encouraging continuous improvement
- Identifying opportunities, risks and challenges and providing solutions to manage the challenges
- Working closely with the ESG rating providers
- Overseeing the preparation of the annual Sustainability Report

### 2.4.2 Legal compliance, ethics, and transparency

The Group conducts business with integrity and ethics in mind, while complying with all relevant laws. Our Group subsidiaries apply honesty and transparency when working with local governments, partners, and communities.

The Group follows the principles recognised by the Universal Declaration of Human Rights, the Voluntary Principles of Security and Human Rights, and the declaration of the International Labour Organization on Fundamental Principles and Rights at Work. Child and forced labour are strictly prohibited and condemned by all BUs. We also have zero tolerance for modern slavery, and we confirm that no incidents of modern slavery were reported or identified during our reporting years.

## Global Code of Conduct

In 2021, a new Code of Conduct was prepared and communicated within the Group. This Global Code of Conduct (hereinafter “the Code”) was developed to support staff in understanding our expectations for working in an ethical manner. This Code applies to all ENERGO-PRO Group employees, including temporary workers, directors, and executives. We also expect our contractors and consultants to abide by the Code while providing us with their services. Much of the content in the Code is detailed in ENERGO-PRO Group specific policies and standards, which were implemented in 2021. These policies and their objectives are highlighted below and are also available on our website at <http://www.energo-pro.com/en/policies>.

Table 1: Overview of internal policies

Policy	Objectives	Management
<b>Anti-Bribery and Anti-Money Laundering Policy</b>	<ul style="list-style-type: none"> <li>▷ Ensure that all employees and associated persons act lawfully and with integrity when performing their work</li> <li>▷ Contribute to the development of integrity among all employees and associated persons</li> <li>▷ Enhance the Group's reputation and its relationships with third parties, both public and private</li> <li>▷ Define bribery and how to avoid it, and enable the detection and treatment of bribery</li> <li>▷ Define how to recognise and deal with money laundering</li> </ul>	<ul style="list-style-type: none"> <li>▷ An anti-bribery and anti-money laundering committee is responsible for the introduction and overall implementation of the Policy, including the supervision of training activities and the review of reports of internal investigations into alleged irregularities.</li> <li>▷ The Committee has three members: one member of the Board of Directors, the Group head of the Human Resources Department (“HHR”), and the Group general counsel (“GC”).</li> </ul>
<b>ESG Policy</b>	<ul style="list-style-type: none"> <li>▷ Respect and demonstrate Good International Industry Practice (“GIIP”) regarding ESG</li> <li>▷ Provide a framework for ESG reporting.</li> <li>▷ Contribute positively to our brand image</li> <li>▷ Contribute to environmental, social, and good governance continuous improvement</li> <li>▷ Enable ENERGO-PRO to access funds, including green bonds, from financial partners requiring ESG and Sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>▷ An ESG Committee has been established to manage ESG. Members of this committee include the Chief Executive Officer, two Strategic Development Executive Directors, the Group General Counsel, the Chief Financial Officer, and the ES Group Head.</li> </ul>
<b>Health and Safety Policy</b>	<ul style="list-style-type: none"> <li>▷ Maintain and improve health and safety in the workplace for employees, contractors, and visitors</li> <li>▷ Protect the health and safety of the communities impacted by operations.</li> <li>▷ Provide direction and build management and employee accountability</li> </ul>	<ul style="list-style-type: none"> <li>▷ Responsibility of the HR Department and the Health and Safety Department of each BU.</li> </ul>

Policy	Objectives	Management
<b>Health and Safety Policy</b>	<ul style="list-style-type: none"> <li>▷ Build a health and safety culture in all sites and offices and remove or minimise the risks to the health, safety, and welfare of all employees, contractors, and visitors, and anyone else who may be affected by our business operations</li> </ul>	
<b>Human Resources Policy</b>	<ul style="list-style-type: none"> <li>▷ Ensure all employees are treated fairly and equally</li> <li>▷ Foster cooperation and communication among each other</li> <li>▷ Ensure any form of discrimination, harassment, or abuse is not tolerated</li> <li>▷ Included employees in decisions that affect their work and their careers</li> <li>▷ Encourage growth and development of employees by helping them achieve their professional goals at the organisation and beyond</li> </ul>	<ul style="list-style-type: none"> <li>▷ Responsibility of the HR Department.</li> </ul>
<b>Procurement Policy</b>	<ul style="list-style-type: none"> <li>▷ Identify and manage risks associated with suppliers</li> <li>▷ Maximize transparency and effectiveness of our Supply Chain</li> <li>▷ Ensure that the actions of suppliers are aligned with our Global Code of Conduct and policies, particularly regarding biodiversity, human rights, labour, anti-corruption and bribery, stakeholder engagement, our commitments to acting on climate change, child labour, diversity and inclusion in the workforce, occupational health and safety, ESG reporting, and good governance</li> <li>▷ Maximize local procurement and local employment</li> </ul>	<ul style="list-style-type: none"> <li>▷ Responsibility of the Central Purchasing Department.</li> </ul>
<b>Security Policy</b>	<ul style="list-style-type: none"> <li>▷ Provide a secure working environment for all employees, contractors, sub-contractors, and visitors as well as the integrity of operations, facilities, and assets.</li> <li>▷ Establish a relationship based on trust, mutual respect, and integrity with the communities and local authorities</li> <li>▷ Respect and demonstrate GILP regarding human rights and security</li> </ul>	<ul style="list-style-type: none"> <li>▷ In-country Senior Management of each BU is responsible for ensuring that all offices and operations/projects are secure and that qualified staff have been assigned to manage security.</li> <li>▷ All construction/operation sites are required to have construction/operations Security Management Plans, security risk assessments, security incident reporting, and management and evacuation plans.</li> </ul>
<b>Sustainability Policy</b>	<ul style="list-style-type: none"> <li>▷ Apply sustainability best management practices in the planning, design, construction, and operation of our activities</li> <li>▷ Recognise the responsibility of contractors and their business activities to respect human rights as an integral part of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▷ Responsibility of the ESG Committee.</li> </ul>

Policy	Objectives	Management
<b>Sustainability Policy</b>	<ul style="list-style-type: none"> <li>▷ Respect local cultures, customs, and values in our dealings with employees, communities, and other stakeholders</li> <li>▷ Meet applicable international standards for maximizing energy efficiency and minimizing the production of wastes and the release of pollutants, greenhouse gas emissions, or other drivers of climate change</li> <li>▷ Aim to minimize and mitigate adverse environmental impacts in accordance with internationally recognised business best practice and local legislation</li> </ul>	
<b>Whistle-blower Policy</b>	<ul style="list-style-type: none"> <li>▷ Protect local biodiversity with an emphasis on high-value resources and ecosystems and on applying the “no net loss” principle of biodiversity or of priority ecosystem services</li> <li>▷ Comply with laws on whistle blower protection</li> </ul>	<ul style="list-style-type: none"> <li>▷ The Whistle Blower Policy Designated Person (“WBDP”) is the Environmental and Social Group Head.</li> </ul>
<b>Data Protection Policy (Internal and External)</b>	<ul style="list-style-type: none"> <li>▷ Protect personal data (Internal)</li> <li>▷ Ensure that staff understand the rules governing their use of personal data to which they have access in the course of their work (Internal)</li> <li>▷ Communicate who we are and how and why we collect, store, use, and share personal data (External)</li> <li>▷ Explain individual rights in relation to personal data and how to contact us or supervisory authorities in case of complaint (External)</li> </ul>	<ul style="list-style-type: none"> <li>▷ The Data Protection Officer (“DPO”) is responsible for overseeing any significant new data processing activities and ensures that all relevant compliance steps are addressed.</li> </ul>
<b>Human Rights Policy</b>	<ul style="list-style-type: none"> <li>▷ Respect and demonstrate Good International Industry Practice (GIIP) regarding human rightsProvide a framework for embedding the responsibility to respect human rights throughout the organisation</li> <li>▷ Build leadership accountability</li> <li>▷ Demonstrate to our partners and stakeholders our commitment to respecting human rights and build trust</li> </ul>	<ul style="list-style-type: none"> <li>▷ Responsibility of the ESG Committee.</li> </ul>

Figure 6: Whistle-blower case in Turkey

## Turkey whistle-blower case thoroughly investigated and successfully resolved

In 2021, one case of suspected corruption was reported in Turkey. The Head of the Environmental and Social Group responsible for resolving and investigating reports of suspected policy breaches or ethical misconduct responded promptly to the case and ensured that it was investigated with due diligence. The investigation, including documentation review and discussions with key resources, revealed that the case did not involve corruption but rather highlighted a poor decision.

### 2.4.3 Supply chain

We believe that suppliers play a key role in the success of our business and our sustainability commitments, which is why all country operations are required to develop Procurement Procedures that are aligned with our Global Code of Conduct and policies. These procedures describe the expected procurement process and provide a transparent approach to selecting suppliers. Our detailed purchasing processes are defined and described in our Internal Purchasing Instruction document.

Figure 7: Overview of the Group's supply chain <sup>6</sup>

	Bulgaria HPPs	Bulgaria D&S	Colombia	Georgia HPPs and D&S	Turkey
Types of suppliers engaged	Design services, manufacture, supply and commissioning services, electricity trading, construction services, HSE services, rental services, maintenance services, purchase goods, IT services	Electricity, maintenance and repair services, construction contractors, postage and mass printing services, transfer services (SLA), consulting services; IT and telecommunication, insurance, job safety services, education services, rental services, security services, general supplies (fuel, working clothes, tools, office materials, subscriptions, etc.)	Environmental consultants, legal, accounting, engineering, administration including office supplies and operations	Construction works, electrical installations, high voltage networks, low voltage networks, materials to be manufactured, material to be purchased, services, foreign suppliers for materials, biodiversity consultants, fuel, repair works of vehicles and renting of vehicles for special utilities	Construction contractors, electricity, biodiversity/ESIA, transfer services, health services, education services, HSE services, rental services, security services, maintenance services, general supplies, social performance consultants
Total no. of suppliers engaged	133	2,227 (managed by SAP procurement and SAP FI software)	40	552	565 (managed by a procurement software)
Location of suppliers	85% from Sofia and 15% regional from all over the country. 95% from Bulgaria and 5% from EU countries.	97% of the suppliers are from Bulgaria (16% of them are from Sofia, 15% of them from Varna).	2.5% from Bogota (national) and 97.5% from Medellin (regional)	Approximately 57% from Tbilisi, the rest regional	70% from Ankara and 30% regional from facility locations

No significant change to the supply chain occurred in 2021 across all BUs.

<sup>6</sup>The volume of suppliers is very small in the Czech Republic and they are often combined with other BUs. Therefore, suppliers to ENEGO-PRO in the Czech Republic are not included in the overview.



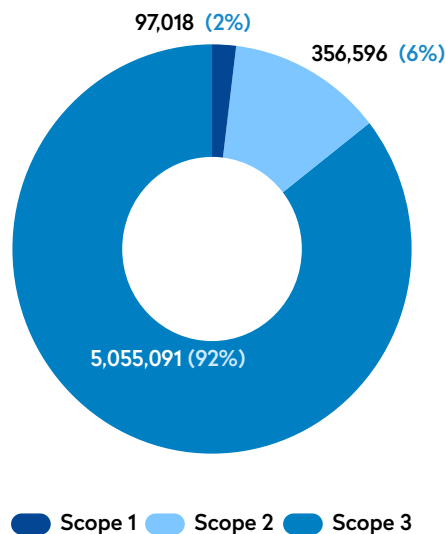
## 2.4.4 Approach to greenhouse gas emissions

Reflecting on our climate change commitments, we commissioned a Climate Change assignment in 2021/2022 consisting of three main deliverables: a GHG inventory using the globally recognized GHG Protocol, establishment of targets and the elaboration of a Group Climate Change Decarbonisation Road Map. This was our first GHG inventory exercise aimed at setting the basis for a climate change framework consistent with the EU Green Deal and the Paris Agreement. To set an appropriate baseline for the GHG inventory prior to the start of the Covid-19 pandemic, 2019 was selected as the baseline year. We will continue conducting GHG inventories on an annual basis.

This initiative should put ENERGO-PRO on the path of deliberate and consistent carbon responsibility and reduction. Our aim is to provide stakeholders with clear commitment of our contributions towards reaching Net Zero. This initiative has shown that despite our Group being a responsible producer of green electricity, it is facing challenges on how to structure such commitments. Our contribution from carbon neutral electricity is clear and rising but we are also reliant on other market players given the market segments that we operate in. Our future carbon footprint will be to a larger extent dependent on the activities of others and the general energy mix in the countries where we operate. Additional challenges arise from the fact that these regions have lower incomes than developed countries and their decarbonisation strategies are not consistent with the EU operating environment.

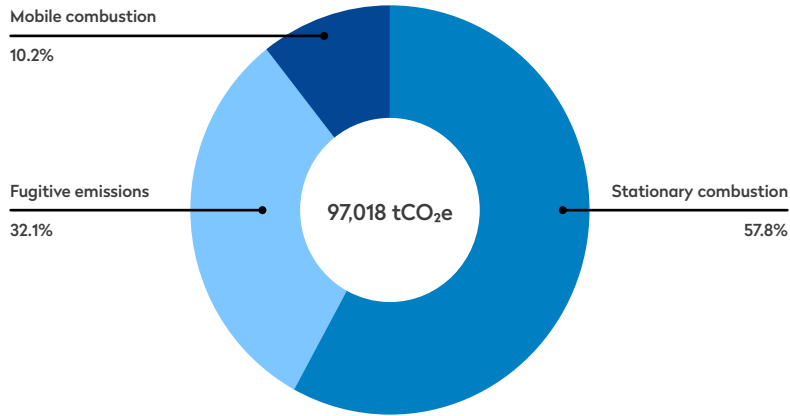
Graph 1: 2019 GHG inventory

2019 emissions by scope (tCO<sub>2</sub>)



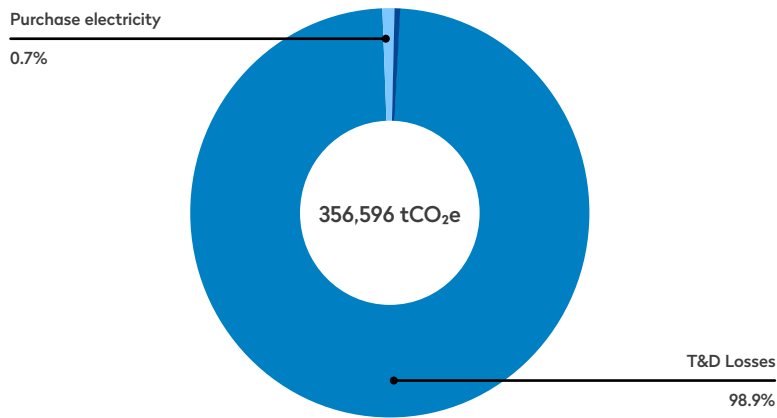
Scope 1 emissions were calculated as 97,018 tCO<sub>2</sub>e representing 2% of our total footprint. Nearly 58% were related to stationary combustion covering mostly the Gardabani gas power plant which offers grid reserve capacity, necessary to ensure electricity supply security for consumers in Georgia during electricity shortages, 32% were fugitive emissions related to biogenic emissions from HPP reservoirs in Turkey, Georgia, and Bulgaria and 10% were from mobile combustion of company car fleet.

Graph 2: 2019 GHG emissions breakdown: Scope 1



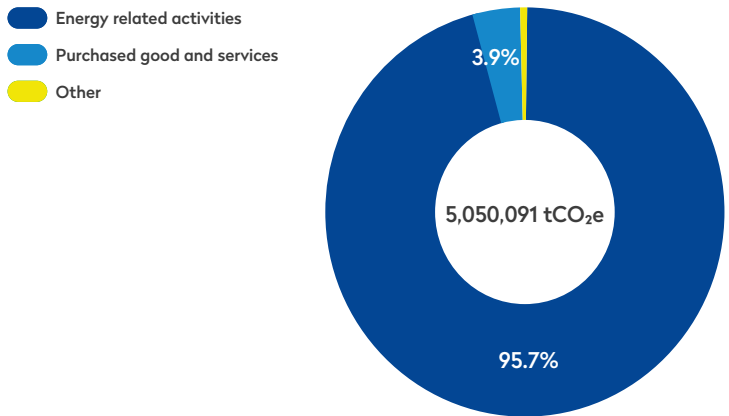
Scope 2 emissions were calculated as 356,596 tCO<sub>2</sub>e representing 6% of our total GHG footprint. 99% of these emissions stem from technical losses in our distribution networks in Georgia and Bulgaria. The rest represent purchased electricity and heat. The results of the GHG inventory show that 453,614 tCO<sub>2</sub>e (scope 1 and 2) represents the direct carbon footprint of our Group.

Graph 3: 2019 GHG emissions breakdown: Scope 2



Scope 3 represents 92% of ENERGO-PRO Group's total carbon footprint (5,050,091 tCO<sub>2</sub>e). Energy-related activities from our electricity supply business in Bulgaria and Georgia, make up most of this scope. Purchased goods and services account for 4% of the total Scope 3 emissions. Other categories have negligible contributions (e.g. upstream distribution & transportation, capital goods, waste generated in operations, employee commuting, downstream leased assets, downstream transportation and distribution, business travel). We understand we have challenges to overcome to reduce our Scope 3 and we are committed to reducing the emissions within our sphere of influence; however, this electricity is purchased from the regulated market and ENERGO-PRO has very limited ability to influence the overall electricity generation mix in our markets of operation.

Graph 4: 2019 GHG emissions breakdown: Scope 3

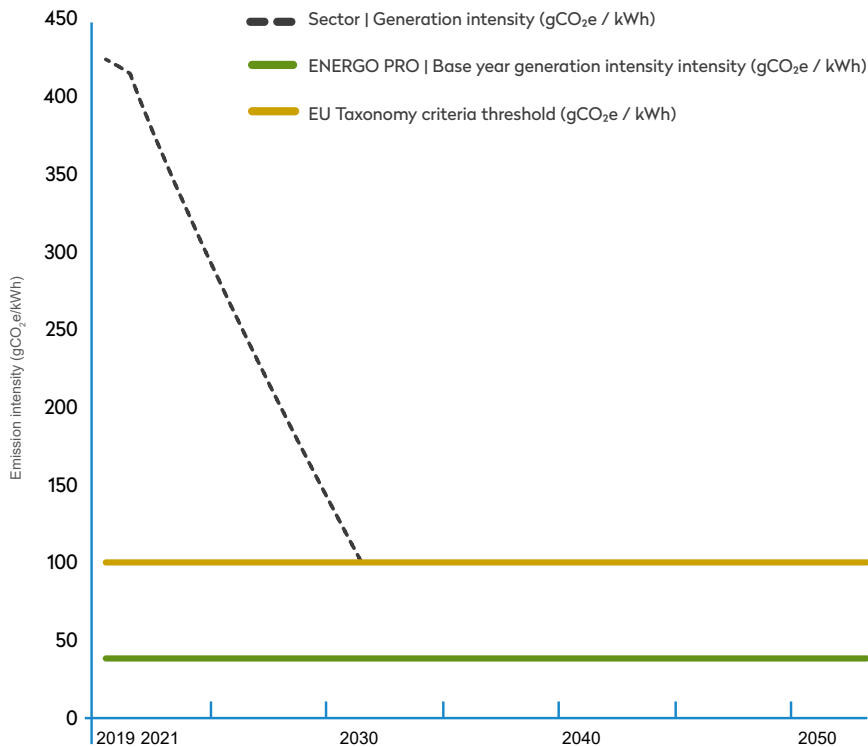


As an electricity generation company, an important KPI for emission measurement is power generation emission intensity (emissions produced/ produced amount of energy). EP has an overall emissions intensity related to electricity generation at 33.8 gCO<sub>2</sub>e/ kWh. This result gives us a very comfortable position in comparison to our European energy utility peers, where such results are expected only after implementation of significant decarbonisation measures in the coming years.

As a hydropower generation company using primarily water with zero emissions for power generation, our emission intensity is much lower than the global power generation sector average (source: SBTi target modelling tool). The graph shows that our base year 2019 emission intensity is lower than the required target intensity of the power generation sector according to the Science Based Target initiative in 2030 and is also lower than the EU taxonomy hydropower generation threshold of 100g CO<sub>2</sub>e / kWh.

Graph 5: Comparison of ENERGO-PRO emission intensity vs SBTi power generation sector targets

Emission intensity / Power generation (SBTi; SDA - 1.5 °C pathway)



## Targets

Our target for scope 1 is based on our business model and our commitment to achieving net zero by 2050. For scope 1 and as shown above our overall emissions intensity is very low due to the high share of hydropower in our electricity generation mix, making it difficult for us to further reduce our absolute emissions. Our Scope 1 target is to align our assets with the EU Taxonomy Standard threshold which requires sustainability activities to be 100g CO<sub>2</sub>e/kWh or less. Scope 2 target for electricity distribution is 46% reduction of absolute emissions. Similar to Scope 3, the emissions from distribution losses are largely dependent on the energy mix of the grid, which is beyond ENERGO-PRO's control. We can reduce emissions from distribution losses by making the distribution system more efficient and decreasing the actual volume of such losses. As discussed above, due to ENERGO-PRO's limited ability to control or even influence Scope 3 emissions, ENERGO-PRO has not yet set a target for Scope 3, however we have covered Scope 3 in our Decarbonisation Road Map.

## Decarbonisation road map

Our decarbonisation road map provides recommendations on how to reduce our emissions in the short term, 2030 and longer term, 2050 and achieve net-zero by 2050.

For scope 1, we are studying the phasing out of non-renewable electricity generation while maintaining electricity grid supply security. The Gardabani power plant is a major contributor to Scope 1 footprint, however its operation is critical for grid security in Georgia (note that in 2021, energy generated from this power plant decreased by about 48% from previous year due to favourable weather conditions in Georgia). For the short and medium term, our aim is to increase our investments in the share of renewables, in particular solar energy, in our portfolio to further decrease our production emission intensity.

For Scope 2, we are evaluating how to proceed with greening of our grid operations and increasing improvements in technology to reduce grid losses. We have challenges since we are mostly dependent on regulated markets, and we are affected by general country energy production mix.

For scope 3, our aim is to engage with stakeholders to increase clean energy of the supply and distribution business, increase our understanding of the electricity origin, evaluate our supply chain, and provide advice and raise awareness to consumers in Georgia and Bulgaria about electricity efficiency, in particular:

1. Customer engagement: Engage with customers to buy low carbon products through awareness campaigns.
2. Policy engagement: Ensure ENERGO-PRO does not support trade associations that have negative climate activities/positions.
3. Supplier engagement: Integrate GHG issues into the selection of suppliers.

We understand that our ability to influence this situation is limited and we will investigate how to incorporate decarbonisation targets for Scope 3 in the future.

## 2.4.5 Security of our operations

The size and complexity of ENERGO-PRO Group's information and communication technologies and digital tools make us potentially vulnerable to data security breaches, cyber-attacks and system disruptions, including deliberate or inadvertent actions by our employees, suppliers or customers. Some of the risks include access to financial data, legal documentation, energy trading information, employee data, customer data and supplier information.

We have an IT Department and effective cybersecurity procedures in place. Our software is regularly updated by the IT Department. There are professional security services at the power plant sites, and our security teams are continuously in touch with government security forces to ensure the security of our facilities. Our control measures include implementation of our Data Protection Policy, Remote Work Procedure and the protection of our cloud storage and server content using firewalls, and through external IT monitoring and other support. To date, ENERGO-PRO Group has not experienced any material data security breaches, cyber-attacks or significant information system disruptions.

We have never faced any material security incidents at any of our facilities and there are no major geopolitical risks. All our facilities are designed to withstand extreme weather conditions, and all dam facilities are designed according to Possible Massive Flood calculation reports.

#### 2.4.6 Our approach to assessing new projects

In preparation for new projects, we thoroughly assess risks and impacts, ensure all regulatory permits are in place, prepare ESIA and ESMPs, which includes applying a mitigation hierarchy, and develop Stakeholder Engagement Plans that allow for stakeholder collaboration throughout the project. The process contains assessments specific to environment and HS (e.g. risk assessment, inspections, prevention of damage from third parties, emergency response and preparedness, biodiversity and ecosystems, natural resources, community health and safety, cultural heritage, and land acquisition).

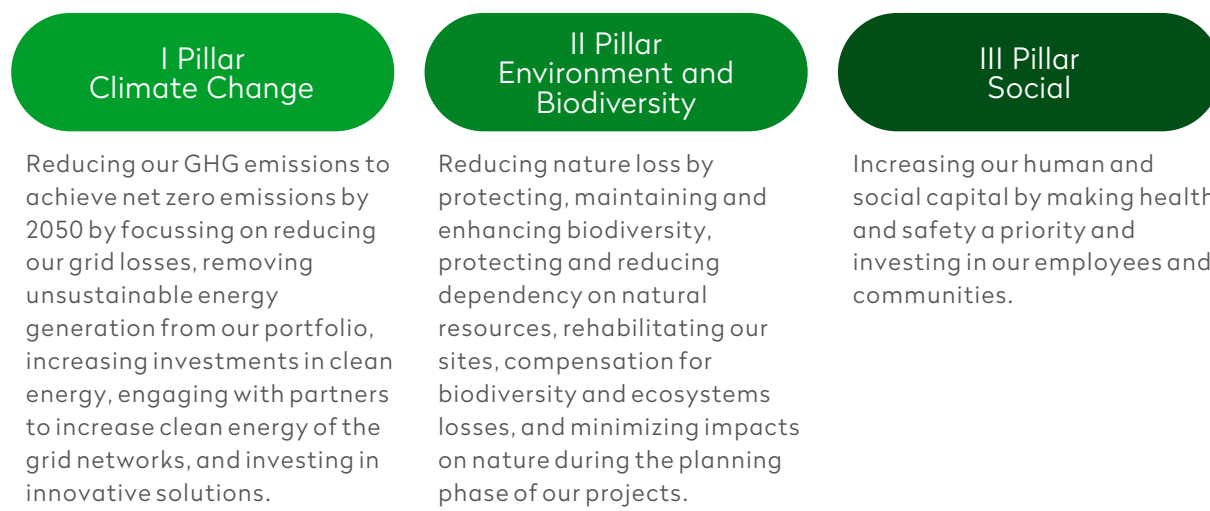
03


ENERGO-PRO Group's  
approach to sustainability

This is EP's first Sustainability Report, and in this Report, we aim to present our approach towards Sustainability and ESG. ENERGO-PRO Group believes that with this Report, we can, better communicate our activities and describe our pathways to meet our sustainability and ESG commitments.

In 2021, we adopted new group policies including a Sustainability Policy and ESG Policy with clear objectives and commitments<sup>7</sup>. Within these policies, we highlight our sustainability strategy which includes three interconnected pillars and key priorities:



We understand that we will need to continue evolving our strategy to align with new requirements and emerging challenges so we can continue growing our business and delivering green energy that improves people's lives.

### 3.1. Reporting

This Report has been prepared in accordance with the GRI Standards: Core option<sup>8</sup>. We applied GRI's reporting principles of content and quality when drafting this Report. GRI standards ensure the quality of the Report and facilitate the standardisation of information that is important for the comparability of ESG performance. Additionally, ENERGO-PRO Group is a signatory of UN Global Compact and aligns with the UN 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals, as further highlighted within this chapter.

This Report covers the period from 1 January 2021 to 31 December, 2021, except where otherwise noted. For the purposes of highlighting trends and drawing conclusions, comparative data for the last two calendar years have also been provided within this Report (2019 to 2021). More information about our approach to data collection can be found in the Annex of this Report. The Report has not been subject to external assurance.

With the enactment of the EU Taxonomy in 2020, EP has been actively following its continuous developments and the impacts it will have on our operations. Currently we are not required to report in accordance with this regulation, however given our green production portfolio and ESG agenda, we aim to begin to understand how to prepare for our assessment of eligible activities and how to incorporate this regulation into our processes and communication, including our reporting. Because of the scope of our business, we will also have to evaluate how to address our activities in non-EU countries.

<sup>7</sup> The EP Sustainable policy is available on our website: [www.energo-pro.com/files/policies/Sustainability Policy/Sustainability Policy\\_EN\\_finalversion.pdf](http://www.energo-pro.com/files/policies/Sustainability Policy/Sustainability Policy_EN_finalversion.pdf).

<sup>8</sup> We use 2016 GRI Standards, with 2018 revisions where applicable.

### 3.1.1 Report structure and boundaries

We follow the structure of our financial reports, where we present individual countries and their respective BUs. However, financial indicators do not fall within the boundary of this Report, instead they cover the information for the entirety of ENERGO-PRO Group and Murat Nehri and Bilsev Enerji. The content of the Report is based on material topics specific to each BUs. This approach to the Report’s structure was chosen to make it comprehensive and easy to follow. Quantitative and qualitative information such as supporting explanations, infographics, and case studies accompany the narrative throughout the text. The Annex includes additional information for better understanding this Report, including methodology notes, data tables, and the GRI Content Index. The process for defining Report content, data gathering, drafting, and dissemination is summarised in the table below.

Table 2: Four steps of reporting process

Steps	Objectives
<b>Definition and contextualisation</b>	Identifying key stakeholders and their expectations Defining reporting boundaries Defining material topics
<b>Data gathering</b>	Defining data scope and limitations Data collection (quantitative and qualitative) Data controlling and consolidation
<b>Report drafting</b>	Defining report structure Drafting Graphic design and data visualisation
<b>Dissemination</b>	Publishing Internal and external communication

### 3.1.2 UN Global Compact

Since 2021, ENERGO-PRO Group has been committed to the UN Global Compact,<sup>9</sup> which is the world’s largest initiative focusing on corporate responsibility and applying principles in the area of human rights, labour, the environment, and anti-corruption. The key mission of the UN Global Compact is to drive business awareness and action in support of achieving the Sustainable Development Goals (“SDGs”) by 2030. We demonstrate our commitment to the UN Global Compact principles by integrating them into our Sustainability Policy.







### 3.1.3 Sustainable Development Goals

Our focus on the SDGs and their supporting targets highlights the Group’s support of the principles embedded in the UN’s document titled “Transforming our world: the 2030 Agenda for Sustainable Development.” We understand the impact of aligning with these goals and have therefore identified those most material to our operations and business activities, as highlighted below.

<sup>9</sup> More information about the initiative is available on the UN Global Compact website: [Homepage | UN Global Compact](#)



Table 3: SDGs material to Group operations

Material UN SDGs	ENERGO-PRO Group's areas of action
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>▷ Invest in and promote initiatives relating to clean and renewable energy</li> <li>▷ Continually work to improve energy efficiency</li> </ul>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<ul style="list-style-type: none"> <li>▷ Provide fair employment, safe working conditions, and further invest in talent</li> <li>▷ Include provisions within the Group's policies for improving inclusive economic growth</li> </ul>
 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<ul style="list-style-type: none"> <li>▷ Establish procedures that will enforce sustainable consumption and production</li> <li>▷ Promote the use of reusable products</li> </ul>
 <p><b>13 CLIMATE ACTION</b></p>	<ul style="list-style-type: none"> <li>▷ Conduct climate change and natural hazard risk assessments (including mitigations)</li> <li>▷ Prepare for low carbon transition through decarbonisation strategy by setting GHG reduction targets in line with the goals of the Paris Agreement</li> </ul>
 <p><b>15 LIFE ON LAND</b></p>	<ul style="list-style-type: none"> <li>▷ Implement mitigation and management plans at all sites that have an impact on natural habitats</li> <li>▷ Incorporate biodiversity measures into internal policies (Sustainability Policy)</li> </ul>
 <p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p>	<ul style="list-style-type: none"> <li>▷ Implement policies across the Group and our supply chain that address good governance (ex. anti-bribery and whistle-blower), and protect human and labour rights</li> <li>▷ Uphold legal and regulatory compliance across the Group</li> <li>▷ Implement corporate transparency into the Group's core values</li> </ul>

Furthermore, ENERGO-PRO Group business activities also contribute to SDGs such as SDG 1 – No Poverty, SDG 3 - Good Health and Well-being, SDG 5 – Gender Equality, and SDG 10 – Reduced Inequalities.

## 3.2. Stakeholder engagement

Our stakeholders are those with an impact on our business activities or those who are influenced by our business activities. For the purposes of drafting this Report, we conducted an internal analysis of our stakeholders and addressed our understanding of their expectations. The analysis included an assessment of material topics linked to our understanding of stakeholder expectations and how these expectations influence their decision-making processes. Conclusions were drawn based on the inputs from individual BU representatives for the countries presented within this Report, which is summarised in the table below. The frequency and robustness of our stakeholder engagement depends on external conditions and context, risks and impacts and phase of the project, including our means of communication and the occurrence of unexpected events.

Table 4: Internal stakeholder analysis results

Stakeholder group	Communication or engagement channels	Key topics and concerns raised
Customers	ESG report, social media channels, press release, website, whistle-blower channels, customer department, direct contact	Reliable and affordable access to basic services, Regulatory compliance,
Employees	ESG report, social media channels, press release, website, whistle-blower channels, trainings	Health & safety, Employee development
Trade unions	ESG report, social media channels, press release, website, whistle-blower channels	Employee development, Health & safety, Operational security
General public	ESG report, social media channels, press release, website, whistle-blower channels	Biodiversity and natural resources, Health & safety, Water management, Waste management, Community investment, Resettlement, ESIA consultation
Local communities	ESG report, social media channels, press release, website, whistle-blower channels	Biodiversity and natural resources, Health & safety, Community investment, Resettlement, Project information and update, Employment, ESIA consultation, General engagement
Investors and shareholders	Annual report, ESG report, social media channels, press release, website, direct contact	Regulatory compliance, Operational security, Tax transparency, Relevant GIIP compliance
Government and local authorities	Annual report, ESG report, direct contact	Reliable and affordable access to basic services, Relations with local communities, Regulatory compliance, Social and environmental assessment of new projects, Operational security, Tax transparency, Community investment, Consultation, Biodiversity partnership
Suppliers	Annual report, ESG report, social media channels, press release, website, whistle-blower channels, direct contact, training	Fair and ethical business practices, Regulatory compliance, Health & safety, EP policies and Code of Conduct

### 3.3. Materiality assessment

Material topics have been identified as those that are connected to our business activities and that have an actual or potential impact on people or the environment. The scope of material topics considers our stakeholders as well as our value chain. The materiality assessment process that was used to compile this Report is presented in the diagram below.

Figure 8: EP materiality assessment process



In this Report, we use radar charts to identify material topics for each of the Group's BUs (segmented by country within this Report). We believe that this approach can improve ESG management and decision-making on a BU level, as impacts are not only linked to business activities, but also to the locations in which they occur.

Table 5: All topics identified as material to ENERGO-PRO Group with a distribution between business units

Material topics <sup>10</sup>	Turkey	Bulgaria	Georgia	Czech Republic	Colombia
Climate change mitigation					
Water management	✓	✓	✓		✓
Waste management	✓				✓
Biodiversity and natural resources	✓	✓	✓		✓
Health & safety	✓	✓	✓	✓	✓
Employee development	✓	✓	✓	✓	✓
Relations with local communities	✓	✓	✓		✓
Reliable and affordable access to basic services	✓	✓	✓		
Social investments or philanthropy					
Fair and ethical business practices				✓	
Regulatory compliance	✓	✓	✓	✓	✓
Social and environmental assessment of new projects	✓	✓	✓	✓	✓
Internal policies and certifications					
Responsible procurement					
Operational security	✓	✓	✓		
Energy management					
Electricity prices					
Technology innovations					
Tax transparency				✓	

<sup>10</sup> ENERGO-PRO Group considers all material topics within our business activities, independent of their priority level, presented in the ENERGO-PRO Group material analysis.

04



Bulgaria

# 4.1. Overview

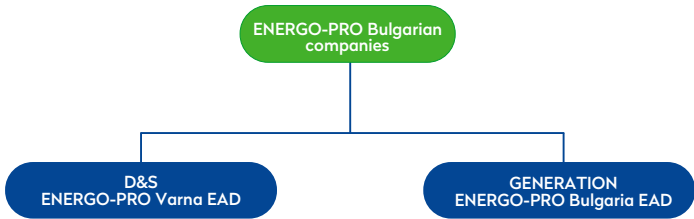
## 4.1.1 Distribution and supply (“D&S”)

ENERGO-PRO Varna EAD is the parent company of the group of companies that operate, maintain and undertake electricity distribution, wholesale trading and supply activities in Bulgaria. Moreover, the company is also engaged in development of solar power plant portfolio. Through a subsidiary EDC North, we operate and maintain an electricity distribution network in north-east Bulgaria, which extended to 43 thousand km and distributing 5.7 TWh of electricity to more than 1.2 million customers (number of connection points).

## 4.1.2 Generation

ENERGO-PRO Bulgaria EAD is the largest private producer of electricity generated in hydropower plants in Bulgaria. With a total installed capacity of 166 MW and an average annual production of electricity on the level of 461 GWh, it is also the largest private producer of renewable energy in the country. Bulgaria was the first foreign country where ENERGO-PRO Group expanded. ENERGO-PRO Bulgaria EAD was established in 2000. It owns and operates 14 hydropower plants, of which 10 are aggregated in four different cascades – Sandanska Bistritsa Cascade, Pirinska Bistritsa Cascade, Koprinka Cascade, and Petrohan Cascade. Our priority is to increase electricity production and further enhance the reliability of our hydropower plants.

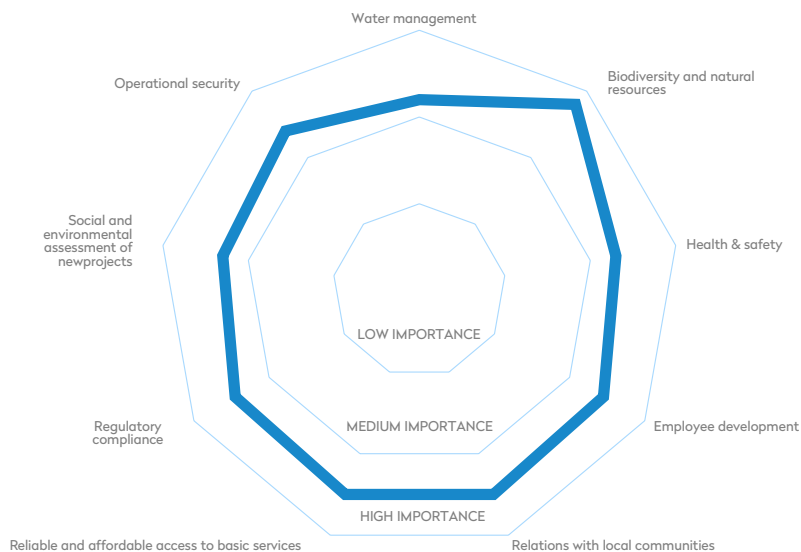
Figure 9: ENERGO-PRO Bulgarian companies



# 4.2. Materiality analysis

The main risks to our companies are related to safety (accidents and fatalities at work), the environment and biodiversity, and governance (e.g., bribes, cybersecurity risks). These are reflected in the materiality assessment and are at the core of our guiding principles and implemented measures.

Figure 10: Bulgaria materiality matrix



### 4.3. Operations

- 14

Hydropower plants
- 166 MW

Total installed capacity
- 43,026 km

Electric distribution network length
- 461 GWh

Total net energy production

#### Electricity generation

2021 marked a rapid increase in total net electricity production, which amounted to 461 GWh compared to 289 GWh in 2020.

Table 6: ENERGO-PRO Group's HPPs owned and operated in Bulgaria

Facility name	Installed capacity (MW)	Commissioning date
Spanchevo	28	1981
Stara Zagora	22	1955
Popina Laka	22	1969
Pirin	22	1992
Lilyanovo	20	1968
Sandanski	14	1971
Petrohan	8	1957
Koprinka	7	1954
Barziya	6	1955
Ogosta	5	2002
Klisura	4	1953
Katuntsi	3	2005
Samoranovo	3	1965
Karlukovo	2	2010
<b>Total</b>	<b>166</b>	-

## 4.4. Environment

### 4.4.1 Biodiversity & natural resources

#### Wildlife protection

Since ENERGO-PRO Varna EAD and ENERGO-PRO Bulgaria EAD operate in biologically sensitive areas (Via Pontica, Natural Parks and other protected areas), we have adopted several measures to mitigate our environmental impact. Initiatives have been launched with the Bulgarian Society for the Protection of Birds and the Balkan Centre for Sustainability and Engineering to protect ecosystems and biodiversity. We also engage with local ecology experts on a regular basis to proactively identify and put in place measures to protect biodiversity.

Our distribution power lines run through the territory Via Pontica where migratory birds nest, to minimize impact on this territory we have implemented measures to protect the birds against electrocution. We have installed special nesting platforms and bird protection devices (more information is provided in the case study below). We periodically send press releases informing the public about the areas with installed bird protection devices or incidents with injured birds.

In terms of water ecosystem and biodiversity protection, ENERGO-PRO Bulgaria EAD is implementing water management systems and cameras to monitor the water intake and fish passes. We regularly assess the functionality of fish passes and rehabilitate them as needed to comply with the highest standards.



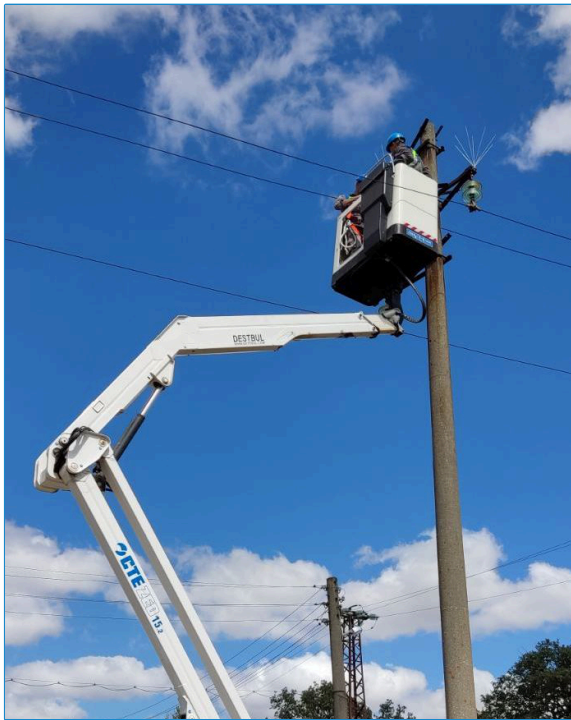
### ENERGO-PRO Varna EAD: bird protection programme of Electrodistribution North AD

The Electrodistribution North AD bird protection programme is a long-term biodiversity initiative implemented year-round to ensure a thriving bird ecosystem where we operate. The electricity distribution company carries out its activities on the electricity distribution facilities to protect the life and health of migratory birds mainly during autumn - early spring. Care for the environment and preserving the life of protected species is our priority. In the period of 2020 to 2021, nearly 19,500 bird protection devices of different types, worth BGN 0.9 million, were installed on the territory where the company operates. The facilities are located in North-eastern Bulgaria, where the migratory routes of birds pass.

Electrodistribution North AD electricians often act as bird rescuers. Electrodistribution North AD carries out periodic inspections of the facilities on which birds usually build their nests. In parallel with the maintenance of the electricity distribution grid in order to provide quality service to customers, electrical specialists also remove twigs and straws from stork nests dangerously hanging over the wires. The electricity distribution company also reacts to instigations raised by The Bulgarian Society for the Protection of Birds, as well as mayors and citizens of the respective region. For years, the company has been working with the Bulgarian Society for the Protection of Birds, local authorities and other institutions to secure electric poles against threats to the animals.

The main projects of Electrodistribution North AD's bird protection programme are implemented before the spring and after the autumn migration. The aim is to minimize disruption of birds during their nesting and rearing season. During the summer season, the bird protection activities on the grid are more limited – concrete activities are carried out in emergencies during the active summer season for birds, when there is an imminent threat to their life and health.

Picture 1: Bulgaria team conducting periodic inspections



Since the end of 2021, ENERGO-PRO Bulgaria EAD has been planning projects related to the construction and rehabilitation of fish passes at water intake structures at the Sandanska and Pirinska Bistritsa cascades and Samoranovo HPP (three of our sites). We regularly conduct ichthyological assessments of the functionality of constructed fish passes. While some of the fish passes (Sandanska Bistrica and Samoranovo) meet the requirements of current legislation, others are outdated and need an upgrade. We contracted experts from the Bulgarian Academy of Sciences to prepare an ichthyological report, assessing the need for rehabilitation or construction of new fish passes, including the identification of ecological measures to preserve river species that occur naturally in the vicinity of the HPPs.



## Technological innovation

To prevent environmental accidents, we are gradually upgrading our technologies to meet the highest environmental standards. Since 2019 ENERGO-PRO Bulgaria EAD has implemented several environmentally friendly upgrades of electrical and hydro turbine equipment and auxiliary systems in Koprinka Cascade and Pirinska Bistrica Cascade. The upgrades have been important for preventing contamination with oil or grease and fire.

Figure 11: ENERGO-PRO Bulgaria EAD driving technical improvements in line with environmental standards – case study



### 01 Technical upgrades of mechanical parts

- ▷ All sliding bearings used in kinematic mechanisms and maintenance no longer require any type of lubricants due to the improvements made. All shafts for sliding bearings are produced with stainless steel materials, or stainless weld deposit and do not need grease or oil for proper functioning of the mechanism.
- ▷ To eliminate environmental pollution, the turbine bearing of HPP Koprinka has been modified. The oil lubrication system was replaced with a water lubrication system and the bearing was replaced with a new one produced by Deva BM.

### 02 Technical upgrades of the hydraulic parts

- ▷ All oil pressure systems are equipped with oil sumps that can store oil in tanks above them and protect from any potential spills.
- ▷ To eliminate environmental pollution, all water-cooling systems have been redesigned with closed circuit cooling to avoid any contamination.



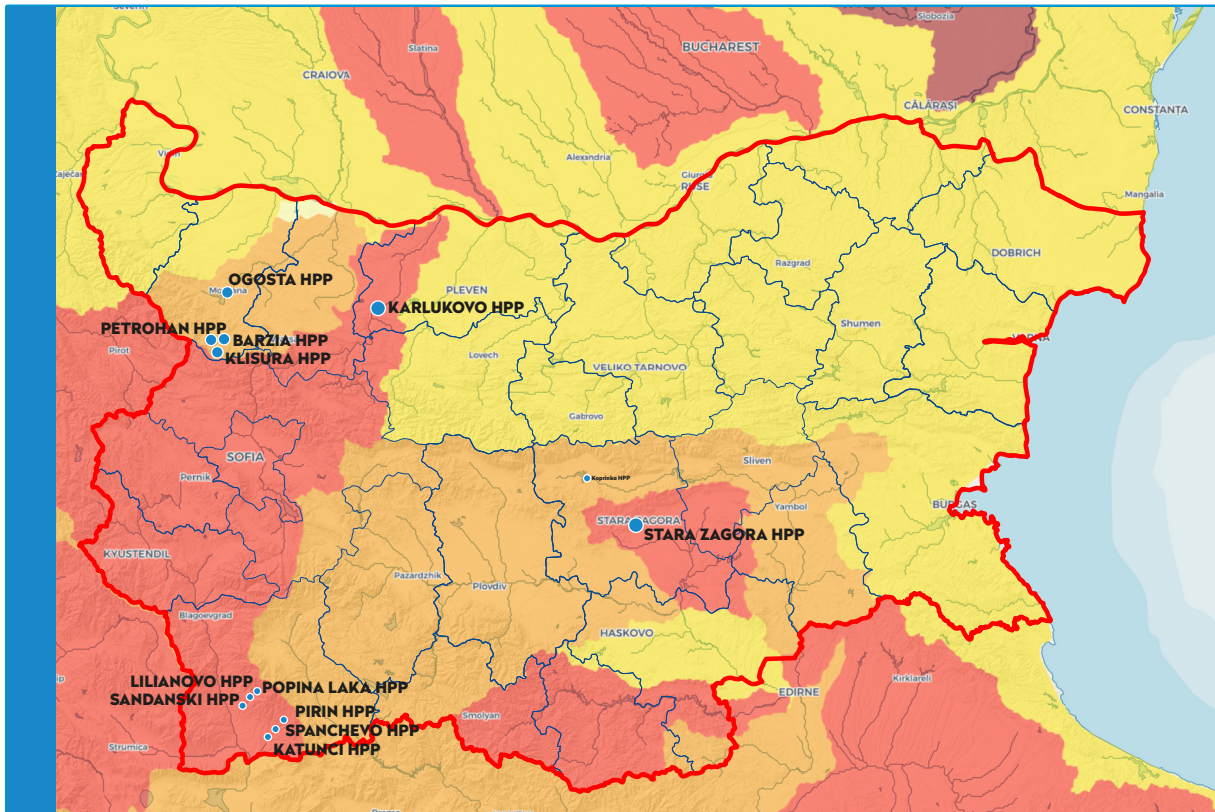
### 03 Technical upgrades of electric parts

- ▷ To ensure safety within our operations, we go beyond mandatory legislation. All low and high voltage cables are insulated with materials that help protect them from potentially catching on fire.

## 4.4.2 Water management

We draw water from mountains located in a high-water stress area. Therefore, we actively monitor the situation to ensure safety and sufficient capacity, as well as preserve freshwater biodiversity and manage impacts. The total amount of water withdrawn in 2021 from municipal supplies amounted to 17.8 thousand m<sup>3</sup> for ENERGO-PRO Varna EAD and 0.6 thousand m<sup>3</sup> for ENERGO-PRO Bulgaria EAD. Both entities discharged the same amount of water they consumed which means the total water consumption represented 0 for 2021. The same water consumption trend was observed during 2020 and 2019.

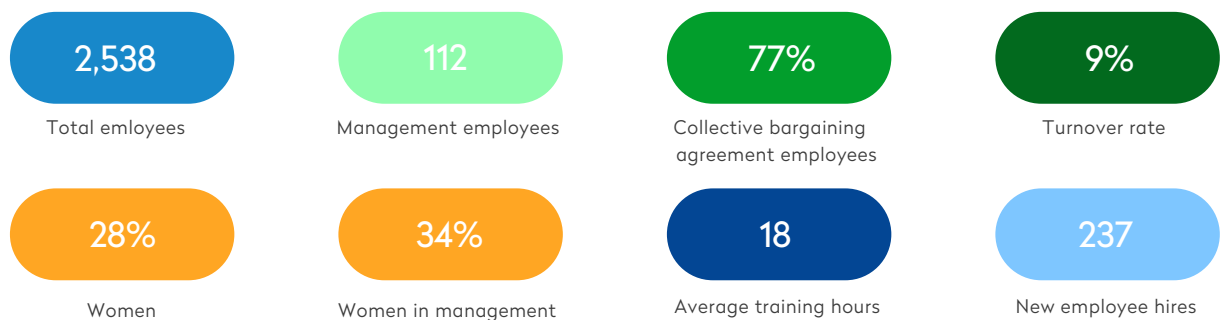
Picture 2: Water stress areas Bulgaria<sup>11</sup>



## 4.4.3 Social and environmental assessment of new projects

Currently, ENERGO-PRO Varna EAD is engaged in the development of a solar power plant portfolio. For each new project, we apply standard assessments as described in the Governance chapter of this Report.

## 4.5. Social



<sup>11</sup> [Aqueduct Water Risk Atlas \(wri.org\)](https://www.wri.org/aqueduct)

We understand the importance of contributing to social and economic development where we work and the importance of providing a positive working environment. We take many factors into consideration to develop a good working environment. These considerations include:

- Inclusion and diversity
- Living wage
- Respect for human rights
- Health and safety
- Working conditions
- Equal opportunities, including gender equality, equal pay for equal work, promotions, training and skills development and inclusivity for those with disabilities
- Local employment and procurement
- Protection of community land and assets
- Respect for cultural heritage and archaeological sites
- Community investment

All of these considerations are defined in our new Sustainability Policy, ESG Policy and Human Resource Policies. We raise awareness across the company about these standards and make sure all employees not only understand their rights and benefits but also comply with all principles.

#### 4.5.1 Relations with local communities

##### **Social investments**

ENERGO-PRO Varna EAD is committed to fulfilling its civic and social responsibility, and we recognise the important role non-profit, charitable organizations play in the communities and state where our employees live and work. We demonstrate support for these groups through financial contributions. To ensure sustainable development and the prosperity of communities affected by our investments and activities, we created a social fund called “ENERGO-PRO for Society” in September 2021 to help fund public interest projects. Our annual budget for funding these projects is BGN 100,000. Through this initiative, we strive to lead by example and inspire other companies to leave a positive impact on the community. Applicant projects for funding from “ENERGO-PRO for Society” should fall within the following areas:

- Child Development
- Energy efficiency
- Environmental protection
- Upholding environmental values
- Sustainable development of urban spaces
- Safe use of electrical appliances and equipment

Priority is given to innovative projects in the above mentioned areas. The maximum funding a project can obtain is BGN 5,000. It is possible to co-finance the projects from other sources of funding. In 2021, six projects with a total value of over BGN 30,667 were approved for funding, including three kindergartens, two schools, and a treatment facility for children with cancer. The supported projects will contribute to enhancing children’s education, namely introducing modern teaching methods, spreading environmental values, and improving children’s practical skillsets in various areas. We believe that the implementation of these projects will benefit the local communities with a long-lasting impact.

ENERGO-PRO Bulgaria EAD has a sponsorship agreement with a local children’s football team, which constitutes over 90% of all social investments. The rest covers small donations for events organised by local municipalities.

## Community management

ENERGO-PRO Varna EAD has established good practices for open communication with local communities and authorities. We organise meetings with all mayors whose governance falls within our operational zones twice a year. There is always follow-up activity on issues raised during the meetings. These include new grid connections, investments, and our activities that are dependent on municipal approval. We also notify local municipalities about any planned power outages related to grid maintenance. In 2022, ENERGO-PRO Group will develop a Stakeholder Engagement Standard requiring all Business Units to prepare fit for purpose Stakeholder Engagement Plans.

### 4.5.2 Reliable and affordable access to basic services

Our priority is to increase electricity production and further enhance the reliability of our hydropower plants. This is achieved through professional and cost-effective investments into their rehabilitation and modernization. ENERGO-PRO Bulgaria EAD shows stable growth thanks to the efficiency of technical operations and optimization of the electrical power generation process. In addition, reservoirs belonging to ENERGO-PRO Bulgaria EAD and/or the state are also used for irrigation and tap water by the surrounding communities.

ENERGO-PRO Varna EAD supplies electricity to major Bulgarian consumers under free energy market conditions. One of ENERGO-PRO Varna EAD's main goals as an energy company and distribution grid operator is to ensure that its customers have a secure supply of electricity. Our approach makes us a responsible partner, providing secure supplies of electrical power and active support in the process of registration on the free market. Thanks to our reliable and accessible service, we have a steady customer base of over 1.2 million customers.

ENERGO-PRO Varna EAD's distribution grids must function properly and be equipped to meet the challenges of the new energy world for ENERGO-PRO Varna EAD to continue to ensure a reliable electricity supply in the future. For this purpose, ENERGO-PRO Varna EAD continually upgrades and develops its existing infrastructure. This enables ENERGO-PRO Varna EAD to better manage energy distribution and supply.

Electrodistribution North AD's distribution system operators ("DSOs") are responsible for the safe and reliable operation of its distribution networks. Their network control centres oversee network operations. DSOs record all planned and unplanned outages at the distribution networks. This data is used to calculate the system average interruption duration index ("SAIDI") which measures the average outages duration per customer per year. ENERGO-PRO Varna EAD has in place investment and maintenance programs to maintain and expand its grids to ensure that all of its network customers are connected and have a reliable energy supply. Investment decisions always focus on efficiency as well as security of supply. ENERGO-PRO Varna EAD chooses the solutions that make the most technical and economic sense.

ENERGO-PRO Varna EAD maintains a high and stable collection rate. In certain cases, we negotiate instalment plans with household customers having payment difficulties. There are no major issues with customer satisfaction.

Our business activities are of public interest, and therefore we are prepared to react promptly to any problems encountered. The good relations we have built with local authorities enable quick communication during critical situations and thus a prompt resolution of the problem. The most common issues we mutually solve include electricity power failures due to extreme weather conditions (occurring usually during the winter due to storms, heavy snow, icing of grid facilities, and blocked roads).

ENERGO-PRO Energy Services EAD provides information with energy efficiency advice to its customers via its webpage, as well as brochures in its customer service centres. The company has also participated in information campaigns such as providing information and materials in 2021 for the new Energy Label of appliances introduced by the EU. ENERGO-PRO Energy Services EAD is also a licensed energy auditor by the Sustainable Energy Development Agency of Bulgaria and conducts energy audits with advice to non-household customers for energy efficiency measures. The company is also an engineering, procurement and construction (“EPC”) contractor and constructs solar power plants for energy consumption optimization for its customers.

### 4.5.3 Employee development

#### Benefits

We attribute our success and leading position on the Bulgarian energy market to the relentless efforts of our employees. In 2021, the number of ENERGO-PRO Bulgaria EAD and ENERGO-PRO Varna EAD employees totalled 2,538. To ensure the satisfaction and adequate compensation of our workforce, we provide the following benefits to our full-time employees:

Figure 12: Benefits provided by ENERGO-PRO Group in Bulgaria

Benefits	ENERGO-PRO in BULGARIA
Life insurance	✓
Health care	✓
Disability and invalidity coverage	✓
Parental leave	✗
Retirement provision	✗
Stock ownership	✗
Others	✓

Benefits are provided beyond the scope of obligations given by the Labour code in individual countries. ENERGO-PRO Varna EAD offers these additional benefits to the employees:

- Additional paid leave (employees are entitled to additional paid leave if they work under specific conditions or in positions with a flexible work schedule, or for the purposes of further education or professional development)
- Additional health insurance
- Social welfare benefits (food vouchers, Easter payment, Energy Day payment, summer payment, Christmas payment)
- Medical fund for employees and their families (intended for lifesaving treatments)
- Discounts

Such compensations and work culture helps us maintain low staff turnover. The number of our employees did not substantially decrease even during the pandemic years of 2020-2021.

#### Performance evaluation & trainings

ENERGO-PRO Varna EAD has a standardised performance evaluation procedure in place (annual for management, quarterly and monthly for employees). In 2021, various training sessions were offered to improve awareness of company policies (e.g. ESG Policy and Code of Conduct) and educate employees on diverse topics, such as compliance and GDPR. To educate our employees more effectively, an internal Training Policy has been implemented.

In 2021, ENERGO-PRO Varna EAD employees spent a total of 38,665 hours on training, resulting on average in 16 hours of training per employee. The total number of hours spent on training in 2021 at ENERGO-PRO Bulgaria EAD amounted to 7,224 hours, where on average, this represented 57 hours of training per employee.

77% of employees of ENERGO-PRO Varna EAD are covered by a collective bargaining agreement.

### **Responsible workforce restructuring**

We do our best to protect our employees against unexpected layoffs in line with national regulations. According to the Bulgarian Labour Code (“LC”) and Collective Labour Agreement (“CLA”), when more than 10% of the workforce is laid off as a result of internal structural changes, business units are obliged to inform and coordinate such matters with the respective trade unions (“TU”). To date, no such structural changes have taken place. In all other cases, according to the LC and CLA, business units are obliged to offer employees substitute vacant positions should the candidates match job requirements. If there is no such position available, the laid-off employees receive a standardized severance payment.

### **Supporting professional development of young people**

We pay special attention to the development of young professionals in the energy sector. Therefore, ENERGO-PRO Varna EAD has developed an internship and scholarship programme in cooperation with our partner secondary and higher education institutions. They provide their graduates an opportunity to gain professional experience in the field of electricity distribution. Supporting young professionals with no job experience is our established practice.

## **4.5.4 Operational security**

ENERGO-PRO Varna EAD is certified on ISO 27001 (Information security management) and in compliance with the national cybersecurity law. Per the ISO 27001 certificate, a yearly check is conducted by an external auditor to check compliance.

## **4.5.5 Health & safety**

Safety is our core value and is integrated throughout all areas of our operations. Given the nature of ENERGO-PRO Bulgaria EAD’s operations, we recognise there are physical and ergonomic work-related hazards our employees face. A risk assessment is performed for each of the company's sites (HPPs) and for each type of workplace, considering the specific characteristics for each work environment. These risks generally include electric shocks, traumatic injuries (fall from height, work with tools, vehicle crash, etc.) or bites from various insects or reptiles.

We have a zero-accident culture and therefore health and safety is our highest priority and long-term objective. To prevent accidents, all employees are required to follow our safety principles and operating procedures. To prevent life-threatening accidents for workers engaged in agricultural/forestry and construction activities, Electrodistribution North AD has prepared recommendations for safe work near power lines which all such employees must be familiar with. Since our objective to protect lives and ensure safe work extends beyond our employees, these recommendations were sent to municipalities, institutions, and partners with a request for assistance to reach the maximum number of employees carrying out activities near power lines. The aim is to take preventive measures to preserve human life and health. These rules are also published on our intranet so our employees can access them at any time.

We are glad to report that occupational injuries at ENERGO-PRO Bulgaria EAD dramatically decreased compared to previous years, reflecting our efforts to become accident-free. We will continue our efforts to further reduce the number of work-related injuries in the upcoming year. We provide personal protective equipment to our employees and train them to use it properly. All employees in manual labour positions underwent on average 19.4 hours of trainings to ensure safe and effective work. Given our commitment to safety, the employees of our subcontractors are also obligated to undergo training and familiarize themselves with our safety plans and instructions for safe work.

05



Georgia



# 5.1. Overview

ENERGO-PRO Georgia Holding JSC was established in April 2021 to provide outsourcing services to our Georgian energy assets in response to legislative and regulatory requirements in Georgia. ENERGO-PRO Georgia Holding JSC’s principal business activity is a provision of management and shared services.

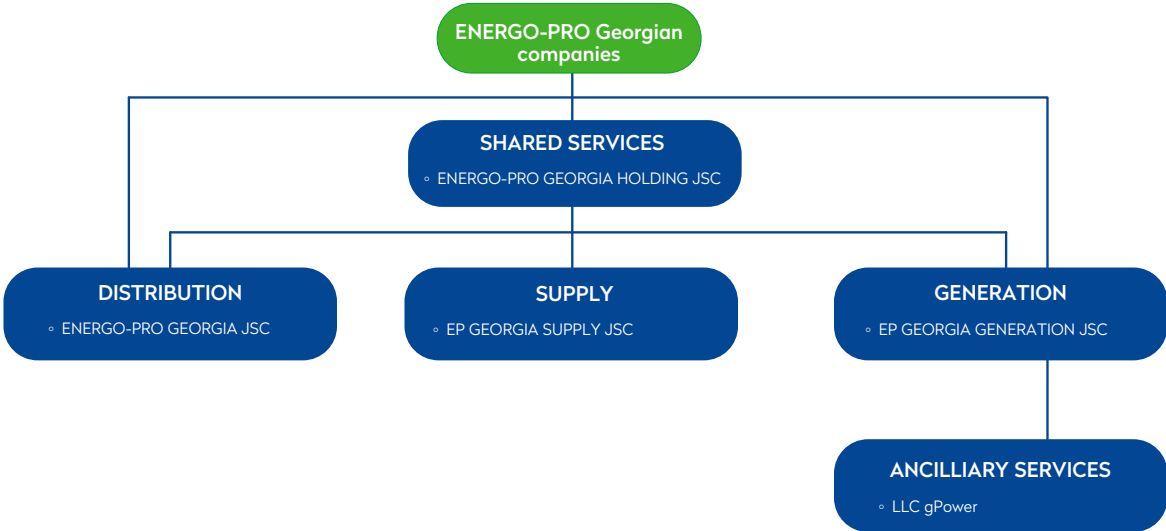
## 5.1.1 D&S

ENERGO-PRO Georgia JSC was established in 2006 and is the largest private energy distribution company in Georgia in terms of the number of customers served and its sales and services territory. ENERGO-PRO Georgia JSC operates and maintains an electricity distribution network in Georgia with total length of 58,368 km. The licensed area covers approximately 85 per cent of Georgia’s territory, which includes the whole country except for the capital Tbilisi and regions not controlled by the Government of Georgia. ENERGO-PRO Georgia JSC provided power to more than one million customers and distributed over 4.7 TWh of electricity in 2021. EP Georgia Supply JSC was established in May 2021 to carry out supply activities as a result of the legal unbundling of distribution and supply activities of ENERGO-PRO Georgia JSC. EP Georgia Supply JSC provides electricity to regulated customers within the territory of ENERGO-PRO Georgia JSC network.

## 5.1.2 Generation

EP Georgia Generation JSC was incorporated in 2016 after the reorganisation of ENERGO-PRO Georgia JSC’s assets in response to future legal unbundling of the Georgian energy market (legal separation of distribution and generation activities in the future). EP Georgia Generation JSC’s principal activity is the generation of electricity from its portfolio of 15 hydropower plants with a total installed capacity<sup>12</sup> of 487 MW. Starting from April 2021, the company also holds gPower LLC, which owns and operates the Gardabani gas turbine power plant (previously a subsidiary of ENERGO-PRO Georgia JSC) with an installed capacity of 110 MW. gPower LLC provides ancillary services or guaranteed reserve capacity to ensure stability, security and reliability of Georgia’s unified electricity system.

Figure 13: ENERGO-PRO Georgian companies

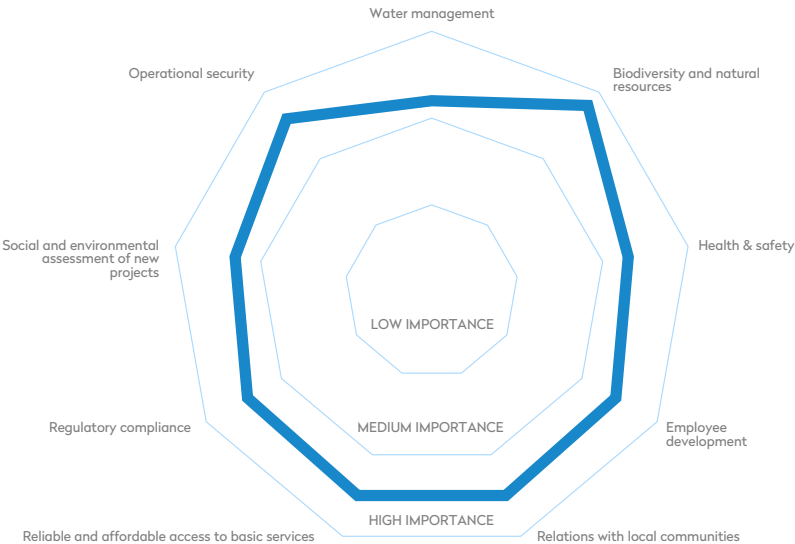


<sup>12</sup>Licensed installed capacity

## 5.2. Materiality analysis

Material topics for Georgian companies are determined based on our business activities, which include energy generation, distribution, supply, and supporting services as highlighted above. As a result, our material topics consist of operational security, water management, Biodiversity and natural resources, and securing reliable and affordable access to basic services. Besides the already mentioned material topics, our Georgian companies recognise risks related to relations with local communities, regulatory compliance, employee development, and health and safety.

Figure 14: Georgia materiality matrix



## 5.3. Operations



### 5.3.1 Electricity generation

The company operates 15 hydropower plants and one gas turbine power plant with installed capacities of 489 MW and 110 MW respectively. The Gardabani gas turbine power plant was purchased by ENERGO-PRO Georgia JSC in 2010 to ensure a reliable and stable supply of electricity, the Gardabani power plant is used to cover peaks when electricity is lacking from other sources, in other words, it is not a constant source of electricity. For example, in 2021 there was a 48% decrease of energy supply from Gardabani. Also, energy efficiency of Gardabani was 36%, consistent with the average over the past three years. These high efficiency numbers are related to our renewable energy production and relatively low energy consumption.

Table 7: Overview of ENERGO-PRO Georgia HPPs and TPP in operation

HPPs and TPP	Installed capacity (MW)	Commission date
Atsi	18	1937
Rioni	54	1933-34
Lajanuri	114	1960
Gumati I	48	1958
Gumati II	23	1956
Shaori	40	1955
Dzevrula	80	1956
Satskhenisi	14	1952
Ortachala	18	1954
Sioni	9	1964
Martkopi	4	1952
Chitakhevi	21	1949-51
Zahesi	39	1927-38
Chkhorotsku	6	1967
Kinkisha	1	1954
Gardabani Gas Power Plant (TPP)	110	2006
<b>Total</b>	<b>599</b>	<b>-</b>

### 5.3.2 Operational security

We have had no serious cybersecurity incidents in the past. Our Georgian companies have implemented an internal Data Processing and Data Protection Policy in accordance with new regulations set for DSO within the implementation of the new Georgian energy reform. In 2022, all our Georgian companies will implement new Data Protection requirements. This is the result of a government resolution that included the company on the list of third category critical information system subjects<sup>13</sup>. Our cybersecurity requirements will be prepared by an external consultancy firm and will comply with ISO 27001.

### 5.3.3 Social and environmental assessment of new projects

Our Georgian companies developed projects which comply with all relevant regulations. This includes environmental and social impact assessments and specific environmental management plans issued by the state. All our HPPs except Kinkisha HPP, due to its insignificant size, and distribution segment projects, are obligated to issue EIA and environmental management plans. All new projects will follow ENERGO-PRO Group's policies and standards.

## 5.4. Environment

Specific environmental management plans have been developed and implemented to address the following environmental risks: waste management, biodiversity monitoring and research, contaminated land rehabilitation, inventory of PCB contaminated equipment, and management of areas for temporary waste storage. Each of our HPPs has a specific environmental management plan approved by the state. While compliance with the law is our top priority, we put extra emphasis on monitoring our hydraulic structures and geological and hydrological conditions through installed

<sup>13</sup>This occurred on December 30<sup>th</sup>, 2021.

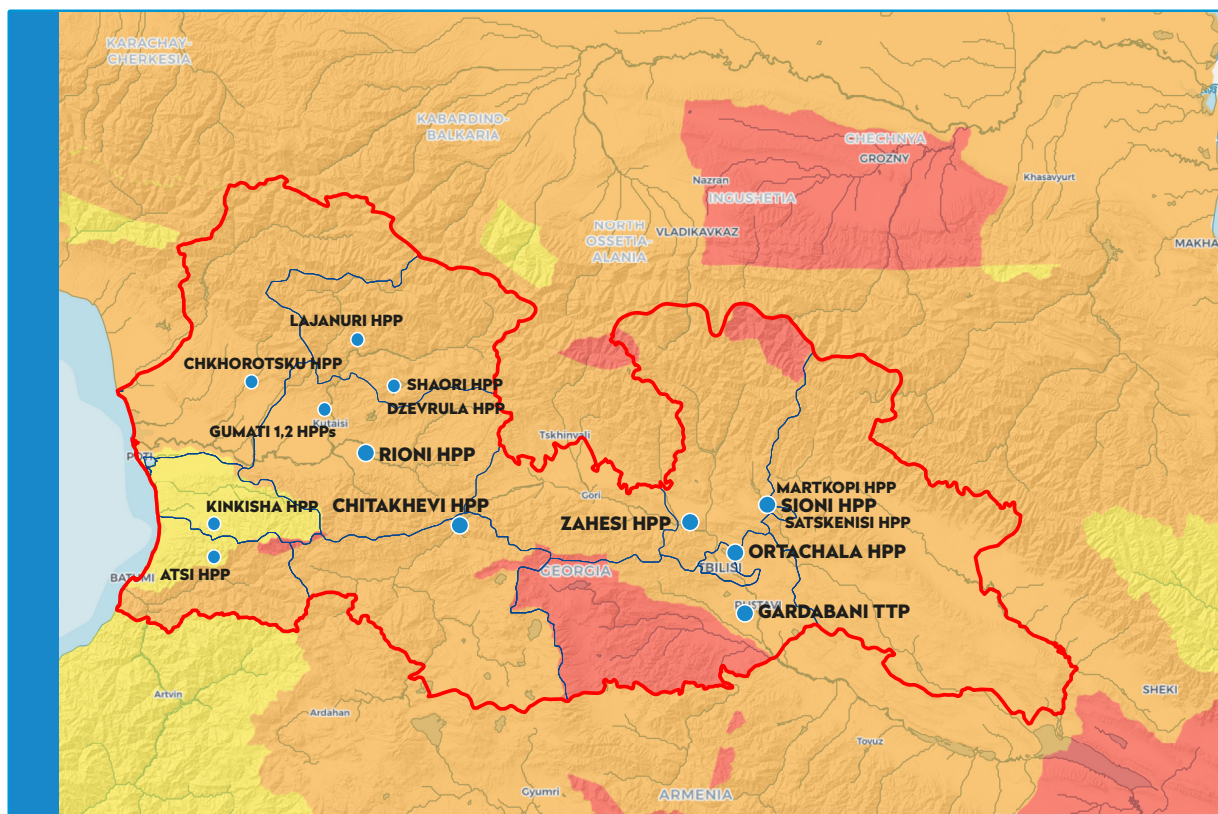
stations. Biodiversity protection is one of our primary areas of focus. For example, we are currently installing new fish ladders, implementing an ichthyological compensation program, and carrying out a topsoil rehabilitation project. Furthermore, we support environmental awareness and the environmental education of our employees through our Environmental Training programme.

### 5.4.1 Water management

In Georgia, we use water for cooling our thermal power plants and to run our hydropower operations. Our hydropower reservoirs regulate water flow, which contributes to the reduction of floods and droughts. Currently, we collect data for our Shaori and Dzevrula reservoirs, which are seasonally regulated and filled in the spring. In 2021, the reservoirs stored a total of 73.2 mil. m<sup>3</sup> of freshwater, resulting in a 59% annual increase compared to the previous year.

In 2021, Georgian companies water withdrawal was 88.5 thousand m<sup>3</sup>. This represents 53% withdrawal for hydropower plant generation, 24% withdrawal for distribution and supply, and 23% withdrawal for thermal power plant generation<sup>14</sup>. We are limited in tracking our water discharge, which is currently only available as an estimation of 21.1 thousand m<sup>3</sup> for our distribution and supply segment<sup>15</sup>. In coming years, we plan to install water meters to improve our ability to track our water consumption. Our operations are not located in high water stress areas, as indicated in the map below. According to World Bank data, Georgia has very low levels of water stress at 4.21<sup>17</sup>. We conduct water sample analyses to determine the total amount of nitrogen, phosphorus, weighted particles, and biological use of oxygen at the Sioni HPP, which is located on the Iori river with a drainage basin of 4,650 km<sup>2</sup>.

Picture 3: Water stress areas Georgia<sup>17</sup>



<sup>14</sup>Power generation from our thermal power plant accounts for 1% of the total energy produced highlighting a negligible impact on water stress.

<sup>15</sup>Water use for generation is disclosed to state authorities.

<sup>16</sup>Level of water stress: freshwater withdrawal as a proportion of available freshwater resources - Georgia | Data (worldbank.org)

<sup>17</sup>Aqueduct Water Risk Atlas (wri.org)

## 5.4.2 Biodiversity and natural resources

Though our facilities are not located in protected areas, we carefully monitor impacts on both terrestrial and aquatic biodiversity. Our main impacts on biodiversity include evapotranspiration of reservoirs, land occupation, generation of biogenic methane emissions, and habitat fragmentation. The Department of Environmental Supervision has implemented an annual inspection plan requiring annual inspections of facilities with environmental impacts. Because our facilities were built in the last century, we have established a natural balance with the surrounding environment.

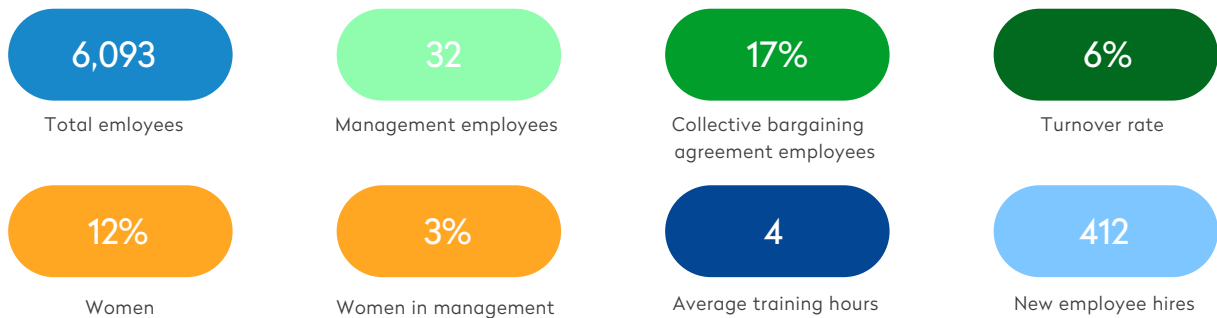
### Compensatory measures for the ichthyofauna of Zahesi HPP (2022 to 2032)

The project provides a general overview of the ichthyofauna of the Mtkvari River for the Zahesi HPP and a ten-year plan of ichthyofauna compensation measures. Reproduction issues of priority species (according to bio-conservation status and endemism) have been addressed and adequate measures implemented for European carp (*Cyprinus carpio*), Barbus (*Barbus lacerta*) and Labeobarbus (*varicorhinus*), which took the form of restocking. The first phase of the project will consist of restocking 10,000 juveniles of European carp, 5,000 juveniles of Barbus and 5,000 juveniles of Labeobarbus - with the possibility of further increase. Restocking will be performed once every two years, namely in 2023, 2025, 2027, 2029, 2031, with a total of 5 times. After one year of each restocking campaign, the same plan will be provided for: monitoring fish, aquatic invertebrates and otters in the Zahesi HPP Impact Area. EP Georgia Generation JSC will monitor fish, aquatic invertebrates and otters through a consulting legal entity selected with relevant experience and qualifications.

#### Protecting local ichthyofauna

At our Zahesi HPP, we aim to protect ichthyofauna and prevent biodiversity loss. In the next years, we plan to install electro-acoustic fish deterrent systems that apply specific local conditions. It is planned that the deterrent will use electric impulses and underwater sound to cause some species of fish to swim away from the water intakes.

## 5.5. Social



### 5.5.1 Health and safety

The ENERGO-PRO Georgia Holding JSC Department of Labour Safety was recently established to ensure occupational health and safety practices in accordance with the requirements of the Organic Law of Georgia on Labour Safety<sup>18</sup> and ISO 45001. It provides services on a contractual basis to ENERGO-PRO Georgia JSC, EP Georgia Generation JSC, EP Supply JSC and gPower LLC.

<sup>18</sup> Organic Law of Georgia on Occupational Health and Safety

In 2021 recordable injuries at our Georgian companies decreased from 11 (2020) to 3 (2021) and our priority remains to further reduce work-related hazards. We identified the health and safety risks associated with our activities in the generation, supply, and distribution segments. The key risks include extreme weather conditions, working with energised systems, working at heights, working with heavy mobile equipment, and other physical hazards. Appropriate control measures, including providing employees with protective equipment, are taken to reduce risks, and the remaining risk is constantly monitored. Furthermore, every employee undergoes health and safety training related to their specific position. The selection process for our contractors includes occupational health and safety criteria. If necessary, we provide health and safety training and further monitor our contractors during the contracted period.

### 5.5.2 Employee development

Our Georgian companies have established a comprehensive training programme that includes external certifications and internal trainings for employees. Employee training is adjusted annually to ensure alignment with our business strategy and professional growth of individual employees. Capacity building programs include IOSH Managing Safely, project management, labour safety accreditation, Service+, English and Georgian language courses, IFS programs, and integration trainings. In addition, we provide environmental training once a year on a scope defined by experts and approved by the national government. In 2021, on average, we provided 4.2 hours of training per employee, while our managers received, on average, 15.9 hours of training. Approximately 20% of our employees in Georgia do not operate a personal computer, especially those living in mountainous regions. To fully implement all new policies<sup>19</sup>, including sustainability policies, we use policy training and an SMS notification system. In 2022, we plan to prepare and launch a new evaluation system for employees based on ENERGO-PRO Varna EAD model. We will categorise our employees by positions, pay gaps, job longevity, and assess individuals' skills, development, and aspirations, and gather feedback from managers to further improve the effectiveness and well-being of our employees.

#### Employee benefits

Highlighted below are the standard benefits that we provide to our full-time employees to further support employee satisfaction.

Figure 15: Benefits provided by ENERGO-PRO Group in Georgia

Benefits	ENERGO-PRO in GEORGIA
Life insurance	✓
Health care	✓
Disability and invalidity coverage	✓
Parental leave	✓
Retirement provision	✓
Stock ownership	✗
Others	✗

Benefits are defined to be provided by our companies beyond the scope of obligations given by the Labour code in individual countries.

Our full-time employees get additional social benefits including extra hours for doctor visits, 50% to 75% salary payments in addition to the government's financial support during maternity leave (far beyond what is required by law in Georgia), and access to internal and external trainings.

<sup>19</sup> CORPORATE RESPONSIBILITY AND COMPANY POLICIES

## Gender equality

One of the company's social priorities is to improve gender equality. In 2021, approx. 12% of our employees were female. Our Georgian companies are the proud winner of the "Entrepreneurship for Gender Equality" award. This award recognises that the company continues to work on various programmes and activities supporting gender equality. Our hiring process is transparent and job descriptions and job advertisements use gender-neutral language to encourage all potential candidates. For our employees, we established special training and encouragement programs. As a result, ENERGO-PRO Group is perceived as a "gender-friendly" company in Georgia.

## Professional growth and higher education

In the past, ENERGO-PRO Georgia JSC received an award from the Millennium Challenge Corporation for the best business partner of professional education in Georgia. This recognised the company's efforts and commitments toward higher education. In partnership with education providers, ENERGO-PRO in Georgia has been involved in professional education for several years. Financed programs include:

### **Collaboration with professional colleges and universities**

ENERGO-PRO Georgia JSC together with ENERGO-PRO Georgia Holding JSC cooperates with universities, vocational institutions, professional colleagues, and schools via various initiatives. ENERGO-PRO in Georgia signed approximately 25 memorandums recognising support for these institutions.

### **Summer internship program**

Since 2018, ENERGO-PRO in Georgia has been supporting students through paid internship initiatives. Students are selected from different technical universities and professional colleges in Tbilisi and otherwise regionally. Students can choose to participate in different departments, including high voltage network suasion exploitation, protection, and diagnostics, designing and exploitation of electric transmission lines and equipment, generation (hydropower plants), labour safety, dispatch, "SCADA" and „GIS" systems, and customer relations. Approximately 50% of the interns are hired at ENERGO-PRO Georgia JSC / EP Georgia Generation JSC Georgia once their internships are completed.

### **Scholarships**

Depending on company's needs and priorities, scholarships are provided to college and university students, thereby supporting them in completing their education.

### **Czech Grant Program**

This programme is a partnership between ENERGO-PRO Georgia JSC/ ENERGO-PRO Georgia Holding JSC, as a partner of the Georgian Technical University, and the Czech Technical University. This programme includes the exchange of theoretical and practical experiences between the universities to help develop technical training programs. Furthermore, through this partnership, ENERGO-PRO launched a special class at the Kutaisi State University.

### **School outreach programme**

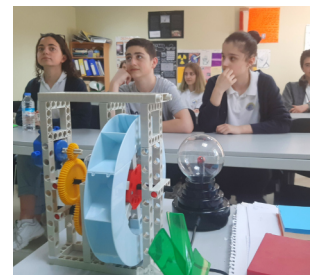
In an effort to introduce younger generations to the energy sector, ENERGO-PRO Georgia JSC has been working on an outreach program, visiting schools, giving presentations, and organising excursions at hydropower plants for more than 2000 students.

## ENERGO-PRO Georgia Holding JSC and gender-focused programmes

ENERGO-PRO Georgia Holding JSC is committed to fostering gender equality through its numerous programs. In 2019, we received the Business for Gender Equality award organised by the Millennium Challenge Corporation. This recognised companies promoting gender equality in the workplace, marketplace, and the communities. Our gender equality programs include:

- ENERGO-PRO Georgia JSC has been working with USAID's Engendering Utilities programme since 2015 to develop tailored action plans to incorporate gender equality in its business practices and attract female students and youth. In the scopes of this project company developed flexible additional benefits system, especially for female employee, covering 50 to 75% salary (in addition to the Government's financial support) for six months' pregnancy period, approximately two years' maternity period, flexible working hours during the pregnancy period, gifts for new-borns, and other.
- Recruitment system – Some initiatives implemented by ENERGO-PRO Georgia JSC/ ENERGO-PRO Georgia Holding JSC include using gender-inclusive language in job advertisements, gender-sensitive job descriptions, "behaviour" based interview process, including female panel members in the interview process.

Picture 4: Supporting female students





### 5.5.3 Relations with local communities

One of our top priorities is the safety of the neighbouring communities that surround our operations. We have implemented preventive measures to protect human health and the environment from overhead power lines and other energy infrastructure. We continue to improve safety by fencing our electrical installations. In addition, we have developed community health and safety management plans and awareness-raising campaigns on electrical hazards that should dramatically decrease the risk of incidents within local communities.

Our Georgian companies have transparent and customer-focused procedures for communicating and resolving inquiries from our customers or local communities. The positive social impact of our generation facilities is related to the improvement of the local employment rate. To further support local communities, we contribute funding to certain charitable organisations, such as Katarzisi.

### 5.5.4 Reliable and affordable access to basic services

ENERGO-PRO Georgia JSC distribution network covers all Georgian regions except Tbilisi and two regions not controlled by the Georgian government. ENERGO-PRO Georgia Supply JSC provides electricity to regulated customers within the territory of the ENERGO-PRO Georgia's JSC network and is also nominated as a "Supplier of last resort"<sup>20</sup>. Such a division of the supply sectors creates certain guarantees for the protection of the population. Mechanisms for protection of vulnerable consumers are defined in the legislation, however, this does not apply to the establishment of a special tariff scheme. EP Georgia Supply JSC provides benefits such as postponing the deadlines for payment of consumed electricity and the right to redistribute the debt for a certain period. In addition to the 15 HPPs that EP Georgia Generation JSC operates, Gardabani gas turbine power plant provides a guaranteed reserve of generation capacity to ensure the stability, security, and reliability of Georgia's unified electricity system.

We are dedicated to helping combat energy poverty. Through special programs, the state and territorial administrative units provide financial assistance to low-income citizens, disadvantaged customers, pensioners, and citizens who live in the high mountain regions of Georgia. ENERGO-PRO Group's companies in Georgia offer supportive financial mechanisms to its customers to resolve late payment issues.

<sup>20</sup>Until January 1<sup>st</sup>, 2023, EP Georgia Supply JSC is obligated to provide electricity to customers who either (i) do not have an electricity supplier or (ii) were purchasing electricity on the free market but their electricity provider has subsequently left the free market.

06

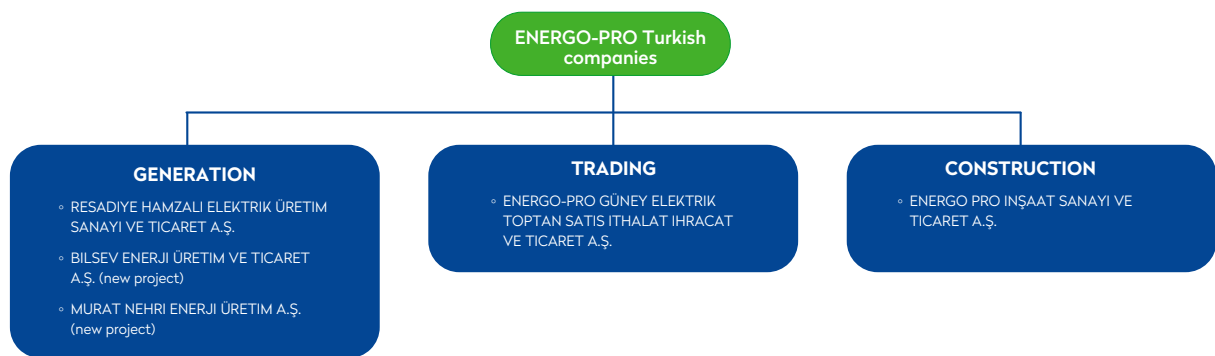


Turkey

## 6.1. Overview

ENERGO-PRO Group established the office in Turkey in 2006. Since 2010 ENERGO-PRO Group operates five run of the river hydropower plants with total installed capacity of 93 MW which generated 5,406 GWh of clean electricity (2010-2021) which would cover approximately average annual consumption of 2.2 million Turkish households<sup>21</sup>. These hydropower plants include Reşadiye Cascade (consisting of three HPPs), Hamzalı HPP, and Aralık HPP. To strengthen our core business (hydropower generation) and further expand the supply of electricity from renewable energy sources, ENERGO-PRO Group has been investing heavily into hydropower development in recent years and the Group constructed two greenfield investments Karakurt Dam and HPP (97 MW) and the Alpaslan 2 Dam and HPP (280 MW) which are operated by affiliated companies Bilsev Enerji and Murat Nehri, both hydropower plants were commissioned in 2020. During 2020-2021, these new HPPs generated 808 GWh of electricity.

Figure 16: ENERGO-PRO Turkish companies



### 6.1.1 Expansion

2020 marked a strategic milestone for the ENERGO-PRO Group as it commissioned first units in two Turkish energy companies, Murat Nehri Enerji Üretim A.Ş. and Bilsev Enerji Üretim ve Ticaret A.Ş., which own Alpaslan 2 Dam and HPP, and Karakurt Dam and HPP, respectively. By investing in the construction of the two HPPs, the total installed capacity of ENERGO-PRO Group's HPPs in Turkey increased fourfold, from 93 MW to 470 MW.

The Alpaslan 2 Dam & HPP represents an important energy investment since it is the ninth largest privately-owned dam in Turkey and is expected to contribute significantly to the economic development of the region. The Alpaslan 2 Dam will irrigate an area of up to 78.5ha and generate 700 GWh of renewable electricity annually. It will also procure municipal water. With an installed capacity of 280 MW, Alpaslan 2 Dam and HPP is the largest hydropower plant in the ENERGO-PRO Group's portfolio. Alpaslan 2 HPP generated 15 GWh of electricity (2020) and 609 GWh (2021).

Murat Nehri was acquired in 2017 by ENERGO-PRO Hydro Development s.r.o. (an affiliated company to ENERGO-PRO a.s.) as under construction project and since then has been developed by the ENERGO-PRO Group on a build, own and operate (BOO) model. The last (fourth) unit was fully commissioned in March 2021. The electricity generation licence obtained in 2010 is valid for 49 years, until September 2059.

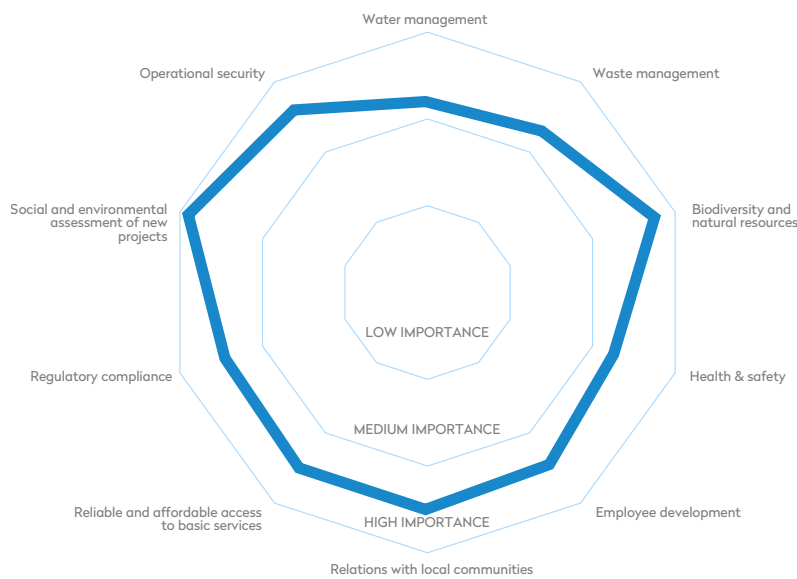
The Karakurt dam and HPP project was developed by Bilsev Enerji, which is an affiliated company to ENERGO-PRO a.s. The construction phase took four years 2017-2020 and the last (third) unit was commissioned in December 2020. The electricity generation license obtained in 2011 is valid for 49 years, until February 2060. With an installed capacity of 97 MW, Karakurt HPP generated 6 GWh of electricity (2020) and 177 GWh (2021).

<sup>21</sup>Average annual Turkish household energy consumption of 2.8MWh. For more information see: Murat İltir (2022). Türkiye'de Hanehalkı Ayda Ne Kadar Elektrik Tüketiyor? Available at: <https://www.dogrulukpayi.com/bulten/turkiye-de-hanehalki-ayda-ne-kadar-elektrik-tuketiyor>.

## 6.2. Materiality analysis

Among the measures ENERGO-PRO Group in Turkey has taken to address its material topics are the those implemented to ensure that our recent construction and investment activities, as well as our heavy focus on hydropower generation, support the sustainable growth of the Group. This year, we have focused on risks related to biodiversity, water and waste management, health and safety, and relations with local communities. Operational security is particularly important to us; as an energy provider, ensuring reliable access to our services is crucial. Given our heavy focus on two big construction projects in recent years, setting high standards for social and environmental assessment of new project has been imperative.

Figure 17: Turkey materiality matrix



## 6.3. Operations

7

Hydropower plants

470 MW

Total installed capacity

1,085 GWh

Total energy production

### 6.3.1 Electricity generation

Electricity generation from the hydropower plants decreased significantly in 2021 compared to the previous year due to unfavourable weather conditions. The plants owned by Reşadiye Hamzalı are run-of-river type hydropower plants whose production therefore depends on the climate. 2021 was the driest year in two decades in Turkey, with arid years occurring approximately one in every seven years on average. Arid years are likely to occur more frequently in the future due to climate change, and we will have to prepare for and communicate on this matter with relevant stakeholders. Expectations for 2022 are for electricity production to increase. The plants owned by Murat Nehri

and Bilev Enerji have large hydroelectric reservoirs, meaning they are less dependent on climate as their large storage capacity makes it possible to estimate energy production for the following year. Since the Alpaslan 2 and Karakurt Dams and HPPs were commissioned by the end of 2020, it was impossible to collect sufficient water within 2021 to generate substantial power.

Table 8: Overview of ENERGO-PRO Group's HPPs in operation in Turkey

HPP	Installed capacity (MW)	Commission date
Karakurt Dam and HPP	97	2020
Alpaslan 2 Dam and HPP	280	2020
Reşadiye 1 HPP	16	2010
Reşadiye 2 HPP	26	2010
Reşadiye 3 HPP	22	2009
Hamzalı HPP	17	2008
Aralık HPP	12	2010
<b>TOTAL</b>	<b>470</b>	<b>-</b>

## 6.4. Environment

### 6.4.1 Water use

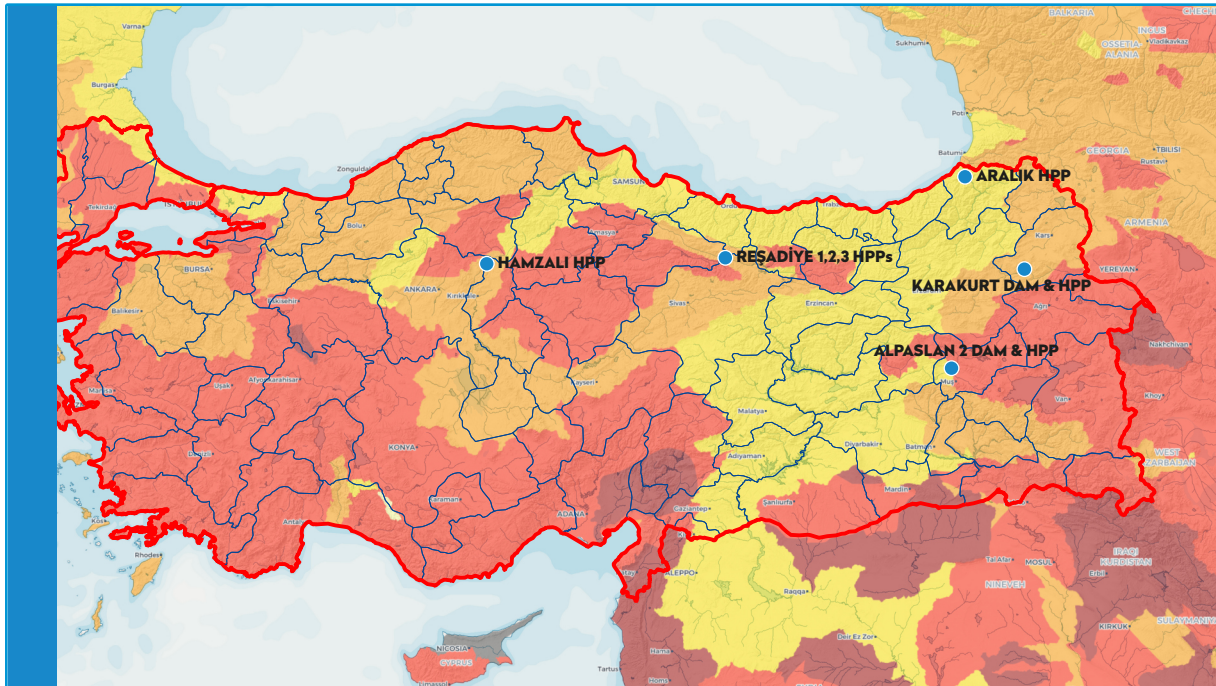
Water is a key resource for ENERGO-PRO Group in Turkey. We strive for environmentally sustainable management of water resources in our operations. This means working to improve the efficiency of water use, minimizing impacts on aquatic ecosystems, and regulating hydropower dams to balance low flows and reduce flooding.

We engage our stakeholders to reduce water use and, when possible, recycle water to reduce the total amount of fresh water used. For example, we have prepared a water saving training which will be provided to employees and people living near our sites. As the Sustainability and ESG Policies include requirements to reduce water use, we are implementing measures to reduce water use across our business units. A baseline for monitoring water use is currently being developed.

Water withdrawal at ENERGO-PRO Group's sites in Turkey amounted to more than 88 thousand m<sup>3</sup>. Since the volume of discharged water contains a value for the volume of water that passes through a hydroelectric power plant, it is currently impossible to report on water consumption, and we are implementing processes to monitor water consumption more accurately. However, most of the water used to generate power is returned to river streams. To prevent water pollution, a sewage treatment plant has been built at Alpaslan 2 Dam in line with national regulation to purify used water before releasing it into the river. Sewage treatment plants or septic tanks are used at all our HPPs during construction and operations, depending on the number of employees.

Our sites in water stressed areas are shown in the Figure below:

Picture 5: Water stress areas Turkey<sup>22</sup>



#### 6.4.2 Waste management

ENERGO-PRO Group is not a large-scale generator of hazardous waste; hazardous waste constituted roughly 4% of all the waste produced in power generation facilities – only 11.5 tons of hazardous waste compared to 290 tons of non-hazardous waste produced. The hazardous waste, including contaminated packages, filters, batteries, and dangerous organics, is stored safely at our site. Our companies employ waste management practices that minimize overall waste products and maximize recycling and reuse opportunities. Out of the 290 tons of non-hazardous waste generated, 100% was recycled. All waste, whether hazardous or non-hazardous, is handed over to companies accredited by the government, eliminating the waste in accordance with our EIA responsibilities. Our team monitors and records the waste disposal process.

#### 6.4.3 Biodiversity and natural resources

ENERGO-PRO Group in Turkey does not operate in regions with high levels of water stress, e.g., risk of droughts, or in any protected areas. Nevertheless, given our aim to work in compliance with nature, we take a pro-active approach to limiting our biodiversity impacts. For impacts that cannot be fully avoided or mitigated, compensation measures are often considered in discussions with authorities and other stakeholders.

A responsible approach to biodiversity management is important to reduce our impact, gain acceptance from local communities, reduce permitting obstacles, and lower the risk of projects being delayed. To manage these processes at Alpaslan 2, we have implemented a robust Environmental, Social, Health, and Safety Management System (“ESHS-MS”) that enables us to reduce our environmental impacts efficiently and cost-effectively. Our ESHS-MS is externally audited by Mott McDonald Company and employs a team of experts providing professional guidance to ensure credibility and transparency. ENERGO-PRO Group has also implemented comprehensive environmental commitments within our ESG and Sustainability Policies that guide all our actions and operations.

<sup>22</sup>Aqueduct Water Risk Atlas (wri.org)

Picture 6: Fish monitoring at Alpaslan 2



Our biodiversity protection measures centre on land and water body rehabilitation projects. Particular attention was given to the environmental management of the Alpaslan 2 project due to its enormous scale and lender requirements to meet the International Finance Corporation (“IFC”) Environmental and Social Sustainability Policy and its Performance Standards.

Picture 7: Fish monitoring at Alpaslan 2





## In compliance with nature

We place biodiversity protection as one of our main priorities. Therefore, a comprehensive biodiversity programme has been developed for the Alpaslan 2 project, the biggest executed project so far in ENERGO-PRO Group's history, in collaboration with international and national specialists and the Government of Turkey. Some of the initiatives implemented to date to protect and enhance biodiversity at the **Alpaslan 2** site and adjacent areas include:

### **Stakeholder engagement**

We extensively communicate with local communities and authorities about biodiversity protection. A number of booklets and brochures describing regional fauna and flora and reinforcing the importance of preserving biodiversity were prepared and distributed to local schools and authorities. This process will also continue throughout the operations phase. To further raise awareness about biodiversity, a nature observatory will be built near the dam area to educate about the endemic species living there.

### **Rehabilitation**

Rehabilitation and revegetation of disturbed sites have been initiated, including landscaping and hydroseeding activities to ensure the sites are returned to the pre-construction state. We are in a discussion with the government regarding sediment replenishment measures to prevent the adverse effects of sediment deficiency downstream of the Alpaslan 2 dam body.

### **Afforestation**

ENERGO-PRO Group launched in Turkey an afforestation programme in collaboration with the Mus Forestry Directorate and in consultation with the local communities to account for ecosystem disturbance. The program's objective is to create 48 hectares of Quercus Forest and re-plant all endemic species that have been reduced due to our activities. Several endemic species have already been re-planted in various areas of the Mus province, namely the populations of *Ferula huber-morathii* and *Cirsium yildizianum*. The aim is to increase these populations twofold compared to the pre-construction levels. Progress will be monitored over a number of years to ensure the ecological integrity of the site. Forestry and botanist experts are part of the team that monitor progress regularly. Specific management plans have been prepared for afforestation and endemic species.

### **Wildlife protection**

The Group takes a proactive approach in minimizing the negative impacts on wildlife and their habitats from our activities. To achieve this goal, we have developed a robust biodiversity monitoring programme to monitor local populations and implement adaptive management. For example, we will be installing nesting rafts in 2022 to allow the breeding of aquatic birds in the reservoir. Furthermore, we will be installing bird flight diverters on critical sections of the electricity transmission line to increase visibility of electric wires for flying birds and thus minimize the risk of collision. A fish replenishment programme has also been launched to release local fish species in the reservoir and river tributaries.



#### 6.4.4 Social and environmental assessment of new projects

### Sample Management plans for the Alpaslan 2 project to mitigate social and environmental impacts:

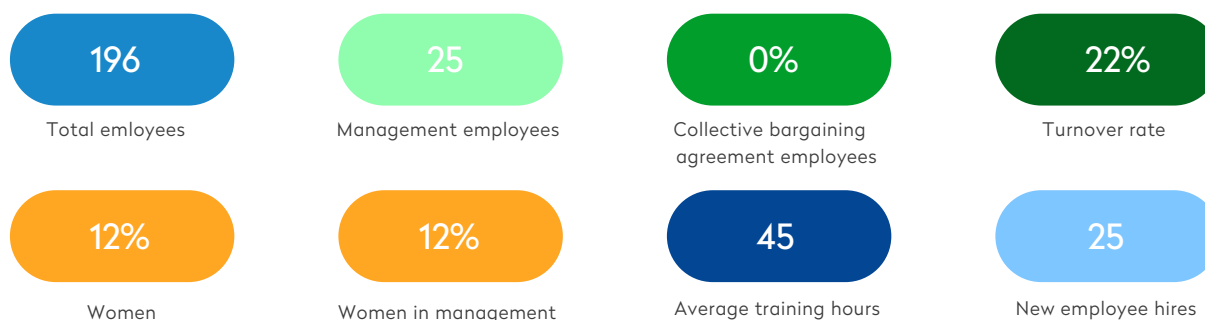
*Social Management Plan / Stakeholder Engagement Plan / Resettlement Action Plan / Air Quality & Noise Management Plan / Waste Management Plan / Cultural Heritage Management Plan / Community Health, Safety and Security Management Plan / Reinstatement and Landscaping Plan / Hazardous Materials Management Plan / Erosion and Sedimentation Plan / Workers' Accommodation Management Plan / Grievance Mechanism Procedure / Water Quality Monitoring Plan / Security Management Plan / Community Investment Plan / Biodiversity Management Action Plan / Adaptive Monitoring and Management Plan / Afforestation Plan / Critical Habitat Assessment / Endemic Plant Replantation Plan / Livelihood Restoration Management Plan*

We strive to meet and exceed compliance with all applicable environmental laws and regulations in conducting our business. In our pursuit of sustainable growth, we place responsible development at the heart of our business strategy. Before starting any new project, we conduct a comprehensive social and environmental assessment of potential impacts and their mitigation. Our commitment to impact assessment has been at the core of our work in recent years due to the Alpaslan 2 and Karakurt projects. We implemented strategic initiatives to ensure that the social and environmental impact of the Alpaslan 2 project is reduced to a minimum and, if necessary, ensure that adequate rehabilitation and compensation measures are implemented. Our Environmental and Social Management Plan ("ESMP") was initiated at the start of construction and implementation and monitoring will continue during operations. One of the requirements of the ESMP was the preparation and implementation of a management system, sample required documents are provided in the table below.

If any evidence of potential impacts is discovered, alternative plans are pursued. For example, when faced with litigation over our EIA report of the Karakurt Dam and HPP construction due to cultural heritage concerns, we revised the EIA and had it successfully approved. Furthermore, all social and environmental impacts were thoroughly identified prior to the commencement of the Alpaslan 2 Dam and HPP construction, with all necessary management plans developed and implemented accordingly.

The Alpaslan 2 Dam and HPP project was completed in accordance with GIIP standards and best practices and was also subjected to inspection by global companies with expertise in the field. Since the Alpaslan 2 project has become an exemplar of project management, we are using it as a benchmark for future projects.

## 6.5. Social



### 6.5.1 Operational security

To date, we have not experienced any material data security breaches, cyber-attacks or significant information system disruptions. We have never faced any security incidents at any of our facilities. Our operational risk management is aligned with ENERGO-PRO Group procedures and practices.

### 6.5.2 Reliable and affordable access to basic services

Success in tackling poverty depends to a great extent on the availability of basic services for the rural population. The principal benefit supported by ENERGO-PRO Group in Turkey is improving clean energy production, which enables the country to provide cheaper, more reliable energy to its citizens. Alpaslan 2 will provide free 70 GWh/year energy to Mus Municipality to support pumping water for the population. this will support irrigation and municipal water pumping for the population. We also help the surrounding villages to access education and health care and provide agricultural and small business advice and support.

### 6.5.3 Health & safety

We could not be a leader in the energy sector without the efforts of a safe, healthy, well-trained, and committed workforce. We value safety, integrity, personal responsibility, and teamwork in our workplaces and are committed to providing the training and education necessary for each employee to perform their tasks effectively and safely. We believe that providing and integrating a sound environmental, health, and safety programme in our business is the key to our success.

#### Working safely

Our dedication to safety is at the core of all our operations. Hydropower stations can pose safety risks to workers, therefore avoiding accidents and keeping our employees and communities safe is our number one priority. We work to make this priority a reality by focusing on personal awareness and incident prevention. We hold mandatory on-site and online Operational Health and Safety trainings delivered by contracted HSE experts for all employees at least three times a year. Employees working in higher risk areas participate in these trainings more regularly. The fact that ENERGO-PRO Group in Turkey marked only two cases of injury in 2021 reflects the effectiveness of our health and safety programme.

We properly track and record all work-related injuries and accidents. In cases of injury or illness, a workplace doctor is available to attend to workers during construction, and during operations we rely on nearby health services and a doctor that conducts periodic visits to our HPPs.

## 6.5.4 Employee development

In addition to our safety trainings, we provide other trainings to employees to ensure their development and outstanding performance. The average hours of training per employee amounted to approximately 45 hours across our Turkish BU in 2021. This number is an estimate; however, we plan to implement a more efficient training tracking system for 2022. The HR Department provides free trainings in first aid, infectious diseases, Covid-19 pandemic, English training, working at height, personal growth, and more, and is currently creating a new e-training portal for 2022. The training plans for 2022 include a water saving training, ISO certification training, waste reduction training, HSE training, English language training, energy saving training, grievance mechanism training, self-motivation, wellbeing, personal & professional improvement training, policy training, and technology and metaverse training.

Figure 18: Plans for employee training and development for 2022



### Benefits

In 2020 at the end of construction of the Karakurt and Alpaslan 2 HPPs, we were required to retrench personnel. We prepared a retrenchment plan and provided training to employees on how to prepare resumes, enhance interview process, and how to conduct job research more efficiently. In addition, when possible we tried to minimize retrenchment by offering substitute vacant positions within ENERGO-PRO Group in Turkey. Employees were provided with severance packages as per Turkish regulation.

## 6.5.5 Relations with communities

ENERGO-PRO Group strives to create value in the Turkish energy sector and economy by facilitating investments in renewable energy at the lowest possible cost to people and nature. In instances in which it is impossible to prevent negative social impacts, ENERGO-PRO Group acts upon its commitment to provide support and adequate mitigation and compensation to affected local communities and ensure that its activities serve the people in the long run. In line with our values of transparency and integrity, we effectively engage and communicate with stakeholders in relation to social and environmental matters. The ENERGO-PRO Environmental and Social team arranges Community Health & Safety Meetings with affected communities, in which it transparently communicates potential risks posed by its facilities and activities. In 2021, we held a total of 1,573 meetings, due to the Covid-19 pandemic restrictions most of the meetings were conducted via telephone; 276 occurred face-to-face, with the rest via telephone.



## Livelihood restoration programme for households affected by the Alpaslan 2 Project

Alpaslan 2 Project is located in Muş province in the Eastern Anatolia Region of Turkey. The Project mainly consists of a dam and hydroelectric power plant (HPP) with all relevant structures namely the dam body, spillway, power plant, an electricity transmission line, a reservoir and other components. Operations started in 2021 after the completion of the construction phase. The construction of Alpaslan II necessitated the acquisition of land, requiring the economic and physical resettlement of households located in the vicinity of the project. The resettlement process involved both an expropriation process required by the Government of Turkey and compensation following the requirements set out in the IFC Performance Standards ("PS") notably PS 5.

As part of the requirements under IFC Performance Standard #5, the project developed a Livelihood Restoration Action Plan aimed at supporting households that had been impacted by land take in enhancing their livelihoods or restoring their livelihoods to pre-project levels. The Livelihood Restoration Action Plan followed an extensive consultation process with the communities impacted and the local authorities.

The Livelihood Restoration Program was initiated in early 2021, firstly through the distribution of fodder as a short-term rapid investment measure to support households during the 2021 winter period. The long-term programme consists of a 5-year programme focusing on enhancing the existing livelihoods, diversification of agricultural activities and introduction of new activities. Some of the activities implemented and/or planned include:

- Establishment of market gardens located near their housing concessions. This programme consists of providing improved seedlings and training, including identification of markets and small irrigation schemes, if required.
- Capacity building in the establishment of cooperatives, communication, financial literacy training.
- Training in improved cheese and milk production, including identification of markets.
- Training on honey production and market identification.
- Business plan development and access to finance.

The delivery method includes workshops, one-to one monitoring and support, study visits, distribution of educational information, and focus Group training. An 18-month contract was signed with CSR Turkey to support the implementation of the Livelihood Restoration Action Plan, following monitoring and evaluation some of the activities could be rolled out over the next 5 years and/or modified depending on the success of the programme.

Taking our social responsibility seriously, we are facilitating resettlement and livelihood restructuring projects in cooperation with village representatives beyond compliance with legislation and in line with international standards, in particular IFC Performance Standards. ENERGO-PRO Group invested approximately EUR 18 million to cover the costs of resettling 3 villages and 2 hamlets, the bulk of the resettlement process was completed in 2021 and remaining monitoring and livelihood activities will continue during operations.

We have a Stakeholder Engagement Plan to guide stakeholder engagement activities and to provide a platform for views and concerns to be expressed throughout the life of the project. In addition, a Grievance Mechanism Procedure enables communities to voice their concerns and complaints, providing an effective way to manage community relations. Grievance boxes have been installed in the communities to allow our stakeholders to raise their grievances in writing if they prefer.

Picture 8: Cheese and milk production capacity building delivered to community stakeholders



07



Czech Republic

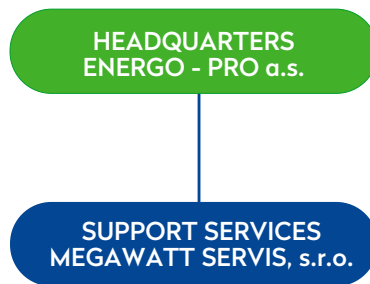
## 7.1. Overview

ENERGO - PRO a.s. ("EPas") is the mother company of the ENERGO-PRO Group and is headquartered in Prague, Czech Republic. It was established in 1994. The main activities of EPas are power generation from hydropower plants, electricity distribution and supply, and power trading. 100% of ENERGO - PRO a.s. shares are held by DK Holding Investments, s.r.o. ("DKHI") which in turn is wholly owned by Mr. Jaromír Tesař.

Megawatt s.r.o. ("MGW") is a subsidiary of EPas established in 1994, whose main business activities are in consultancy relating to the hydro energy sector, as well as construction of hydro-technical facilities. The expertise of Megawatt's specialists is utilised throughout ENERGO-PRO Group and its affiliated companies. MGW's activities are predominantly carried out within the Group, particularly regarding the rehabilitation of the Group's HPPs in Georgia.

Currently, we do not operate any hydropower plants in the Czech Republic.

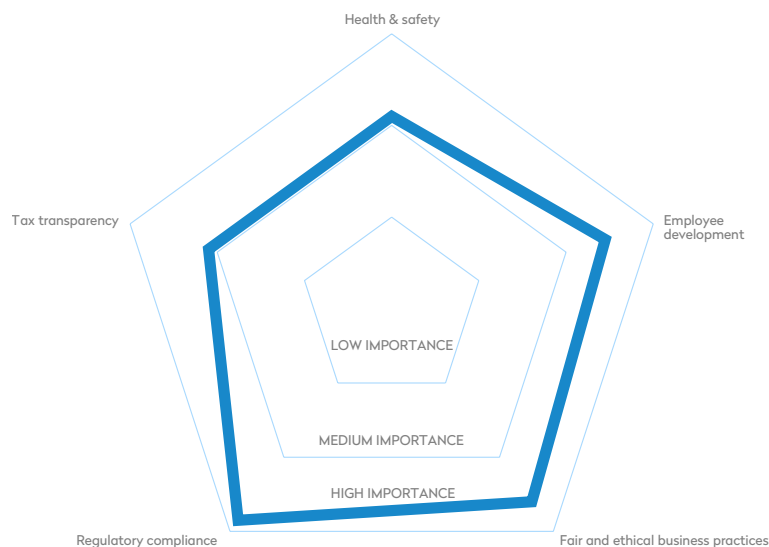
Figure 19: Company structure of ENERGO-PRO in the Czech Republic



## 7.2. Materiality analysis

The materiality analysis reflects ENERGO-PRO's Czech Republic headquarter fulfils overseeing the entire ENERGO-PRO Group. Therefore, the main risks to the company relate to good governance and employee management.

Figure 20: Czech Republic materiality matrix



## 7.3. Governance

### 7.3.1 Regulatory compliance

The Group operates in the highly regulated sectors of electricity generation, distribution, trading and supply, and related services, which are subject to a broad range of regulatory regimes on the national and EU level. Breaches of the rules may result in fines and/or regulatory intervention; to date there have been no material investigations or proceedings.

Compliance with industry-specific regulations, as well as the Group's corporate governance regime, reduces risks associated with anti-competitive behaviour.

### 7.3.2 Fair and ethical business practices

#### **Anti-corruption measures**

Operating our business with integrity and in a fair and responsible manner is essential for business growth. To maintain and strengthen our competitive position on the market, we have adopted a zero-tolerance policy for bribery and corruption. No material incidents of bribery or corruption occurred in 2021. Our emphasis on integrity is not just an internal matter; we also have strict requirements for our suppliers and counterparties. Anti-corruption measures apply to all our companies and their activities, employees, and third parties, such as clients, suppliers, contractors, and service providers. All rules and principles to combat corruption and bribery are part of our internal regulations (ABC/AML Policy, Code of Conduct, Procurement Policy). We require that all employees take personal responsibility and act in accordance with the Group's ethical guidelines, which are laid out in our internal regulations. Tailor-made face-to-face training programmes, e-learning tools, instructions, and Q&A documents support these ambitions.

We expect our suppliers and business partners to act ethically and in full compliance with the applicable rules in every country where they conduct business. Additionally, we expect suppliers to adhere to all our policies and Code of Conduct. Our employees, contractors and business partners are equally aware of the importance of avoiding any breaches as they relate to regulatory or ethical rules. They are all encouraged to report any violations.

#### **Whistle-blower initiatives**

We have implemented a Whistle-blower Policy, which provides our employees a safe platform that they can use to come forward with information relating to illegal practices or violations of internal policies. Employees are informed of our policies during onboarding, e-learnings and on-site face-to-face trainings. The Whistle-blower Policy guarantees anonymity with no retaliation. Employees can report unethical behaviour directly to the appointed contact person or can do so either via email, phone, or an anonymous form. Our objective is to continuously improve the whistleblowing process, which is why a new supplier for our whistle-blower platform will be chosen in 2022.

#### **Anti-bribery and anti-money laundering**

No sponsorship of any political party or movement is permitted under our Anti-Bribery and Anti-Money Laundering Policy. Sensitive cases such as lobbying, memberships in NGOs, or trade associations engaged in political activities are addressed on an individual basis according to our Code of Conduct. Charitable donations to government organisations are authorised by the General Manager(s) and only donations intended for collective, rather than individual, needs are authorised. Donations provided to government organisations must comply with the terms of our Anti-Bribery and Anti-Money Laundering Policy. Sponsorships or contributions to associations or other entities are provided only after a diligent screening to verify:

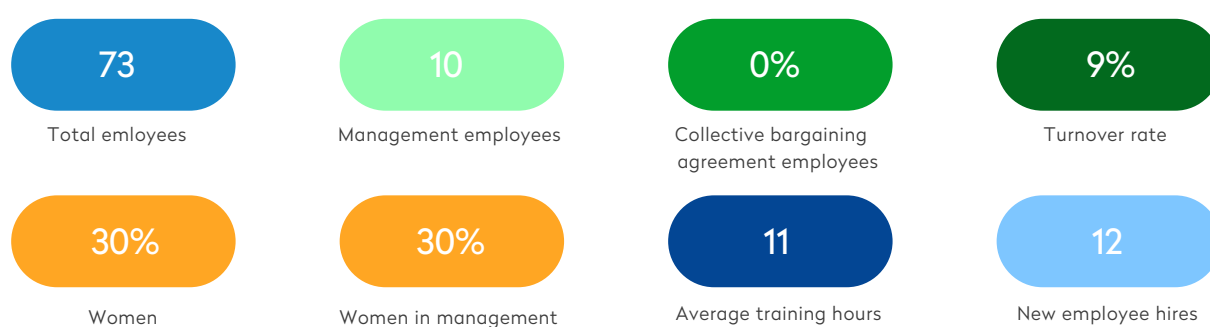


- the scope and nature of the sponsorship or contribution,
- the business justification for the sponsorship or contribution,
- the identity and integrity of the recipient, and
- the overall legitimacy of the initiative.

### 7.3.3 Tax transparency

We regard tax transparency as an important component of our commitment to grow in a sustainable, responsible, and socially inclusive way. As a business operating within the Czech Republic, we are subject to taxation and ensure we pay the correct amount of tax on the profits that we earn. All of our tax obligations are transparently disclosed in our 2021 Annual report.

## 7.4. Social



### 7.4.1 Employee development

We are an equal opportunity employer. Our strategy is founded on the belief that diversity and inclusion create value for ENERGO-PRO, our employees, and the societies that surround our operations. To demonstrate our commitment to diversity and inclusion, we support employees returning from maternity or parental leave and employment of people with disabilities. We are strictly against gender-based discrimination and harassment in the workplace, and we promote employees based on job performance.

#### Performance evaluation & trainings

Instead of annual performance reviews, we opt for more frequent and continuous feedback, free of formal written reviews. Employees often discuss with managers their professional goals and challenges.

As part of building a high-performance culture, we actively encourage our employees to continuously develop their skills and competencies. In 2021, a total of 73 employees spent 853 hours on training, which represented on average 11.2 hours of training per employee.

To ensure compliance with our policies, we incorporate policy awareness into our trainings. For example, our office employees familiarise themselves with these policies through online e-learnings, while on-site employees undergo in-person training sessions once a year. In 2021, a training session on policies was also organised for the Board of Directors, BUs and team leaders.

## Benefits

The standard benefits that we provide to our employees help us promote employee satisfaction, as we focus on offering benefits that meet their needs. We provide employees with 5 additional days of annual leave above the legal number and Christmas bridge-days (3-5 days). We offer social benefits that include meal allowances, free refreshments, laptops and mobile phones for business and personal purposes, favourably priced mobile tariffs including data for employees and their families, and discounts on some of the products offered by our suppliers. We also promote sports activities and employees can use a special card for sports and relaxation facilities throughout the Czech Republic.

When job losses are likely to occur due to external or internal circumstances, we ensure that we follow national law and the requirements of our Group Policy. Overall, we provide as much assistance as possible to affected employees. The company standard is to provide outplacement services, such as individual counselling, help developing resumes and cover letters, and cooperation with the Local Labour Authority for counselling and consultation - both for job search and for the period of unemployment. In addition, since many laid-off employees who have not sought employment for a long time may be unfamiliar with current job searching techniques, job search training is also provided.

### 7.4.2 Health and safety

HS is a crucial guiding principle in our day-to-day operations. Our goal is to have zero injuries and no work-related illnesses.

The scope of our occupational health and safety management is defined in our Health and Safety Policy and standardised CIVOP system. It includes, but is not limited to the following:

- processing and updating mandatory documentation,
- provisions relating to personal protective equipment, and
- addressing accidents at work through proper investigation and prevention processes.

To ensure high HS standards remain up to date with legislative changes, we continuously review workplaces in cooperation with the responsible personnel. The following measures help us to continually improve our HS standards:

- conducting annual occupational health and safety inspections,
- conducting occupational health and safety audits (at least annually),
- providing regular occupational health and safety trainings (including legal requirements), and
- evaluating our compliance with occupational health and safety legislation.



08



Colombia

# 8.1. Overview

The ENERGO-PRO Group is expanding business operations into Colombia, where we established our first office in 2019. Currently, we are in the process of preparing for the start of construction of new hydropower plant under the project name “Chorreritas”, located on the San Andrés River near the town of San Andrés de Cuerquia. It is the Group’s first expansion outside of the Caucasus and Central and Eastern European regions. The project consists of constructing a 19.9 MW run-of-river plant (without a reservoir) with expected annual electricity production 120 GWh. The project is expected to be operational in 2025. Generadora Chorreritas S.A.S. E.S.P., a fully owned subsidiary of ENERGO-PRO Colombia S.A.S., is the project’s investor and developer.

Because operations have yet to commence in Colombia, there are no quantitative data and associated trends to disclose within this chapter of the Report.

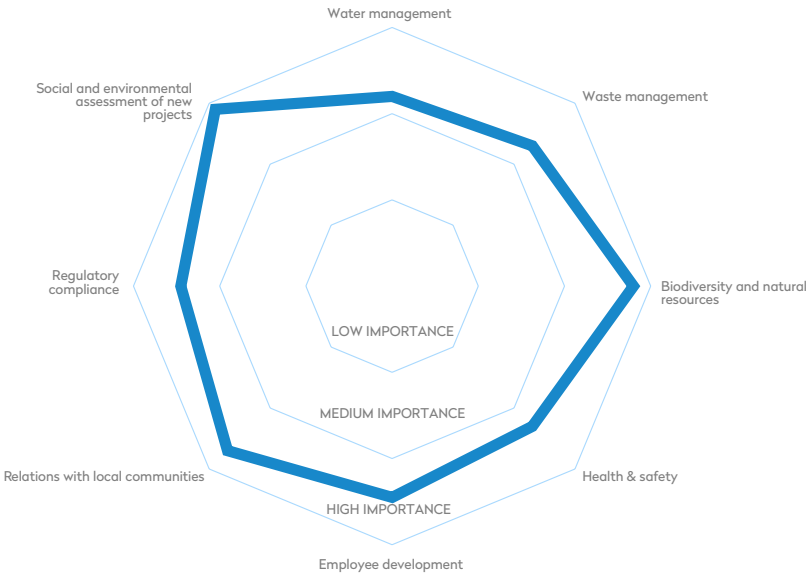
Figure 21: Company structure of ENERGO-PRO in Colombia



# 8.2. Materiality analysis

Given the ENERGO-PRO Group’s recent expansion into Colombia, the material risks correspond to the construction of the Chorreritas project. The main risks identified relate to biodiversity, water and waste management, communities, and health and safety.

Figure 22: Colombia materiality matrix



## 8.3. Environment

### 8.3.1 Environmental management

Environmental management provides accountability and a regular overview of our environmental performance. A delegated environmental supervisor is responsible for handling our day-to-day field activities.

Our objective is to execute the project in line with our values and to support the broader community. This is reflected in our Information and Communication Plan (the Stakeholder Engagement Plan), which is expected to be executed in the second quarter of 2022. It will include:

- Informative meetings on matters relating to communication, contractors, schedules, and management plans.
- Follow-up meetings to discuss the construction process and its compliance with our Social and Environmental Management Plan. These meetings will be held in the project's area of impact and will host authorities and community members from San Andrés de Cuerquia.
- Brochures containing updates on the construction and execution of the Social and Environmental Management Plan, as well as other topics relevant to stakeholders.
- Mobile office for social management with the aim of facilitating access to the project for all stakeholders.

### 8.3.2 Water management

We strive to conserve water as well as ensure its quality to reduce environment impact and risk. Therefore, measures to minimise our impact on water will already be implemented during the construction phase of the project. These measures include:

- Flow monitoring of at least seven water sources with follow-up checks twice a year.
- Installation of two hydrometric stations for measuring flow of the San Andrés River.
- Annual monitoring of the physical-chemical quality of the San Andrés River.
- Annual trainings on minimising and efficiently using water will be provided to personnel.
- Monitoring of industrial water discharge during the construction phase and of domestic wastewater during the operation phase of the project. This will be completed every six months during the construction phase and annually during the operation phase.

### 8.3.3 Waste management

The construction of hydropower projects is associated with the generation of significant volumes of waste. Therefore, waste management plans will be prepared and implemented based on a detailed assessment of the nature and volumes of generated waste. To establish good practice, each contractor under our general management programme will be obligated to provide a waste management plan and/or strategy that they will follow during their contracted activities. Hazardous waste handling is addressed in detail in the Environmental and Social Impact Assessment ("ESIA").

### 8.3.4 Biodiversity and natural resources

We acknowledge that construction of hydropower plants disrupts surrounding ecosystems. Therefore, throughout the Chorreritas project delivery, we are committed to demonstrating the utmost care for the environment by implementing the Environmental and Social Management Plan and management systems, complying with relevant national regulations, applying the mitigation

hierarchy and avoiding protected or biologically sensitive areas. We will compensate for any inevitable biodiversity loss suffered due to the hydropower plant construction, in alignment with a targeted conservation strategy and plan.

The main ecological risks will be associated with the loss of a riparian forest (2 ha) due to the construction of the intake/pond head, pressure pipe, and powerhouse. However, the project area has previously been disturbed by farming and infrastructure development, including the 25 km road which passes directly along the San Andrés River.

In total, the project will have an ecological impact on an area of 4.78 ha, which is equivalent to a compensation area of 28 ha. This will require an acquisition of one or more areas adding up to 28 ha. These acquired areas must comply with the principle of equivalence (belonging to the same type of biotic unit where the project is carried out). Sufficient recovery of the area is expected to occur within four years. Once an authorised environmental agency verifies our compliance with the necessary criteria, the area will be handed over to the relevant municipality to continue its preservation.

Picture 9: Typical activities of the reforestation program



To reduce the negative impacts of hydropower on water ecosystems, we will be implementing a large number of initiatives that aim to maximise ecological benefits, including:

- monitoring macroinvertebrates and periphyton in the San Andrés River,
- providing annual training on efficient use of water for personnel linked to the project,
- establishing riparian vegetation in areas with reduced water flow,
- repopulation of molluscs in the region of Sabaletas,
- providing biodiversity conservation trainings for community members, and
- implementing a programme focused on the rescue and salvage of ichthyofauna during the temporary diversion of the San Andrés River.

We also aim to create and implement programmes for efficient material use, thereby reducing our reliance on natural resources. Currently, initiatives related to the re-use of wood from forest exploitation for the construction phase of the project are being explored.

### 8.3.5 Social and environmental assessment of new projects

While the Chorreritas project will help address climate change through its low-carbon production of energy, the development of hydropower plants still raises concerns regarding biodiversity and local community impact. Therefore, to maximise our positive social and environmental impact, we are closely monitoring and managing this project.

We ensure our project activities comply with all national regulations. In accordance with current national regulations related to the environmental licensing of projects, the PCH Chorreritas project has implemented an Environmental Management Plan and a Follow-up and Monitoring Plan. With these plans in place, prevention, mitigation, correction, and compensation measures have been identified.

Our Environmental and Social Impact Assessment was prepared by a qualified Colombian consulting firm and contains information on the potential risks, along with proposed mitigation measures. We are currently in the process of obtaining a Hydropower Sustainability Environmental, Social and Governance (“HESG”) assessment, aiming to identify and address gaps according to Good International Industry Practice (GIIP).

Figure 23: Case study – HESG assessment

## Case study – HESG assessment

ENERGO-PRO Colombia S.A.S. is seeking certification for the Chorreritas Project from the IHA Sustainability (“IHAS”), a subsidiary of the International Hydropower Association. The process includes an initial assessment by IHAS Accredited Assessors followed by a certification process. This initial assessment was conducted in March 2022 and co-financed by the Swiss State Secretariat for Economic Affairs (“SECO”). The Accredited Assessors evaluated the project using the Hydropower Sustainability Environmental, Social and Governance Gap Analysis Tool (“HESG”). The HESG consisted of 12 sections that covered environmental, social, governance and climate change topics. The key output of the HESG assessment was a report that included an Environmental and Social Action Plan, gaps in our approach to good practice and recommended actions to resolve the identified gaps.

We are seeking this certification to further improve our performance as it relates to our social and environmental responsibilities. We will ensure that our performance aligns with the IHAS standards and GIIP. Through this practice, we are also aiming to enhance relationships and communication with stakeholders, which include local communities, local and national authorities, and civil society organisations.

ENERGO-PRO Colombia S.A.S. will carry out environmental and social supervision directly through a permanent internal team on site, while the implementation of the Environmental Social Management Plan (“ESMP”) will be outsourced to a contractor.



To obtain an environmental licence, we conducted an impact assessment of the activities related to the construction of our project. ENERGO-PRO Colombia S.A.S. benefitted, among other things, from the experience of the construction of the Alpaslan 2 hydropower plant in Turkey, which was implemented in accordance with the IFC Environmental & Social Performance Standards.

## So far, there have been:

- No public policy incidents
- No stakeholder complaints regarding ESG issues
- No evidence of risks related to regulatory compliance
- No litigation processes

We are aware of potential limitations with regards to public agencies that may cause delays in the decision-making process of this project. While no major obstacles related to project management or planning have been identified, our engagement with public institutions might be challenging. Possible obstacles may stem from the low recognition of public institutions in this rural area, potentially hindering decision-making and thus project planning. Therefore, to facilitate better project management, we aim to establish relations with public officials that will allow for open and transparent dialogue. We also plan to support community representatives with trainings.

Picture 10: Meeting with San Andrés mayor and municipal administration



# 8.4. Social



## 8.4.1 Relations with local communities

Due to a history of social and environmental incidents related to hydropower development in Colombia, we have found that local communities are hesitant to accept this project quickly. Therefore, we are prepared to do everything in our capacity to overcome this public distrust, duly addressing all concerns that might arise. This scepticism stems from the public fear of potential flooding, landslides, displacement of people, and reduced water availability for the local communities.

### Community dialogues

To manage the risk of possible public protest, we have been communicating about the construction project openly and extensively with multiple stakeholders, including environmental agencies, local authorities, affected property owners and community representatives. We plan to continue to communicate regularly with communities not only during the initial phases of the project but throughout our activities.

To further strengthen the established relationships between ENERGO-PRO Colombia S.A.S. and local communities, we have prepared a comprehensive Stakeholder Engagement Plan, which includes:

- resolving complaints, petitions, and grievances,
- monitoring the development of construction activities and then operations, and
- monitoring environmental management activities with an emphasis on quality control.

Picture 11: Meeting with community stakeholders during the IHAS assessment



## 8.4.2 Employee development

We are committed to complying with all applicable labour laws. Since national regulation highlights the protection of workers as it relates to job security and respect for human rights, we will be adhering to national standards and ENERGO-PRO Group's global policies and Code of Conduct. Child labour and slavery are strictly prohibited.

The development of training programs and internal and external audits is being discussed; however, no concrete plans have been implemented.

## 8.4.3 Health and safety

We acknowledge that the most significant occupational health and safety hazards related to hydropower projects often occur during the construction phase. Safety hazards are mainly physical and include over-exertion, slips and falls, working at heights, moving heavy machinery, exposure to vibrations and dust, and working in confined spaces. To prevent accidents related to these hazards, a work safety programme will be implemented once construction of PCH Chorreritas begins. The programme will be prepared in line with Colombian legislation, good practices, ENERGO-PRO Group's Health and Safety Policy, and the risk analysis of hazards relating to specific job profiles. All necessary permits will be obtained, and work safety trainings will be mandatory for all employees. All employees will be provided with tailored personal protective equipment and trained to use it properly. A zero-tolerance policy on the abuse of psychoactive substances will be enforced.

The health and safety programme will fall under a specialist on "Safety, Health and the Environment" whose responsibilities will include verifying compliance with internal policies and legislation, promulgating best safety practices within the workplace, and continuously proposing measures aimed at improving the programme.

To ensure that human rights are not violated, a Human Rights Guide (adhering to ENERGO-PRO Group's Human Rights Policy) has been created and will be implemented for the entire duration of the entire project. It will apply to all activities, contractors, and subcontractors, especially those who provide physical security services. Within the framework of the company's security policy, a Human Rights Compliance Assessment will be conducted, and will be applied to contractors of physical security services prior to their recruitment.

09



Annex

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## 9.2. Abbreviations

<b>BGN</b>	Bulgarian lev
<b>BU</b>	business unit
<b>CLA</b>	Collective Labour Agreement
<b>D&amp;S</b>	electricity distribution and supply
<b>DKHI</b>	DK Holding Investments, s.r.o.
<b>DPO</b>	Data Protection Officer
<b>DSO</b>	distribution system operators
<b>EIA</b>	environmental impact assessment
<b>EMS</b>	environmental management system
<b>EP</b>	ENERGO - PRO a.s. (or "ENERGO-PRO Group"; "Group"; "EP Group")
<b>EPas</b>	ENERGO - PRO a.s.
<b>ES</b>	environmental and social
<b>ESG</b>	environmental, social and governance
<b>ESHS-MS</b>	Environmental, Social, Health, Safety Management System
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>GC</b>	Group general counsel
<b>GDPR</b>	General Data Protection Regulation
<b>GHG</b>	greenhouse gas
<b>GIIP</b>	Good International Industry Practice
<b>GIS</b>	geographic information system
<b>GRI</b>	Global Reporting Initiative
<b>HESG</b>	Hydropower Sustainability Environmental, Social and Governance Gap Analysis
<b>HHR</b>	Human Resources Department
<b>HPP</b>	hydro powerplant
<b>HR</b>	human resources
<b>HS</b>	health and safety
<b>HSE</b>	health and safety
<b>IFC</b>	International Finance Corporation
<b>IHAS</b>	Integrated Habitat Assessment System
<b>IOSH</b>	Institution of Occupational Safety and Health
<b>ISO</b>	International Organization for Standardization
<b>LC</b>	labour code
<b>MGW</b>	Megawatt s.r.o.
<b>PCB</b>	polychlorinated biphenyls
<b>PCH</b>	Pequeña Central Hidroeléctrica
<b>SCADA</b>	supervisory control and data acquisition
<b>SDG</b>	Sustainable Development Goals
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>TU</b>	trade unions
<b>UN</b>	United Nations
<b>USAID</b>	United States Agency for International Development
<b>WBDP</b>	The Whistle Blower Policy Designated Person

## 9.3. Units

CO <sub>2</sub> e	carbon dioxide equivalent
GWh	gigawatt hour
km	kilometre
km <sup>2</sup>	square kilometre
kWh	kilowatt-hour
MW	megawatt
m <sup>3</sup>	cubic meters
mil.	million

## 9.4. Data

### 9.4.1 Methodology

The data presented in this Report were consolidated based on their relevance or materiality to individual business activities. EPas's management is responsible for the completeness, accuracy, and validity of the information contained in this Report. Data are based on the input received from internal data collection and management systems. Because we operate in countries with different regulations, legislation, and data gathering practices, there are inconsistencies within some data sets. To ensure transparency, we highlight and explain these inconsistencies where relevant within the data below. We are committed to further improving our data collection processes. The contents of the Report and the topic boundaries are presented in the tables below and Report structure and boundaries section.

Table 9: Business units and main business activities

Data table information	Bulgaria	Colombia	Czech Republic	Georgia	Turkey
Headquarters			ENERGO - PRO a.s.		
Generation	ENERGO-PRO Bulgaria EAD			EP GEORGIA GENERATION JSC, LLC gPower	RESADIYE HAMZALI ELEKTRİK ÜRETİM SANAYİ VE TİCARET A.Ş., BİLSEV ENERJİ ÜRETİM VE TİCARET A.Ş., Murat Nehri Enerji Üretim A.Ş.
Supply and distribution	ENERGO-PRO Varna EAD			ENERGO-PRO GEORGIA JSC, EP GEORGIA SUPPLY JSC	
Support services			Megawatt s.r.o.	ENERGO-PRO GEORGIA HOLDING JSC	
Trading					ENERGO-PRO GÜNEY ELEKTRİK TOPTAN SATIŞ İTHALAT İHRACAT VE TİCARET A.Ş.
Construction					ENERGO PRO İNŞAAT SANAYİ VE TİCARET A.Ş.
Recent project development		ENERGO-PRO Colombia S.A.S.			

Table 10: Reporting boundaries and notes related to data consolidation

Checked table cells represent the relevance or materiality of the data table information for individual BUs.

Data table information	Bulgaria	Colombia	Czech Republic	Georgia	Turkey	Notes
<b>Main business information</b>	✓	*	✓	✓	✓	Relevant indicators are material to every operating BU. Not material to Colombia project development. In 2021, the following indicators are provided for Georgia BU from 01/07/2021 to 31/12/2021 to avoid double counting: total customer accounts (industrial), total customer accounts (commercial), total customer accounts (institutional), and total customer accounts (residential). This is because the customers from ENERGO-PRO GEORGIA JSC were transferred to the newly established EP GEORGIA SUPPLY JSC.
<b>Energy consumption</b>	✓	*	✓	✓	✓	Material to all BU except Colombia project development. The data for Georgia are not fully disclosed. This is the result of insufficient data obtained by service provider.
<b>Installed capacity</b>	✓	*	✓	✓	✓	Material to generation companies.
<b>Energy production</b>	✓	*	✓	✓	✓	Material to generation companies.
<b>Water withdrawal</b>	✓	*	✓	✓	✓	Material to all BU except Colombia project development.
						The data for Georgia are not available. This is the result of insufficient data obtained by service provider.
<b>Water discharge</b>	✓	*	✓	✓	✓	Material to all BU except Colombia project development. Bulgaria, Georgia, and Turkey BU data are not measured by service provider. According to facility managers the water discharge is estimated to be equal to water withdrawal. For some companies, the data are unavailable: ENERGO-PRO GÜNEY ELEKTRİK TOPTAN SATIŞ İTHALAT İHRACAT VE TİCARET A.Ş., ENERGO-PRO GEORGIA HOLDING JSC, EP GEORGIA SUPPLY JSC, and LLC gPower.



Data table information	Bulgaria	Colombia	Czech Republic	Georgia	Turkey	Notes
<b>Water storage</b>	✓	*	*	✓	✓	Material to generation companies. All our business units record their water storage daily. However, daily readings are not reported in this Report due to the large amount of data that would need to be collected and presented.
<b>Waste</b>	✓	*	✓	✓	✓	Material to all BU except Colombia project development. ENERGO-PRO Bulgaria EAD non-hazardous waste data is not provided by local municipality contracted to dispose waste. Total hazardous waste produced by EP GEORGIA GENERATION JSC is disclosed, while other Georgian companies cannot disclose the information. This is the result of insufficient data obtained by service provider.
<b>Environmental laws and regulations compliance</b>	✓	✓	✓	✓	✓	Material to all BU.
<b>Employees</b>	✓	✓	✓	✓	✓	Material to all BU. Employees totals are average FTE headcounts throughout the reporting year.
<b>New employee hires and employee turnover</b>	✓	✓	✓	✓	✓	Material to all BU.
<b>Employee training</b>	✓	✓	✓	✓	✓	Material to all BU. Average training hours in the Turkey BU was estimated.
<b>Work-related injuries</b>	✓	✓	✓	✓	✓	Material to all BU.
<b>Donations</b>	✓	✓	✓	✓	✓	Material to all BU.
<b>Laws and regulations compliance (in the social and economic area)</b>	✓	✓	✓	✓	✓	Material to all BU.

## 9.4.2 Data tables

The data<sup>23</sup> presented include year 2019, 2020 and 2021 for ENERGO-PRO Group, not including Bilsev and Murat Nehri companies. Further, there are separately presented data for 2021 for Bilsev Enerji and Murat Nehri companies as well as ENERGO-PRO Group data including Bilsev Enerji and Murat Nehri companies.

<sup>23</sup> The dash symbol represents a value of zero or an irrelevant indicator

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Main business information</b>						
Generation of electricity (GWh)	2,501	2,231	2,451	177	609	3,236
Distributed electricity (GWh)	10,473	10,053	10,412	-	-	10,412
Supplied electricity (GWh)	10,839	10,626	11,219	-	-	11,219
Number of connection points ('000)	2,465	2,490	2,514	-	-	2,514
<b>Total Revenues (EUR'000)</b> (Consolidated Annual report of ENERGO - PRO a.s. for the financial year 1 January - 31 December 2021)	824,703	758,351	1,071,591	13,635	43,711	1,128,937
<b>EBITDA (EUR'000)</b> (Consolidated Annual report of ENERGO - PRO a.s. for the financial year 1 January - 31 December 2021)	138,490	108,158	206,701	11,034	40,324	258,059
<b>Energy consumption (GWh)</b>						
<b>Total fuel consumption - conventional sources</b>	273	202	106	-	-	106
gas	267	198	105	-	-	105
other	5	5	2	-	-	2
<b>Total fuel consumption - renewable sources</b>	-	-	-	-	-	-
biomass	-	-	-	-	-	-
<b>Total purchased energy for consumption</b>	28	28	20	2	1	23
electricity	26	26	17	2	1	20
heating	2	2	2	-	-	2
cooling	-	-	-	-	-	-
steam	-	-	-	-	-	-
<b>Total energy sold (GWh)<sup>24</sup></b>	717	480	932	177	609	1,718
electricity	717	480	932	177	609	1,718
heating	-	-	-	-	-	-
cooling	-	-	-	-	-	-
steam	-	-	-	-	-	-

<sup>24</sup> The electricity sold by generation companies to external customers

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Installed capacity (MW)</b>						
Total installed capacity	853	853	859	97	280	1,236
Total installed capacity - conventional sources	-	-	-	-	-	-
gas	110	110	110	-	-	110
other	-	-	-	-	-	-
Total installed capacity - renewable sources	743	743	749	97	280	1,126
hydro	743	743	747	97	280	1,126
other	-	-	-	-	-	-
<b>Energy production (GWh)</b>						
Total gross production	2,546	2,271	2,488	179	610	3,277
Total net production	2,501	2,231	2,451	177	609	3,236
Total gross production - conventional sources	99	73	38	-	-	38
gas	99	73	38	-	-	38
other	-	-	-	-	-	-
Total net production - conventional sources	95	70	36	-	-	36
gas	95	70	36	-	-	36
other	-	-	-	-	-	-
Total gross production - renewable sources	2,451	2,201	2,452	179	610	3,241
hydro	2,451	2,201	2,452	179	610	3,241
other	-	-	-	-	-	-
Total net production - renewable sources	2,501	2,231	2,451	177	609	3,236
hydro	2,501	2,231	2,451	177	609	3,236
other	-	-	-	-	-	-
<b>Water withdrawal (thousand m<sup>3</sup>)</b>						
Total volume of water withdrawn	173	162	160	15	20	195
withdrawal from:						
Surface water (water that occurs naturally on the Earth's surface)	3	2	1	-	-	1
Groundwater (water that is being held in, and that can be recovered from, an underground formation)	75	67	63	-	-	63
Seawater (water in a sea or in an ocean)	-	-	-	-	-	-

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Produced water</b> (water that enters an organization's boundary as a result of organizational activities, ex. extraction)	-	-	-	-	-	-
<b>Third-party water</b> (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	95	93	96	15	20	131
<b>Water discharge (thousand m<sup>3</sup>)</b>						
<b>Total water discharged</b>	147	142	140	15	20	175
<b>Total water discharged that was:</b>						
<b>reused by the company</b> (recycled)	-	-	-	-	-	-
<b>reused by another company</b>	-	-	-	-	-	-
<b>Total water consumption</b> (thousand m <sup>3</sup> )	26	19	20	-	-	20
<b>Total water storage (facility or reservoir) (thousand m<sup>3</sup>)</b>						
<b>at the beginning of the reporting period</b>	2,047,300	2,036,160	2,055,930	268,730,000	1,351,570,000	1,622,355,930
<b>at the end of the reporting period</b>	2,036,160	2,055,930	2,083,210	182,920,000	1,314,820,000	1,499,823,210
<b>Waste (tons)</b>						
<b>Total waste produced</b>						
<b>hazardous</b>	426	164	217	-	11	228
<b>non-hazardous</b>	1140	1992	1,106	2	285	1,393
<b>Disposal method - hazardous waste:</b>	426	164	217	-	-	217
<b>reuse</b>						
<b>recycle</b>	12	4	-	-	-	-
<b>compost</b>	-	-	-	-	-	-
<b>recovery, including energy recovery</b>	8	13	9	-	9	9
<b>incineration (mass burn)</b>	7	0	8	-	-	8
<b>deep well injection</b>	135	17	106	-	2	108
<b>landfill</b>	-	-	-	-	-	-
<b>on-site storage</b>	-	-	-	-	-	-
<b>other</b>	265	130	93	-	-	93

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Disposal method - non-hazardous waste:</b>	1,140	1,992	1,393	-	-	1,393
reuse	-	-	-	-	-	-
recycle	481	883	4	2	144	149
compost	-	-	-	-	-	-
recovery, including energy recovery	1	1	1	-	1	1
incineration (mass burn)	-	-	-	-	-	-
deep well injection	-	-	-	-	-	-
landfill	-	-	140	-	-	140
on-site storage	-	-	-	-	-	-
other	659	1,108	1,102	-	-	1,102
<b>Environmental laws and regulations compliance</b>						
<b>Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</b>						
total monetary value of significant fines (EUR)	3,867	2,956	-	-	-	-
total number of non-monetary sanctions	-	-	1	-	-	1
cases brought through dispute resolution mechanisms	3	4	2	-	-	2
<b>Employees<sup>25</sup></b>						
<b>Total number of employees</b>	8,967	8,875	8,834	29	42	8,905
males	7,532	7,442	7,370	27	39	7,436
females	1,435	1,433	1,464	2	3	1,469
<b>Total number of employees on a temporary contract</b>	136	142	152	2	6	160
males	108	107	107	1	6	114
females	28	35	45	1	-	46
<b>Total number of employees on a permanent contract</b>	8,832	8,736	8,684	27	36	8,747
males	7,424	7,338	7,266	26	33	7,325
females	1,408	1,399	1,419	1	3	1,423
<b>Total number of full-time employees</b>	8,961	8,869	8,826	29	42	8,897
males	7,528	7,438	7,366	27	39	7,432
females	1,433	1,430	1,459	2	3	1,464
<b>Total number of part-time employees</b>	12	13	15	-	-	15
males	9	9	9	-	-	9
females	3	4	6	-	-	6

<sup>25</sup> Employee indicators do not include values from OPPA JSC and therefore do not correspond with the values presented in our annual reports. For example, in 2021, there is a difference of 357 total number of employees. Additionally, absolute employee values are presented as annual averages in this Report.

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
Number of employees covered by a collective bargaining agreement	3,294	3,189	2,985	-	-	2,985
<b>New employee hires and employee turnover</b>						
Total number of new hires	904	461	670	3	14	687
males	682	388	554	3	14	571
under 30 years old	275	145	249	1	3	253
30-50 years old	357	190	267	2	10	279
over 50 years old	50	53	39	-	1	40
females	222	73	115	-	-	115
under 30 years old	72	23	29	-	-	29
30-50 years old	100	46	70	-	-	70
over 50 years old	50	4	16	-	-	16
Total number of leavers	609	586	625	12	14	651
males	497	513	536	10	12	558
under 30 years old	109	95	164	1	3	168
30-50 years old	225	212	154	5	6	165
over 50 years old	163	206	217	4	3	224
females	112	72	89	2	2	93
under 30 years old	11	16	8	-	1	9
30-50 years old	74	37	52	1	1	54
over 50 years old	27	21	29	1	-	30
<b>Employee training</b>						
Total training hours	117,782	74,761	77,486	1,305	1,890	80,681
males	104,646	65,460	66,611	1,215	1,755	69,581
females	13,136	9,301	10,875	90	135	11,100
<b>Total training hours (by employee level)</b>						
Executives (includes board members)	344	364	428	-	-	428
Managers (includes senior managers and managers)	6,770	4,959	7,279	90	405	7,774
Employees in other positions	110,668	69,438	69,779	1,215	1,485	72,479
<b>Total training hours (by employee position)</b>						
Employees in administrative positions	16,967	13,037	12,034	180	135	12,349

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Employees in technical positions</b> (ex. engineers, technicians)	24,579	17,080	15,221	315	450	15,986
<b>Employees in manual labour positions</b> (ex. field work, production, maintenance)	74,109	41,561	47,306	720	900	48,926
<b>Average training hours</b>	13	8	9	-	-	9
<b>males</b>	14	9	9	-	-	9
<b>females</b>	9	6	7	-	-	8
<b>Average training hours (by employee level)</b>						
<b>Executives</b> (includes board members)	11	12	11	-	-	11
<b>Managers</b> (includes senior managers and managers)	38	28	43	-	-	43
<b>Employees in other positions</b>	13	8	8	-	-	8
<b>Average training hours (by employee position)</b>						
<b>Employees in administrative positions</b>	10	8	8	-	-	8
<b>Employees in technical positions</b> (ex. engineers, technicians)	5	3	3	-	-	3
<b>Employees in manual labour positions</b> (ex. field work, production, maintenance)	42	24	28	-	-	28
<b>Total number of hours worked</b>						
<b>employees</b>	16,969,725	16,787,337	16,587,456	78,300	113,400	16,779,156
<b>contractors</b>	-	-	-	-	-	-
<b>Total number of work-related injuries (employees)</b>						
<b>fatalities</b>	2	-	4	-	-	4
<b>high-consequence injuries</b> (excluding fatalities)	-	1	-	-	-	-
<b>recordable injuries</b>	29	29	9	1	1	11
<b>Total number of work-related injuries (contractors)</b>						
<b>fatalities</b>	2	2	-	-	-	-
<b>high-consequence injuries</b> (excluding fatalities)	-	-	-	-	-	-
<b>recordable injuries</b>	1	2	-	-	-	-

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Work-related hazards that pose risk to injury</b>						
<b>physical</b> (e.g., temperature extremes, constant loud noise, spills)	yes	yes	yes	yes	yes	yes
<b>ergonomic</b> (e.g., improperly adjusted workstations, vibrations)	yes	yes	yes	-	-	yes
<b>chemical</b> (e.g., exposure to solvents)	-	-	-	-	-	-
<b>biological</b> (e.g., exposure to blood and bodily fluids)	yes	yes	yes	-	-	yes
<b>psychosocial</b> (e.g., verbal abuse, harassment)	yes	yes	-	-	-	-
<b>related to work-organization</b> (e.g., long hours, shift work)	yes	yes	yes	-	-	yes
<b>For another, unspecified reason</b>	yes	yes	yes	-	-	yes
<b>Employee breakdown</b>						
<b>Employee breakdown (by level)</b>						
<b>Number of executives</b> (includes board members and directors)	31	31	40	-	-	40
<b>males</b>	25	24	32	-	-	32
<b>under 30 years old</b>	-	-	-	-	-	-
<b>30-50 years old</b>	21	19	23	-	-	23
<b>over 50 years old</b>	4	5	9	-	-	9
<b>females</b>	6	7	8	-	-	8
<b>under 30 years old</b>	-	-	-	-	-	-
<b>30-50 years old</b>	5	6	6	-	-	6
<b>over 50 years old</b>	1	1	2	-	-	2
<b>Number of employees in management</b> (includes senior managers and managers)	180	177	170	2	9	181
<b>males</b>	136	133	124	2	9	135
<b>under 30 years old</b>	5	5	4	-	-	4
<b>30-50 years old</b>	88	87	78	-	4	82
<b>over 50 years old</b>	43	41	42	2	5	49
<b>females</b>	44	44	46	-	-	46
<b>under 30 years old</b>	-	-	-	-	-	-
<b>30-50 years old</b>	33	30	33	-	-	33
<b>over 50 years old</b>	11	14	13	-	-	13



Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Number of employees in other levels</b>	2,844	2,883	2,825	27	33	2,885
<b>males</b>	2,156	2,186	2,093	25	30	2,148
<b>under 30 years old</b>	220	219	189	6	9	204
<b>30-50 years old</b>	1,257	1,234	1,167	14	20	1,201
<b>over 50 years old</b>	679	733	736	5	1	742
<b>females</b>	688	697	732	2	3	737
<b>under 30 years old</b>	49	46	53	1	1	55
<b>30-50 years old</b>	444	446	459	-	2	461
<b>over 50 years old</b>	195	205	220	1	-	221
<b>Employee breakdown (by position)</b>						
<b>Number of employees in administrative positions</b>	1,654	1,618	1,588	4	3	1,595
<b>males</b>	603	584	559	3	3	565
<b>under 30 years old</b>	81	60	38	-	1	39
<b>30-50 years old</b>	368	368	345	2	2	349
<b>over 50 years old</b>	154	156	176	1	-	177
<b>females</b>	1,051	1,034	1,029	1	-	1,030
<b>under 30 years old</b>	117	104	83	1	-	84
<b>30-50 years old</b>	676	654	646	-	-	646
<b>over 50 years old</b>	258	276	301	-	-	301
<b>Number of employees in technical positions (ex. engineers, technicians)</b>	5,244	5,164	5,186	7	10	5,203
<b>males</b>	5,066	4,980	4,990	6	8	5,004
<b>under 30 years old</b>	687	612	540	-	2	542
<b>30-50 years old</b>	2,167	2,135	2,112	5	5	2,122
<b>over 50 years old</b>	2,212	2,234	2,338	1	1	2,340
<b>females</b>	179	185	196	1	2	199
<b>under 30 years old</b>	9	10	15	-	1	16
<b>30-50 years old</b>	63	66	68	-	1	69
<b>over 50 years old</b>	107	109	113	1	-	114

Indicator	ENERGO-PRO Group 2019	ENERGO-PRO Group 2020	ENERGO-PRO Group 2021	Bilsev Enerji 2021	Murat Nehri 2021	TOTAL 2021
<b>Number of employees in manual labour positions (ex. production, maintenance)</b>	1,756	1,763	1,718	16	20	1,754
<b>males</b>	1577	1,578	1,509	16	19	1,544
<b>under 30 years old</b>	181	179	164	6	6	176
<b>30-50 years old</b>	866	838	790	7	13	810
<b>over 50 years old</b>	529	560	555	3	-	558
<b>females</b>	180	186	209	-	1	210
<b>under 30 years old</b>	2	1	2	-	-	2
<b>30-50 years old</b>	67	71	86	-	1	87
<b>over 50 years old</b>	111	114	121	-	-	121
<b>Number of employees with disabilities</b>	71	79	80	-	-	80
<b>Donations (EUR)</b>						
<b>Total monetary value contributed (data for 2019-2020 includes data for donations mainly for Bilsev Enerji and Murat Nehri)</b>	4,665,711	9,703,923	111,856	92,151	286,524	490,531
<b>donations</b>	4,664,075	9,702,696	107,732	92,151	286,524	486,407
<b>other</b>	1,636	1,227	4,818	-	-	4,818
<b>Laws and regulations compliance (in the social and economic area)</b>						
<b>Significant fines and non-monetary sanctions for non-compliance with social and economic area in terms of:</b>						
<b>total monetary value of significant fines (EUR)</b>	322,642	198,486	277,836	-	15,625	293,461
<b>total number of non-monetary sanctions</b>	10	1	3	-	-	3
<b>cases brought through dispute resolution mechanisms</b>	27	8	11	-	-	11

# 9.5. GRI Content Index

This report has been prepared in accordance with the GRI Standards Core option.

Table 11: GRI Content Index<sup>26</sup>

GRI Standard	Section(s), page(s) and/or URL(s), description
<b>GRI 100 – Universal standards 2016</b>	
<b>GRI 101: Foundation 2016</b>	
Reporting Principles for defining report content and report quality	Stakeholder Inclusiveness Sustainability Context Materiality Completeness Accuracy Balance Clarity Comparability Reliability Timeliness
<b>GRI 102: General Disclosures</b>	
<b>Organisational profile</b>	
102-1 Name of organisation	ENERGO - PRO a.s.
102-2 Activities, brands, products and services	Our business
102-3 Location of headquarters	Where we operate
102-4 Location of operations	Where we operate
102-5 Ownership and legal form	Organisational structure
102-6 Markets served	Where we operate, Organisational structure
102-7 Scale of organisation	<a href="#">Annual report</a> , Data tables
102-8 Information on employees and other workers	Data tables, Social, Social, Social, Social, Social
102-9 Supply chain	Supply chain
102-10 Significant changes to the organisation and its supply chain	Supply chain
102-11 Precautionary Principle or approach	Governance
102-12 External initiatives	ESG commitments
102-13 Membership of associations	ESG commitments
<b>Strategy</b>	
102-14 Statement from senior decision-maker	Message from the CEO
<b>Ethics and Integrity</b>	
102-16 Values, principles, standards, and norms of behavior	Our business, Legal compliance, ethics, and transparency
102-18 Governance structure	Governance structure
<b>Stakeholder Engagement</b>	
102-40 List of stakeholder groups	Stakeholder engagement
102-41 Collective bargaining agreements	Social, Social, Social, Social, Social
102-42 Identifying and selecting stakeholders	Stakeholder engagement
102-43 Approach to stakeholder engagement	Stakeholder engagement
102-44 Key topics and concerns raised	Stakeholder engagement

<sup>26</sup>EP's non-material GRI Disclosures were omitted. Where possible we provide further description.

## Reporting Practice

102-45 Entities included in the consolidated financial statements	Annual report, Methodology, Report structure and boundaries
102-46 Defining report content and topic Boundaries	Reporting, Materiality assessment, Methodology This Report was drafted in accordance with GRI reporting principles for defining report content and report quality
102-47 List of material topics	Materiality assessment
102-48 Restatements of information	Not applicable - this is the first report
102-49 Changes in reporting	Not applicable - this is the first report
102-50 Reporting period	January 1, 2021, to December 31, 2021
102-51 Date of most recent report	Not applicable - this is the first report
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	Catherine Garcia, ES Group Head
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55 GRI content index	GRI Content Index
102-56 External assurance	The report did not obtain external assurance

## GRI 103: Management Approach 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency

## GRI 200 – Economic standards 2016

### GRI 201: Economic Performance 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
201-1 Direct economic value generated and distributed	Annual report
201-3 Defined benefit plan obligations and other retirement plans	The Company does not have any defined benefit compensation plans.
201-4 Financial assistance received from government	Annual report

### GRI 203: Indirect Economic Impacts 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
203-1 Infrastructure investments and services supported	Energy supply services, road infrastructure investment and community infrastructure (in cases of resettlement)

## GRI 205: Anti-corruption 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
205-1 Operations assessed for risks related to corruption	The ABC/AML Policy has been designed to address and mitigate the risks of bribery and money laundering. An assessment was done to determine the risk areas. All new projects since 2019 have undergone this assessment.
205-2 Communication and training about anti-corruption policies and procedures	Communication and training provided to all employees, including all line training. Senior management are required to pass an online questionnaire.

## GRI 300 – Environmental standards 2016

### GRI 302: Energy 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
302-1 Energy consumption within the organisation	Data tables
302-2 Energy consumption outside of the organisation	Data tables
302-3 Energy intensity	Not relevant for our HPP operations - omitted

### GRI 303: Water and Effluents 2018

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
303 -1 Interactions with water as a shared resource	Water use, Water management, Water management  In every BU section, we highlight our HPP facilities on the water stress map. We use data from World Recourse Institute available online on Water Risk Atlas website.
303-2 Management of water discharge-related impacts	Water use, Water management, Water management
303-3 Water withdrawal	Data tables Partially disclosed: limitations are presented in Methodology.
303-5 Water consumption	Data tables Partially disclosed: limitations are presented in Methodology.

**GRI 304: Biodiversity 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency, Biodiversity and land use, Biodiversity & land use, Biodiversity and land use, Biodiversity and land use
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency, Biodiversity and land use, Biodiversity & land use, Biodiversity and land use, Biodiversity and land use
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and land use, Biodiversity & land use, Biodiversity and land use, Biodiversity and land use Partially disclosed. We plan to disclose more information in the upcoming years.
304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity and land use, Biodiversity & land use, Biodiversity and land use, Biodiversity and land use Partially disclosed. We plan to disclose more information in the upcoming years.
304-3 Habitats protected or restored	Data partially available. Restoration process for Alpaslan is on-going, currently approximately 16 ha restored. Other sites work is planned for 2022/2023. Most of the sites were existing projects where the restoration had already been completed.

**GRI 305: Emissions 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency, Approach to greenhouse gas emissions
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
305-1 Direct (Scope 1) GHG emissions	Approach to greenhouse gas emissions
305-2 Energy indirect (Scope 2) GHG emissions	Approach to greenhouse gas emissions
305-3 Other indirect (Scope 3) GHG emissions	Approach to greenhouse gas emissions
305-6 Emissions of ozone depleting substances (ODS)	Not applicable: Our operations focus on hydropower and electricity transmission and distribution.
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Not applicable: Our operations focus on hydropower and electricity transmission and distribution.

**GRI 306: Effluents and Waste 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
306-4 Transport of hazardous waste	Hazardous waste is transported to a third party.
306-5: Water bodies affected by water discharges and/or runoff	Water use, Water management, Water management Partially disclosed: The information is provided for our most impactful facilities.

### GRI 307: Environmental Compliance 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
307-1 Non-compliance with environmental laws and regulation	Data tables No significant fines or monetary sanctions.

### GRI 400 – Social 2016 standards

#### GRI 401: Employment 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
401-1 New employee hires and employee turnover	Social, Social, Social, Social, Social
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee development, Employee Development, Employee development, Employee development
401-3 Parental leave	Employee development, Employee Development, Employee development, Employee development

#### GRI 403: Occupational Health and Safety 2018

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
403-2 Hazard identification, risk assessment, and incident investigation	Health & safety, Health & safety, Health and Safety, Health and safety, Health and safety
403-5 Worker training on occupational health and safety	Employee development, Employee Development, Employee development, Employee development
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & safety, Health & safety, Health and Safety, Health and safety, Health and safety
403-9 Work-related injuries	Data tables
403-10 Work-related ill health	EP does not operate in locations with high risk incidence of diseases.

#### GRI 404: Training and Education 2016

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
404-1 Average hours of training per year per employee	Data tables
404-2 Programs for upgrading employee skills and transition assistance programs	Employee development, Employee Development, Employee development, Employee development

**GRI 405: Diversity and Equal Opportunity 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
405-1 Diversity of governance bodies and employees	Governance structure, Data tables
405-2 Ratio of basic salary and remuneration of women to men	Information unavailable: We plan to disclose this information next year.

**GRI 406: Non-discrimination 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
406-1 Incidents of discrimination and corrective actions taken	We have not received any communication with respect to incidents relating to potential situations of discrimination.

**GRI 408: Child Labor 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
408-1 Operations and suppliers at significant risk for incidents of child labor	No suppliers pose a significant risk of child labour. Our policies have clauses regarding the interdiction of child labour and all our suppliers are required to comply with our policies.

**GRI 413: Local Communities 2016**

103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
413-1 Operations with local community engagement, impact assessments, and development programs	All operational sites constructed by EP had ESAs including stakeholder engagement identifying relevant impacts. A company's Grievance Mechanism Standard and Stakeholder Engagement Standard will be prepared in 2022. All operational sites will be required to have fit for purpose plans.
413-2 Operations with significant actual and potential negative impacts on local communities	Turkish Karakurt project required economic resettlement, Turkish Alpaslan project required both economic and physical resettlement and in Colombian project only one household will be physically displaced.



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**GRI 416: Customer Health and Safety 2016**

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103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We have not identified any non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services in 2019, 2020 nor 2021.

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**GRI 418 Customer Privacy 2016**

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103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None.

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**GRI 419: Socioeconomic Compliance 2016**

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103-1 Explanation of the material topic and its Boundary	Reporting, Materiality assessment, Methodology, Materiality analysis, Materiality analysis, Materiality analysis, Materiality analysis
103-2 The management approach and its components	Our business, Legal compliance, ethics, and transparency
103-3 Evaluation of the management approach	Our business, Legal compliance, ethics, and transparency
419-1 Non-compliance with laws and regulations in the social and economic area	No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area were received in 2019, 2020 and 2021.