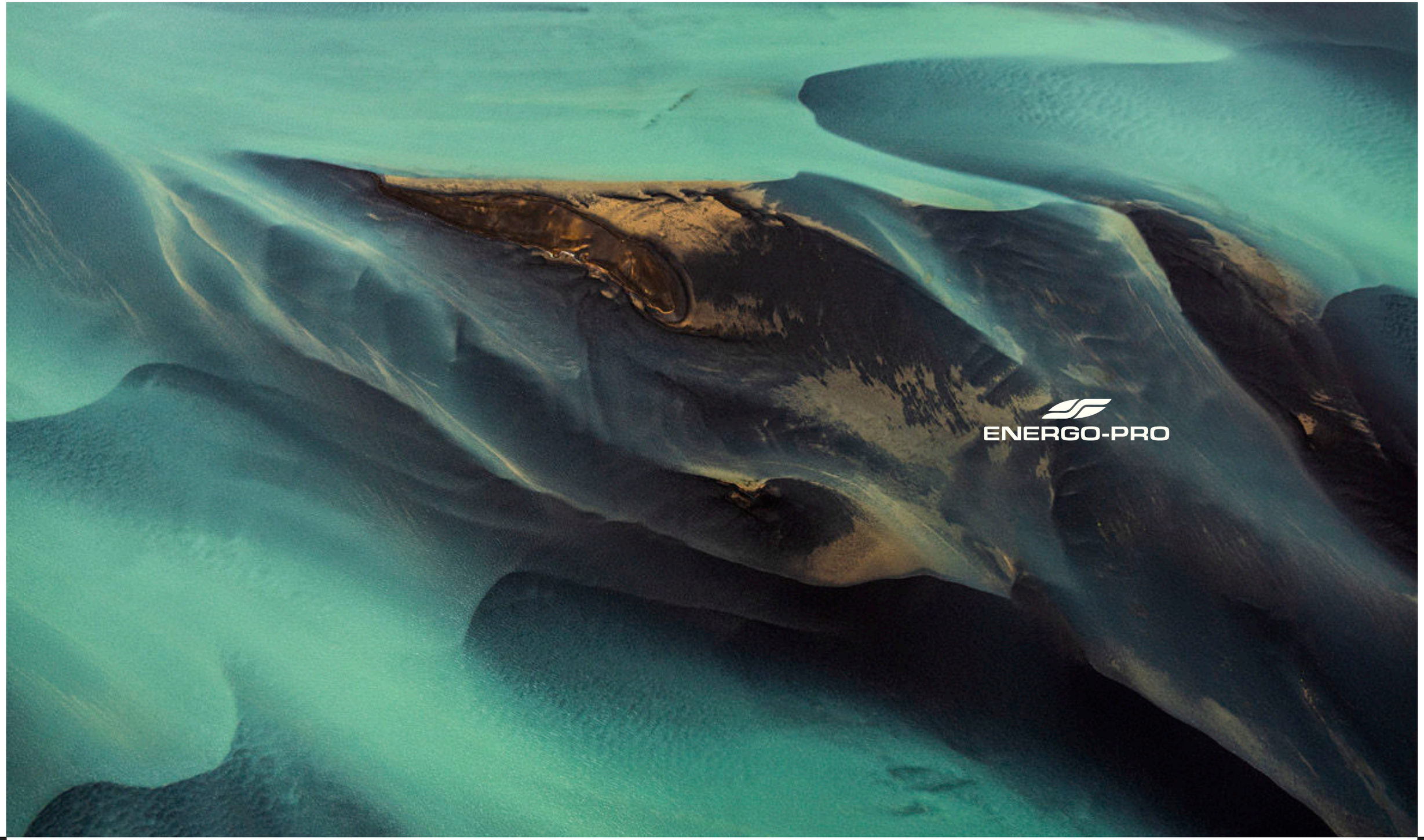
Sustainability Report 2023

ENERGO-PRO


ENERGO-PRO

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Message from the CEO

Dear Stakeholders,

I am pleased to present the 2023 Sustainability Report; this year we made some changes to our reporting process, we voluntarily prepared this report to align with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), in addition to continuing reporting according to the Global Reporting Initiative (GRI). We acknowledge that the process of reporting according to the CSRD was new for us and time-consuming but we will continue to report according to the CSRD in preparation for mandatory disclosure in 2026.

Two important internal decisions shaped our sustainability progress; in July 2023 we became the first European company to issue bonds guaranteed by the United States International Development Finance Corporation ("DFC") and secondly in October 2023 we acquired Xallas Electricidad y Aleaciones S.A.U ("Xeal") in Spain which operates ten hydropower plants with 167 MW of installed capacity as well as 2 ferroalloy plants. Our partnership with the DFC will assist us in improving our ESG performance by applying Good International Industry Practice(s) (GIIP) and making a commitment in our policies to comply with the International Finance Corporation (IFC) Policy on Environmental and Social Sustainability and IFC's Performance Standards. We are committed to achieve the necessary corporate cultural change by working together and uniting our ambitions. The acquisition of additional sustainable hydropower plants increases our share of renewable generation assets from 97% to 98%, providing us with a favourable business model which is in high demand.

We continued partnering with Morningstar Sustainalytics to understand our ESG Risk Rating and we are proud to announce that our overall ESG Risk Rating improved from 24.9 to 19.4 (received in March 2024), progressing from medium to low risk category.

We recognize that climate change is one of the most pressing global challenges of our time and we are doing our part through our Climate Change Task Force established in 2022. Since our 2019 baseline year our total emissions have fallen by 31%. We developed our Group Climate Change Strategy, updated our Climate Change Decarbonization Plan and undertook a Climate Change Adaptation Risk assessment and action plan to minimize climate change related risks. We prepared our annual GHG inventory discussed further in this report, and in 2023 we updated our 2019 baseline year and footprint to incorporate the new Spanish assets. We also aligned our GHG inventory with the EU CSRD requirements for GHG accounting.

We are committed to biodiversity protection and environmental conservation. We have ongoing programmes within our Business Units as part of our continual environmental performance including rehabilitation programmes, reforestation, fish, bird protection programmes, monitoring and evaluation and many others. In 2023 we made a commitment, as part of the early adopters' programme, to start adopting the Taskforce on Nature-related Financial Disclosures (TNFD) by 2025.

We slightly improved our occupational health and safety performance. We aligned our definitions across the Business Units to ensure more accountability within the business units and continued reporting on key OHS performance indicators. Furthermore, we initiated a program to align our OHS high risk assets with the National Fire Protection Association (NFPA). We expect this program will enhance our electrical and arc flash safety performance.

Our community programs continued in 2023, including community education, training, biodiversity awareness, community investment including the construction of small projects to provide access to water, livelihood restoration programs, stakeholder engagement and others.

We are committed to continuing our ESG performance and I truly believe that the choices we make today and the actions we take regarding sustainability will influence our long-term business prospects and partnerships and our organizational culture.

Finally, I would like to take this opportunity to thank all our internal and external stakeholders and partners for your continued support. I encourage you to reach out to us if you have any questions or comments about how we can improve our programs and reporting.

I hope you will find our Sustainability Report insightful.

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

01 Introduction

About the Report

Report boundaries

[BP-1] General basis for preparation of sustainability statements

This Report is prepared on a consolidated basis for the entirety of ENERGO-PRO Group and for Murat Nehri Enerji Üretim A.Ş. (operates Alpaslan II HPP), Bilsev Enerji Üretim VE Ticaret A.Ş. (operates Karakurt HPP) in Türkiye, ENERGO-PRO MVE, s.r.o. (operates Brandýs nad Labem HPP) and Dolnolabské elektrárny a.s. (operates Litoměřice HPP) in the Czech Republic, which are not consolidated within the ENERGO-PRO Group. The complete list of all entities included in the consolidated sustainability statement can be found below. For the purpose of this report, we use ENERGO-PRO, ENERGO-PRO Group, EP and the Group interchangeably to represent all entities in scope. The table below encompasses all subsidiary entities under each named organization; however, certain units that fall outside the system boundaries are excluded and are also listed for reference.

Country	Entity	Segment
Georgia	ENERGO-PRO GEORGIA HOLDING JSC	Services
	EP Georgia Generation JSC (incl. LLC gPower)	HPP, GPP
	ENERGO-PRO GEORGIA JSC	Distribution
	EP Georgia Supply JSC	Supply
	OPPA JSC (incl. Teso Tech Solutions JSC, Asterbit LLC)	Services
Colombia	ENERGO-PRO Colombia SAS (incl. Generadora Chorreritas S.A.S.)	HPP (dev.)
Bulgaria	ENERGO-PRO Bulgaria EAD (incl. Pirinska Bistrica Energia EAD)	HPP
	ENERGO-PRO VARNA EAD (incl. ENERGO-PRO SALES AD, Electrodistribution North AD, and ENERGO-PRO Energy Services EAD, DES companies)	Distribution, Trading, Services
Czech Republic	ENERGO-PRO a.s.	Services
	MEGAWATT SERVIS s.r.o.	Services
	Dolnolabské elektrárny a.s.	HPP
	ENERGO-PRO MVE s.r.o.	HPP
Spain	Xallas Electricidad y Aleaciones S.A.U.	HPP, Ferroalloy
Türkiye	ENERGO-PRO Türkiye Holding A.Ş.,	Services
	Reşadiye Hamzalı Elektrik Üretim San. ve Tic. A.Ş.	HPP, Trading
	ENERGO-PRO Güney Elektrik Toptan Satis Ithalat Ihracat ve Ticaret A.S	Trading
	Murat Nehri Enerji Üretim A.Ş.	HPP
	Bilsev Enerji Üretim VE Ticaret A.Ş.	HPP

The scope of this Report is broader than the scope of ENERGO-PRO Group's consolidated financial statements because it also includes selected entities from the group of ENERGO-PRO's sole direct shareholder, DK Holding Investments, s.r.o. (DKHI). This Report represents our initial, voluntary effort to comply with CSRD and ESRS requirements that will become mandatory for ENERGO-PRO Group and DKHI Group for the 2025 reporting year. For that year, the requirements of CSRD and ESRS will be satisfied in respect of (i) ENERGO-PRO Group by way of a sustainability report corresponding to its consolidated financial statements and (ii) DKHI Group by way of a sustainability report which cross-refers to the sustainability report of ENERGO-PRO Group and the sustainability report of any other entity or entities within DKHI Group that is subject to a reporting requirement.

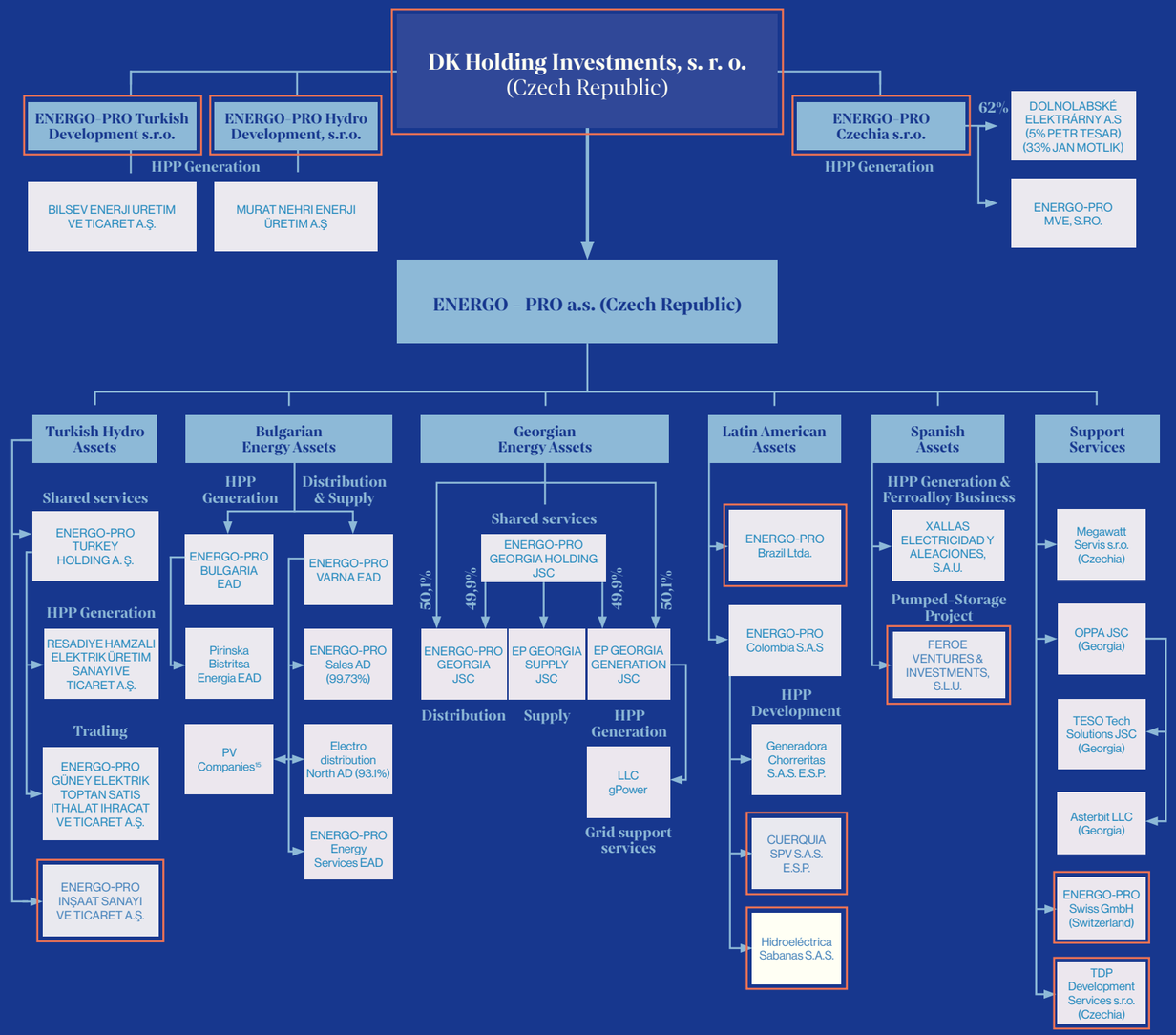
The following entities are currently excluded from the scope:

- ENERGO-PRO Turkish Development s.r.o.
- ENERGO-PRO Hydro Development s.r.o.
- ENERGO-PRO Czechia s.r.o.
- ENERGO-PRO Brazil Ltda.
- ENERGOPRO Insaat Sanayi ve Ticaret A.S.
- TDP Development Services s.r.o.
- ENERGO-PRO Swiss GmbH
- Feroe Ventures & Investments S.L.U.
- Cuerquia SPV S.A.S. E.S.P.
- Hidroelectrica Sabanas S.A.S.

The reason for exclusion in this sustainability report is the non-material nature of their business with regards to sustainability matters as they provide limited supporting and development services or did not conduct business (no employees) in the reporting year 2023.

The information disclosed in the Report covers the whole value chain of ENERGO-PRO Group across all segments in which we operate. The preceding and subsequent parts of the value chain are taken into consideration in the chapters which concern the main issues of sustainability where there are or could be impacts, risks, or opportunities, in particular when it comes to selecting and evaluating suppliers, the circular economy, workers in supply chains, and measures to combat corruption. Further information on our value chains is provided in a separate section "How we do our business" and sub-section "Value chain".

Organisational structure



Entities highlighted with red borders are excluded from the scope of this report.

Time horizons

[BP-2] Disclosures in relation to specific circumstances

In the Report, the time horizons used to define short-term, medium-term and long-term horizon are aligned with those defined by ESRS.

Short-term: The reporting period in our financial statements – up to 1 year;
Medium-term: From the end of the short-term reporting period up to 5 years;
Long-term: More than 5 years.

Sources of estimation and outcome uncertainty

[BP-2] Disclosures in relation to specific circumstances

In specific cases, in which data for the required quantitative indicators are not available from primary data sources or in sufficient quality, a calculation or qualified estimate was used to provide complete information with a level of uncertainty, the reliability of which is retrospectively verified. These cases are marked accordingly in the report and concern mainly information regarding environmental metrics in selected countries.

Disclaimer: Please note that some of the data in this sustainability report, particularly the numbers of employees from different perspectives, were gathered using various methods and definitions across the company's business units, which may lead to certain discrepancies in the data. Additionally, we would like to point out that slight changes in the presentation of data may be caused by rounding the numbers. Due to limitations in data collection tool, we were unable to represent certain data in fully transparent tables. Consequently, instances where the value '0' is displayed may indicate scenarios where information is either not relevant or not available. We encourage readers to take these factors into account when interpreting the data in this report, and we remain dedicated to being transparent and continuously improving our sustainability reporting practices.

Changes in preparation and presentation of sustainability information compared to previous reporting period

[BP-2] Disclosures in relation to specific circumstances

Due to the recent acquisition of a Spanish entity with hydropower generation and ferroalloy business, this Report includes restated information and metrics to include the full scope of entities with material sustainability impacts, risks and opportunities. The restatement was also done retrospectively for the years 2019-2022 for disclosure regarding our GHG emissions to provide accurate trend of total Scope 1, 2 and 3 emissions and to reflect our continuous decarbonization efforts.

The remaining indicators will not be restated as the required data inputs are either unavailable or would require a substantial amount of time and effort to gather.

Reporting process

[BP-2] Disclosures in relation to specific circumstances

This Report covers the period from 1 January 2023 to 31 December 2023, except where otherwise noted. This period is aligned with the period of our financial reporting. For the purpose of highlighting trends and drawing conclusions, comparative data for the last three calendar years have also been included.

The ENERGO-PRO Group considers it important that its stakeholders are regularly and transparently informed of all important aspects of its business. Since 2022, the Group has regularly published a sustainability report. The primary aim is to share experience, information, and new trends in sustainable business, as well as examples of good practice in this area.

Further steps on the path to fulfilling the future obligations the Group will have as of 2025 in relation to the requirements of the Corporate Sustainability Reporting Directive (CSRD), involve the gradual transition to European Sustainability Reporting Standards (ESRS).

In the past, the Group prepared the sustainability reports according to the Global Reporting Initiative (GRI) standards. The most recent sustainability report for the year 2022 partially reflected the provisional version of ESRS available at that time. Preparation of the report for 2023 took account of the final, approved version of ESRS, from 31 July 2023 and published on 22 December 2023. However, the Group will add reported information according to the broadened requirements over time, and this report is therefore not yet fully in line with ESRS in all aspects of the individual requirements for publication. The Group will gradually work on covering them in the coming year, when reporting at ENERGO-PRO Group will remain voluntary. This Report has also been prepared in accordance with the GRI Standards, which complement the ESRS disclosure and add additional granularity for specific metrics. We applied GRI's reporting principles of content and quality when drafting this Report.

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. We include a separate section on UN Global Compact principles and disclosures in the Report.

The Report has not been subject to external assurance in accordance with the requirements of the EU CSRD given the current voluntary nature of reporting. We will conduct it when applicable. Information regarding the key steps of the reporting process can be found in the table below.

Step	Objective
Definition and contextualisation	• Identifying reporting requirements from standards and stakeholders • Defining reporting boundaries and scope of entities • Selecting material topics through double materiality assessment (DMA) and stakeholder engagement
Data collection	• Defining data scope and limitations • Data collection (quantitative and qualitative) • Data validation and consolidation
Report drafting	• Defining report structure • Drafting and validation • Graphic design and data visualisation
Report publishing	• Publishing • Internal and external communication

Risks to the reporting process

[GOV-5] Risk management and internal controls over sustainability reporting

Company monitors risks concerning the reporting process and defines the internal controls of the reporting of data. The reporting process has dedicated team with responsibility to manage the delivery of sustainability report. The central team cooperates with individual BUs and dedicated ESG focal points to collect qualitative and quantitative information and thoroughly validate any inputs. Ultimatelly, every dislocure is validated on at least 3 levels – by individual information providers, ESG focal points per BU, central ESG team and the ESG Committee including Board members. This ensures the mitigation of any potential risks identified at the beginning of the reporting process through feedback sessions with the responsible employees.

02 How we do our business

Mission

Our mission is to work in compliance with nature

Vision

To position ourselves as a leading hydropower operator and distributor and supplier of electricity in the countries where we operate, meeting energy demand and serving the needs of actively developing regions

Profile

We develop, own, operate, and manage hydroelectric power plants ("HPPs") and infrastructure networks for the distribution and supply of electricity. Our business is conducted in a responsible way in order to achieve a stable financial return balanced with long-term growth and the fulfilment of our commitments to the community and the environment. We follow a strategy of international expansion by building up our asset base and developing it over the long term.

Values

Integrity

Integrity is one of the key values in conducting our activities. We lead by taking a stand for what we believe is right and complying with the law, ENERGO-PRO Group's Code of Conduct (also the Code) and corporate policies and standards.

Respect

We respect each other and our partners and stakeholders and are aware that we work in a multicultural environment. We create an environment enabling all our staff to treat each other with respect.

Transparency

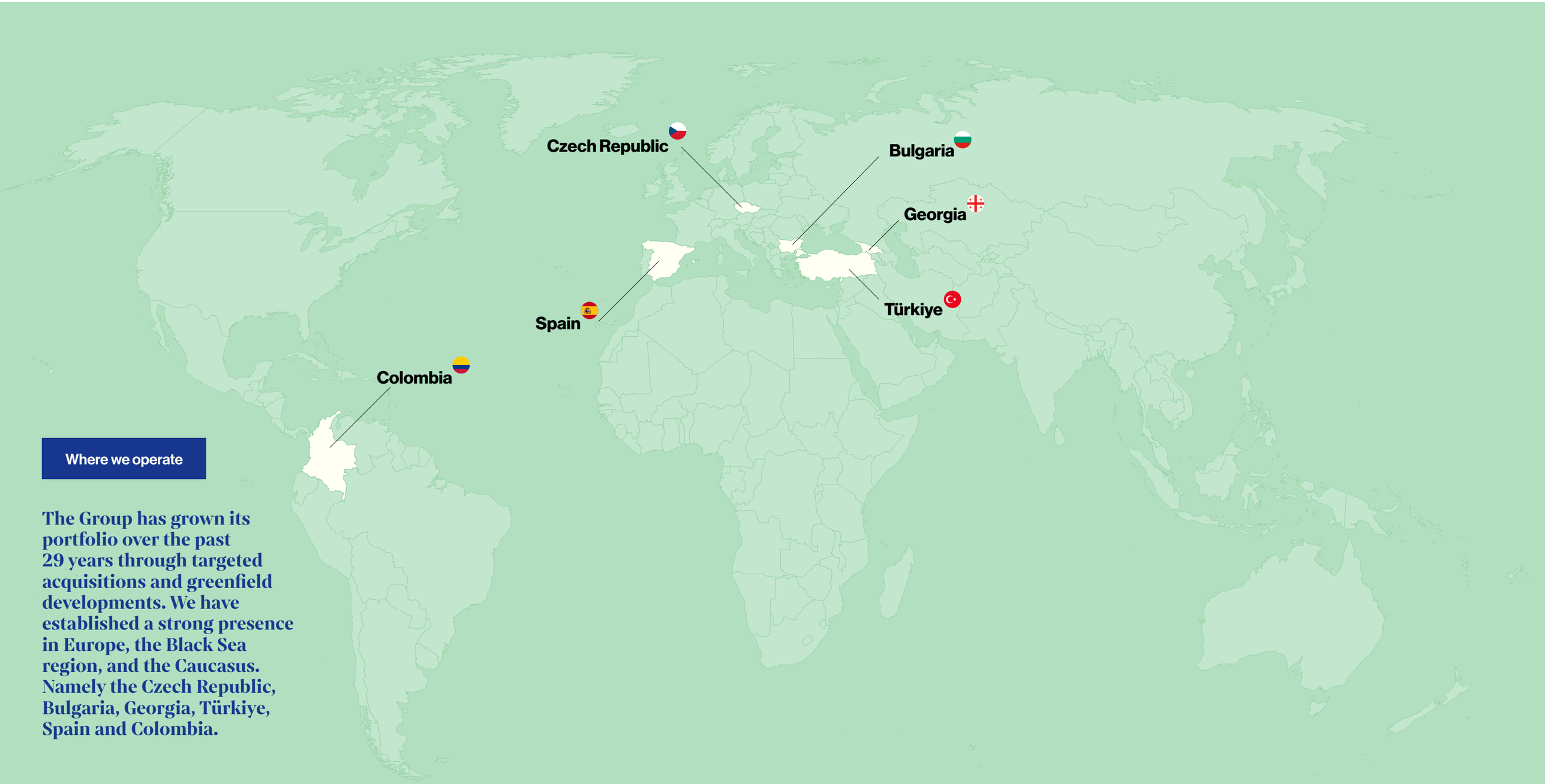
We value transparency in all business undertakings, reporting, and verbal communication.

Ethics

We are committed to high ethical standards. We take responsibility and accountability for each of our actions and decisions and 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.



Where we operate

The Group has grown its portfolio over the past 29 years through targeted acquisitions and greenfield developments. We have established a strong presence in Europe, the Black Sea region, and the Caucasus. Namely the Czech Republic, Bulgaria, Georgia, Türkiye, Spain and Colombia.

Czech Republic

ENERGO-PRO a.s. ("EPas")
Services segment

ENERGO-PRO a.s. is a holding company of ENERO-PRO Group and includes our Head Office located in Prague. It is an administrative office providing support to our Business Units. Our Group Board of Directors is based in this office. The office includes legal and compliance, PR, procurement, human resources, financial and ESG support functions.

MEGAWATT SERVIS s.r.o. ("MGW")
Services segment

Megawatt ("MGW") was established in 1994 in Prague, Czech Republic. The principal activities of MGW are consultancy in hydro energy sector and assembling of hydro-technical facilities. The know-how and specialised knowledge of MGW's experts are utilised within ENERGO-PRO Group and its affiliated companies.

DOLNOLABSKE ELEKTRARNY a.s. ("DEL")
& ENERGO-PRO MVE, s.r.o. ("EP MVE")
Generation segment

DOLNOLABSKÉ ELEKTRÁRNY a.s. ("DEL") and ENERGO-PRO MVE S.R.O. ("EP MVE") currently own and operate 2 small hydropower plants on the Czech Labe River with a total installed capacity of 9.6 MW and an average annual production of 45 GWh.

In 2010 we started construction of the Litoměřice hydropower plant and put it into operation in December 2012. Litoměřice HPP is situated on the right bank of the Labe River near the weir of České Kopisty, close to the town of Litoměřice. The plant is fitted with two low-head Kaplan turbines and is connected to the grid network via a 22 kV line.

Bulgaria

ENERGO-PRO VARNA EAD
Distribution & supply segment

ENERGO-PRO Varna EAD ("EP Varna") has been part of the ENERGO-PRO Group since June 2012. The business of the company is focused on distribution and supply of electricity. EP Varna operates in North-eastern Bulgaria through its subsidiary companies, holding licenses for the following activities in the energy sector.

- Distribution of electricity – Electrodistribution North AD (regulated market)
- Electricity supply – ENERGO-PRO Sales AD (regulated market)
- Electricity supply – ENERGO-PRO Energy Services EAD (free market)

The licenced territory of Electrodistribution North AD ("EDC North") and ENERGO-PRO Sales AD ("EP Sales") is nearly 30,000 square kilometers and covers nine administrative regions in North-eastern Bulgaria - Varna, Veliko Tarnovo, Gabrovo, Dobrich, Razgrad, Ruse, Silistra, Targovishte and Shumen. EDC North's principal business activities are the operation of the electricity distribution grid (middle and low voltage) and distribution of electricity. The total length of the distribution network is 43,883 km, with 5.5 TWh of distributed electricity in 2023. EP Sales supplies electricity to more than one million customers and provides related services. ENERGO-PRO Energy Services EAD ("EP Energy Services") sells electricity to customers across Bulgaria at freely negotiated prices and is one of the leading suppliers and wholesale traders on the liberalised market. The company has long-standing experience and was among the first traders registered on the Bulgarian electricity market. The company also acts as the business coordinator for the standard balancing group.

ENERGO-PRO BULGARIA EAD
Generation segment

ENERGO-PRO Bulgaria EAD ("EP Bulgaria") is the largest privately-owned generator of electricity from hydropower in Bulgaria in terms of total installed capacity of 166.2 MW. EP Bulgaria was established in 2000, and currently owns and operates 14 hydropower plants. Ten of these plants are united in four cascades - Sandanska Bistritsa Cascade, Pirinska Bistritsa Cascade, Koprinka Cascade and Petrohan Cascade.

The priority of EP Bulgaria is to increase power generation levels and to improve the reliability of its hydropower plants through cost-effective investments in rehabilitation and modernisation. The company has already achieved stable growth in production rates through technical operation excellence, optimisation of workflow and minimisation of unprocessed water losses. The company is a pioneer participant in the free electricity trade and has established itself as a reliable and flexible source of electricity in the region.

Georgia

ENERGO-PRO GEORGIA HOLDING JSC
Distribution & supply segment

ENERGO-PRO Georgia Holding JSC ("EPG Holding") was established in April 2021 to provide outsourcing services to EP Georgia energy sector companies. EPG Holding's principal business activity is provision of management and shared services. EPG Holding directly and indirectly owns shares in the following companies:

- Distribution of electricity – ENERGO-PRO Georgia JSC (regulated market)
- Electricity supply – EP Georgia Supply JSC (regulated market)
- Generation of electricity - EP Georgia Generation JSC and its subsidiary gPower LLC (regulated/ free market)

ENERGO-PRO Georgia JSC
Distribution & supply segment

ENERGO-PRO Georgia JSC ("EP Georgia") was established in 2006 and its distribution network covers all Georgian regions except the main part of the capital city - Tbilisi. EP Georgia operates and maintains an electricity distribution network in Georgia with total length of 52,955 km. EP Georgia distributed over 5 TWh of electricity in 2023. The company has made substantial investments in the modernization and maintenance of its assets, such as continuous electricity grid rehabilitation and individual re-metering projects through its coverage area.

EP Georgia Supply JSC
Distribution & supply segment

EP Georgia Supply JSC ("EPG Supply") was established in May 2021 to carry out supply activities as a result of the legal unbundling of distribution and supply activities of EP Georgia. EPG Supply provides electricity to customers within the license area of ENERGO-PRO Georgia JSC and has three public obligations - universal, public, and last resort supply services until January 1, 2025.

EP GEORGIA GENERATION JSC
Generation segment

In 2016, in terms of future unbundling, one legal entity, namely JSC "EP Georgia Generation" (formerly JSC "ENERGO-PRO Georgia Generation") was separated from JSC "Energo-Pro Georgia". EPG Generation's principal activity is the generation of electricity from its portfolio of 15 hydropower plants with a total installed capacity of 491 MW.

Starting from April 2021, the company also holds gPower LLC ("gPower"), which owns and operates the Gardabani gas turbine power plant with an installed capacity of 110 MW. gPower provides guaranteed reserve capacity to ensure stability, security and reliability of Georgia's unified electricity system.

OPPA JSC GROUP
Services segment

OPPA JSC GROUP ("OPPA") has been part of ENERGO-PRO Group since 2014. OPPA provides fast payments and related financial services to companies and individuals in Georgia. Such services include maintenance of pay boxes, pay lines, the connection of Windows and Java platform terminals and other related services. OPPA is the market leader in Georgia.

Türkiye

ENERGO-PRO TÜRKIYE HOLDING A. Ş. ("EP Türkiye Holding")
Services segment

EP Türkiye Holding was established in September 2021 to provide management and shared services (such as human resources, accounting, finance, controlling, legal and project management) to the ENERGO-PRO Group's companies in Türkiye.

RESADIYE HAMZALI ELEKTRIK ÜRETIM ŞANAYI VE TICARET A.Ş. ("Resadiye Hamzali")
Generation segment

Eşadiye Hamzali Elektrik Üretim Şanayi Ve Ticaret A.Ş. ("Resadiye Hamzali") was acquired in 2010 and is headquartered in Ankara. Resadiye Hamzali is focused on the operation of five hydropower plants and selling electricity on the Turkish electricity market. Its total installed capacity is 93.4 MW.

Three of Resadiye Hamzali's hydropower plants are united in the Reşadiye cascade with an aggregate installed capacity of 64.3 MW. Hamzali hydropower plant (16.7 MW) is located in Kalecik, a district of the city of Kırıkkale, using the water resources of the Kızılırmak River. Aralik hydropower plant (12.4 MW) is located in Borcka, a district of the city Artvin, near the Aralik creek.

MURAT NEHRI ENERJI ÜRETIM A.Ş. ("Murat Nehri")
Generation segment

ENERGO-PRO acquired the project of Alpaslan 2 hydropower plant in 2017, located in the Murat River. The hydropower plant was commissioned in 2020 after the installation of the first Francis turbine. The construction was then successfully completed in 2021 and all 4 Francis turbines are now in operation. The installed capacity of the plant is 280 MW. Alpaslan 2 has thus become the largest hydropower plant in the ENERGO-PRO Group's portfolio and the largest Czech investment in hydropower since 1989.

The plant is equipped with two 110 MW turbines and two 30 MW turbines. From the perspective of optimising the power generation, this is an ideal layout which makes full use of the dam's potential and of minimum environmental flow.

BILSEV ENERJI ÜRETIM VE TICARET A.Ş. ("Bilsev")
Generation segment

The Karakurt dam with hydropower plant is located in the Aras river basin. The power plant has 3 Francis turbines with a total installed capacity of 96.9 MW. The water surface of the dam covers an area of 14 km2 and the rockfill dam with an asphalt core reaches a height of 137 meters. The construction of Karakurt was completed in 2021.

ENERGO-PRO GÜNEY ELEKTRIK TOPTAN SATIŞ ITHALAT IHRACAT VE TICARET A.Ş. ("EP Toptan")
Supply & trading segment

For more than 10 years, EP Toptan has been engaged in cross-border electricity trading and supply of electricity to wholesale customers in the energy market of Türkiye. The cross-border trade involves mainly Bulgaria and Georgia due to the geographic focus of ENERGO-PRO Group.

Spain

XALLAS ELECTRICIDAD Y ALEACIONES S.A.U. ("Xallas")
Generation & ferroalloy segment

Xallas Electricidad y Aleaciones S.A.U. ("Xallas") was acquired by ENERGO – PRO a.s. in October 2023. Xallas owns and operates a portfolio of ten well-maintained HPPs with long concession life on the rivers Xallas and Grande in northwest Spain's rainiest region, Galicia.

The total installed capacity of these HPPs is 167 MW. Nine of Xallas'es HPPs are located in the Xallas river basin (municipality of Dumbría), and the tenth is in the Grande river basin (municipality of Vimianzo). Generation is optimized through the combination of four reservoirs and a cascade system which allows full control of the Xallas river basin. Xallas is also responsible for the management of two dams and three weirs that allow the regulation of the flows of both rivers and the safe and efficient management of their water resources.

In addition, Xallas owns and operates two ferroalloy plants located in the municipalities of Cee and Dumbría in Galicia, with a total capacity of 189,000 tons, currently operating under a long-term offtake contract. Final customers of the ferroalloy business are main steelmakers in Spain and Europe.

Colombia

ENERGO-PRO COLOMBIA S.A.S. GROUP ("EP Colombia")
Generation segment (in development)

EP Colombia was established in 2019 and its main activities are identification and development of new hydropower projects in the country. EP Colombia is the parent company of Generadora Chorreritas S.A.S. E.S.P., which is engaged in the construction of greenfield run-of-river hydropower project located on San Andrés river (municipality of San Andrés, region of Antioquia). During 2022, the project achieved the ready to build status, that includes all the necessary permits and designs. Construction started in first quarter of 2023; during 2023, the project moved forward with the construction of the tunnels, roads, and bridges. Civil works related to intake and powerhouse started in 2024.

Facts & figures

1994

Established in 1994 in Svitavy, Czech Republic

1,415 MW

Total installed capacity of 1,415 MW: 48 hydropower plants with an installed capacity of 1,305 MW and a gas-fired power plant ("GPP" – "Gardabani" or "gPower") with an installed capacity of 110 MW

Developing activities in Latin America (especially in Colombia)

The largest utility in Georgia and the largest privately owned generator of electricity from hydropower in Bulgaria

Over 9700

employees

Serving more than 2.6 million grid customers with 10.4 TWh of electricity distributed in Georgia and Bulgaria

Main countries of presence: Czech Republic, Bulgaria, Georgia, Türkiye, Spain and Colombia

3.5 TWh

Environmentally-friendly power generation of 3.5 TWh (98 % of electricity generated from hydropower sources)

Engaged in international power trading

Strategy and business model

[SBM-1] Strategy, business model and value chain

The Group focuses on generating stable and predictable cash flows from electricity distribution and hydropower generation assets, as well as on selective expansion through development and acquisitions. We aim to sustain long-term growth while taking into consideration the needs of the communities and environment surrounding our business activities.

Our business strategy is built on the following pillars:

ENHANCING GENERATION AND DISTRIBUTION ASSETS

Distribution & Supply ("D&S" segment)
Carrying out various rehabilitation and re-metering projects throughout ENERGO-PRO's coverage area
- **Reducing** commercial grid losses
- **Improving** the distribution network and quality of supply
- **Smart grid implementation**

Hydro Generation ("Generation" segment)
Cost-effective rehabilitation and modernisation program
- **Increasing** the efficiency of hydropower plants
- **Improving** the reliability and safety of hydropower plants
- **Prolonging** the service lifetime of hydropower plants

FURTHER INCREASING FINANCIAL STABILITY AND FLEXIBILITY

- **Consistently aiming to improve profitability** by remaining focused on cost reduction while benefiting from the revenue stabilising effects of regulated tariffs
- **Geographical and segment diversification**, ability to tightly control and adjust discretionary capital expenditures, and a simple capital structure
- More **flexibility in raising capital** and deploying funds to strategic projects

GROWTH THROUGH SELECTIVE ACQUISITIONS AND DEVELOPMENT

- **Development-based growth** in markets with characteristics favourable for the hydropower sector, as well as adding additional renewable power generation capacity to certain existing assets to optimise operations
- **Leveraging operational expertise and knowledge** of the markets in which the Group currently operates
- **Diligent and disciplined approach to acquisitions** with regards to the strategic fit, purchase price, and opportunities to achieve synergies

INTEGRATING ESG ASPECTS INTO THE GROUP'S DAY-TO-DAY OPERATIONS

- The Group aims to further increase its commitment to **sustainable development**, the **protection of the environment**, and the **well-being of the communities** living in the areas of influence of the Group's investments
- The focus will be on introduction of external reporting, becoming **carbon-neutral by 2050**, and establishing and implementing a **Decarbonisation Plan**
- Supporting the **Ten Principles of the United Nations Global Compact**, committing to advancing the Sustainable Development Goals and reporting to the UN Global Compact through the UN Communication on Progress

We focus on three core activities - power generation, distribution and supply and power trading.

Power generation
- Proven operational experience and extensive knowledge
- Successful large-scale rehabilitation projects
- Experience in operating hydropower plants of above 100 MW

Distribution and supply
- Maintenance of remote assets
- Serving a large number of customers (more than 2 million grid customers connected to our network)
- Active network planning and distribution

Power trading
- Experience in cross-border electricity trading
- Execution of large-scale trade contracts

Due to our commitment to sustainability and reporting we have adopted a responsible approach to systematically integrate sustainability in our design, construction, and operations with a view to ensuring long-term success.

Value chain

[SBM-1] Strategy, business model and value chain

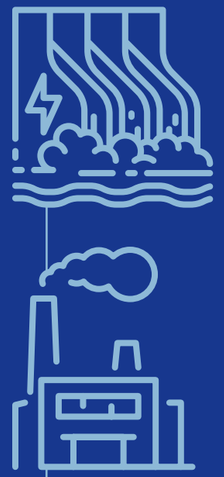
In the organizational structure of ENERGO-PRO, the value chains are delineated into upstream, own operations, and downstream, with the understanding that the same object or activity can be positioned differently within each chain depending on the context and the specific activities involved. For instance, a particular technology or process might be considered an upstream activity in one value chain if it pertains to the initial stages of production or resource procurement. However, the same technology could be classified under core operations in another value chain if it directly relates to the central energy-generating activities of the company. Similarly, an activity might fall under the downstream category when it involves the final stages of the chain, such as distribution, customer service, or after-sales support, in one context, but could be a part of core operations in another, especially if it is integral to the day-to-day provision of services. This flexible categorization within each value chain allows ENERGO-PRO to tailor its management approach to the specific needs and characteristics of each segment, ensuring that resources and activities are optimally aligned with the company's strategic goals and operational requirements.

The value chains of ENERGO-PRO are meticulously segmented according to specific sectors, enabling the company to manage and optimize each area of its business effectively. These sectors include Hydropower plants (HPP) Generation, which focuses on harnessing water resources and converting hydro energy into electricity, Gas-fired power plant (GPP) Generation pertains to the production of electricity utilizing natural gas as a primary energy source, Distribution sector deals with the delivery of generated electricity to the power grid and ensuring its reach to end-users, Trading represents the energy trading activities, where the company responds to market demand and supply, facilitates trade transactions, and manages energy portfolios, Ferroalloy plants are involved in the production of ferroalloys. Lastly, the Services sector offers a wide range of supporting services, including maintenance, repairs, and technical support, essential for the smooth operation of all other parts of the value chain. Each sector is designed to align with the company's overall strategy and support its goals in sustainability and innovation.

Value chain

Power sector

Raw materials, commodities & services



Electricity generation in hydropower plants

Electricity generation in gas-fired power plants

Trading of electricity

Distribution & supply of electricity

Customers & end-users of electricity

Raw materials, commodities & services

Ferroalloy production

Sale of ferroalloys

Processing of ferroalloys and sale of final products

Customers & end-users of ferroalloy products

Ferroalloy sector

Upstream | Own operations | Downstream

03
Our sustainability approach

[SBM-1] Strategy, business model and value chain

We believe that with our third Sustainability report, we can better communicate our approach, activities and future commitments related to sustainability and describe the pathways to meet our environmental, social, and governance commitments.

In 2021, we decided to officially begin our sustainability journey and report annually on the Group's sustainability performance. This decision was supported by our investors and stakeholders. We understand that to have access to capital and maintain a transparent and honest relationship with our stakeholders, we must foster a continuous improvement approach towards sustainability throughout all operations.

We adopted new group policies including a Sustainability Policy and ESG Policy with clear objectives and commitments. These policies are updated on a regular basis to reflect the current ESG and Sustainability emerging issues and expectations from our stakeholders. Within these policies, we highlight our sustainability strategy, which includes three interconnected pillars and key priorities:

The Three Sustainability Pillars of ENERGO-PRO

I Pillar
Climate Change

Reducing our GHG emissions to achieve net zero emissions by 2050 by focussing on reducing our grid losses, removing unsustainable energy generation from our portfolio, increasing investments in clean energy, engaging with partners to increase clean energy of the grid networks, and investing in innovative solutions.

II Pillar
Environment and Biodiversity

Reducing nature loss by protecting, maintaining, and enhancing biodiversity, protecting, and reducing dependency on natural resources, rehabilitating our sites, compensating for biodiversity and ecosystems losses, and minimising impacts on nature during the planning phase of our projects.

III Pillar
Social

Increasing our human and social capital by making health and safety a priority and investing in our employees and communities.

We are committed to applying the mitigation hierarchy by avoiding, minimising, restoring and compensating impacts. All our control measures, including restoration and compensation activities are regularly monitored and managed by qualified staff at the Business Units (BUs) level. The Operations Manager(s) or equivalent are ultimately accountable for ensuring that the implementation of the control measures is managed efficiently and expected results are achieved. When applicable, they will provide adaptive management measures for continuously improving environmental and social practices.

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

UN Global Compact and Sustainable Development Goals (SDGs)

Since 2021, ENERGO-PRO Group has been committed to the Ten Principles of the UN Global Compact in the areas of human rights, labour, the environment, and anti-corruption. We have prepared Key Performance Indicators aligned with the SDGs. The UN Global Compact requires companies to embrace these principles and the table below summarises efforts made by ENERGO-PRO Group to embrace the UN Global Compact Principles:

Human Rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	**Actions** Support is embedded in our policies, including the Code of Conduct, Human Resources Policy, Human Rights Policy, Procurement Policy, ESG Policy and Sustainability Policy. In 2023 we updated our Sustainability Policy and in 2024 our Human Resources Policy. We have prepared a Group Grievance Mechanism Standard and the Business Units have prepared both internal and external Grievance Mechanism Procedures. Furthermore, our draft Contractor and Subcontractor Management Plan prepared in 2023 makes reference to Human Rights.
Principle 2 Make sure that they are not complicit in human rights abuses.	**Actions** Same as above, in addition, in 2021 we adopted the Human Rights Compliance Acceptance (HRCA) tool applied during the selection process of security companies to ensure potential contractors are not involved in any human rights violation cases. Our Security Policy makes reference to the HRCA due diligence process and training of security personnel on Human Rights. In 2023 we prepared group Human Rights training.

Labour

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	**Actions** Support is in our Human Resources Policy. Some of our Business Units have collective bargaining agreements. Our Human Resources Policy was updated in 2024.
Principle 4 The elimination of all forms of forced and compulsory labour.	**Actions** Statement included in our Human Resources Policy. We have not had any incident, complaint or whistle blower case regarding forced or compulsory labour.

Principle 5 The effective abolition of child labour.	**Actions** Statement included in our Human Resources Policy. We have not had any incident, complaint or whistle blower case regarding forced child labour.
Principle 6 The elimination of discrimination in respect of employment and occupation.	**Actions** Statement included in our Human Resources Policy. We have not had any Accelerator Program incident, complaint or whistle blower case regarding forced and compulsory labour and child labour.

Environmental

Principle 7 Businesses should support a precautionary approach to environmental challenges.	**Actions** We undertake analysis of impacts and risks, including the application of the mitigation hierarchy. We conduct surveys and have long term monitoring of biodiversity and environment (noise, air, water quality etc.) We make our commitment clear in our Sustainability Policy and ESG Policy and our Code of Conduct. All new developments require the preparation of an Environmental Impact Assessment and Environmental Management Plans. Since 2023, we made a commitment to comply with the International Finance Corporation Policy on Environmental and Social Sustainability.
Principle 8 Undertake initiatives to promote greater environmental responsibility.	**Actions** These commitments are stated in our Sustainability Policy, ESG Policy and Code of Conduct. In addition our Procurement Policy requires compliance with our policies and Code of Conduct. Our Business Units actively undertake conservation initiatives and monitoring of biodiversity.
Principle 9 Encourage the development and diffusion of environmentally friendly technologies.	**Actions** Some of our Business Units have put in place environmentally friendly technologies.

Anti-Corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	**Actions** Our Code of Conduct requires commitment to these policies. We have no cases of material corruption, extortion and bribery.

Social **Environmental** **Governance**

ENERGO-PRO Group fully supports these principles which are specifically mentioned in our Sustainability Policy and are embedded in our overall approach to sustainability and Environmental, Social, Governance (ESG).

Our commitment to the SDGs (Sustainable Development Goals) 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 identified the material contributions as highlighted below.

We pledge to maintain openness in our public disclosures and aim to reach net zero emissions by the year 2050. A Climate Change Strategy has been formulated and put into action, alongside the execution of a Decarbonisation Plan. Furthermore, we are dedicated to endorsing the United Nations Sustainable Development Goals (SDGs) and have crafted measures that correspond with these goals.

In 2023, two members of our internal Climate Change Task Force participated in the UN Global Compact Climate Change Accelerator Program. This supported the development of our Climate Change Strategy and Climate Change Decarbonization Plan.

SDGs material to the Group operations

ENERGO-PRO Group's areas of action

Affordable and clean energy
- Invest in and promote initiatives relating to clean and renewable energy
- Continually work to improve energy efficiency

Climate action
- Conduct climate change and natural hazard risk assessments (including mitigations)
- Prepare for low carbon transition through decarbonisation strategy by setting GHG reduction targets in line with the goals of the Paris Agreement

Decent work and economic growth
- Provide fair employment, safe working conditions, and further invest in talent
- Include provisions within the Group's policies for improving inclusive economic growth

Life on land
- Implement mitigation and management plans at all sites that have an impact on natural habitats
- Incorporate biodiversity measures into internal policies (Sustainability Policy)

Responsible consumption and production
- Establish procedures that will enforce sustainable consumption and production
- Promote the use of reusable products

Peace, justice and strong institutions
- Implement policies across the Group and our supply chain that address good governance (e.g. anti-bribery and whistle-blower), and protect human and labour rights
- Uphold legal and regulatory compliance across the Group
- Implement corporate transparency into the Group's core values

Furthermore, ENERGO-PRO Group business activities also contribute to SDG 1 - No Poverty, SDG 3 - Good Health and Well-being, SDG 5 - Gender Equality, SDG 6 - Clean water and Sanitation, and SDG 10 - Reduced Inequalities.

ESG rating

Since 2021, we are regularly being assessed by an external ESG rating provider Morningstar Sustainalytics to receive an ESG Risk Rating score that provides valuable information for our stakeholders regarding our sustainability performance and risk level. In our latest rating, ENERGO-PRO Group received an ESG Risk Rating score of 19.4, which puts us into the Low Risk category. The new score is a significant improvement compared to the previous rating by 5.5 points. The new ESG Risk Rating in March 2024 puts ENERGO-PRO Group in the top 27th percentile among all companies globally, in the top 13th percentile among utilities as we ranked 168th out of over 700 utilities and in the top 9th percentile among electric utilities as we ranked 48th out of around 300 electric utilities. The results reflect our commitment to sustainability and strong management of our ESG risks.

Agency *	Group	ESG Rating
MORNINGSTAR | SUSTAINALYTICS	ENERGO-PRO	**19.4 (low risk)** The Group held the 168th position from over 700 companies within the industry group.

Participation in membership associations

At ENERGO-PRO Group, we acknowledge that participation in international associations serves as a knowledge platform for the whole Group, including our Highest Governance Body. We joined a number of associations and through this, we aim to establish partnerships and demonstrate our commitment to ESG and sustainability.

In 2022, we became members of the International Hydropower Association (IHA), a values-based membership organisation that promotes sustainable hydropower as a clean, green, modern and affordable solution to climate change. As a values-based organisation, IHA expects its members to demonstrate alignment with IHA's values as expressed in the San José Declaration on Sustainable Hydropower.

A key principle of the Declaration is that "going forward, the only acceptable hydropower is sustainable hydropower". IHA expects its members to demonstrate acceptance of this key principle by using the Hydropower Sustainability Standard to assess, improve and certify their projects, which we are doing in Colombia. IHA also expects its members to respect the IHA No-go commitment on World Heritage Sites and Duty to protect in Protected areas, and members are required to submit an annual Sustainability Disclosure Form as part of their membership renewal.

We are a member in good standing and actively collaborate with IHA in the implementation of the Standard and the promotion of sustainable hydropower practices in the countries where we operate.

Additionally, IHA encourages its members to calculate their own reservoir GHG emissions and we have received the relevant training on the G-RES tools from them.

IHA principle N° 1
Sustainable hydropower delivers on-going benefits to communities, livelihoods and the climate.

IHA principle N° 2
The only acceptable hydropower is sustainable hydropower.

IHA principle N° 3
Sustainable hydropower requires stakeholders to work together.

ENERGO-PRO Colombia S.A.S. is seeking certification for the 20 MW hydropower Chorreritas Project from the Hydropower Sustainability Alliance (HSA), an international non-profit organisation working to promote transparency and inclusivity in the hydropower sector. The process included an initial assessment conducted in 2022 by HSA Accredited Assessors for the preparation phase and was followed by an assessment against the Hydropower Sustainability Standard for the implementation phase. The certification process was initiated in 2023 and the certification is expected to be awarded in 2024, if the Chorreritas Project meets the requirements of the Hydropower Sustainability Standard.

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 HSA 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.

As part of our commitment towards compliance with the HSA Hydropower Sustainability Standard and tools, 4 members of our Colombia Environmental and Social Department became IHA certified Sustainability Practitioners.

ENERGO-PRO Group made a commitment to support the Task Force on Climate-Related Financial Disclosures (TCFD), and its recommendations. Reporting according to the TCFD recomendations was initiated in 2023. Furthermore, ENERGO-PRO became an early adopter of the Task Force Nature-Related Financial Disclosures (TNFD) and have the intention to start making public disclosures aligned with the TNFD recommendations in our reporting in 2025.

*In no event the Sustainability report 2023 shall be construed as investment advice or expert opinion as defined by the applicable legislation. The information contained or reflected herein is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted, and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

Stakeholder engagement

[SBM-2] Interests and views of stakeholders

Our stakeholders are those that have an impact on our business activities or those who are influenced by our business activities. ENERGO-PRO Group promotes a transparent approach to engaging with stakeholders as noted in our Group Stakeholder Standard prepared in 2022. Each BU is required to prepare Stakeholder Management Plans, some of these plans also include Stakeholder Mapping. This organisation of stakeholder engagement helps us guide our activities in this field and provide a platform for views and concerns to be expressed throughout the life of each project. The purpose of stakeholder engagement is to maintain our "license to operate" and establish a transparent relationship with stakeholders based on mutual trust and respect. It will also help us secure community, and stakeholder support, and create long-lasting, constructive and responsible relationships with stakeholders.

We strive to continuously monitor our stakeholders and ensure regular engagement across a range of channels, as shown in the table below.

In addition, in 2022 we prepared a Group Grievance Mechanism Standard and in 2023 all Business Units prepared internal and external grievance procedures specific to the Business Unit level, enabling communities and employees to voice their concerns and complaints. We believe this provides an effective way to manage community and labour relations. Depending on the project, Grievance boxes have been installed in the communities and our sites to allow our stakeholders to raise their grievances in writing if they prefer. The Grievance Mechanism provides information regarding the channels available to stakeholders to raise concerns. Stakeholders are informed of the existence of the grievance mechanism procedure.

Stakeholder group	Communication or engagement channels	Key topics and concerns raised
Customers	Sustainability report, social media channels, press releases, website, whistle-blower channels, customer department, direct contact	Reliable and affordable access to basic services, Regulatory compliance
Employees and workers' representatives	Sustainability report, social media channels, press releases, website, whistle-blower channels, trainings, grievance mechanism, policies and standards	Health and safety, Employee development, employee rights and benefits, policy and standard rollout
Trade unions	Sustainability report, social media channels, press releases, website, whistle-blower channels	Employee development, Health and safety, Operational security
General public	ESG report, social media channels, press releases, website, whistle-blower channels	Biodiversity and natural resources, Health and safety, Water management, Waste management, Community investment, Resettlement, ESIA consultation
Local communities	Sustainability report, social media channels, press releases, website, whistle-blower channels, grievance mechanism, direct communication, focus group discussions	Biodiversity and natural resources, Health and safety, Community investment, Resettlement, Project information and update, Employment and procurement, ESIA consultation, General engagement
Non-governmental organisations (NGOs)	Sustainability report, social media channels, press releases, website, direct contact	Biodiversity and natural resources, Health and safety, Community investment, Resettlement, Project information and update, Employment and procurement
Financial institutions, partners and investors	Annual report, Sustainability report, social media channels, press releases, website, direct contact	Regulatory compliance, Operational security, Tax transparency, Relevant Good International Industry Practice (GIIP) compliance
Government, local authorities, institutions and agencies	Annual report, Sustainability 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 and contractors	Annual report, Sustainability report, social media channels, press releases, website, whistle-blower channels, direct contact, training, policies and standards, monitoring, grievance mechanism	Fair and ethical business practices, Regulatory compliance, Health and safety, social and environmental legal compliance, compliance with our policies and standards

Governance structure

[GOV-1] Role of the administrative, management and supervisory bodies

ENERGO-PRO Group directors, professionals with deep industry knowledge and expertise, set the highest standards of control and governance, placing the Group´s direction and motivation to keep achieving new milestones while ensuring transparency, continuous improvement, and inclusivity. The Board of Directors (BoD) is ultimately accountable for Environmental, Social and Governance as per our policies and Code of Conduct.

The first tier of the governance structure is the ENERGO-PRO Board of Directors made up of:

- **Jaromír Tesař** – Ultimate beneficial owner and Chairman of the Board
- **Petr Milev** – Chief Executive Officer
- **Vlastimil Ouřada** – Chief Financial Officer
- **Jakub Fajfr** – Member of the Board of Directors

The Group also has a Supervisory Board that constitutes of:

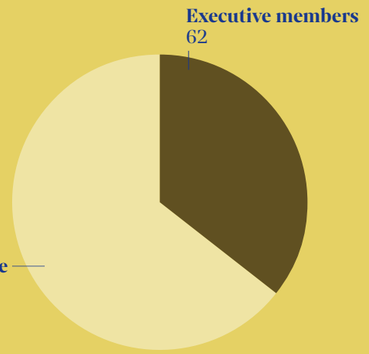
- **Christian Edward Blatchford** – Chairman of Supervisory Board and Group General Counsel
- **Petr Tesař** – Member of Supervisory Board

Independence of the board is critical and is further prescribed under the Czech Corporation Act section 435(3), tenure of members on the HGB is five years.

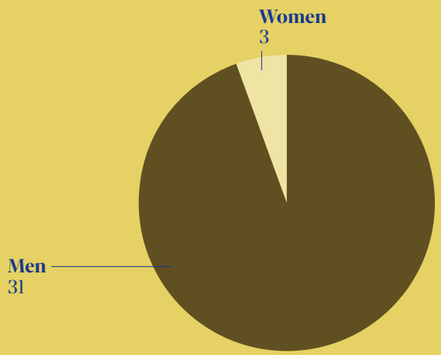
In 2016 EP Varna established by shareholder resolution the Audit Committees for EP Sales, EP Energy Services, and Electrodistribution North. These are composed of three members with requisite expertise and a majority being independent from the company. They meet regularly to oversee financial reporting, audit processes, and ensure auditor independence, reporting their findings to the shareholders annually. The Internal Audit Division within EP Varna reports directly to these committees, assessing organizational risks and the effectiveness of control processes, with comprehensive access to company information and assets for thorough audits.

In addition, each of the Business Units has a Board of Directors as shown on the next page.

Total number of executive members and non-executive members of administrative, management and supervisory bodies



Number of women and men on the Board of Directors



BoD Dolnolabské elekrárny a.s.

- Chairman of BoD
- Member of BoD
- Vice-chairman of BoD

ENERGO-PRO MVE, s.r.o.

- Executive Director
- Executive Director

BoD ENERGO-PRO a.s.

- Chairman of BoD
- CEO ENERGO-PRO Group
- CFO ENERGO-PRO Group
- Member of BoD ENERGO-PRO

ESG Committee

- CEO ENERGO-PRO Group
- CFO ENERGO-PRO Group
- General Counsel ENERGO-PRO Group
- Board member
- ES Group Head ENERGO-PRO Group

MURAT NEHRI ENERJI ÜRETIM A.Ş.

- Chairman of BoD
- CEO and Vice President of Executive Board
- Deputy General Manager and Board Member
- Managing Director and Board Member

BILSEV ENERJI ÜRETIM VE TICARET A.Ş.

- Chairman of BoD
- CEO and Vice President of Executive Board
- Deputy General Manager and Board Member
- Managing Director and Board Member

BoD ENERGO-PRO Varna

- Chairman of the Board of Management and Executive Director, ENERGO-PRO Varna EAD
- Member of the Board of Management and Executive Director, ENERGO-PRO Varna EAD
- Member of the Board of Management and Executive Director, ENERGO-PRO Varna EAD

BoD ENERGO-PRO Bulgaria

- Chairman of BoD
- Executive member of BoD
- Executive member of BoD

BoD ENERGO-PRO Turkish companies

- Chairman of BoD
- CEO and Vice President of Executive Board
- Managing Director and Board Member
- CFO and Board Member

BoD ENERGO-PRO Georgia Holding

- Chairman of the BoD
- Director Member of the Board
- Director Member of the Board

BoD Megawatt Servis s.r.o.

- Member of BoD
- Member of BoD

BoD OPPA JSC

- Chairman of BoD
- Member of BoD

BoD Xallas Electricidad y Aleaciones S.A.U

- President
- Member of BoD
- Member of BoD
- Corporate Secretary
- Vice-Corporate Secretary
- Vice-Corporate Secretary

BoD ENERGO-PRO Colombia

- Member of BoD
- Member of BoD
- Member of BoD

The BoDs of Dolnolanské elektrárny a.s., ENERGO-PRO MVE, s.r.o., Murat Nehri Enerji Üretim A.Ş., Bilsev Enerji Üretim VE Ticaret A.Ş. are shown separately because they are not under the ENERGO-PRO a.s. consolidation.

Sustainability governance

[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

The governance of ENERGO-PRO Group is based on a two-tier management structure consisting of the Highest Governance Body (HGB) and Senior Management. Together they ensure that the organisation is complying with relevant regulations and standards. As well as developing, approving, and updating sustainable development policies and strategies that address the environmental and social impacts of energy production and distribution. They also look at actions to reduce greenhouse gas emissions (GHG), promote energy efficiency, the use of renewable energy sources and activities that might have a negative impact on the communities and environment in which the Group operates. The HGB also oversees due diligence and other processes related to identifying and managing the organisation's impacts.

The HGB has an ESG governance structure that consists of ESG Committee, Climate Change Task Force and Anti-bribery Committee to oversee the management of the Group´s impacts on the economy, environment, and people.

ESG Committee

- ESG Committee is responsible for managing ESG topics, to review and update the Group´s ESG and Sustainability Policy. To drive forward the integration of ESG in the business, report on KPIs annually, ensure correct rollout of new policies, all employees understand the content, and all sites appoint senior ESG focal points.
- ESG Committee's agenda also includes providing oversight to all issues concerning ESG and overseeing ESG activities, encouraging continuous improvement, identifying opportunities, risks, and providing solutions to manage challenges while working closely with the ESG rating providers and overseeing the preparation of the annual Sustainability Report.
- The ESG Committee established ESG focal points at each of the Business Units. These focal points are senior staff responsible for ensuring policies, standards and plans are implemented, including annual ESG plans.
- Members of this committee include the Chief Executive Officer, Board Member, the Group General Counsel, the Chief Financial Officer, and the ES Group Head.
- Frequency: ESG Core Team as well as ESG Focal Points meet and report monthly. The ESG committee meets 4 times a year.

Climate Change Task Force

- Climate Change Task Force is responsible for driving the Decarbonization Plan and implementing solutions to reduce the Group's emissions.
- It is also responsible for providing recommendations on approaches and interventions to reduce emissions.
- Its other responsibilities are conducting assessments of climate change risks for the Group (climate change adaptation), reviewing the Decarbonization Plan, participating in the discussions with Climate Change consultants, evaluating the potential effect of different interventions to lower emissions, providing solutions to comply with the Climate-Related Financial Disclosures (TCFD)* and developing budgets.
- Members of task force include one senior member of each Business Unit.
- Frequency: meets as needed and at least four times a year.

Anti-bribery Committee

- 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.
- The Committee has three members: one member of the Board of Directors, Head of the Human Resources Department, and the Group General Counsel.
- Frequency: meets as needed, at least once per year

Our policy describes a set of rules and procedures aimed at addressing leadership commitment towards sustainability, in particular with regard to the environment and biodiversity, climate change, communities, good governance, occupational health and safety, and human resources. These Sustainability commitments apply to all our operations and are integral to strategic decisions, project design, construction and operation phases.

We recognize the importance of demonstrating sustainability leadership at all levels of the organization. Therefore, The Sustainability Policy commits us as follows:

- The ultimate accountability for the approval and delivery of our Sustainability and ESG Policies rests with the CEO and ENERGO-PRO's Board of Directors.
- The ESG Committee, which meets four times a year, is responsible for updating the Group Policies, driving forward the integration of Sustainability and ESG in the business, and providing oversight to all issues concerning Sustainability and ESG, and other responsibilities, stated in our ESG Policy.
- The Environmental and Social Group Head reports directly to the CEO and is responsible for overseeing all ESG and Sustainability matters in our portfolio, this includes Sustainability and ESG monitoring and reporting, anticipating sustainability regulatory and global trends and their implications, building organisational capabilities, conducting annual group risk assessments, sharing best practices and fostering cultural change, amongst other responsibilities.
- Executives are responsible for demonstrating leadership and commitment to achieving sustainable outcomes, applying our sustainability policy, principles, rules and standards in decision-making, in the allocation of resources, and contributing to the Group's annual Sustainability and ESG risk assessments.
- General Managers and departmental managers are responsible for ensuring the achievement of sustainable outcomes and the application of the sustainability policy, principles, rules and standards and taking appropriate steps to ensure that the workforce, including contractors and subcontractors, meets the policy requirements, and ensuring sustainability and ESG risks are understood and measures are in place to minimize risks.
- Staff are responsible for applying the sustainability policy and principles in decision-making and day-to-day activities and implementing control measures to minimize sustainability and ESG risks.
- Employees are required to foster a working environment that leads to continuous improvement of sustainability performance.
- We will consider in line with the implementation of this policy linking remuneration and job performance of Executives, General Managers and Managers with sustainability performance.

To manage and implement our sustainability commitments across our Group, we have identified senior level ESG focal points for each BU. They act as single points of contact for any sustainability-related issues and are responsible for developing and implementing action plans in line with our sustainability strategy, Code of Conduct and Group Policies. The ESG focal points are also responsible for data collection and validation for regular sustainability reporting.

[GOV-3] Integration of sustainability-related performance in incentive schemes

As part of our commitment to the ENERGO-PRO Group's Sustainability policy, we are exploring the idea of integrating sustainability goals into the compensation structure for our leadership team, which includes Executives, General Managers, and Managers.

The concept is to create a direct connection between how well our leaders manage and promote environmentally friendly practices, social responsibility, and good governance within their teams, and how they are rewarded for their efforts. By doing this, we aim to incentivize our management to prioritize sustainability in their decision-making processes.

Furthermore, we are exploring adding ESG performance in the Annual Performance Evaluation of staff and adding requirements in relevant job descriptions.

[GOV-4] Statement on due diligence

In the calendar year of 2023, EP has undertaken a comprehensive approach to due diligence, with the aim of maintaining our commitment to ethical practices, environmental stewardship, and regulatory compliance.

We successfully completed the due diligence process required for the Chorreritas certification by third parties. This involved an examination of our operational procedures and policies to ensure they met the stringent standards set forth by the certifying body. The process was rigorous and aimed at verifying our compliance with environmental, social, and governance (ESG) criteria.

An extensive audit is carried out annually at Alpaslan, by third parties, to examine our business practices and operational integrity. The audits are designed to identify any areas of non-compliance with legal requirements, the International Finance Corporation Policy on Environmental and Social Sustainability, and to recommend corrective actions. It served as a critical tool for reinforcing our commitment to legal and ethical standards, and for fostering continuous improvement within our operations.

As an integral component of our pre-loan assessment process for potential projects in Bulgaria and Georgia, we conducted a comprehensive due diligence assessment. This critical evaluation was focused on discerning the environmental and social consequences associated with our prospective investments. The findings from this assessment have been meticulously documented in our Environmental and Social Action Plan (ESAP). The ESAP outlines the specific measures and requirements identified during the due diligence process, serving as a strategic guide for mitigating potential risks. It ensures that our investment decisions are made with a strong commitment to sustainability and social responsibility, aligning with our overarching corporate values and objectives.

Our entities within the Group hold an array of ISO certifications, which affirm our commitment to excellence across various operational facets. The ISO 9001:2015 certification reflects our dedication to quality management and customer satisfaction, while ISO 14001:2015 emphasizes our responsible environmental practices. The ISO 45001:2018 standard showcases our focus on

occupational health and safety, and ISO 27001:2013 underscores our rigorous information security management. Additionally, ISO 50001:2018 highlights our energy management efficiency. Together, these certifications represent our holistic approach to sustainable business practices, ensuring we meet and exceed industry standards and stakeholder expectations.

Double materiality assessment (DMA)

[IRO-1] Description of process to identify and assess material impacts, risks and opportunities

ENERGO-PRO Group has conducted a Double Materiality Assessment (further also as "DMA") as part of a preparation for present and future reporting obligations in an extent defined in Act No. 563/1991 Coll. - Act on Accounting. DMA is a prerequisite for non-financial reporting following the *Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standard (ESRS)* demand of disclosure.

Performing a materiality assessment is necessary for the undertaking to identify the material impacts, risks and opportunities to be reported. A sustainability matter is "material" when it meets the criteria defined for impact materiality or financial materiality, or both as required by the ESRS.

Double Materiality has two dimensions:

- Impact materiality (covering material information about sustainability risks our Group poses to the world).
- Financial materiality (covering material information about financial risks and opportunities for the Group resulting from sustainability matters).

ENERGO-PRO Group chose a bottom-up approach, with the DMA performed at the level of Business Units (further also as "BUs") for all environmental topics and sub-topics in order to capture specifics of different types of business models, and it was reviewed at the ENERGO-PRO Group level to reflect the perspective of the group as the potential preparer of the consolidated report. The assessment of social and governance topics was performed at the Group level due to impacts, risks and opportunities being mostly homogeneous across the BUs. However, specific issues were taken into consideration at the BU and segment level also for the social and governance topics.

ENERGO-PRO Group defined individual BUs to be subject to the materiality assessment. The double materiality assessment was done at the same level, which is described in the chapter Report Boundaries and therefore also contains the same entities.

The assessment consisted of IROs based on activities connected to topics defined by ESRS (ESRS topical standards and company specific topics). Departments and/or persons responsible for the assessment scoring on the BU side were defined as well.

ENERGO-PRO Group BUs applied objective criteria using appropriate quantitative and/or qualitative reasoning to assess the materiality of current and potential impacts. The resulting material topics were then reviewed and approved by ENERGO-PRO Group top management.

Detailed description of the steps taken during the DMA could be found in the Annex to this report.

Resulting score = Severity · Likelihood Resulting score
= Size of the financial effect · Probability of occurrence

Double materiality assessment results

Transparency is important for ENERGO-PRO Group. We strive to highlight both the positive and negative impacts, risks and opportunities ('IROs") of our activities. Working to mitigate our negative IROs and increase our positive IROs is essential to the sustainable development of our business. Overall, we identified 58 positive and 81 negative impacts, 43 risks and 38 opportunities to be material across individual BUs and segments.

	Positive impact	Negative impact	Risk	Opportunity	Total
E1 - Climate change	39	29	17	26	**111**
E2 - Pollution	0	4	5	0	**9**
E3 - Water and marine resources	4	2	2	4	**12**
E4 - Biodiversity and ecosystems	3	11	5	1	**20**
E5 - Resource use and circular economy	1	9	3	0	**13**
S1 - Own workforce	9	9	1	6	**25**
S2 - Workers in the value chain	0	1	1	0	**2**
S3 - Affected communities	2	7	2	0	**11**
S4 - Consumers and end users	0	3	3	0	**6**
G1 - Business Conduct	0	6	4	1	**11**

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

This report presents the individual consolidated material impacts, risks and opportunities for the ENERGO-PRO Group in dedicated sections for each material topic according to the ESRS, with the aim of providing a clear overview of our management approach and data in the underlying areas. Based on the material IROs, we determined our material topics to be included in our sustainability report.

ESRS area	Topic	Material/ Not material	Summary description
Environment	**E1 - Climate change**	Material	Group-level material topic - most material IROs for all 3 subtopics identified across all environmental topics
Environment	**E2 - Pollution**	Material	Location-specific material topic - material only for Colombia due to HPP construction, Spain due to Ferroalloy business and Georgia due to operation of GPP
Environment	**E3 - Water and marine resources**	Material	Group-level material topic - mostly relevant due to HPP business
Environment	**E4 -Biodiversity and ecosystems**	Material	Group-level material topic - relevant due to impacts on water biodiversity for HPPs and birds for distribution business
Environment	**E5 - Resource use and circular economy**	Material	Group-level material topic - relevant for all segments
Social	**S1 - Own workforce**	Material	Group-level material topic - relevant for all segments
Social	**S2 - Workers in the value chain**	Material	Group-level material topic - relevant for all segments, especially for construction/ maintenance purposes
Social	**S3 - Affected communities**	Material	Group-level material topic - relevant for all segments, especially HPP business
Social	**S4 - Consumers and end-users**	Material	Location-specific material topic - material only for Georgia and Bulgaria due to distribution services having direct contact with end-users of electricity
Governance	**G1 - Business conduct**	Material	Group-level material topic - relevant for all segments

Since our last sustainability report, the materiality assessment process has changed to follow the requirements of ESRS. The new methodology uses both impact and financial perspectives compared to the single (impact) materiality we conducted previously. We also plan to further refine and update our DMA process in the subsequent years to fully comply with ESRS requirements by 2026.

04 Environment

E1 – Climate change and climate change mitigation

ENERGO-PRO understands that the world is falling short of what is needed to achieve the Net Zero goal by 2050, making climate change the biggest threat facing the planet.

We recognize that concerted and sustained global action is required to address climate change mitigation and adaption risks. Our generation business consists mostly of clean energy making our climate footprint low; however, our distribution and supply business is more carbon intensive, and we are committed to reducing our footprint in this area and our generation business within our area of influence.

ENERGO-PRO Group made a commitment to support the Task Force on Climate-Related Financial Disclosures (TCFD) and intends to comply with TCFD and report on all 11 recommendations in the areas of Governance, Strategy, Risk Management and Metrics and Targets, for which preparations are already underway.

In 2022, we created a Climate Change Task Force. The Climate Change Task Force is responsible for driving the Decarbonization Plan and implementing solutions to reduce the Group's emissions. It is also responsible for providing recommendations on approaches and interventions to reduce emissions. Its other responsibilities are conducting assessments of climate change risks for the Group (climate change adaptation), reviewing the decarbonization Plan, participating in the discussions with Climate Change consultants, evaluating the potential effect of different interventions to lower emissions, providing solutions to comply with the Climate-Related Financial Disclosures (TCFD) and developing budgets. Members of task force include one senior member of each Business Unit. The Task Force meets as needed and at least four times a year.

[GOV-3] Integration of sustainability-related performance in incentive schemes

In line with the implementation of ENERGO-PRO Group's Sustainability policy, we are considering linking remuneration and job performance of Executives, General Managers and Managers with sustainability performance.

Our material impacts, risks and opportunities related to climate change

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

We have identified material impacts, risks and opportunities (IROs) related to climate change in our value chain for each country and segment as a part of our double materiality assessment. Please find below the list of material IROs for E1 – Climate change.

Sub-topic	Description of the impact	Type of impact
Energy	Electricity generated by HPPs uses renewable energy sources (RES), which does not require fossil energy source and decreases energy intensity compared to generation from non-renewable energy sources.	Positive
Energy	Gas (thermal) power plants are a reliable source of electricity regardless of weather fluctuations and are able to stabilize the power grid, especially in the event of a failure or decline in production from renewable sources.	Positive
Climate change mitigation	Contribution to the trend of greening the energy mix aims to reduce the share of energy consumption from non-renewable energy sources and to decarbonise industries through the purchase/sale of emission allowances and CERs.	Positive
Climate change mitigation	Investments in automation and development help to optimize processes, which increases efficiency of operations/processes and thus reduces the amount of greenhouse gases emitted.	Positive
Climate change mitigation	Hydropower plants enable customers to contribute to the green energy transition by increasing the share of renewable energy in total consumption and thus reducing greenhouse gas emissions.	Positive
Climate change mitigation	Communication and cooperation with government entities helps to accelerate the creation of a legislative environment (acceleration of permitting processes) supporting the transformation in line with the global emission reduction goals (achieving climate neutrality) and climate protection (UNFCCC).	Positive
Climate change adaptation	Strengthening the resilience of a community, region or country to the impacts of climate change by diversifying the energy mix (increasing the share of RES) and reducing dependence on fossil fuels for electricity generation.	Positive
Climate change adaptation	Increasing the capacity of the distribution network to connect new renewable energy sources to help transform the energy sector and greening the energy mix	Positive
Climate change adaptation	Balancing demand and supply through commodity trading during the transition to renewable energy sources.	Positive
Climate change adaptation	Natural gas, which is used by gas (thermal) power plants, emits less carbon than most other fossil fuels and has a limited role as a transition fuel from coal to renewable energy sources.	Positive

Sub-topic	Description of the impact	Type of impact
Energy	Consumption of non-renewable energy (e.g. coal, oil, natural gas) in operations leading to the depletion of these natural resources.	Negative
Climate change mitigation	Purchase of materials and commodities that consume large amounts of energy during production/extraction/processing/transport leading to greenhouse gas emissions	Negative
Climate change mitigation	Energy losses in the distribution network leading to an increase in the volume of energy produced and further production of greenhouse gas emissions	Negative
Climate change mitigation	The consumption of energy by heavy machinery, generators and other stationary and mobile sources during construction works (maintenance, renewal, construction), which leads to the production of greenhouse gas emissions.	Negative
Climate change mitigation	The extraction and transport of raw materials such as manganese ore, iron, limestone, coal, etc., require fossil fuel combustion in mining equipment and transport vehicles, leading to greenhouse gas emissions.	Negative
Climate change mitigation	The usage of arc furnaces and reducing agents during the production of ferroalloys, leading to the production of greenhouse gas emissions.	Negative
Climate change mitigation	Transportation of produced ferroalloys to the sites where they will be further used/processed results in greenhouse gas emissions, primarily from the combustion of fossil fuels in vehicles as well as from processes such as metal recovery from scrap at the end-of-life of the processed products.	Negative
Climate change mitigation	Combustion of natural gas during generation in gas (thermal) power plants, which produces greenhouse gas emissions.	Negative
Climate change mitigation	Natural gas leakages from gas (thermal) power plants release greenhouse gas emissions.	Negative
Climate change mitigation	Consumption of energy and refrigerants by operating technologies (transformer stations, transformers,...) ensuring the operation of the distribution system leading to the production of greenhouse gas emissions	Negative
Climate change mitigation	The consumption of energy by administrative offices, car fleet and other supporting facilities, which leads to the production of greenhouse gas emissions.	Negative
Climate change mitigation	The decomposition of organic material in the hydropower plants' reservoirs, leading to the production of substantial amounts of methane emissions.	Negative

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Energy	Independence from fossil fuels strengthens the resilience of hydropower plants to fossil fuel price increases, which may reduce operating costs and increase revenue due to market advantage.	Opportunity
Energy	Improved efficiency of operations/processes increases electricity output of hydropower plants, which may lead to higher revenue.	Opportunity
Energy	Gas (thermal) power plants can balance electricity grid during low RES generation/supply, which may provide additional revenue due to increased electricity cost.	Opportunity
Climate change mitigation	Decarbonisation of energy mix and providing renewable energy may lead to better ESG rating, access to capital markets and lower operating costs due to cheaper technologies compared to non-renewable generation.	Opportunity
Climate change mitigation	The growing demand for green energy could lead to increased market opportunities and favorable tariffs for hydropower plants, improving their profitability.	Opportunity
Climate change mitigation	Closer cooperation with government entities and public support for global climate goals may lead to improved reputation, better access to capital, and a simpler permitting process.	Opportunity
Climate change mitigation	Trading of renewable energy supports decarbonisation, which may lead to the promotion, funding and use of renewable sources for energy production as preferrable and cleaner option, instead of using fossil sources, resulting in higher trading revenue due to higher demand and prices.	Opportunity
Climate change mitigation	Climate change can lead to the increase in precipitation (rainfall) in specific areas, which may increase the power generation capacity of hydropower plants and lead to greater revenues.	Opportunity
Climate change adaptation	Through the contribution to climate change adaptation, hydropower plants may attract positive financial incentives such as carbon credits, grants, or other forms of governmental support, which may decrease potential costs. Additionally, increasing resilience of energy supply may lead to improved reputation and easier permitting process for hydropower plants.	Opportunity
Climate change adaptation	Increased demand for steel can be expected during transitions towards renewable energy, which poses an opportunity to expand in the sector and generate increased revenues.	Opportunity
Climate change adaptation	Due to the key role of electricity grids to support the green energy transformation, the distributors may face easier access to financial state aid (grants/subsidies) and better distribution tariffs.	Opportunity
Climate change adaptation	Increased number of customers requiring green energy supply creates business potential on the market for the trading of guarantees of origin, which may increase/create new revenue streams.	Opportunity

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Energy	High energy consumption may lead to higher costs due to increasing price of fossil fuels and their lower availability.	Risk (T)
Energy	Increasing energy prices may decrease the demand for products, resulting in disruption of business activities, leading to negative financial effects	Risk (T)
Climate change mitigation	Greenhouse gas emissions accelerate climate change, increasing the frequency/severity of extreme weather events (physical risks), which may disrupt and/or damage distribution network (grid overheating, damaged poles), causing financial loss (repair/renewal and insurance costs).	Risk (P)
Climate change mitigation	Introduction of new trading regulations may set stricter requirements for the trading of CERs with influence on their pricing and availability, leading to lower trading revenues and/or increased costs.	Risk (T)
Climate change mitigation	Introduction of increasingly strict environmental regulations on greenhouse gas emissions reduction and failure to meet decarbonization goals may lead to increased operating costs and reputational damage.	Risk (T)
Climate change adaptation	Increasing the installed capacity of renewable energy sources as a part of climate change resilience efforts may cause issues with electricity storage due to insufficient demand during specific times, causing high price volatility and potential financial losses due to negative electricity prices.	Risk (T)
Climate change adaptation	Tightening regulation (e.g. CBAM) and potential disruption of supply chains due to climate change resulting in increased prices of materials and commodities, which may lead to increased operational costs	Risk (T)
Climate change adaptation	An extreme weather, caused by the climate change and accelerated by the vulnerability of global value chains (due to their complexity and interconnectedness), may disrupt supply chains, negatively impacting financial performance	Risk (P)

(T) – transition risk, **(P)** – physical risk

The material climate-related risks and opportunities were further analyzed in our first Climate Change Adaptation Risk Assessment, where we identified 18 priority climate risks across our business units and segments.

Country	Segment	Category	Sub-category	Description of Identified Risk or Opportunity
Bulgaria, Georgia	Distribution	Physical	Heatwaves	Heatwaves exceeding the operating normal temperature range for exploitation of the distribution grid (-200 + 400 C) may lead to distribution grid failures
Bulgaria, Georgia	Distribution	Physical	Floods	Floods cause damage on the distribution grid and prevent access to them for maintenance teams. Degradation of foundations, condensation and mold in underground parts for distribution facilities.
Bulgaria, Georgia	Distribution	Physical	Heavy precipitation	Heavy precipitation and resulting landslides cause damage on the distribution grid and prevent access to them for maintenance teams.
Bulgaria, Georgia	Distribution	Physical	Windstorms	Hurricane wind would negatively influence overhead lines.
All	Generation	Physical	Drought	Annual lack of snow and rainfall will decrease energy production or interrupt operation of HPPs
Georgia, Bulgaria, Türkiye	Generation	Physical	Floods	Massive inflows of water in short time will interrupt operation of HPPs
Georgia, Türkiye	Generation	Physical	Avalanche	Change in reservoir geometry - decreases the capacity of reservoir
Georgia, Bulgaria	Generation	Physical	Heavy precipitation	Heavy precipitation and resulting landslides cause damage on the generation lines and transformer stations which are connecting the HPPs to the TSO or DSO grid and prevent access to them for maintenance teams.
Bulgaria	Generation, Distribution	Physical	Windstorms, heatwaves, floods, droughts, etc.	During extreme weather, localized interruptions of the generation process can take place. The grid (both transmission and distribution) and its components may malfunction and put staff and equipment at risk. Increased fire risk.
Bulgaria	Generation	Physical	Water risks	Water stress occurs when the demand for water exceeds the available amount during a certain period or when poor quality restricts its use. Water stress causes deterioration of fresh water resources in terms of quantity (aquifer over-exploitation, dry rivers, etc.)

Country	Segment	Category	Sub-category	Description of Identified Risk or Opportunity
Bulgaria, Colombia	Generation	Transition	Legal	Implementation of e-flow in Member states of the European Union, in relation to the Water Framework Directive (European Commission, 2015). Alongside CIS Guidance document No.10: River and lakes. In addition, in Colombia, environmental authorities are willing to increase the discharges related to environmental flows related to hydropower.
Bulgaria	Distribution	Transition	Reputation	Greater installed generation capacity from renewable energy sources (RES) in areas with low population and/or low consumption can lead to regular worsening of the operational parameters of the grid; this may render us unable to generate electricity and may happen at times when there is no capacity to store inflow volumes.
Bulgaria	Generation, Distribution	Transition	Market	Greater installed generation capacity from RES and limited interconnector capacity can lead to zero or negative energy prices - causing price uncertainty and potential losses.
Bulgaria	Generation, Distribution	Transition	Policy	Lack of long-term stability regarding the market structure, organization, etc. (expected EU-wide reforms of the electricity markets) causes high degree of uncertainty regarding expected incomes, profitability, etc. in the context of these reforms.
Colombia	Generation	Transition	Legal	Communities could behave under a more reluctant approach about new developments, scared about water scarcity, and climate change stress. Communities could transfer additional stress to licensing processes.
Bulgaria, Georgia	Distribution	Transition	Legal	Mandatory grid connection for RES generators/energy storage/ e-mobility charging stations might make impossible to keep grid voltage stable and can worsen quality parameters SAIFI/SAIDI.
Bulgaria, Georgia	Distribution	Transition	Market	Significant investments in PV and energy storage systems for self-consumption will decrease the accuracy of demand forecasts.
Bulgaria, Georgia	Distribution	Transition	Reputation	Introducing a significantly higher part of renewable energy sources into the energy mix may lead to increase in the prices of electricity and deterioration of quality of supply due to limited grid capacity

The resilience of our strategy against material climate-related impacts, risks and opportunities is analysed as a part of a Climate Change Risk Assessment, which is reviewed by the ESG Committee. It is also discussed with all senior staff from Group and BUs every 2 years during a strategic level meeting. The initial results of our analysis are planned to be presented in September this year.

[IRO-1] Description of processes to identify and assess material climate-related impacts, risks and opportunities

To identify material impacts, risks and opportunities (IROs) for the whole ENERGO-PRO Group, we have conducted a thorough analysis of our whole value chain. As our business spans multiple countries and segments, our approach also takes into consideration location-specific issues relevant for only a part of our business. We leveraged our internal analyses, policies, reports and discussions with dedicated ESG Focal Points and experts to identify relevant IROs over the short-, medium- and long-term horizons.

As mentioned above, for climate related risks and opportunities, we prepared our first Climate Change Adaptation Risk Assessment together with all our Business Units (BUs), identifying and assessing opportunities and risks according to the TCFD categories and subcategories as follows:

Category	Sub-category
Physical (related to the physical impacts of climate change)	Heatwaves
	Drought
	Water risks
	Floods
	Heavy precipitation
	Windstorms
	Avalanche
	Sea level rises
	Other
Transition (related to the transition to a lower carbon economy)	Policy
	Legal
	Technology
	Market
	Reputation

The identified risks and opportunities were then consolidated and prioritized based on the level of risk and relevance score. A consolidated priority list includes 18 priority physical and transition risks. This way we ensured a transparent identification of all climate-related potential or actual positive and negative impacts, risks and opportunities for each country and segment, where we operate.

This initial analysis was done mostly using qualitative data and expert discussions. For the future we will consider using different climate scenarios and modelling to better capture the potential exposure and vulnerability of our assets.

Our transition plan for climate change mitigation

[E1-1] Transition plan for climate change mitigation

ENERGO-PRO is committed to the Net Zero goal through our Code of Conduct, Policies, Climate Change Strategy, and our Climate Change Decarbonization Plan. We also commit to reducing our climate change adaptation risks and we have developed a plan to reduce these risks, making our business more efficient and resilient to climate change.

The Group's Climate Change Decarbonization Plan was developed in 2023 to outline our approach to mitigate our climate change impacts. It is a companywide transition plan to reduce our Greenhouse Gas (GHG) emissions from all relevant sources of Scope 1, 2 and 3 through actions, programs and projects in the short term until 2030 and longer term to achieve Net Zero by 2050.

Our goal is to strengthen our alignment with the Paris Agreement and the EU Green Deal of limiting global warming to 1.5 °C and our longterm commitment to achieve the net zero goal by 2050.

Our key emission sources by scope are:

Scope 1	• Biogenic emissions from our reservoirs, mainly in Türkiye due to large reservoirs. • Process emissions from the production of ferroalloys at Cee and Dumbria plants in Spain • Stationary combustion mainly from natural gas consumption by gPower gas power plant in Georgia.
Scope 2	• Electricity distribution losses in Georgia and Bulgaria.
Scope 3	• Traded electricity in Georgia and Bulgaria, mostly from combustion of fuels of electricity that is purchased and sold to end users.

Based on our GHG inventory sources and analysis of potential mitigation actions, we have identified relevant decarbonization levers to mitigate our climate change impacts and meet our decarbonization targets. As a renewable energy producer, we aim to further increase the share of renewable energy capacity in our portfolio, maximize our energy efficiency through process and technology improvements, reduce consumption of fossil fuels (especially for our gas/thermal power plant in Georgia), monitor and reduce our energy losses from distribution network and engage stakeholders across our value chain to improve the local energy mix to reduce emissions from traded electricity.

Our decarbonization plan sets out detailed actions and time horizons, which are described later in a separate section on climate change action plan with our ultimate goal of achieving Net Zero by 2050.

The implementation of our Decarbonization Plan will require large amount of financial investment. Each Business Unit is responsible to identify specific climate mitigation actions and quantify the financial resources to be allocated to their implementation (CapEx and OpEx). So far, our electricity distribution companies in Bulgaria and Georgia expect to deploy 27.4 million and 34.6 million respectively until 2035. In the following years, we will identify required financial resources to implement mitigation actions across the Group, reflecting our efforts within climate change mitigation and adaptation.

The overall accountability of our Climate Change Strategy and climate change commitments in our Code of Conduct, Sustainability and ESG Policies lies with the Board of Directors and Supervisory Board.

The ESG Committee provides oversight and is responsible for ensuring the commitments are materialized and the budget required to implement our commitments is available.

The Climate Change Task Force (CCTF) is responsible for driving the Decarbonization Plan and implementing technical or other solutions to reduce the Group's emissions and operationalizing all commitments made in these plans in each of the Group's Business Units. Additionally, CCTF ensures the actions are included in the annual ESG plans and allocates an annual budget towards this action plan. The CCTF is also responsible for providing progress updates to the ESG Committee.

In 2023 we have progressed according to our plan and successfully maintained decreasing trend of our GHG emissions in Scope 1 and 2 since 2020. So far, we have achieved a reduction of our total GHG emissions by almost 2 million tCO2e compared to our 2019 baseline. To finance our mitigation efforts, we deployed a CapEx of EUR 23.4 million. More detailed data regarding our progress is provided in a specific subchapter dedicated to GHG emissions.

We adjusted our GHG inventory to include our newly acquired company Xeal in Spain and implemented measures according to our Action Plans in individual Business Units. We plan to further reinforce and improve our Decarbonization Plan to include quantified measures to better plan and monitor our progress towards our targets.

Our policies related to climate change

[E1-2] Policies related to climate change mitigation and adaptation

Our commitments and processes to manage issues related to climate change mitigation and adaptation are addressed in ENERGO-PRO Group's Sustainability and ESG policies and our Climate Change Strategy.

Our policies include commitments to climate change mitigation, climate change adaptation and energy efficiency by

- Complying with all binding laws regarding climate change and working with partners to improve global climate conditions.
- Understanding our transitional and physical climate risks and developing and implementing a global climate change resilient strategy.
- Calculating our GHG emissions, establishing science-based targets in alignment with the Paris Agreement, reporting on progress, and developing concrete actions to reduce our GHG emissions and achieve net zero through decarbonization plans.
- Monitoring and reporting on energy consumption and taking action to reduce usage.
- Meeting applicable international standards for maximizing energy efficiency.

The policies apply to all company executives, management, employees, contractors and subcontractors. The ultimate accountability for the approval and delivery of our Sustainability and ESG Policies rests with the CEO and ENERGO-PRO's Board of Directors. Additionally, the ESG Committee, which meets four times a year, is responsible for updating the Group Policies, driving forward the integration of Sustainability and ESG in the business, and providing oversight to all issues concerning Sustainability and ESG, and other responsibilities, stated in our ESG Policy. Members of this committee include the Chief Executive Officer, Board Member, the Chief Financial Officer, the Group General Counsel, and the ES Group Head.

The ENERGO-PRO policies related to climate change are guided by the international conventions concerning the protection of the environment, the International Finance Corporation (IFC) Policy on Environmental and Social Sustainability and Performance Standards, Good International Industry Practices (GIIP) and efforts to combat climate change (framework agreement and Paris agreements), as well as the United Nation's Sustainable Development Goals and Global Compact principles.

The policies are reviewed regularly and updated to meet the requirements of partners and stakeholders.

ENERGO-PRO Group's policies related to climate change are available on the company website, incorporated in selected standard terms and conditions of business, and may be reviewed by company executives, management, employees, contractors and subcontractors.

Our actions and resources in relation to climate change policies

[E1-3] Actions and resources in relation to climate change policies

ENERGO-PRO Group's actions related to climate change are described in the Climate Change Decarbonization Plan (CCDP), which is a company-wide plan to reduce our carbon footprint (Scope 1-3).

The CCDP sets out the key actions that are in line with our commitments described in the ENERGO-PRO Group's Sustainability and ESG policies.

Our actions are divided based on individual greenhouse gas emissions Scopes and time horizons. The following actions serve as a guide for individual business units to further specify concrete actions relevant for their business and develop annual location-specific action plans.

Scope 1

Medium-term until 2030
- Minimize SF6 leakages from the electrical equipment and infrastructure.
- Reduce the use of our gas/thermal power plant in Georgia.
- Increase energy efficiency in offices and operations.
- Reduce our vehicle fleet consumption and switch to electric/hybrid cars.
- Improve planning of new projects to address their climate change impacts.

Long-term until 2050
- Purchase of renewable energy certificates for natural gas in Georgia.
- Increase the share of renewable energy generation sources (hydro, solar).
- Examine offsetting program to reduce remaining emissions.

Scope 2

Medium-term 2030
- Reduce grid losses through replacement of electricity meters.

Long-term 2050
- Reduce grid losses through replacement of outdated transformers and cables.

Scope 3

Medium-term 2030
- Engage with customers to buy low carbon products through awareness campaigns and green energy product offerings.
- Ensure ENERGO-PRO Group does not support trade associations that have negative climate activities/positions.
- Integrate low emission goods and services in the procurement process.

Long-term 2050
- Engage with government and other institutions to support the increasing renewable energy sources in the electricity mix.
- Provide services for customers to install own renewable generation for self-consumption.

↑ Rooftop PV plant installed on our building in Gorna Oryahovitsa

↑ Green renewable energy certificate issued by our generation business in Bulgaria

↑ Rooftop PV plant installed for our customer in Bulgaria

ENERGO-PRO will monitor compliance and progress with this plan on an annual basis through the ESG Committee and ESG annual plans. As of 2024, each Business Unit will be required to prepare annual decarbonization and adaptation action plans and budgets aligned with our Climate Change Strategy.

In 2023, we have already implemented multiple measures to manage or mitigate our climate change impacts, focusing on energy efficiency improvements. In Türkiye, we installed low energy light bulbs and received ISO 14001 certifications at all sites.

In Bulgaria, we initiated energy savings program, through which we replaced old electrical and hydraulic equipment with energy efficient alternatives at Spanchevo and Pirin HPP, and plan to replace additional equipment at Sandaski HPPs in the next 3 years. In our distribution company Varna, we successfully installed a new 32.40 kWp rooftop PV plant for self-consumption on the administrative building in Gorna Oryahovitsa. The expected annual green energy to be used for self-consumption is 43 564 KWh.

Also in Varna, in 2024 we plan to install another 21.84 kWp PV plant for self-consumption at one of our sites. Additionally, we replaced old power transformers, leading to reduction of energy losses in the transformation process and plan to replace 4 additional ones in the next 5 years. As part of our efforts to reduce our Scope 3 emissions from traded electricity, we continued to promote the usage of low carbon products and delivered 121 692 MWh of 100% green electricity to our customers. The energy is 100% certified by guarantees of origin, which are cancelled in favour of the customers by the Sustainable Energy Development Agency of Bulgaria.

We also continued to raise the awareness of electricity consumers about reducing carbon footprint by installing RES for self-consumption. Throughout the year we designed and installed 45 PV plants for self-consumption, which would allow the customers to replace 6 979 MWh of electricity consumption with 100% green energy.

In Georgia, 700 units of eco-lamps have been installed in Head office and further office repair works to improve efficiencies are planned at around 21 locations in 2024. Lastly, in Colombia, we successfully installed low energy lightbulbs at all sites, including our office.

In 2024, we plan to continue with our energy efficiency measures across our sites and further refine our Decarbonization Plan to improve our planning and monitoring capacities related to our greenhouse gas emissions targets.

Our targets related to climate change

[E1-4] Targets related to climate change mitigation and adaptation

At ENERGO-PRO Group, we are committed to achieving Net Zero by 2050 as a part of our Decarbonization Plan. This target is based on our business model, which aims to provide stable supply of renewable electricity to consumers and support climate change mitigation efforts. We have also set internal targets for our GHG emissions Scopes to help us achieve the ultimate goal.

We set our baseline year to be 2019, which represents a standard operating year and is therefore suitable to be used for our decarbonization targets. In 2023, we recalculated our baseline values to reflect the acquisition of Spanish entities.

Total amount of GHG emissions in base year	tCO_2e	**6 392 281.00**
Scope 1	tCO_2e	**367 546.00**
Scope 2 (location-based)	tCO_2e	**437 005.00**
Scope 3	tCO_2e	**5 587 730.00**

Note: The base year 2019

Since our overall emissions intensity is very low due to the high share of hydropower in our electricity generation mix, it is increasingly difficult for us to further reduce our emissions. As a result, our Scope 1 target is to align our assets with the EU Taxonomy Standard threshold which requires sustainable electricity generation to produce 100 gCO2e per kWh generated or less.

For Scope 2, we have set a target for electricity distribution to reduce absolute emissions by 46% from a 2019 base year. The emissions from distribution losses are largely dependent on the energy mix of the local grid, which is beyond ENERGO-PRO Group's control. We still aim to reduce emissions from distribution losses by increasing the efficiency of our distribution system and decreasing the actual volume of such losses.

ENERGO-PRO Group has not yet set a target for Scope 3 due to the limited ability to influence the local electricity generation mix, which determines our largest source of emissions from traded electricity. However, we are engaging with local stakeholders, such as customers, trade associations and government to increase awareness and provide support for renewable energy sources.

For our Group, it is highly challenging to set targets aligned with the Science Based Targets Initiative since we are already low emitters in our generation business and there are limited levers to further reduce our emissions, in particular from traded electricity since we have limited control over the emissions intensity of grid electricity.

In 2024, we will be revisiting our targets using the EU Taxonomy as a platform by applying intensity metrics derived from the EU Taxonomy technical screening criteria for climate mitigation. For the Ferroalloy plants we will use the SBTi as a framework to establish the targets.

Energy consumption and mix

[E1-5] Energy consumption and mix

The ENERGO-PRO Group aims to provide a safe, reliable, and stable supply of electricity, increase power generation, and further improve the reliability of our hydropower plants (HPPs). This is achieved through professional and cost-effective investments in HPP rehabilitation and modernization.

We understand the importance of sustainable energy management in mitigating and minimizing the environmental impacts of our operations. The Group continuously works on improving energy efficiency, reducing GHG emissions, and increasing investments in clean energy and investing in innovative solutions.

The Group is continuously making efforts in implementing innovative technologies and practices across our operations to increase production efficiency, ensure safe and consistent energy supply, and reduce our energy consumption.

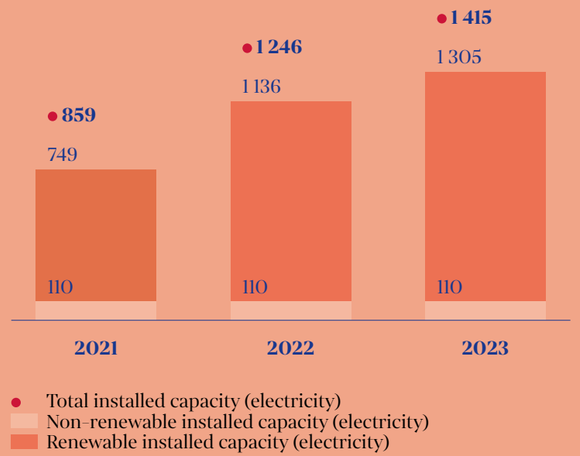
Power generation

In 2023, total installed capacity of 1,415 MW: 48 hydropower plants with an installed capacity of 1,305 MW and a gas-fired power plant ("GPP" – "Gardabani" or "gPower") with an installed capacity of 110 MW with a total electricity production of 3 887 GWh through our hydro power plants in Czechia, Georgia, Türkiye, Bulgaria and Spain and 89 GWh through our gas power plant in Georgia. We produce 98 % of electricity from renewable resources via our HPPs, which reflects our strong commitment to sustainable energy practices, focusing on harnessing the power of water to meet the growing electricity demands while maintaining energy stability from our conventional GPP.

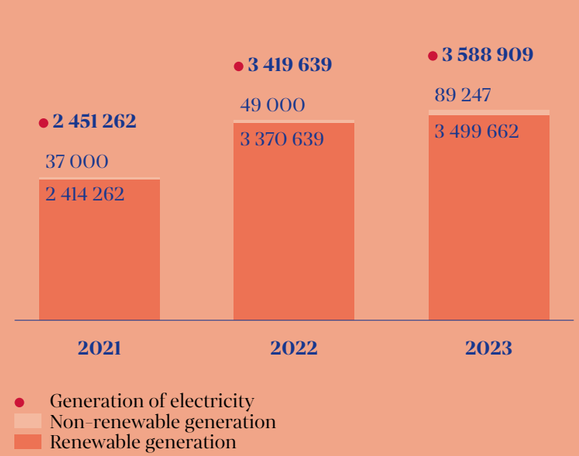
The addition of Spain's Xeal in 2023, which owns and operates a portfolio of ten well-maintained HPPs with long concession life on the rivers Xallas and Grande in northwest Spain's rainiest region, Galicia helped us increase the already high renewable electricity sources to our portfolio.

- In Bulgaria, the EP Bulgaria entity is the largest private HPP producer in the country. Our electricity is generated by 14 hydropower plants with a total installed capacity of 166 MW and an annual production of 388 GWh.
- In Georgia, we operate 15 HPPs with total installed capacity of 491 MW and turbine gas power plant with total installed capacity of 110 MW. Combined, the annual electricity production is 1 937 GWh.
- In Türkiye, the Group operates 7 hydropower plants with total installed capacity of 471 MW and annual production of 1 150 GWh.
- In Czech Republic, the Group operates 2 hydropower plants with a total installed capacity of 10 MW and an annual electricity production of 40 GWh.
- In Spain, the Group operates 10 hydropower plants with a total installed capacity of 167 MW and an annual electricity production of 462 GWh.

Total installed capacity (MW)



Generation of electricity (MWh)



Number of connection points (number)

Total wheeling volume (MWh)

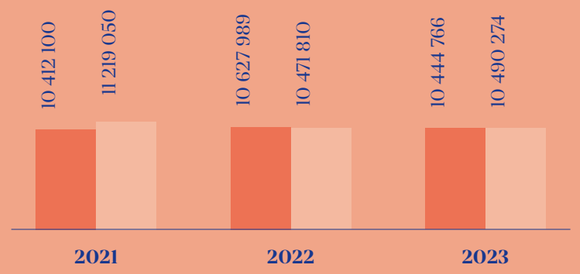
Power distribution and supply

In 2023, the Group's distribution and supply business experienced an expansion in our network infrastructure, as evidenced by the increase in the number of connection points. By 2023, a number of connection points had grown to approximately 2.6 million, from which over 1.2 million customers were served in Bulgaria and more than 1.4 million in Georgia. This growth of approximately 2.37 % in connection points reflects the successful extension of our services to more customers due to developments, infrastructure investments, and strategic initiatives to broaden our customer base.

The total wheeling volume of electricity showed an upward trend. In 2020, the wheeling volume was 10 910 GWh. It increased to 11 301 GWh in 2021 and further to 11 568 GWh in 2022. However, in 2023, there was a slight decrease in the wheeling volume to 11 376 GWh.

In 2023, we reported changes in both distributed and supplied energy compared to the previous year. For distributed energy, which refers to the electricity delivered through the distribution network to end users, there was a slight decrease. In 2022, the distributed energy amounted to 10,627,989 MWh. In 2023, this figure dropped to 10,444,766 MWh, representing a decrease of approximately 1.72 %. Conversely, the supplied energy, which encompasses the total electricity provided to customers by the utility, saw a marginal increase. In 2022, the supplied energy was 10,471,810 MWh. In 2023, it slightly increased to 10,490,274 MWh, marking a small rise of about 0.18 %.

Distributed and supplied electricity (MWh)



Grid losses are also inevitably linked to distribution, which we continuously measure and reduce. In 2023, there was a slight reduction in grid losses, with the volume decreasing to 931 384 MWh. Over the last four years, our distribution businesses have maintained a consistent grid loss rate of 8 %. Our ability to keep grid losses constant at 8 % reflects the Group's efficiency in managing the electricity network through large-scale investment projects and our commitment to minimizing energy wastage in operations.

Grid losses volume (MWh)

Energy consumption

Indicator	Unit	2023
Total energy consumption	**MWh**	**7 833 453**
Total energy consumption from fossil sources	**MWh**	**513 973**
Fuel consumption of coal and coal products	MWh	**0**
Fuel consumption of crude oil and petroleum products	MWh	**2 181**
Fuel consumption of natural gas	MWh	**266 835**
Fuel consumption from other fossil sources (process, waste and other fuels used for energy purposes)	MWh	**0**
Consumption of purchased or obtained electricity, heat, steam and cooling from fossil sources	MWh	**94 966**
Share of fossil sources in total energy consumption	%	**7**
Total energy consumption from nuclear sources	**MWh**	**53 303**
Share of nuclear sources in total energy consumption	%	**1**
Total energy consumption from renewable sources	**MWh**	**7 266 178**
Fuel consumption from renewable sources	MWh	**0**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	**3 418 457**
Consumption of self-generated non-fuel renewable energy	MWh	**3 847 721**
Share of renewable sources in total energy consumption	%	**93**

The main driver of our energy consumption is the consumption of natural gas by our Gardabani gas power plant in Georgia. The remaining fossil fuel is mostly consumed by our car fleet or related to the production of electricity and for heating purposes.

The share of renewable energy in total energy consumption is 93%, which is mostly driven by sourcing of green electricity in countries with higher share of RES in their national energy mix and the consumption of self-generated electricity from our hydropower plants.

Our Group's energy consumption intensity in MWh per EUR of net revenue is 0.005. Considering only our HPP generation business, the intensity is 0.014 and for GPP generation 3.037. Lastly, taking into consideration only our newly acquired ferroalloy business, the intensity is 0.006.

Our greenhouse gas (GHG) emissions

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

Detailed methodology of GHG emission calculation and GHG emissions recalculation due to the acquisition are presented in the Annex to this report.

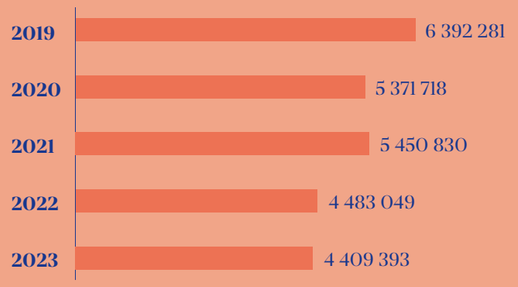
GHG emissions Scope 1, Scope 2 and Scope 3

Total GHG emissions	Unit	2019	2021	2022	2023	% vs 2022	% vs baseline
Total GHG emissions (location-based)	tCO2e	6 392 281	5 450 830	4 483 049	4 409 394	-2%	-31%
Total GHG emissions (market-based)	tCO2e	n/a	n/a	n/a	n/a	n/a	n/a
Scope 1 GHG emissions	**Unit**	**2019**	**2021**	**2022**	**2023**	**% vs 2022**	**% vs baseline**
Gross Scope 1 GHG emissions	tCO2e	367 546	309 212	263 119	210 374	-20%	-43%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	72	66	55	33	-	-
Scope 2 GHG emissions	**Unit**	**2019**	**2021**	**2022**	**2023**	**% vs 2022**	**% vs baseline**
Gross annual Scope 2 emissions (location-based)	tCO2e	437 005	347 431	329 085	274 420	-17%	-37%
Gross annual Scope 2 emissions (market-based)	tCO2e	n/a	n/a	n/a	n/a	n/a	n/a
Scope 3 GHG emissions	**Unit**	**2019**	**2021**	**2022**	**2023**	**% vs 2022**	**% vs baseline**
Gross annual Scope 3 emissions	tCO2e	5 587 730	4 794 188	3 890 846	3 924 600	+0.9 %	-29.8 %
1 Purchased goods and services	tCO2e	216 228	92 387	99 023	59 587	-39.8 %	-72.4 %
2 Capital goods	tCO2e	5 380	4 545	3 852	1 678	-56.4 %	-68.8 %
3 Fuel and energy related activities (not included in Scope 1 and 2)	tCO2e	5 345 473	4 685 295	3 770 991	3 848 718	2.00%	-28.00%
4 Upstream transportation and distribution	tCO2e	13 005	6 208	11 226	8 851	-21.2 %	-31.9 %
5 Waste generated in operations	tCO2e	2 788	2 297	2 249	275	-87.8 %	-90.1 %
6 Business travel	tCO2e	845	444	496	2 844	+82.6 %	+70.3 %
7 Employee commuting	tCO2e	2 591	2 475	2 433	1 650	-32.2 %	-36.3 %
13 Downstream leased assets	tCO2e	1 421	537	577	995	+42.0 %	-30.0 %

Note: The GHG emissions in Scope 1 covered by regulated ETS is only applicable to our distribution business in Bulgaria Varna.

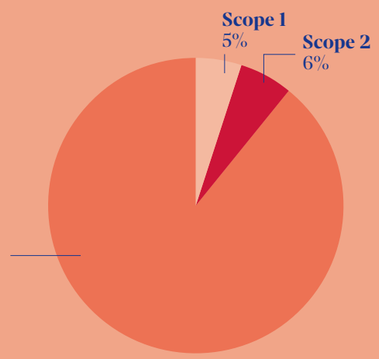
Our total emissions have fallen by 31.0% to 4 409 394 tCO2e in 2023 compared to our 2019 baseline. Emissions have fallen every year apart from between 2020 and 2021, when emissions rose by 1.5%.

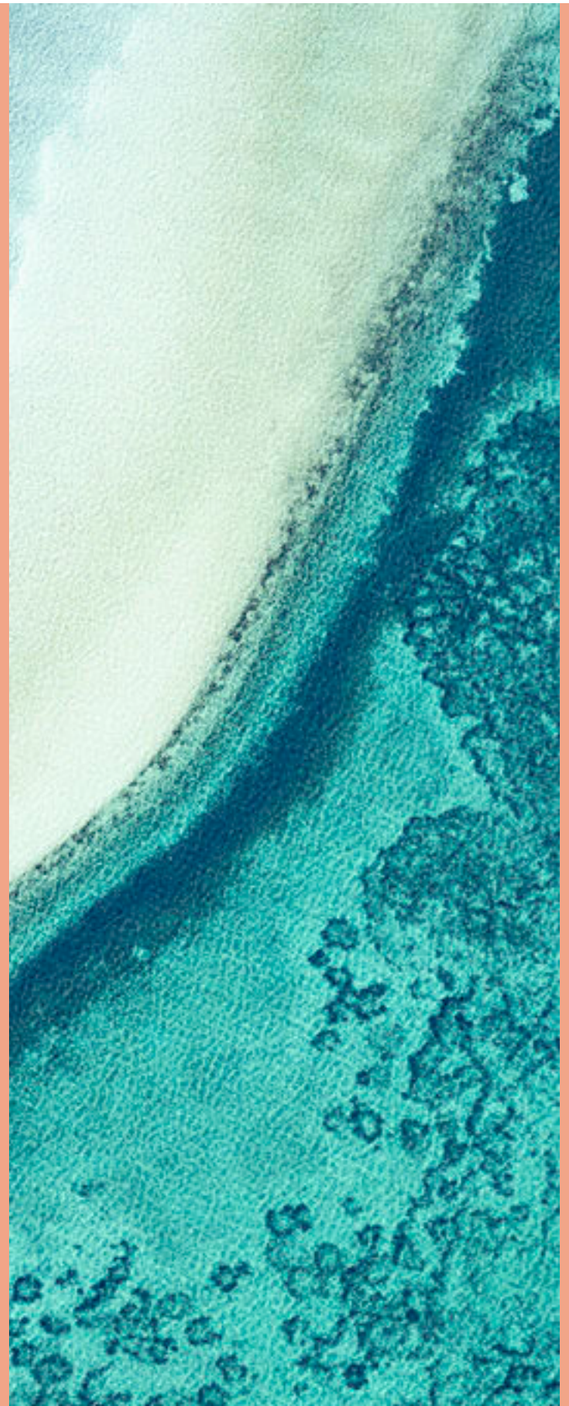
Total Scope 1, 2 and 3 GHG emissions (tCO_2e)



The primary emissions hotspot within the ENERGO-PRO Group is traded electricity, which accounts for more than 85% of total GHG emissions. The primary driver of changes to our total footprint from 2019-2023 is the carbon intensity of traded electricity in Bulgaria, as well as traded electricity volumes (Scope 3). Emissions from distribution losses (Scope 2), Gas Power Plant in Georgia (Scope 1), process emissions from ferroalloy plants in Spain (Scope 1) and biogenic emissions from reservoirs (Scope 1) are consistently our other primary emissions hotspots.

Share of Scope 1, 2 and 3 in our total GHG emissions (%)





Scope 1 emissions

Scope 1 emissions decline each year due to reduced consumption by our ferroalloy plants Cee and Dumbria in Spain and gas power plant Gardabani in Georgia.

Stationary combustion emissions declined from 2019 to 2023 due to a decrease in the production of ferroalloys at Cee and Dumbria. Between 2022 and 2023 emissions decreased by 51.3%.

The chemical processing of ferroalloys is the second largest source of emissions, accounting for 33.35% of scope 1 emissions. Coal used for chemical reduction processes at Cee and Dumbria now accounts for a higher proportion of emissions (30.9% of scope 1 emissions) than natural gas combustion at Gardabani (24.63% of scope 1 emissions).

Emissions from natural gas consumption at Gardabani have increased by 75.7% from 2022 to 2023.This is due to an increase in plant operating hours, which is prescribed by JSC Georgian State Electrosystem (GSE).

Biogenic emissions from reservoirs increased by over 100% in 2020 due to the impoundment of HPPs in Türkiye but have stayed relatively consistent since then. Fluctuations in fugitive emissions from 2020-2023 relate to the consumption of refrigerants and SF6 leakages.

Mobile combustion emissions have stayed relatively consistent from 2019-2023 and have always accounted for less than 0.2% of overall emissions.

Scope 2 emissions

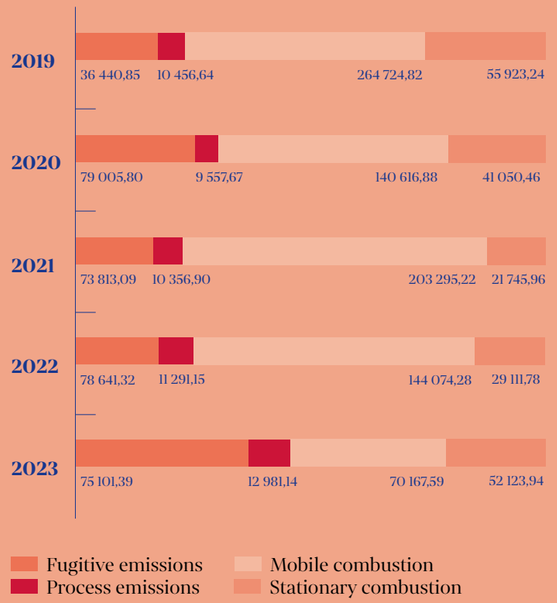
Distribution losses on our electricity networks in Bulgaria and Georgia are the primary source of scope 2 emissions, and account for 86.9% of scope 2 emissions and 5.4% of total emissions.

Losses in Bulgaria account for 73.1% of total distribution loss emissions; losses in Bulgaria account for 26.76%.

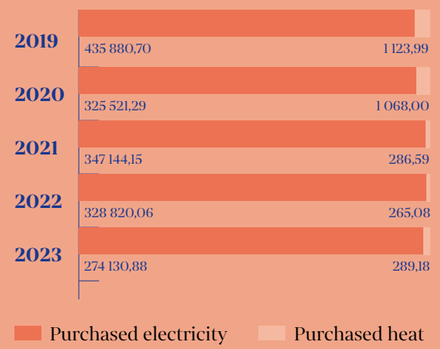
Emissions from distribution losses decreased by 7.1% in 2023, due to a reduction in the volume of electricity traded and reduction in the carbon intensity of electricity generation in Bulgaria.

Emissions from consumed electricity account for 12.9% of scope 2 emissions. The acquisition of XEAL has significantly increased consumed electricity emissions; the production of ferroalloys is a highly electricity intensive process. Electricity consumption at XEAL accounted for 91.6% of electricity emissions in 2023.

Scope 1 trend (tCO_2e)



Scope 2 trend (tCO_2e)



Scope 3 emissions

Traded electricity emissions (category 3) as the largest source of our GHG emissions have decreased over time, across every business unit. This is caused by slightly lower volume of traded electricity and also, we are trading less carbon intensive electricity compared to previous years.

Construction and equipment related emissions make up the vast majority of purchased goods emissions (93%). Purchased goods and services (category 1) and Capital goods (category 2) emissions declined by 40% between 2022 and 2023, due to a slowdown in large construction work. Each year, other sources of emissions, such as paper and office supplies, only comprise a tiny proportion of the footprint.

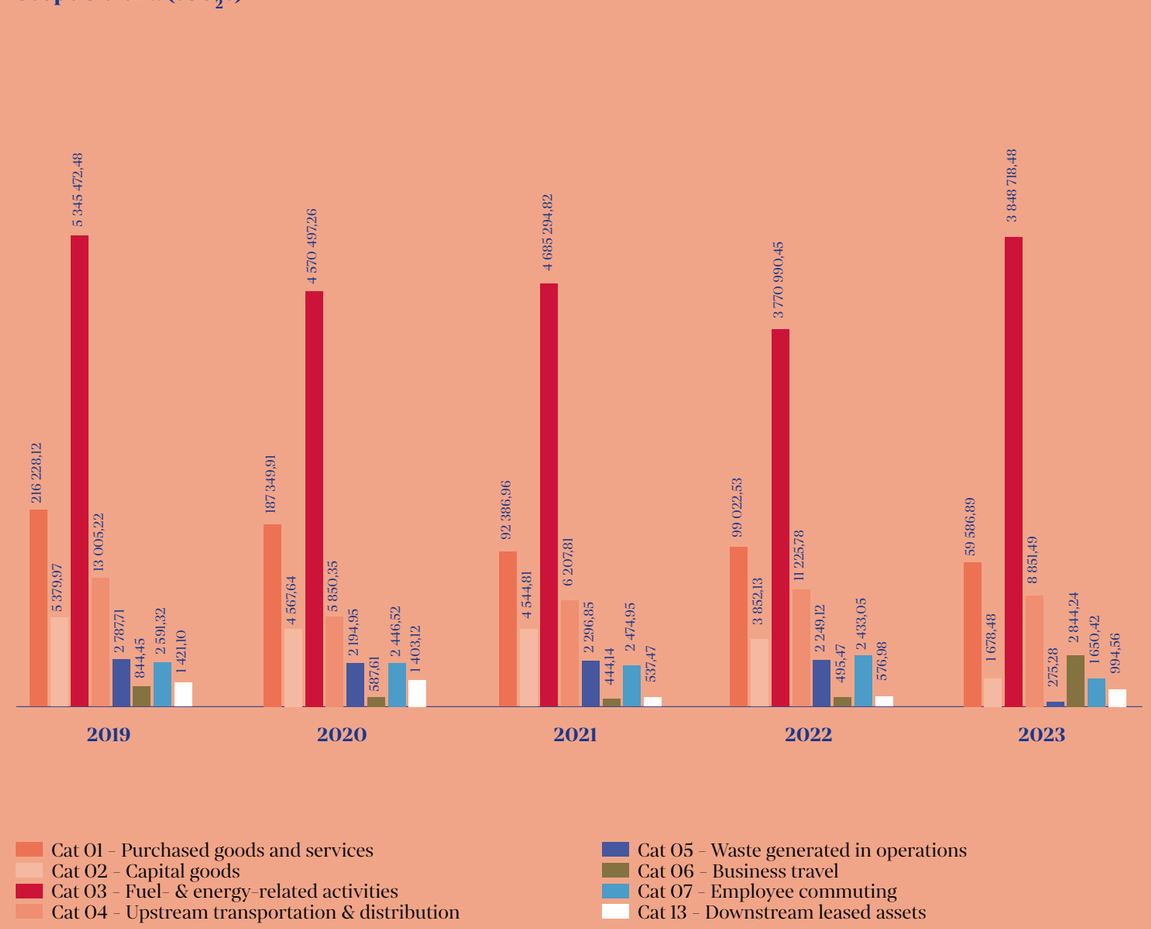
Other Scope 3 categories have a tiny impact on overall emissions. Business travel emissions have increased significantly between 2022 and 2023. This is likely explained by a change in methodology as in 2023, we collected primary data rather than spend data, which may have led to a better provision of data and more accurate calculations. Downstream leased asset emissions arise from the operation of payment terminals by OPPA JSC. This accounted for 0.02% of emissions in 2023.

Waste generated in operations accounted for 0.01% of emissions in 2023. Waste emissions decreased by almost 90% in 2023. This is likely due to a change in methodology as in 2023 we collected primary activity data for the first time, whereas in previous years estimates were made.

Emission intensity key indicators

Key indicators	Business Activity	2019	2020	2021	2022	2023	% vs baseline
Emissions per unit of revenue (tCO2e / EUR)	Operations	0.008	0.007	0.005	0.003	0.003	**-55.2%**
Emissions per MWh distributed (tCO2e / MWh)	Electricity distribution	0.034	0.026	0.025	0.024	0.023	**-32.8%**
Emissions per MWh generated at Gardabani (tCO2e / MWh)	Electricity generation	0.561	0.560	0.450	0.572	0.578	**+3.1%**
Emissions per MWh traded (tCO2e / MWh)	Electricity supply	0.498	0.445	0.436	0.382	0.397	**–20.2%**
Emissions per tonne of ferroalloy produced (tCO2e / t)	Ferroalloy production	5.123	5.608	5.958	5.429	5.589	**+9.1%**

Scope 3 trend (tCO_2e)



E2 – Pollution

Our material impacts, risks and opportunities related to pollution

[IRO-1] Description of processes to identify and assess material pollution-related impacts, risks and opportunities

ESG Sustainability Strategic Team of ENERGO-PRO Group have identified material impacts, risks and opportunities related to environmental pollution as a part of our double materiality assessment. Please find below the list of material IROs for E2 – Pollution.

Given by the nature of our business, our contribution to environmental pollution is relatively limited. This topic has been identified as relevant only in three countries where we operate our business activities:

1. Colombia – primarily due to construction activities (building a new hydroelectric power plant)
2. Spain – due to our ferroalloy production activities
3. Georgia – due to our gas (thermal) power plant

Material impacts

Sub-topic	Description of the impact	Type of impact
Pollution of air	Sulphur dioxide and nitrogen oxides are released during the manufacturing process. They contribute to the formation of acid rain and can degrade air quality.	Negative
Pollution of air	Use of certain chemicals in the processing can lead to emissions of VOCs, contributing to harmful ozone formation at the ground level, which can cause damage to the human respiratory system as well as to certain types of vegetation.	Negative
Pollution of air	During the combustion of natural gas, air polluting substances (e.g. NOx, CO, PM) are released into the air, which has a negative impact on ecosystems as well as human and animal health.	Negative
Pollution of water	During construction works, the sediments from the run-off get into the river due to the operation of heavy machinery, which pollute water.	Negative

Material risks & opportunities

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Pollution of air Pollution of water Pollution of soil (and respective loads)	Purchasing of materials and commodities from suppliers emitting pollutants during their production may lead to higher costs due to either price increase of these products or the need to replace them by costly eco-friendly substitutes.	Risk
Pollution of air Pollution of water Pollution of soil (and respective loads)	Chemical leakages or spills and subsequent water/soil pollution require proper remediation and cleanup, which takes resources and may lead to increased operating costs and reputational damage.	Risk

Our policies related to pollution

[E2-1] Policies related to pollution

Our commitment to reducing and, above all, preventing pollution is embedded in our more general Group policies, for example in the ENERGO-PRO's Sustainability Policy adopted in 2023.

While this policy does not primarily focus on pollution prevention and control, it includes targets and actions that are focusing on this topic. The defined objective is to minimize the release of pollutants and to adopt the IFC (International Finance Corporation) Performance Standard 3: Resource Efficiency and Pollution Prevention. The Performance Standard also aims to prevent or minimize adverse effects on human health and the environment by preventing or minimizing pollution from project activities.

Our actions and resources related to pollution

[E2-2] Actions and resources related to pollution

ENERGO-PRO Group is planning to develop and implement a policy specific to the Environment with the aim of obtaining ISO 14001 certification at the Group level. That means that all companies will implement an Environmental and Social Management System and will encompass strategies and procedures designed to reduce environmental risks, like pollution, and leverage opportunities.

Xeal, our Spanish ferroalloy business, provides a great example of a country-specific approach. Xeal has maintained ISO 14001 certification and implemented the Xeal Objectives Program, which includes goals, establishes deadlines and helps to evaluate a degree of compliance with each of them. Xeal also ensures compliance with the Environmental Monitoring and Surveillance Plans.

Alignment and evaluation of pollution at Xeal is monitored via key performance indicators (KPIs). The data is provided by automatic measurements taken at a station located in the centre of Cee. The measurements cover particulate matter at two fractions (PM10 and PM2.5), sulphur dioxide (SO2) and NOx. The requirements and conditions for this station are also included in the Integrated Environmental Authorization.

Another example is our business in Türkiye. In 2023, all our assets in Türkiye received ISO 140001 certification. In Türkiye, following initiatives are being introduced to reduce pollution:

- changing from diesel to electric cars
- sensor water taps
- zero-waste certificates,
- all light bulbs are turned to LED

In the year 2023, our businesses in Bulgaria, Georgia and Colombia were implementing or at least preparing for the potential implementation of environmental management in accordance with ISO 14001.

In Bulgaria, several new projects are currently underway, including:

- the design and construction of a new local treatment plant for fecal water, separate disposal of drainage water, waterproofing of a sub-transformer shaft for two sites (HPP Spanchevo and HPP Petrohan)

- connecting with city sewerage system, building of new oil separation system at Sandanski HPP
- design and construction of septic pit for fecal water, separate disposal of rain and drainage water and repair of oil collection shaft/pits for lower nozzle (for 3 HPPs)

Our targets related to pollution

[E2-3] Targets related to pollution

Global ENERGO-PRO Group's voluntary targets regarding pollution prevention are outlined as follows:

- 0 environmental incidents and non-conformance reports (NCRs), categorized by type and severity.

In correlation with all SDGs targets it is planned to be achieved until 2030.

General information regarding pollution

[E2-4] Pollution of air, water and soil

Xallas is the sole enterprise that has contributed to the pollution of the atmosphere above the threshold level specified for reporting purposes (in accordance with the E-PRTR Regulation). It´s worth to note that the E-PRTR thresholds are not legal limits nor do they imply any regulatory non-compliance. The E-PRTR thresholds, set in Annex II of Royal Decree 508/2007, are a cut-off line that marks whether the notified data will be public or not. The fact that an establishment exceeds one or more public information thresholds does not mean a breach of its emission limit values (ELV) established in its environmental authorization, as is the case of Xeal that does comply with all the limits established in its environmental authorization. The established thresholds were exceeded for two pollutants, both of which were metals. In the year 2023, the Xallas facility released 23,03 kilograms of cadmium and cadmium compounds into the atmosphere, as well as 113,03 kilograms of nickel and nickel compounds. The exceedances in question were approximately 2.3 times higher than the threshold value.

Substances of concern

[E2-5] Substances of concern and substances of very high concern

It should be noted that no legal obligation exists for our businesses to report on substances of concern or substances of very high concern, with the exception of Xallas in Spain. Xallas is subject to this reporting requirement primarily due to its utilisation of pitch (resin), which it employs in quantities of 479 tons per year. The utilisation of pitch in 2023 was 204 kg/t, representing a slight decline from the 2022 figure of 208 kg/t.

Financial effects from pollution-related risks and opportunities

[E2-6] Anticipated financial effects from material pollution-related risks and opportunities

The anticipated financial effects of material risks and opportunities arising from pollution-related impacts were set at 139 509 euros. This cost is related provisions for environmental protection and remediation, e.g., for rehabilitating contaminated sites, removal of environmental contamination at existing production or storage sites and similar measures in our assets in Georgia.

E3 – Water and marine resources

Water is an essential component of the environment and a fundamental resource for human life. In the pursuit of a sustainable and environmentally conscious future, we are rethinking and redesigning the flow of water to harness its potential as a renewable and powerful energy source. Our HPPs serve a dual purpose, not only as a source of renewable electricity, but also as a storage facility for water during periods of drought, ensuring a constant flow in the river and safeguarding settlements located along its banks against flooding.

The availability of water is essential to our activities. Consequently, we take this matter seriously and with the utmost respect. We have incorporated water-related matters into our policies and implemented a comprehensive system of water management across all our operations. In addition to our own commitment to this issue and our values, water management was identified as a significant concern for our stakeholders.

Material impacts

Sub-topic	Description of the impact	Positive/Negative
Water	HPPs may create water reservoirs and act as water flow regulation mechanism to prevent floods.	Positive
Water	HPPs may disrupt natural aquatic ecosystems, modify river flow, and reduce water flow to a degree that will reduce water availability in the populated areas downstream and cause water stress.	Negative

Material risks & opportunities

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Water	Developing pumped-storage HPPs on large water reservoirs may bring substantial revenue by providing grid balancing services to local energy supply due to RES generation instability.	Opportunity
Water	Reservoirs used for hydro power can also serve other purposes such as irrigation, drinking water supply, or recreation, potentially generating additional revenue	Opportunity
Water	HPPs in water stressed areas can experience increased pressure from government authorities (stricter regulations) as well as local communities to reduce water flow disruption, which may lead to reputational damage and imposed limits on operations.	Risk
Water	Failure of HPPs and resulting flooding of downstream settlements may result in costly remediation activities, litigation, reputational damage and business disruption.	Risk

Our material impacts, risks and opportunities related to water and marine resources

[IRO-1] Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

ESG Sustainability Strategic Team of ENERGO-PRO Group have identified material impacts, risks and opportunities related to water and marine resources as a part of our double materiality assessment. Please find below the list of material IROs for E3 – Water and Marine Resources

Our policies related to water and marine resources

[E3-1] Policies related to water and marine resources

ENERGO-PRO exerts considerable effort to conserve water resources, mitigate water-related risks, and promote responsible water usage throughout our operations. We adhere to the national and, where applicable, international standards, including the IFC's Sustainability Policy and the Performance Standards on Environmental and Social Sustainability, and the IHA's Hydropower Sustainability Standard, in relevant locations. This ensures that we avoid and minimise negative impacts on our stakeholders, the environment and biodiversity. From 2022 until now, we initiated water use baseline monitoring and implemented measures to reduce water consumption across our business units in line with our commitments stated in our Sustainability Policy[1] adopted in 2023.

We engage our stakeholders in water use reduction. In addition, we are committed to monitoring and reporting on water consumption and water discharge that are set in ENERGO-PRO's Sustainability Policy.

Our actions and resources related to water and marine resources

[E3-2] Actions and resources related to water and marine resources

The ENERGO-PRO Group is dedicated to the principles of sustainable water stewardship. It is understood that ongoing monitoring, evaluation, and adaptation of water management practices are essential for ensuring long-term water security and environmental resilience. As our hydropower reservoirs regulate water flow, they contribute to the reduction of water floods and droughts. However, our efforts do not end here.

All of ENERGO-PRO Group's assets are equipped with measurement devices or their equivalents, and only a few assets are yet to be outfitted with meters. The installation process for the remaining assets is expected to be finalized by the end of 2024.

We are engaged in an ongoing process of identifying potential avenues for reducing water scarcity in water-stressed regions through measures such as reduced water consumption and monitoring.

In Colombia, efforts are being made to conserve water and ensure the optimal quality measures were in place prior to the commencement of construction in Q1 2023. These measures include:

- Monitoring of at least seven water sources must be conducted on a regular basis, with follow-up checks conducted at least twice a year.
- Installation of two hydrometric stations for the purpose of measuring the flow of the San Andrés River.
- Annual monitoring of the physical-chemical water parameters of the San Andrés River.
- Annual training program with the objective of minimizing water consumption and promoting the efficient use of this resource.
- Monitoring of industrial and domestic wastewater discharge during the construction and operational phases of the project (this will be monitored on a six-monthly basis during the construction phase and on an annual basis during the operational phase).
- Goal to obtain the IHA Certification.

In Georgia, water is employed for the cooling of thermal polypropylene (PP) and the operation of hydropower facilities. To overcome the limitations of our current water discharge tracking capabilities, we conducted an installation of water meters, which will improve our ability to do so in the coming years. Currently, data is collected for the Shaori and Dzevrula reservoirs, which are seasonally regulated and filled in the spring.

In Türkiye we have installed monitoring water meters at all relevant sites to monitor water consumption. At Alpaslan II HPP during construction we used a sewage treatment plant as required by local regulation, this sewage treatment plant has now been removed and area has been rehabilitated. All our HPPs in Türkiye use reliable septic tanks. A water quality analysis is conducted at all our sites during both the construction and operational phases. The frequency of the analysis is determined in accordance with both national regulation and the GIIP. Furthermore, we are implementing a training program for our employees on water savings

In Spain, the environmental commitment of Xeal is reflected in different initiatives that have been carried out in recent years, for example:

- the installation of flowmeters and the monitoring of the supply flow of ferroalloy plants allow for the consumption of cooling water to be determined with greater accuracy – this will also facilitate the discharge of rainwater and the reuse of rainwater for drinking water.
- Awareness campaign to reduce sanitary water consumption.
- Installation of two flowmeters to quantify the reduction in consumption of the Xallas River and the reuse of rainwater from the Dumbría factory.

In Xeal, the entirety of the water supply is derived from the public network. The water used for cooling at the Xeal facilities is sourced from the Xallas and Brens rivers. The water used in the staff toilets is sourced from the municipal network. Xeal has implemented rainwater reuse systems in ferroalloy plants.
In 2023, no significant irregularities were identified.

In Bulgaria, our water source is derived from mountainous regions that are subject to high levels of water stress. Consequently, we proactively monitor the situation with the objective of ensuring safety and sufficient capacity, as well as the preservation of freshwater biodiversity. Such a comprehensive monitoring program also enables us to proactively manage our impacts. Furthermore, we disseminate information regarding the reduction of water consumption in our offices and sites (together with installation of water meters).

1 For more details regarding the ENERGO-PRO Group's Sustainability policy see chapter E1-2. ENERGO-PRO's Sustainability Policy is available for download on our website in the Sustainability section.

Our targets related to water and marine resources

[E3-3] Targets related to water and marine resources

ENERGO-PRO Group emphasizes its dedication to protection of water and marine resources by setting voluntary targets. Our targets are in line with the Sustainable Development Goals (SDGs) will be achieved no later than 2030 and set as follows:

- Annual water quality testing done at all sites. No major issues found regarding water quality.
- 100% of communities that have been resettled that have access to safe drinking water.
- Annual decrease of water consumption at least 5% by energy produced.
- At least 3 initiatives incorporating water reuse, recycling and other water saving systems per business unit.

Water consumption

[E3-4] Water consumption

In 2023, a total of 511,816,718 cubic meters was withdrawn for our activities, none of which originated from areas of water stress. The significant increase in water withdrawal is attributed solely to Xallas Electricidad y Aleaciones, S.A.U., due to the technological construction of the HPP (cascade type). The main reason of such high number is since 2023 was a year of high inflows in the basin due to heavy rainfall. And this amount of the river water cannot be managed through the hydroelectric plants, and is discharged directly into the sea through the dam.

Xallas Electricidad y Aleaciones, S.A.U. considers this water as "withdrawals" of surface waters. The majority of the water withdrawn is returned to the environment as discharged water. This year, we discharged 511,808,004 cubic meters of water. The reason for this high number of discharged water is same as for the water withdrawals at Xallas Electricidad y Aleaciones, S.A.U.

When expressed in terms of water consumption (withdrawn water not discharged), the total volume of water consumed by the entire Group in 2023 was 115,119 cubic meters, representing an approximately 84% increase compared to the previous year. This increase is related to the additional assets acquired in 2023 in Spain. This figure represents the total volume of water consumed by the Group in the course of its activities, excluding energy generation.

The consumption of fresh water for the generation of energy was 31,245,941,034 m³, which represents a significant proportion of the total water consumption.

In 2023, the total volume of water consumed by the Group in areas of water stress was 529 m³. Of this, 174 m³ was derived from groundwater, while 355 m³ was sourced from surface water. In the year 2022, no instances of water consumption were documented in areas of water stress.

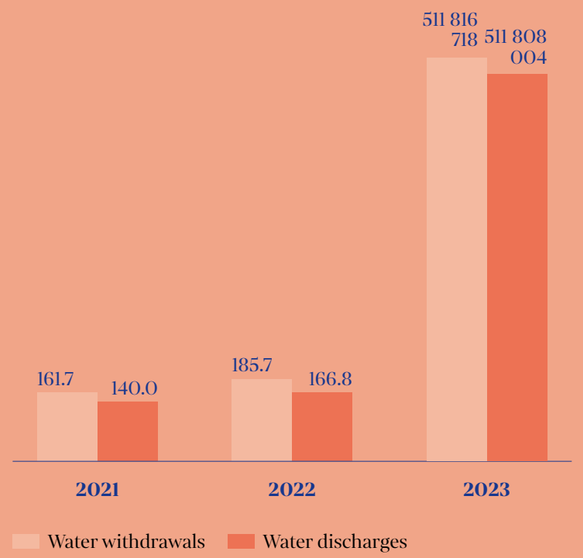
Water consumption intensity ratio in 2023 was 6,467,339 m³/1 million euros. A comparison for 2022 is not available.

Water stored, reused and recycled

In the year 2023, the total quantity of reused and recycled water was 877 m³. No data are available for this parameter in 2022.

The total volume of water stored at the commencement of the reporting period (FY 2023) was 2,349,990,000 m³, while the volume at the conclusion of the reporting period was 2,611,830,000 m³. The discrepancy of 261,840,000 m³ can be attributed to the changes in water storage.

Water withdrawals and discharges 2021–2023 (m³)



Financial effects from pollution-related risks and opportunities

[E3-5] Anticipated financial effects from material water and marine resources-related risks and opportunities

The anticipated financial effects of material risks and opportunities related to water and marine resources (before considering water and marine resources-related actions) were set at 100 000 euros.

Indicator	Unit	2021	2022	2023
Total water consumption	m³	21 680	17 868	115 119
Water Consumption Intensity Ratio m³/1 m EUR of net revenue		-	-	0,7
Fresh Water Consumption for energy generation	m³	-	-	31 245 941 034
Fresh Water Consumption Intensity Ratio for generators		-	-	7 937
Total volume of reused and recycled water	m³	0	0	877
Total water stored...				
...at the beginning of the reported period	m³	47 940 000	1 572 960 000	2 349 990 000
...at the end of the reported period	m³	75 220 000	2 005 448 000	2 611 830 000
Changes in water storage	m³	27 280 000	432 488 000	261 840 000
Total water withdrawals...	m³	161 652	185 716	116 126
... from surface water (water that occurs naturally on the Earth's surface)	m³	1 120	16 040	2 039
... from groundwater (water that is being held in, and that can be recovered from, an underground formation)	m³	63 473	62 438	80 101
... from seawater (water in a sea or in an ocean)	m³	0	0	0
... from produced water (water that enters an organization's boundary as a result of organizational activities, excl. extraction)	m³	0	0	210
... from third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m³	97 059	107 238	33 776
Total water discharges	m³	139 972	166 848	1 360 973 979
... to surface water (water that occurs naturally on the Earth's surface)	m³	139 870	166 568	0
... to groundwater (water that is being held in, and that can be recovered from, an underground formation)	m³	102	280	0
... to seawater (water in a sea or in an ocean)	m³	0	0	1 358 702 450
... to third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m³	0	0	2 271 529
Water capacity of dams				
Minimum water capacity of dams	m³	-	-	1 284 390 255
Maximum water capacity of dams	m³	-	-	3 453 676 851
Water consumption in water stress areas				
Total Water Consumption in the areas of water stress	m³	0	0	529
Groundwater	m³	0	0	174
Surface water	m³	0	0	355
Drinking water	m³	0	0	0
Total volume of water withdrawn from water stress areas...	m³	0	0	0
... from surface water (water that occurs naturally on the Earth's surface)	m³	0	0	0
... from groundwater (water that is being held in, and that can be recovered from, an underground formation)	m³	0	0	0
... from seawater (water in a sea or in an ocean)	m³	0	0	0
... from produced water (water that enters an organization's boundary as a result of organizational activities, e.g. extraction)	m³	0	0	0
... from third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m³	0	0	0
Total volume of water discharged to water stress areas	m³	0	0	0
freshwater (≤1,000 mg/L Total Dissolved Solids)	m³	0	0	0
other water (>1,000 mg/L Total Dissolved Solids)	m³	0	0	0

E4 – Biodiversity and ecosystems

Our material impacts, risks and opportunities related to biodiversity and ecosystems

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

We acknowledge that our activities have material impacts on Biodiversity and Ecosystems. We apply the mitigation hierarchy to avoid impacts during the ESIAs and if not possible we mitigate and minimize by developing control measures.

In Bulgaria, our operations are conducted in biologically sensitive areas, including the Via Pontica, Natural Parks, and other protected areas. In order to minimise our environmental impact, we have implemented various measures, including engagement with local ecology experts (Protection of Birds and the Balkan Centre for Sustainability and Engineering), the installation of bird protection devices and the maintenance of transparency with the public through regular press releases. Given that migratory birds nest in the territory of the Via Pontica, we have implemented measures to mitigate our impact and protect them against electrocution by installing special nesting platforms and bird protection devices. Periodically, we issue press releases containing information for the public about the areas with the installed bird protection devices, where we provide information about birds.

In Bulgaria, we also monitor 15 threatened species, of which 2 are Endangered, 12 are Vulnerable, 2 are Near Threatened, and 1 is of Least concern (according to the IUCN classification). Overall, for Bulgaria, Türkiye, Colombia and Georgia, there are 165 species categorized as Least Concern and 2 species as Vulnerable, 3 are Endangered and 2 are Near Threatened.

[IRO-1] Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

Biodiversity plays a pivotal role in sustaining the ecological balance and operational efficiency of ENERGO-PRO Group, as it underpins the health of the natural systems that our energy solutions rely upon.

ESG Sustainability Strategic Team of ENERGO-PRO Group have identified material impacts, risks and opportunities related to Biodiversity and Ecosystems for each country and segment as a part of our double materiality assessment. Please find below the list of material IROs for E4 – Biodiversity and Ecosystems.

Material impacts

Sub-topic	Description of the impact	Positive/Negative
Impacts on the extent and condition of ecosystems	HPPs create large bodies of standing water (reservoirs), which can serve as habitats for a variety of species, including those which live in or drink from the water	Positive
Impact on the extent and condition of ecosystems	Ferroalloy plants cause habitat alteration or destruction, pollution (including air, water, soil, noise, and light pollution), and significant water usage for industrial processes, which leads to biodiversity loss.	Negative
Impacts on the extent and condition of ecosystems	HPPs may have negative impact on the landscape, disruption of the migration routes of organisms and enabling their natural spread (migrating fish and other water-dependent animals).	Negative
Impact on the state of species	HPPs may block migratory paths of fish, obstructing their access to upstream spawning locations. This can lead to a decrease in fish populations	Negative
Impacts on the state of species	Interference of power lines by birds or other fauna leading to their death	Negative
Impacts on the state of species	Pollution from plant operations, including emissions of gases, particulates, and potentially heavy metals, can degrade air, soil, and water quality. This can lead to changes in the composition and functioning of ecosystems.	Negative
Impacts on the state of species	Combustion of natural gas produces pollutants, which are emitted into the air, water sources and soil, disrupting ecosystems and endangering animal health, especially in protected areas with endangered species.	Negative
Direct impact drivers of biodiversity loss	Natural gas extraction has a devastating impact on local ecosystems, leading to the destruction of natural habitats, the interruption of animal migration and the destruction of forests.	Negative
Direct impact drivers of biodiversity loss	Construction and installation of HPPs may be associated with land grabbing and vegetation removal, which leads to a direct decrease in the amount of fauna and flora, and thus to a decrease in the biodiversity of the habitat.	Negative

Material risks & opportunities

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Impacts on the extent and condition of ecosystems	Partnering with local conservation groups can bring in additional funding for certain projects and might result in shared responsibilities for any required mitigation measures.	Opportunity
Impacts on the extent and condition of ecosystems	Remediation of disrupted migratory patterns of fish, such as installing fish ladders or fish lifts, may result in increased operating costs.	Risk
Impact on the state of species	Decreasing fish population caused by HPPs may lead to reputational damage, litigation and potential fines/sanctions.	Risk
Impacts on the state of species	Insufficient protection of birds and other species may result in fines/sanctions and reputational damage, leading to increased operating costs.	Risk
Impact and dependencies on ecosystem service	Disruption of downstream ecosystem by HPPs may lead to reputational damage, litigation and community complaints.	Risk
Direct impact drivers of biodiversity loss	Construction of HPPs on greenfields may lead to increased land costs and required compensation of biodiversity loss, resulting in additional construction costs.	Risk

An example for our approach to stakeholders' engagement can be our project Alpaslan II in Türkiye. Extensive communication is undertaken with local communities and authorities, with the objective of providing training and awareness about biodiversity conservation, bird species, endemic species, the importance of standing trees in combating erosion, the consultation of our conservation programs the impact of hunting, the importance of fauna and flora conservation, and numerous other topics. A series of booklets and brochures have been prepared and distributed to local schools and authorities, which describe the regional fauna and flora and emphasize the importance of conserving biodiversity, this is done annually. This process will continue throughout the operational phase.

In general, the construction of hydropower plants (HPPs) has the potential to disrupt ecosystems and negatively impact biodiversity. However, as part of our commitment to biodiversity protection, all of our significant projects undergo an Environmental Impact Assessment (EIA), which is a mandatory component that includes a plan to minimize negative impacts on biodiversity along with mitigation measures. We apply the mitigation hierarchy during the impact definition process.

For example, in Bulgaria, our operations are conducted in biologically sensitive areas, including the Via Pontica, Natural Parks, and other protected areas.

It is acknowledged by the Group that the construction of hydroelectric power stations (HPPs) has the potential to disrupt the surrounding ecosystems. In our pursuit of sustainable growth, we have identified responsible development as a core element of our business strategy. Prior to commencing any new project, comprehensive social and environmental assessments are conducted to ascertain the potential impacts and to identify measures for their mitigation.

Our transition plan on biodiversity and ecosystems

[E4-1] Transition plan on biodiversity and ecosystems in strategy and business model

Our commitment to environmental protection and sustainability extends beyond the legal requirements set forth in the Chorreras project in Colombia. We adhere to rigorous standards in the management and monitoring of environmental parameters, and we have established areas for biodiversity offset. We have rescued seedlings and animals and relocated them to areas where they are not at risk of being affected by project activities.

In 2024, ENERGO-PRO will be preparing a group Biodiversity Management Plan which will need to be applied throughout the Group.

Our policies related to biodiversity and ecosystems

[E4-2] Policies related to biodiversity and ecosystems

The ENERGO-PRO Group is profoundly dedicated to the protection and conservation of biodiversity. We strive to comply with all applicable environmental laws and regulations in conducting our business. Our mission is to work in accordance with nature and we adopt a proactive approach to limiting and reducing our biodiversity impacts. The path to reducing nature loss is paved by the following strategies: the protection, maintenance, and enhancement of biodiversity; the reduction of dependency on natural resources; the rehabilitation of our sites; the compensation for biodiversity and ecosystems losses; and the minimization of impacts on nature during the planning phase of our projects. To this end, we engage with local ecology experts on a regular basis, with the objective of proactively identifying and implementing measures to protect biodiversity. In instances where impacts cannot

be fully avoided or minimized, compensation measures are often considered in discussions with local authorities and other stakeholders. Furthermore, we believe that a responsible approach to biodiversity management facilitates the acceptance of our activities by local communities.

In light of the aforementioned considerations, our Group policies have been revised to incorporate our vision on biodiversity and ecosystems. Although the Group does not have a specific policy on biodiversity and ecosystems, this topic is addressed in a number of ways throughout the Group Sustainability Policy[1] and ESG Policy

ENERGO-PRO's Sustainability Policy advocates the protection of local biodiversity, with a particular focus on high-value resources and ecosystems. Furthermore, it emphasizes the application of the "no net loss" principle of biodiversity or of priority ecosystem services. As a collective entity, we acknowledge the significance of environmental and biodiversity management as an intrinsic component of our business operations. Consequently, environmental and biodiversity risks have been integrated into our wider risk identification and mitigation processes. The protection and restoration of biodiversity, natural habitats, and ecosystems are considered to be fundamental aspects of sustainability when designing and developing projects. The objective is to establish targets for the continuous improvement of environmental and biodiversity performance, taking into account the age and design of the assets being monitored.

Another crucial aspect of our operations is the monitoring of biodiversity, with the objective of implementing programs designed to enhance ecosystems and habitats. Where feasible and following consultation with relevant stakeholders, our objective is to rehabilitate and restore disturbed land and other natural assets as closely as possible to the original or preconstruction habitat. It is our firm belief that an active engagement with communities, government, and other stakeholders is essential for the development of community-based conservation programs that prioritize community livelihoods and the sustainable management of forests and ecosystems.

The objective is also to adopt the IFC (International Finance Corporation) Performance Standard 6: Biodiversity conservation and sustainable management of living natural resources. The Performance Standard is designed to protect and conserve biodiversity, to maintain the benefits from ecosystem services and to promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

As stated in ENERGO-PRO's Environmental, Social and Governance (ESG) Policy[2], our objective is to maintain the natural and physical environment affected by our operations. This includes consideration of natural resources efficiency, including biodiversity, ecosystems, and land use.

In order to demonstrate the significance of biodiversity and ecosystems to the Group, we have not confined our considerations to policies pertaining solely to our own operations. Instead, we have elevated our requirements in a similar manner to our approach to our supply chain. In the context of ENERGO-PRO's Procurement Policy[3], the objective is to ensure that the manner in which goods and services are purchased, as well as the actions of suppliers, are aligned with the Group's Global Code of Conduct[4], and policies. This encompasses a range of issues, including biodiversity, human rights, labor, anti-corruption and bribery, stakeholder engagement, commitments to acting on climate change, child labor, diversity and inclusion in the workforce, occupational health and safety, ESG reporting, and good governance. Furthermore, we anticipate that our suppliers will adhere to all of our policies and demonstrate a robust dedication to the stewardship and conservation of biodiversity.

Our actions and resources related to biodiversity and ecosystems

[E4-3] Actions and resources related to biodiversity and ecosystems

At ENERGO-PRO, we consider the protection and restoration of biodiversity and ecosystems to be an integral part of our business strategy. It is our responsibility and purpose to eliminate our impact on ecosystems and biodiversity and, to the greatest extent possible, restore or offset any damage or disturbance that we have caused. Consequently, a comprehensive system of monitoring and biodiversity management plans has been implemented, accompanied by significant investments in the protection and restoration of biodiversity and ecosystems. Furthermore, we facilitate environmental awareness and environmental education among our employees and, in some instances, the communities in which we operate through our Environmental Training Program.

Our extensive efforts are evidenced by the numerous examples that can be observed across our various geographical locations.

Georgia

Although our facilities in Georgia are not situated within protected areas, we do exercise caution to ensure that our operations do not have an adverse impact on terrestrial and aquatic biodiversity. The State sub-agency department of Environmental Supervision of the Ministry of Environmental Protection and Agriculture of Georgia has implemented an annual inspection plan requiring regular inspections of facilities with environmental impacts. Facilities are selectively inspected based on the inspection results of previous years.

In order to enhance our impact and make a more substantial contribution, we initiated biodiversity programs in Georgia.

ZAHESI Biodiversity Program
On 16 June 2023, a total of 10,000 wild carp, 5,000 Khramulya (Copoeta capoeta) and 5,000 Kura barbel (Barbus lacerta) fry were released into the water reservoir (restocking) of ZAHESI, in accordance with the "Detailed Plan of Compensatory Measures for the Ichthyofauna of ZAHESI".

Shaori HPP Biodiversity Program
A study was conducted to assess the impact of the Shaori HPP Tsivtskala pumping station on the biodiversity of the area, including fish and otters.

Spain

In Spain, XEAL does not engage in its ferroalloy activity within protected natural areas. However, it does conduct an activity that has the potential to contaminate the soil in which its facilities are located. Consequently, it has conducted a soil investigation and a risk assessment for human health. The results of this assessment indicate that the risk levels associated with soil contamination are acceptable for human health in all scenarios, exposure routes, and receptors considered. Nevertheless, a portion of the Energy Division's activities are conducted within protected areas designated as RED Natura. All requisite authorizations, concessions, and sectoral legislation are duly observed.

The ENERGO-PRO Group has developed a comprehensive plan to offset the impact on biodiversity (Biodiversity Action Plan ('BMAP") due to the construction of the Alpaslan II Dam. The plan aims to ensure no net loss or significant degradation within the Area of Influence (AoI). This BMAP document sets a framework of the mitigation and compensation (offset) measures in the following pages, defines its targets, actions, timeline and responsibility. However, in order to prepare the measures in the most detailed form, most of the measures are elaborated in individual documents by experts in the particular area of expertise (forestry, ornithology, hydraulic modelling etc.) in addition to cooperating with local experts to ensure projects correspond to the local conditions. Briefly key actions and offsets for Allpaslan II Dam project are:

For biodiversity:
- Implement erosion control measures to prevent soil erosion.
- Reduce dust emissions by watering construction sites and stored materials.
- Limit the amount of land used by the project and the clearing of vegetation.
- Minimise the width of access roads during construction and operation.
- Reduce runoff from construction sites and stabilise land after construction.
- Use terracing and native plant species to restore slopes.
- Control traffic on access roads to limit dust and protect wildlife from vehicle collisions.
- Manage waste and wastewater in accordance with national standards and best practice.
- Reclaim areas such as quarries and borrow pits after project activities.
- Educate project staff and local people about biodiversity conservation.
- Reforestation of 48 ha of oak forest and other trees and bushes according to Alpaslan's reforestation plan and offset program included in the Biodiversity Management Action Plan.
- Installation of nesting rafts for birds at the Alpaslan II reservoir.

For species:
- Train local people and staff in species conservation.
- Relocate animals found at construction sites and avoid construction during the breeding season.
- Fence construction sites to prevent animals from entering.
- Manage secondary impacts such as noise and dust.
- Restrict vehicle movements to designated routes and enforce hunting bans.

For habitats:
- Prevent the introduction and spread of non-native species.
- Minimise tree felling and avoid construction during the breeding season of aquatic fauna.
- Ensure there are no cumulative impacts from simultaneous construction projects.
- Implement erosion, sediment and wastewater management plans.
- Monitor water quality and maintain conditions suitable for aquatic species.

The total financing effects, including direct and indirect costs, of biodiversity offsets for 2023 were 314 399 euros.

Indicator	Unit	2021	2022	2023
Financing effects (direct and indirect costs) of biodiversity offsets	EUR	-	-	314 399
Area of biodiversity offsets applied	ha	-	-	3 007 145
Total value of investments in protection of biodiversity and ecosystems	EUR	3 679 481	7 554 592	3 424 615

Türkiye

In Türkiye, the focus of biodiversity protection is on land and water body rehabilitation projects.

The Alpaslan II project was subject to particular scrutiny with regard to environmental management, given its considerable scale and the necessity to comply with the IFC's Sustainability Policy and the Performance Standards on Environmental and Social Sustainability.

Biodiversity protection represents a key strategic priority for the ENERGO-PRO Group, and as such, a comprehensive biodiversity program was devel-

[1] For more details regarding the ENERGO-PRO Group's Sustainability policy see chapter E1-2. ENERGO-PRO's Sustainability Policy is available for download on our website in the Sustainability section.
[2] For more details regarding the ENERGO-PRO Group's ESG policy see chapter E1-2. ENERGO-PRO's ESG Policy was adopted in 2022 and is available for download on our website in the Sustainability section.
[3] ENERGO-PRO's Procurement Policy is available for download on our website in the Sustainability section.
[4] ENERGO-PRO's Code of Conduct is available for download on our website in the Sustainability section.

oped for the Alpaslan II project, which represents the largest executed project in the Group's history. The program was developed and is being implemented in collaboration with international and national specialists and the Government of Türkiye.

In order to enhance our impact and make a more substantial contribution, we initiated biodiversity program at Alpaslan II (with a garden preparation, including a special area for endemic species) and a study by an environmental engineer at Karakurt.

Colombia

The Chorreritas project in Colombia provides an illustrative example of our proactive approach. Our commitment to the utmost care for the environment is evident throughout the project. This is achieved through the implementation of the Environmental and Social Management Plan and associated management systems, in accordance with relevant national regulations and requirements, as well as the IHA's Hydropower Sustainability Standard. The mitigation hierarchy is applied, and any disruption to protected or biologically sensitive areas is avoided. Furthermore, we are committed to compensating for any unavoidable biodiversity loss that may result from the construction of the HPP, in alignment with a targeted conservation strategy and plan.

In order to enhance our impact and make a more substantial contribution, we are developing the biodiversity offset plan and working on the recovery of the river-side vegetation. Our aim is also to obtain the IHA Certification.

Bulgaria

In Bulgaria, a series of measures have been implemented with the objective of safeguarding aquatic ecosystems. These include the implementation of water management systems and the installation of monitoring cameras to oversee water intake and fish pass functionality.

In previous years, ENERGO-PRO Bulgaria EAD has formed a partnership with the National Hunting and Fishing Association, a member of the "Hydroenergy" association, for the purpose of implementing a fish re-stocking project. The primary objective of this initiative is to enhance the Balkan trout population in key rivers throughout the region, thereby providing a much-needed boost to local fishermen.

We are aware of our commitment to the protection of biodiversity and ecosystems. Consequently, we have initiated a series of new activities with the aim of enhancing our existing practices in this field. With regard to the Generation sector, our current program of work includes the design and improvement of three existing fish passages and four structures for environmental flow, in addition to the installation of a video surveillance system for the existing fish passes. Furthermore, our construction activities include the construction of new fish passages in the Pirinska Bistrica cascade.

For ENERGO-PRO Varna, the operation is situated in an area with migratory birds. Via Pontica crosses the territory of the company. To prevent incidents with birds on electricity facilities, the company has installed special platforms and other bird protection equipment, in addition to bird houses and the monitoring of bird mortality rates. EDCN participates in the LIFE program, which is financed by the EU.

Our targets related to biodiversity and ecosystems

[E4-4] Targets related to biodiversity and ecosystems

The ENERGO-PRO Group reaffirms its commitment to achieving biodiversity conservation as part of our environment protection efforts. Throughout 2023, we will actively pursue our targets in this matter, which were originally set in 2022 to align with the Sustainable Development Goals. Our voluntary biodiversity related targets for the ENERGO-PRO Group are as follows:

- All new projects develop and apply appropriate environmental and social design criteria.
- All sites with construction activities have prepared and implemented new Environmental and Social Impact Assessments (ESIAs) in line with international best practice.
- Achieve 100% rehabilitation of impacted hectares for all new projects, with detailed description and expenditure of total CAPEX.
- Complete afforestation/reforestation of 100 hectares.
- Report on all IUCN Red List and National Conservation List species with habitats in areas affected by projects, categorised as:
    - Critically Endangered;
    - Endangered;
    - Vulnerable;
    - Near threatened;
    - Least concern.
- Annually report on the number and type of community conservation projects and their outcomes.
- Establish at least two conservation or mitigation programmes in each Business Unit.
- Ensure that all projects include a description of the mitigation hierarchy applied as a reporting requirement.

We aim to achieve these biodiversity targets no later than 2030.

Biodiversity metrics

Indicator	Unit	2021	2022	2023
Sites owned, leased or managed in or near biodiversity-sensitive areas	Number	0	0	20
Sites owned, leased or managed in or near biodiversity-sensitive areas (in protected areas and areas of high biodiversity value outside protected areas)	Area in ha	0	0	84
Total use of land	ha	0	0	7 104
Total nature-oriented area on site	ha	0	0	3
Total nature-oriented area off site	ha	0	0	26 000
Size of all habitat areas protected or restored	ha	0	5 600	5600
Total number of IUCN Red List species and national conservation list species				
critically endangered	absolute value	0	1	1
endangered	absolute value	0	2	3
vulnerable	absolute value	1	13	14
near threatened	absolute value	0	2	2
least concern	absolute value	0	1	165

Metrics related to our impact on biodiversity and ecosystems change

[E4-5] Impact metrics related to biodiversity and ecosystems change

In certain countries where our operations are based, we have identified that some of our sites are situated in or in close proximity to biodiversity-sensitive areas. In particular, this was established in Bulgaria, Georgia, Türkiye and Spain. In all of these countries, the impact on biodiversity is also set out in the regulatory permits for operation. In Georgia, Türkiye and Spain, regulatory or compensatory measures regarding biodiversity have been ordered. A total of 20 sites were identified, encompassing an area of 84 hectares.

In the year 2023, the total area of land in use was identified as 7 104 hectares. The total area of the site dedicated to nature-oriented activities was established at 3 hectares, while the area off site was quantified at 26 000 hectares.

Financial effects from biodiversity and ecosystem-related risks and opportunities

[E4-6] Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities

The anticipated financial effects of material risks and opportunities arising from biodiversity- and ecosystem-related impacts and dependencies were set at 100 000 euros.

Case study

Türkiye Case Study – In compliance with Nature

Biodiversity conservation is one of our main strategic priorities and therefore we are carrying out similar activities in our other projects, with the exception of the Alpaslan 2 project, which is the largest project realized by the ENERGO-PRO Group to this date.

Biodiversity Conservation in Karakurt Dam and HPP Area: Release of 100,000 Capoeta trutta Fish

Brief Description

The Turkish Ministry of Agriculture and Forestry's Elazığ Aquaculture Research Institute has implemented a comprehensive program aimed at conserving biodiversity in the Karakurt Dam and Hydroelectric Power Plant (HPP) area. As part of this initiative, 100,000 Capoeta trutta fish were released into the reservoir to support and sustain the local ecosystem. This program has been developed and executed in collaboration with national and international experts and the Turkish government.

Results (or Expected Results)

- Ecosystem Balance: The release of 100,000 Capoeta trutta fish is expected to help balance the aquatic ecosystem in the Karakurt Dam and HPP area. This will improve the living conditions for other aquatic species and enhance biodiversity in the region.
- Community Awareness: Local communities and authorities have been educated and informed about biodiversity and fish species conservation through training sessions and informational materials. This increased awareness will support sustainable conservation efforts.
- Long-Term Sustainability: This initiative not only provides immediate benefits, but also contributes to the long-term preservation of aquatic life and overall biodiversity in the area. The program will continue throughout the operation phase, supported by ongoing monitoring.
- Economic and Ecological Benefits: An increase in the fish population will revitalize local fishing activities, providing economic benefits while also maintaining ecological balance and promoting environmental sustainability.

This biodiversity program will significantly contribute to maintaining the health of the ecosystem in the Karakurt Dam and HPP area and will serve as a model for other similar projects.

Colombia Case Study: Restoration of High Conservation Value Areas, Upper San Andres River Basin

Brief Description

Colombia is a country rich in ecosystems with incredible biodiversity and conservation importance, providing essential ecosystem services such as water production, scenic value, and habitats for endangered species.

In this context, conserving strategic ecosystems to preserve the river basins integral to our projects is a priority. The Chorrerita Project, located in the municipality of San Andrés de Cuerquia in the department of Antioquia, sits in the upper part of the basin. This area is part of the Belmira moorland protection zone, home to endangered species like the wax palm and the spectacled bear.

Additionally, 146,735 hectares of land have been strategically acquired within the Belmira páramo protection area and the upper basin of the San Andrés River. The project under construction in this area utilizes water for power generation.

Results (or expected results)

Protecting this area provides a safe habitat for over 26 species of mammals, 15 species of amphibians and reptiles, and 50 species of birds. This makes it a region of significant ecological diversity, contributing to the maintenance of water resources and the protection of moorlands.

By 2024, we aim to restore areas degraded by economic activities such as livestock farming and agriculture. This restoration project, covering an initial area of 28 hectares, will involve reforesting 20 hectares and allowing 8 hectares to undergo natural restoration. We will also establish conservation agreements with the local community, who will play a crucial role in safeguarding this area. This initiative will not only restore the ecosystem but also enhance the livelihoods of the local community.

In this way, our conservation efforts to maintain the basin's ecosystem services are a valuable contribution to protecting the fragile ecosystems in a biodiverse country like Colombia.

Case study

Case Study – Bulgaria Species Maintenance

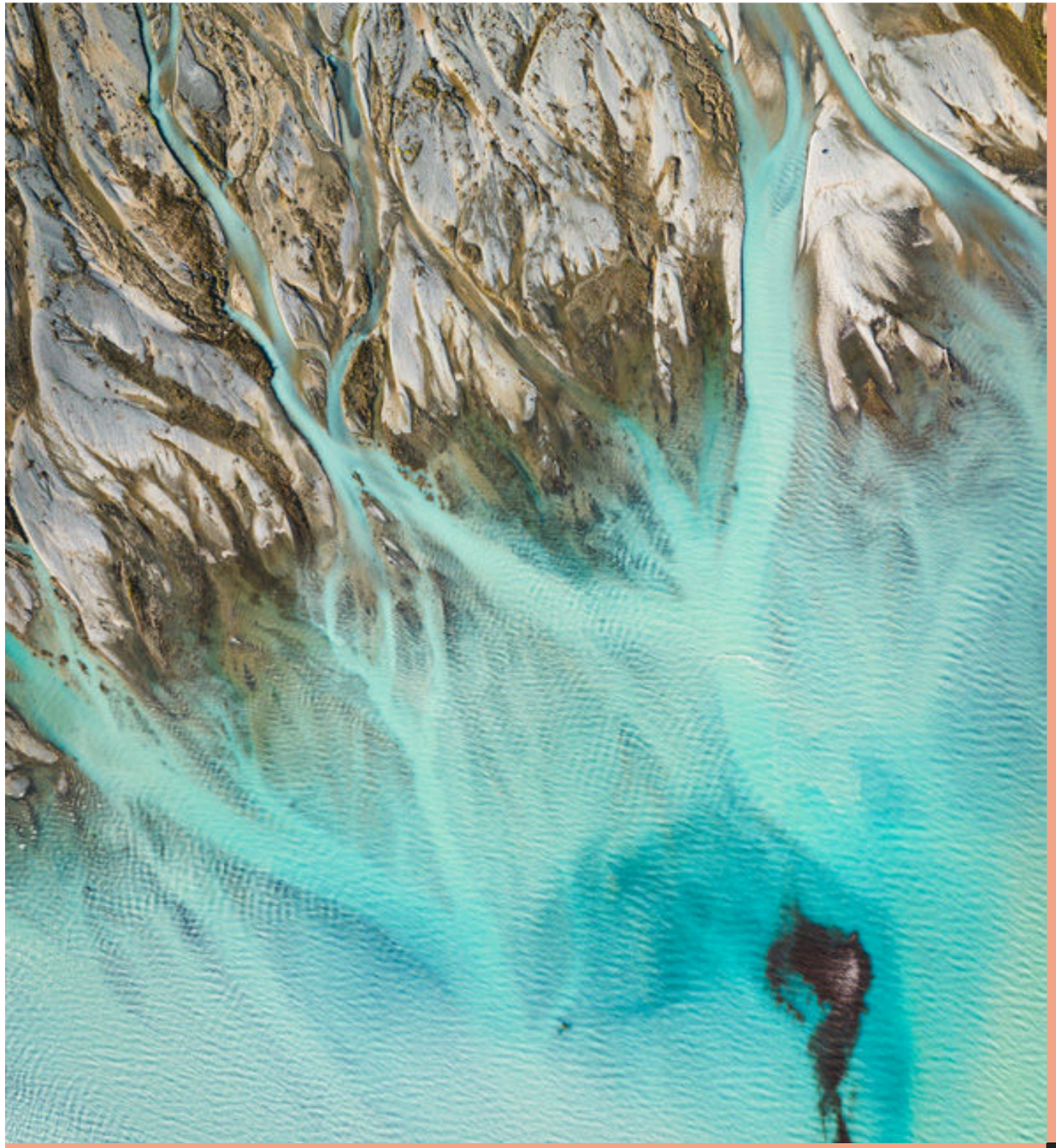
For the second consecutive year, the Hydroenergy Association (a union, of which ENERGO-PRO Bulgaria is a member) supports the "National Programme for the Maintenance of Species Diversity and Sustainable Use of Ichthyofauna in Water Bodies". Thanks to our joint efforts, Bulgarian rivers have been stocked annually with Balkan trout bred and supplied by local farms. More than 60 children also participated in stocking several sections of the Ogosta River.

Tthe entire lengths of the Panagyurska Luda Yana and Strelchanska Luda Yana rivers were also stocked. The fish were released with care and safely along the kilometers after tempering all the stocking material.

Key observations and results from the report include:

1. Participation of Ostosta River of Montana, which consists of 1500 members (hunters and fishers and 48 troops willing to support and participate in fish stocking and conservation).
2. The Ogosta River has been stocked in various sections, including with Beli Mel, s. Zhelezna, town of Chiprovtsi, village of Martinov, s. Gorna Luka and s. Prevala.
3. Increase in trout population: There has been a significant increase in the abundance and size of the trout population in all rivers where stocking has been carried out in particular at the upper reaches of the Ogosta River (Chiprovska and Prevalska parts) and their tributaries. Even in rivers where this fish species was not present, migratory processes and the appearance of Balkan trout are now observed.
4. Observance of catch-and-release regime: A strict catch-and-release regime has followed in all stocked areas, which is strictly controlled by hunters and anglers, creating conditions for the successful development of the Balkan trout.
5. Consider monitoring to understand fish reproduction in the target areas including monitoring of open nests, spawning and fish laying areas of the Balkan trout . This will require planning, preparation and resources. It is hoped that this will be carried out through a joint effort between the NLRS-SLRB and IARA.

It is certainly important to note that the efforts of hunters and fishermen in the region are having a positive impact on biodiversity and river health. We hope that the cooperation between the organizations continues in the future.



E5 – Resources use and circular economy

Our material impacts, risks and opportunities related to resources use and circular economy

[IRO-1] Description of processes to identify and assess material resources use and circular economy-related impacts, risks and opportunities

ESG Sustainability Strategic Team of ENERGO-PRO Group have identified material impacts, risks and opportunities related to resources use and circular economy for each country and segment as a part of our double materiality assessment. Please find below the list of material IROs for E5 – Resources Use and Circular Economy.

Material impacts

Sub-topic	Description of the impact	Positive/Negative
Resource inflows, including resources use	Non-renewable raw materials such as iron ore, manganese ore, chromite, silica, limestone, coal are essential for producing ferroalloys. Additionally, fossil fuels, such as coal and natural gas are utilized in the energy-intensive manufacturing processes within the plant.	Negative
Resource inflows, including resources use	The operation of GPPs requires a significant amount of input materials (for construction and maintenance) and natural gas, which are (mostly) from non-renewable resources.	Negative
Resource inflows, including resources use	Purchase of non-renewable materials (steel, aluminium, copper, plastic) and operational technologies requiring the consumption of non-renewable resources	Negative
Resource outflows, related to product and services	Ferroalloy products (such as ferrosilicon, ferromanganese, and silicomanganese) are further used during metallurgical processes to generate final steel products. Steel products require additional resources at the end of their life to prevent.	Negative
Waste	Equipment/machines/components used for HPPs construction produce waste - mostly excavation material from tunnel construction - that cannot be easily reused or recycled and can cause environmental pollution.	Negative
Waste	Operation of HPPs produces waste from maintenance and investment activities, which may not be reused or recycled.	Negative
Waste	Operation of GPPs produces waste from maintenance and investment activities, which may not be reused or recycled.	Negative
Waste	Production of waste (hazardous and non-hazardous) during maintenance, renewal and development of the distribution network (on construction sites or inspections)	Negative

Material risks & opportunities

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Resource inflows, including resources use	Increasing price of materials for HPP construction by suppliers due to decreasing metal/mineral availability may lead to increased construction costs.	Risk
Resource outflows, related to product and services	The ferroalloy business is closely tied to the health of the steel industry, therefore any downturns or disruptions, caused by lower demand for steel from non-renewable materials/energy due to decarbonisation, could negatively impact the plants' operation and costs.	Risk
Waste	Non-compliance with waste management regulation in operations may lead to reputational damage and fines/ sanctions.	Risk

In the previous materiality assessment that was based on the GRI methodology we have included waste management as a material topic. Main topics covered are contamination caused by hazardous waste and generating non-hazardous waste from business activities. In 2023, we improved the methodology of the materiality assessment, and we not only kept those two material topics but also reviewed the waste management and resources efficiency more in depth.

Most of impacts will have effect on our premises and business within 5 years. However, such negative impacts as production of waste, especially from the construction stages of HPPs, are actual for us already.

All the risks related to this topic are assessed to have a long-term effect on ENERGO-PRO Group. Except for risks related to our consumers behavior change that is already happening and the trend will increase in the future.

Our policies related to resources use and circular economy

[E5-1] Policies related to resources use and circular economy

We ensure that our operations comply with all ENERGO-PRO Group's policies and standards as well as all relevant environmental regulations and standards by monitoring and minimising our waste generation and promoting circular use.

The Group takes action to prevent waste generation very seriously and throughout this we were able to successfully decrease our total waste. Both non-hazardous and hazardous waste handling is addressed in ENERGO-PRO Group Sustainability Policy 2023 and each Business Unit management system. We strive to minimise waste generation to the greatest extent possible. Our Group, along with its dedicated teams, diligently monitors and documents the waste disposal procedures and developed new Sustainability policy, that among other topics includes objectives and actions on resources efficiency and circular economy. The purpose of this document is to present our sustainability commitments. It describes leadership, environment and biodiversity, climate change, communities, governance, and human resources commitments. The Sustainability Policy applies to all company executives, management, employees, contractors and subcontractors.

The Sustainability policy defines the objective for Waste and circular economy:

- Meet applicable international standards for minimizing the production of wastes
- Use natural resources sustainably and work with other organizations, governments, and groups to address climate change.
- Ensure the compliance with all applicable local legislation for this area.
- To meet these objectives were set actions for ENERGO-PRO Group:
- Monitor and report on waste generation including hazardous waste, and take action to reduce it.
- Establish strategies to maximize natural resources efficiency, including land.
- Avoid the unnecessary use of waste, reusing or recycling where possible and selecting techniques with the lowest impact options, wherever possible.

We also consider the importance of the resources efficiency and circular economy within our supply chain. We included in our Procurement policy that we expect our suppliers to comply with all our policies and maintain a strong commitment among other topics to

- Reducing and/or eliminating waste.
- Avoid using single use plastic.
- Responsible environmental management.
- Responsible use of natural resources, including water.
- Use of environmentally friendly technologies.

The ultimate accountability for the approval and delivery of our Sustainability and ESG Policies rests with the CEO and ENERGO-PRO's Board of Directors.

Since Q4 2023 ENERGO-PRO made a commitment in our Sustainability Policy to adopt the International Finance Corporation. This policy sets the Performance Standard for Resource efficiency and pollution prevention.

Our Business Units are establishing a grievance mechanism procedure to receive and enable resolution of stakeholder concerns and engage with communities, government and other stakeholders to develop community conservation programs that focus on community livelihoods and sustainable forests and ecosystems.

Our actions and resources related to resources use and circular economy

[E5-2] Actions and resources related to resources use and circular economy

At ENERGO-PRO, we actively engage with upstream and downstream value chain as well as local network to cooperate for the effective resource use and waste management. All waste, regardless of its hazardous or non-hazardous nature, is entrusted to government-accredited companies at each of our locations that disposes of it in strict compliance with our Environmental Impact assessment obligations and/or permits.

The ESG Annual Plans that included actions regarding resources efficiency and circular economy for each location was prepared and confirmed by the ESG committee in 2023. Those actions are presented in the table below.

Specific waste management actions for each location:

Türkiye

- Set up waste generation data monitoring at all sites.
- Obtained Zero Waste certificates for Alpaslan II and Aralık, with plans to extend to all sites.
- Eliminated single-use plastic at the Head Office and reducing plastic use at all sites.
- Provided recycle bins/crates and training for waste separation at all sites.

Waste management during construction of Chorreritas HPP in Colombia

As a result of the ongoing construction activities in Colombia, there was a noticeable escalation in the generation of construction waste. In response to this challenge, we have adopted a proactive approach to waste management, requiring the preparation and implementation of waste management plans. These plans are tailored based on comprehensive assessments of the types and quantities of waste generated. To ensure best practice, we required each contractor working on the project to submit a waste management plan or strategy as part of our overall management programme. This plan or strategy must be strictly adhered to throughout the duration of their contractual work.

Waste management processes in Spain

Spanish entity Xeal undertakes to seek the efficient use of resources, minimize the generation of waste and the impact on biodiversity, carry out efficient management of water, energy and raw materials and comply with environmental and safety legislation, trying to identify and prevent potential risks in all phases of its business, facilities and work centers. Among these objectives it is worth highlighting the relocation and improvement of the Dumbría non-hazardous waste storage area.

The generation of waste has an irregular cycle and is mainly conditioned by periodic maintenance operations at the facilities. The waste is stored in the areas authorized for this purpose until it is delivered to authorized managers. The environmental impact associated with the generation of waste is due to management activities, which can have an impact on emissions to the atmosphere, the water environment and land occupation. The company has procedures for the identification, storage and management of waste at Xeal facilities. For the industrial waste declared in 2023 the collection of data is carried out by waste managers, where they prioritize its recovery over its elimination.

In addition, Xeal has increased the recyclability and reuse of materials by recovering metal waste as iron contributors in ferroalloy furnaces. Ferroalloy factories incorporate into their production process (furnaces) the necessary iron contained (taxpayers) from metal waste (authorization for metal recovery). These use shavings from rolling mill waste (without prior treatment) and screened iron, which contributes to the recovery of waste and reduces the consumption of natural resources.

Bulgaria
- Established waste generation data monitoring at all sites.
- Removed single-use plastic at the Head Office, introduced recycle bins, and started a plastic cap collection initiative.
- Made recycle bins/crates available at sites.

Georgia
- Signed agreements with local municipalities for waste disposal and followed approved payment methodologies.
- Started replacing single-use plastic cups with biodegradable ones at the Head Office and raising awareness to reduce plastics use.
- Implemented a 3-year waste management plan in compliance with the law, including hazardous waste management, with regulated disposal costs.

Colombia
- Implemented waste generation data monitoring at all sites.
- Installed recycling bins at important places in Chorreritas works.
- Collected hazardous products data at all sites and engaged a specialized company for waste management.

Our targets related to resources use and circular economy

[E5-3] Targets related to resources use and circular economy

ENERGO-PRO Group is committed to achieve targets related to resources use and circular economy within its effort to protect the environment. In 2023 we proactively worked on our targets, which were established in 2022 in alignment with the Sustainable Development Goals (SDGs). Global ENERGO-PRO Group voluntary targets are outlined as follows:
- 40 sites equipped with an established ESHS Management system.
- All sites have implemented initiatives to curtail or eliminate the use of single-use plastics.
- All sites have pursued strategies to reduce paper consumption, with specific targets for the percentage reduction in paper usage.
- Our resource efficiency targets are also closely linked to the energy efficiency targets presented in Chapter E1 – Climate Change.

In our commitment to contribute to the global SDGs set until 2030, each our target is also designed to be achieved no later than the year 2030, ensuring that our efforts are not only strategic but also timely.

Resource inflows

[E5-4] Resource inflows

In 2023, the total weight of products, technical and biological materials used was 6 169 tons, calculated on the basis of the inflow of resources.

Resource outflows

[E5-5] Resource outflows

In 2023, the total amount of waste generated reached 4 032 tons (from which 1 226 tons were transferred to authorized entities), which is approximately 4.2 times higher than the previous year. The majority of the generated waste was comprised of non-hazardous waste (3 701 tons in total), with the greatest increase being observed in comparison to the previous year (which is approximately five times higher). The remaining generated waste was classified as hazardous, with a total of 331 tons recorded (representing a 39% increase compared to the previous year). The observed increase is attributed mainly to the acquisition of Xallas in Spain (ferroalloy business) and construction/renovation activities on our HPPs.

The aforementioned activities generate a greater quantity of waste due to the nature of their process. We are exerting considerable effort to reduce the waste generated and are striving to optimise the processes of our activities in order to minimise the impact on resources and to incorporate the principles of the circular economy into our philosophy.

In the course of our activities in all countries where we operate, 178 tons of hazardous waste were diverted from disposal in 2023, while 153 tons of hazardous waste were destined for waste treatment. With regard to the disposal method, the quantity of hazardous waste generated on-site was 59 tons, while that generated off-site was 272 tons (both figures represent an increase of approximately 39% compared to the previous year).

In the case of non-hazardous waste, a total of 3 360 tons of non-hazardous waste was diverted from disposal in 2023, in addition to 341 tons of non-hazardous waste intended for waste processing. In consideration of the disposal method, the total quantity of non-hazardous waste generated on-site was 2 747 tons, representing a 76% increase in comparison to the previous year. Off-site, the quantity of non-hazardous waste was 955 tons, indicating a 90% increase in comparison to 2022.

In the year 2023, the total quantity of waste that was not recycled amounted to 3 011 tons, representing 75% of the total volume of waste generated.

Financial effects from material resources use and circular economy-related risks and opportunities

[E5-6] Anticipated financial effects from material resources use and circular economy-related risks and opportunities

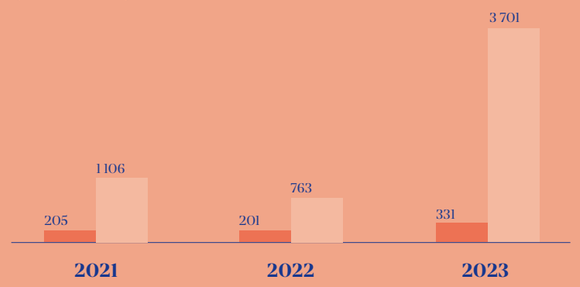
The anticipated financial effects of material risks and opportunities arising from resources use and circular economy-related impacts were set at **275 000 euros**.

Waste metrics

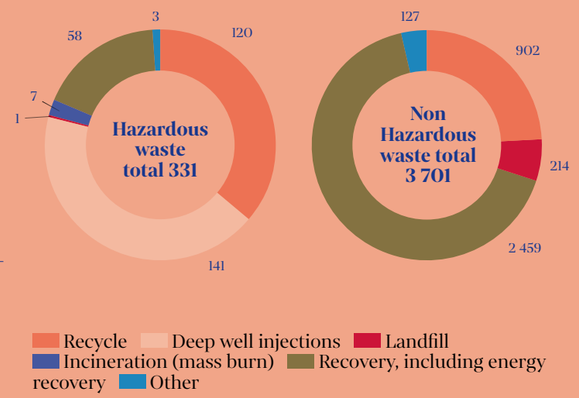
Indicator	Unit	2023
Total amount of waste generated transferred to authorised entities	th. tonnes	1 226
HAZARDOUS waste diverted from disposal	**th. tonnes**	**178**
Hazardous waste diverted from disposal as a result of preparation for reuse	th. tonnes	0
Hazardous waste diverted from disposal due to recycling	th. tonnes	120
Hazardous waste diverted from disposal due to other recovery operations	th. tonnes	58
OTHER waste diverted from disposal	**th. tonnes**	**3 360**
Other waste diverted from disposal as a result of preparation for reuse	th. tonnes	0
Other waste diverted from disposal due to recycling	th. tonnes	901
Other waste diverted from disposal due to other recovery operations	th. tonnes	2 459
HAZARDOUS waste intended for waste treatment	**th. tonnes**	**153**
Hazardous waste intended for incineration	th. tonnes	7
Hazardous waste intended for landfill	th. tonnes	1
Hazardous waste intended for treatment by other disposal operations	th. tonnes	145
OTHER waste intended for waste processing	**th. tonnes**	**341**
Other waste intended for incineration	th. tonnes	0
Other waste intended for landfill	th. tonnes	214
Other waste intended for treatment by other disposal operations	th. tonnes	127
NON-RECYCLED waste	th. tonnes	3 011
NON-RECYCLED waste	%	75
Total amount of RADIOACTIVE waste	th. tonnes	0

Note to data table: For purposes of comparison with previous years, we direct your attention to the GRI-specific Indicators.

Hazardous and non-hazardous waste trend (th. tonnes)



Waste disposal methods in 2023 (th. tonnes)



GRI-specific Indicators

Indicator	Unit	2021	2022	2023
Total amount of waste generated	th. tonnes	1 311	964	4 032
Total amount of HAZARDOUS Waste	th. tonnes	205	201	331
Total amount of NON-HAZARDOUS Waste	th. tonnes	1 106	763	3 701
Disposal method - HAZARDOUS waste onsite	**th. tonnes**	**205**	**36**	**59**
reuse	th. tonnes	0	0	0
recycle	th. tonnes	0	0	0
compost	th. tonnes	0	0	0
recovery, including energy recovery	th. tonnes	0	0	55
incineration (mass burn)	th. tonnes	9	0	0
deep well injection	th. tonnes	104	0	0
landfill	th. tonnes	0	5	0
other	th. tonnes	93	31	3
Disposal method - HAZARDOUS waste offsite	**th. tonnes**	**0**	**165**	**272**
reuse	th. tonnes	0	0	0
recycle	th. tonnes	0	3	120
compost	th. tonnes	0	0	0
recovery, including energy recovery	th. tonnes	0	0	3
incineration (mass burn)	th. tonnes	0	5	7
deep well injection	th. tonnes	0	157	141
landfill	th. tonnes	0	0	1
other	th. tonnes	0	0	0
Disposal method - NON-HAZARDOUS waste onsite	**th. tonnes**	**1 106**	**663**	**2 747**
reuse	th. tonnes	0	0	0
recycle	th. tonnes	4	11	53
compost	th. tonnes	0	0	0
recovery, including energy recovery	th. tonnes	0	0	2 459
incineration (mass burn)	th. tonnes	0	0	0
deep well injection	th. tonnes	0	0	0
landfill	th. tonnes	0	0	179
other	th. tonnes	1 102	652	56
Disposal method - NON-HAZARDOUS waste offsite	**th. tonnes**	**0**	**100**	**955**
reuse	th. tonnes	0	0	0
recycle	th. tonnes	0	22	849
compost	th. tonnes	0	0	0
recovery, including energy recovery	th. tonnes	0	0	0
incineration (mass burn)	th. tonnes	0	0	0
deep well injection	th. tonnes	0	0	0
landfill	th. tonnes	0	0	35
other	th. tonnes	0	78	71

05 Social

S1 – Own workforce

Our material impacts, risks and opportunities related to own workforce related to climate change

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

We aim to further increase our commitments to cooperate with own workforce to achieve our sustainability goals.

ENERGO-PRO Group acknowledges that the management of own workforce carries profound for our business conduction, as well as our overall sustainability and ESG performance.

We put great emphasis in ensuring that we create a safe working environment in all areas of our business, not only for our employees but also for others working on our non-employees (e.g., contractors), we do acknowledge however that we need to improve our safety performance and avoid safety incidents for our own workforce.

ESG Sustainability Strategic Team of ENERGO-PRO Group have identified following material impacts, risks and opportunities related to own workforce impacted by own operation and within upstream as a part of our double materiality assessment:

Our material impacts, risks and opportunities related to own workforce

[S1-1] Policies related to own workforce

Code of conduct

ENERGO-PRO Global Code of Conduct provides practical guidance to support staff in carrying out their day-to-day activities in an ethical manner. It is our commitment towards responsible business practices. It is expected that all employees and contractors will comply with the Code and ENERGO-PRO's policies and standards.

Human Resources Policy

In ENERGO-PRO we understand that our workforce is key to our success and vital to achieving our goals. Human resources policy was developed using our corporate values as a framework, constituting a sound basis for efficient and effective HR Management in the Group. It is essential that local legislation and practices be respected together with the principles in the United Nation's Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR), and the declaration of the International Labour Organization on Fundamental Principles and Rights at Work.

Furthermore, since 2023 we made a commitment to adopting the International Finance Corporation (IFC) Policy on Environmental and Social Sustainability and Performance Standards in all our Business Units.

Equal Treatment

At ENERGO-PRO, we are committed to the principle of equal opportunity. This principle is fundamental to professional development and requires that all employees be treated equitably.

It is of the utmost importance that our employees are able to work effectively in a diverse environment. In our Group, we are fully committed to the principles of equal opportunity and fair recruitment, selection, performance management, retention, training, and development of staff, as well as adherence to anti-discrimination laws.

We facilitate the possibility of individuals occupying roles in various operational areas. The creation of equal employment opportunities is being pursued through the promotion of gender equality and fair employment practices. Training programmes are employed to facilitate the upskilling of employees.

Group subsidiaries can prepare their own country policies, compliant with the Human resources Group policy. Contractors and subcontractors are required to comply with this Policy. The HR Policy will be updated in 2024.

Human Rights Policy

Our Human Rights Policy is based on principles mentioned above to respect and demonstrate Good International Industry Practice (GIIP) regarding human rights. It provides a framework for embedding the responsibility to respect human rights throughout the organization and to build leadership accountability. Our approach to Human Rights is extended to our supply chain as well.

Material impacts

Sub-topic	Sub sub-topic	Description of the impact	Type of impact
Working conditions	Secure employment	Long-term employment policy: most employees with permanent contracts leads to high social protection (good socio-economic conditions, predictable income)	Positive
Working conditions	Collective bargaining /Social dialogue/Freedom of association	Listening to employees through social dialogue/ collective bargaining/ Freedom of association: increased transparency with employees, increased employee satisfaction	Positive
Working conditions	Work-life balance	Systems and policies with a wide range of financial and non-financial benefits and incentives beyond those required by law or negotiated by the union or beyond those customary in the country.	Positive
Equal treatment and opportunities for all	Training and skills development	Improving employees qualification by increasing number of training hours with offer of new personal development trainings above the ones required by local legislation.	Positive
Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities/ Diversity	Demonstrate the commitment to diversity and inclusion with a presence of diversity and inclusion policies creating an inclusive work environment and providing equal opportunities for all	Positive
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Absolute intolerance of any form of discrimination	Positive
Working conditions	Secure employment	Fixed-term employment - low social protection - possible negative impact on the socio-economic status of persons when terminating an employment contract	Negative

Material impacts

Sub-topic	Sub sub-topic	Description of the impact	Type of impact
Working conditions	Health and Safety	Improper working conditions in the actual workforce can lead to damage to equipment or damage to the health of employees, which can result in: • Reduction of employee motivation to work in potentially more risky jobs - possible departure of employees to another company • Loss of skilled operational staff • Damage to the company's reputation as a supplier of services or products • Damage to the company's reputation as an employer, which may make it difficult to recruit new employees	Negative
Working conditions	Health and Safety	Deficiencies in prevention and training of employees in the OHS system - low coverage of employees by the OHS system: • High number of non-fatal accidents • High levels of work-related ill health, • Many lost working days • High fatality rate, fatal accidents	Negative
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Occurrence of violence and harassment in the workplace: can lead to psychological disorders and other forms of harm and human rights violations	Negative
Equal treatment and opportunities for all	Diversity	Low proportion of women in top management and in the workforce caused a significant gender pay gap	Negative
Other work-related rights	Privacy	Possible breach of employees' personal data: Breach of trust, impact on the organisation's reputation, loss of workforce	Negative
Other work-related rights	Child labour Forced labour Adequate housing Water and sanitation	Child/forced labour and insufficient working conditions (including adequate housing and access to water and sanitation) for own workers may cause psychological and physical harm	Negative

Material risks & opportunities

Sub-topic	Sub sub-topic	Description of the risk or opportunity	Opportunity/risk
Working conditions	Secure employment	Increasing socio-economic conditions may bring new business opportunities and higher social protection of the own workforce (increasing living conditions, higher predictable income), which may increase employer attractiveness and lower costs	Opportunity
Working conditions	Collective bargaining /Social dialogue/Freedom of association	Employee satisfaction due to generous financial and non-financial benefits and incentives gives an opportunity of gaining good reputation and bringing new talents, reducing costs	Opportunity
Working conditions	Work-life balance	Employee satisfaction due to generous financial and non-financial benefits and incentives gives an opportunity of gaining good reputation and bringing new talents, reducing costs	Opportunity
Equal treatment and opportunities for all	Training and skills development	Well-educated and trained employees with long-term contracts support socio-economic situation and provide opportunity for stable and secure economic environment for business development	Opportunity
Working conditions	Health and safety	Serious heath problems of workers and increasing number of workplace accidents can lead to financial losses and bring reputational risk	Risk

Occupational Health and Safety Policy
Recognizing the importance of workplace safety, we prepared an Occupational Health and Safety Policy that provides conditions for the prevention of work-related injuries and health impairments. We dedicate to protect the health and safety (HS) of employees, contractors, visitors, and the communities affected by our operations. The safeguarding of personnel, property and the environment is a non-negotiable aspect of the success of our business. This policy, and the concrete measures which flow from it, serve to guarantee the safety of our stakeholders. We aim to motivate our employees to become passionate about health and safety and build a safety culture in all our sites. In ENERGO-PRO we require all employees, visitors, and contractors and sub-contractors to adhere to this Policy.

Whistle-blower policy
To comply with the EU Directive and any national law into which it is transposed we set up Whistle-blower policy to protect people who report breaches (meaning possible illegal activities or other material wrongdoing), which they have learned about in connection with their work. This policy prevents retaliation towards whistle-blowers and other persons, when reports are made via internal or external channels (including anonymously). This policy was updated in 2023.

Sustainability Policy
In addition, Sustainability Policy recognizes the importance of demonstrating sustainability leadership at all levels of the organization and describes a set of rules and procedures aimed at addressing leadership commitment towards sustainability, in particular with regard to the environment and biodiversity, climate change, communities, good governance and human resources. This policy was updated in 2023.

Our processes for engaging with own workforce

[S1-2] Processes for engaging with own workers and workers' representatives about impacts

At ENERGO-PRO Group, we pursue the objective of fostering a work environment that is empowering, engaging, and conducive to professional growth for our employees. We strive to create a safe, inspiring, inclusive, and caring work environment. It is the right of employees to be protected from harm in the workplace, to be fairly compensated, to have job security, and to be treated equally. It is evident that the workforce constitutes a crucial element in the attainment of success and the fulfilment of objectives. The objective is to create an environment that treats all employees fairly and with respect, and to maintain a work environment that fosters personal and professional growth for all employees that it represents in our policies. Our objective is to attract highly qualified employees and to ensure that all employees, including contractors, work in a safe environment and are treated fairly and with respect.

It is acknowledged that all employees have the right to form and join an association that represents their interests as employees, to organise, and to bargain collectively or individually. All individuals are entitled to unionise and may freely seek guidance and support in all matters pertaining to their employment from recognised unions and employee representative bodies. It is not the role of managers to intervene in decisions made by employees regarding union representation or membership. It is the intention that there shall be a constructive collaboration with employees and employee representatives.

The objective is to achieve a fair equilibrium between the economic interests of the Group and those of the employees. In the event of any disputes, the objective remains unchanged: to ensure sustainable, constructive collaboration in the long term. The concept of feedback is a fundamental element of the ENERGO-PRO methodology. It offers a novel perspective on work practices and procedures. The utilisation of diverse methodologies for the collection of feedback is endorsed. It is a requirement that all sites conduct employee surveys, hold one-to-one or team meetings, carry out exit interviews, encourage an open-door policy, and utilise grievance mechanisms. Furthermore, Comment and Grievance boxes have been installed in our sites, providing a convenient method for individuals to voice concerns, grievances, or recommendations. In the spirit of continuous improvement, we encourage dialogue with our employees, analyse the results of this dialogue, and act based on reaching mutually beneficial agreements and implementing them.

Our performance management process is designed to facilitate ongoing and timely feedback between employees and their managers. This feedback is intended to inform the development and training of employees, with the goal of enhancing both their professional growth and the company's overall performance.

All business units are required to conduct annual performance evaluations for each employee. While this process is currently underway for some of the company's businesses, it is not yet fully implemented. The evaluations are communicated to the individual in a respectful manner, including areas for improvement.

How we remediate impacts on own workforce

[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

At ENERGO-PRO we make great effort not only to remediate but prevent any negative impact in relation to own employees. We promote a zero-harm culture within our operations and make all efforts to minimize risks to our workforce, contractors and communities by creating a safe working environment. Every person within the organization is accountable for their own safety and their co-workers. We established health and safety management systems (HSMS) at all our construction and operation sites to mitigate safety risks.

Managers are responsible for developing and implementing fit-for-purpose risk-based health and safety measures and for taking appropriate actions for creating and maintaining a safe and healthy working environment.

Unsafe practices or non-compliance with our safety obligations are addressed immediately and reported to leaders. We make distinctions between intentional and unintended acts which place people at risk of harm. We investigate all incidents regarding health and safety and encourage corrective behaviour rather than punishment, when appropriate.

Employees are motivated to perform regular health and safety risk assessments and to possess the requisite skills and personal protective equipment (PPE) to perform their tasks. They are expected to familiarize with all the health and safety management plans relevant to their job. All leaders must encourage a safety culture within all construction and operation sites, making health and safety a priority, become familiar with the evacuation plan in case of emergency, and report all incidents and undertake a thorough investigation with mitigation and preventive measures.

As we aim to create a safe working environment to achieve Zero Harm workplaces we have developed series of specific requirements to mitigate any damages, injuries and to achieve Zero Harm:

- Health and Safety Management, which is focusing on the responsibility of the senior management to ensure full functionality of Health and Safety Management Systems (HSMS), including all the required plans, procedures, and reporting.
- Health and Safety Culture, which is focusing on the responsibility of the senior management to ensure that a culture of 'Zero harm" is instilled throughout the workplace to remove health and safety risks.
- Good International Industry Practice (GIIP) and Legal Requirements, which is focusing on the developing adequate health and safety practices. They comply with legal requirements and ensure that all procedures and permits are in place to conform with country-specific legal requirements. Sites prepare health and safety risk assessments, hazard identification and management, incident reporting, Non-Conformance Reports (NCRs) and Emergency Preparedness and Response Plans (EPRP).

Certainly, our whistleblowing mechanism serves as a crucial conduit for own workforce to voice their concerns. The detailed description of our whistleblowing policy is readily accessible in section S1-1 of this report.

Case study

Georgia Case Study – Employee Development and Training

Employee development and training programs

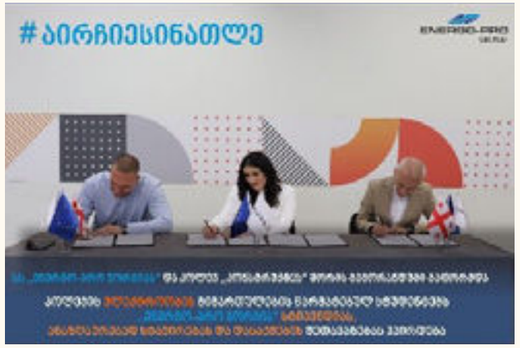
Georgian companies established a comprehensive training program that includes external certifications and internal training for employees. Employee training is adjusted annually to ensure alignment with our business strategy and the professional growth of individual employees. Capacity building programs include health and safety, project management, labor safety accreditation, Service+, English and Georgian language courses, Industrial Financial System (IFS) programs, and integration training.

In 2019, ENERGO-PRO Georgia JSC received an award from the "Millennium Challenge Corporation" for the best business partner of professional education in Georgia. This confirmed the Company's efforts and commitment toward higher education.

JSC "ENERGO-PRO Georgia" and the College "Construct2", located in Zestaponi, signed the memorandum of cooperation. The College has special offers for students in electricity studies. "Choose the light" – with this slogan, the company addresses the candidates, who have not yet chosen a profession. Within the framework of similar memorandums, the company has been cooperating with higher and professional institutions in Georgia for many years. Most of the successful students are already full-time employees of JSC "ENERGO-PRO Georgia".

Scholarship programs – 10 students are selected from various professional educational institutions during the year and given scholarships during their studies.

JSC "ENERGO-PRO Georgia" actively works for gender equality; less women tend to choose the profession of energy worker, therefore, a special offer is made to them – If they enroll and study electricity studies, the company will offer them scholarships, paid internships, and employment.



Governmental Recognition of non-formal education for company employees

The Professional College "Black Sea" with the financial support of the Adjara Employment Agency, implemented recognition (certification) of non-formal educational program for 10 employees of the Batumi service center who did not have a degree in energy and/or electronics, Professional or higher education in the field of engineering, but had work experience in these fields.

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 other regions.

The aim of the project is to attract young professionals. The company has signed memorandums with higher and professional institutes all over the country. The students interested in energy field undergo the paid internships. The successful students are hired by the company.

In July – September, 2023 13 candidates underwent a 2 month internship, from which 6 candidates were hired by the company and 2 candidates underwent additional internships. The participants of the project received certificates. The project was ended with an educational excursion to gas power plant - "gPower".

The Business supporting the school

In 2023, the company participated in the USAID organized civil education program "School-Business Forum", which aimed to connect schools and business to solve various social and environmental issues. At the forum, the project – "Ecologists", presented by Tbilisi #133 public school, became the favorite.

The goal of the project was to raise awareness among young people, reduce household and industrial waste by making/reusing items from second-hand, recycling waste, and exchanging part of waste paper for books and enriching the school library.

Within the framework of the project, trash bins for separation were placed on the school territory, educational posters were displayed, and a school magazine was made from second-hand, recycled materials.

The company was awarded by USAID as a project supporter organization.

Benefits

In Georgia, we provide a wide range of benefits for full-time employees such as life insurance, health care, disability coverage, parental leave, and retirement provision. Our employees also get additional social benefits including extra hours for doctor visits from 50% to 75% salary payments in addition to the government's financial support during maternity leave, and access to internal and external trainings.

Teambuilding events

EP Georgia pays great attention to organizing additional activities for employees such as teambuilding activities. Outdoor entertainment and sporting activities are regularly arranged for the personnel. Different activities, such as rafting, and sightseeing tours are organized to encourage a healthy lifestyle and company celebrates the holidays such as women's international day and children's day.

Our actions related to the own workforce

[S1-4] Taking action on material negative and positive impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Capacity building and emergency drills are integral to our projects, ensuring all workers are well-prepared and trained. The training includes labor legislation, employee rights, workplace maintenance, occupational disease prevention, first aid, Covid-19 protocols, risk management, equipment handling, and emergency response techniques. Specialized Occupational Health and Safety Trainings on topics like working at heights and in confined spaces, workplace organization, mechanical maintenance, and driving safety are conducted biennially. New hires receive comprehensive induction training. To solidify these practices, annual emergency drills, inclusive of community participation, are carried out to promote preparedness and safety.

At ENERGO-PRO, we outline the measures we have implemented to address any impacts on our workforce. During the 2023, we took following actions:

- Conducting regular capacity building sessions and emergency simulations to ensure workforce readiness and adeptness.
- Providing extensive training covering labor laws, employee rights, and maintaining a safe work environment.
- Educating employees on preventing occupational diseases, administering first aid, and adhering to Covid-19 safety measures.
- Implementing risk management training, proper equipment usage, and emergency response tactics.
- Offering specialized Occupational Health and Safety Trainings biennially, including high-risk activities such as working at heights, confined space operations, workplace organization, mechanical upkeep, and driving safety.
- Ensuring all new employees undergo thorough orientation training to integrate them into our safety culture.
- Organizing annual emergency drills with community involvement to enhance safety awareness and emergency preparedness.

In 2023, we initiated a program to improve our electrical and arc flash safety performance. This program includes training of staff, identification of the Root Cause Analysis of electrical and arc flash, a gap analysis of our current process and identification of the gaps to comply with the NFPA 70E requirements, implementation of an action plan to comply with the National Fire Protection Association NFPA 70E Standard and an awareness program to deliver to the communities. The implementation plan will be initiated in 2024 and will be implemented in the next few years. The aim is to improve our overall OHS performance, in particular regarding electrical and arc flash incidents.

Our targets related to own workforce

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ENERGO-PRO Group underscores its commitment to fostering a responsible and inclusive workforce by establishing voluntary targets. Aligned with the Sustainable Development Goals (SDGs), these targets are set for own workforce and planned to be achieved by 2030 and are as follows:

- 30% of women in senior management positions, including board members.
- At least 25% employees from the local villages/towns.
- Implementation of community investment programs across at least 5 business units.
- A system in place to ensure all grievances are received and addressed at all sites.
- Ensuring 100% of people resettled due to our projects have improved housing and access to essential infrastructure such as water, sewage, and electricity.
- Dedication of approximately 2% of profits to social projects, including employee training, adhering to the standard for Corporate Social Responsibility (CSR).
- Establishment of grievance mechanism systems for both employees and external stakeholders in all business units.
- 0 cases of incidents/grievances/whistle blower cases regarding discrimination.
- 0 cases of fatalities at any circumstances.
- At least 10 hours per employee of training hours provided for employee training (by gender).

Metrics related to the own workforce

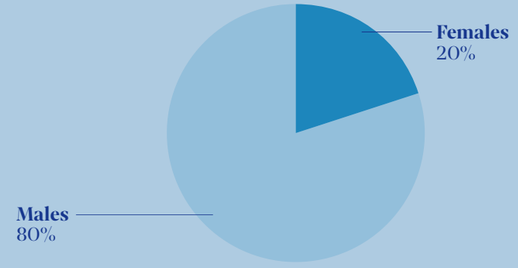
Our own employees

[S1-6] Characteristics of undertaking's employees

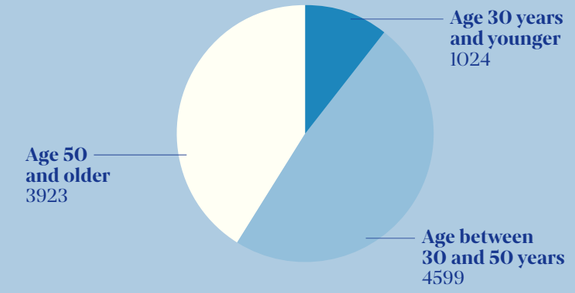
At the end of 2023, in the Group we had 9739 employees in total, while 786 workers had left during the year, therefore rate of employee turnover is 9 %. In 2023, the in ENERGO-PRO Group we employed 9484 permanent contract employees and 255 temporary contract employees.

The graph displays a breakdown of employees by position, segmented into categories of female, male, and others.

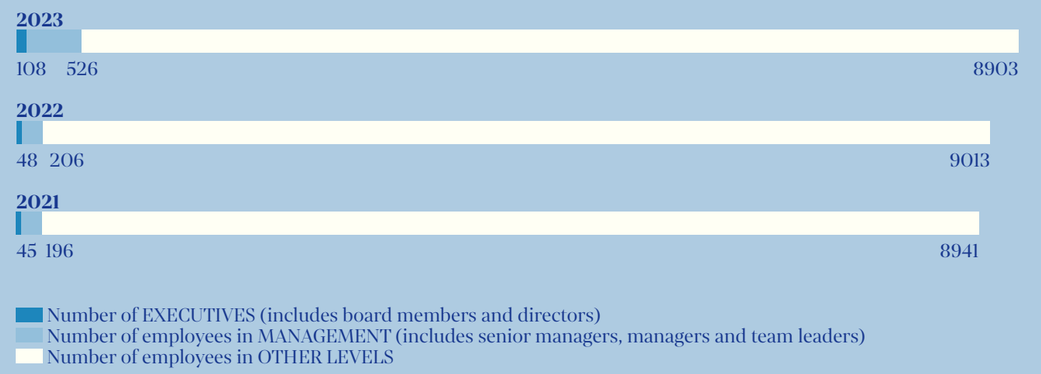
Share of men and women at top management



Employees by age group

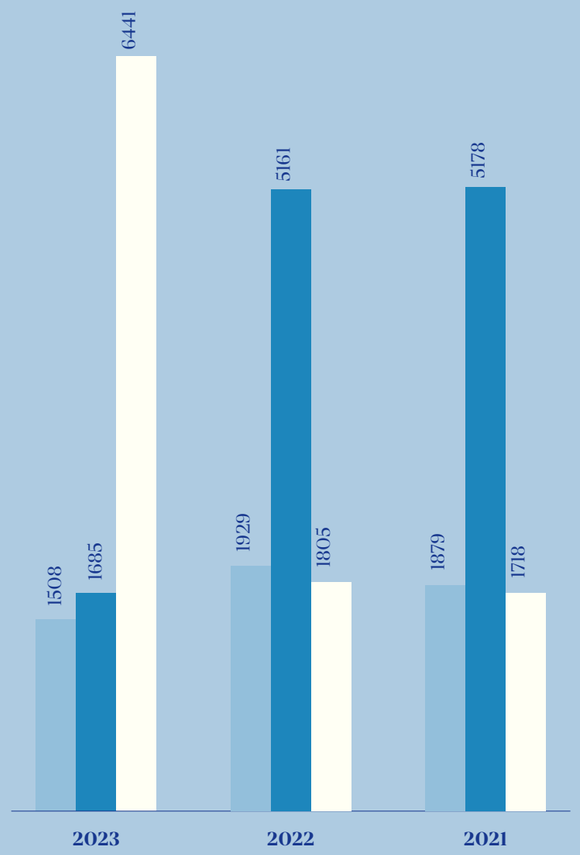


Employee breakdown (by level)

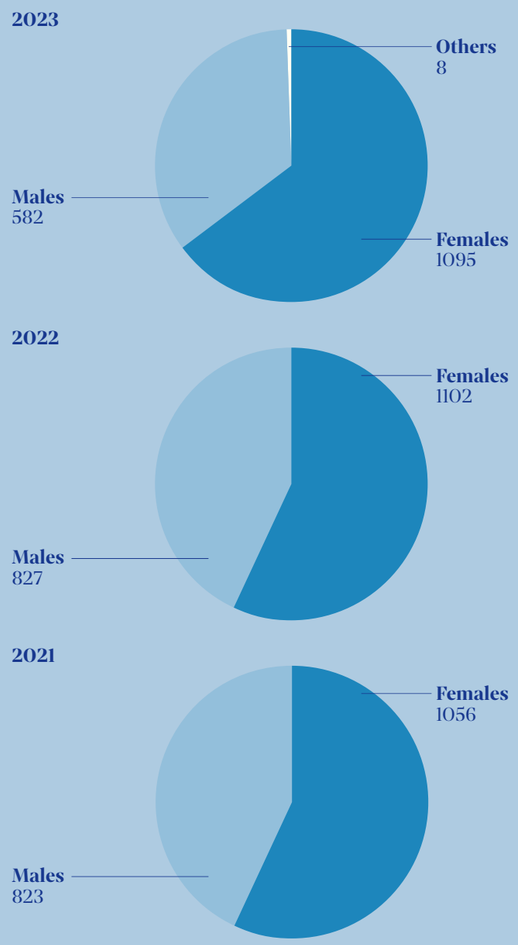


Employee breakdown (by position)

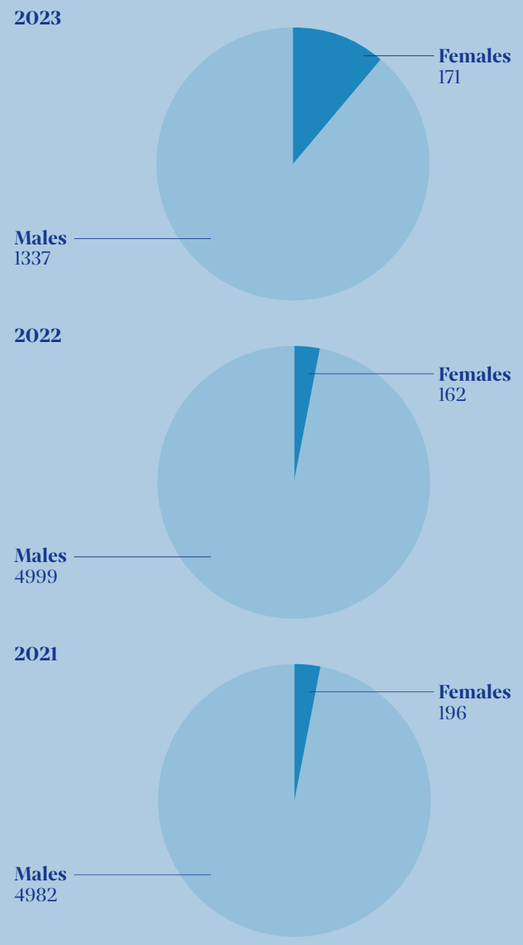
Disclaimer: Due to a change in the methodology for classifying technical and manual labour positions in Georgia, the figures for 2023 are inconsistent with previous years.



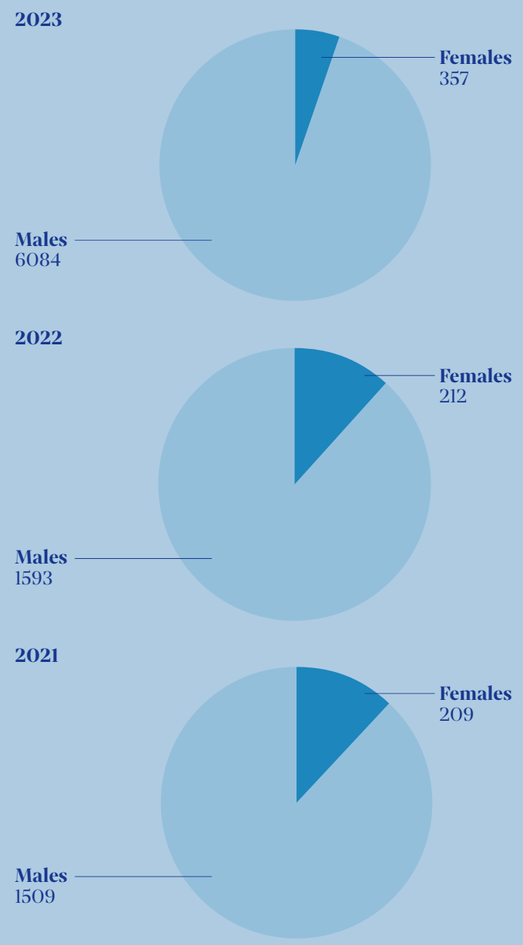
Number of employees in ADMINISTRATIVE POSITIONS



Number of employees in TECHNICAL POSITIONS (e.g. engineers, technicians)



Number of employees in MANUAL LABOUR POSITIONS (e.g. production, maintenance)



Indicator	Unit	2021	2022	2023
Rate of employee turnover	%	-	-	9
Total number of all terminated employment relationships	Count	-	-	882
Total number of new hires	Count	718	922	1 014
males	Count	566	751	813
under 30 years old	Count	290	305	305
30-50 years old	Count	229	368	420
over 50 years old	Count	47	78	89
females	Count	152	171	179
under 30 years old	Count	54	62	52
30-50 years old	Count	80	93	102
over 50 years old	Count	18	16	25
other	Count	0	0	22
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	8
over 50 years old	Count	0	0	14
Total number of leavers	Count	709	908	786
males	Count	593	735	659
under 30 years old	Count	194	199	163
30-50 years old	Count	179	348	310
over 50 years old	Count	220	188	186
females	Count	116	173	127
under 30 years old	Count	24	55	27
30-50 years old	Count	63	76	62
over 50 years old	Count	29	42	37
other	Count	0	0	0
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	0
over 50 years old	Count	0	0	0

Indicator	Unit	2021	2022	2023
Total number of employees	Count	9 191	9 260	9 739
Total number of employees - MEN	Count	7 486	7 541	8 078
Total number of employees - WOMEN	Count	1705	1719	1 646
Total number of employees - OTHER	Count	0	0	0
Total number of employees - NOT REPORTED	Count	0	0	15
Total number of permanent employees	Count	8 872	9 018	9 484
Permanent employees - MEN	Count	7 325	7 443	7 918
Permanent employees - WOMEN	Count	1547	1575	1564
Permanent employees - OTHER	Count	0	0	0
Permanent employees - NOT REPORTED	Count	0	0	2
Total number of temporary employees	Count	319	242	255
Temporary employees - MEN	Count	161	91	160
Temporary employees - WOMEN	Count	158	151	95
Temporary employees - OTHER	Count	0	0	0
Temporary employees - NOT REPORTED	Count	0	0	0
Total number of non-guaranteed hours employees	Count	0	0	0
Non-guaranteed hours employees - MEN	Count	0	0	0
Non-guaranteed hours employees - WOMEN	Count	0	0	0
Non-guaranteed hours employees - OTHER	Count	0	0	0
Non-guaranteed hours employees - NOT REPORTED	Count	0	0	0
Total number of full-time employees	Count	9 173	9 242	9 701
Full-time employees - MEN	Count	7 475	7 531	8 059
Full-time employees - WOMEN	Count	1698	1711	1 642
Full-time employees - OTHER	Count	0	0	0
Total number of part-time employees	Count	18	18	38
Part-time employees - MEN	Count	10	10	31
Part-time employees - WOMEN	Count	8	8	7
Part-time employees - OTHER	Count	0	0	0

Our non-employees

[S1-7] Characteristics of non-employees in undertaking's own workforce

In 2023, we had 21 non-employees working for our entities in ENERGO-PRO Group, mostly as self-employed or as agency workers.

Indicator	Unit	2021	2022	2023
Total number of non-employees	Count	7	9	21

Collective bargaining coverage and social dialogue

[S1-8] Collective bargaining coverage and social dialogue

ENERGO-PRO reports employees covered by collective bargaining for several years already, however for the first time in 2023 was reported detailed breakdown of this indicator. In 2023, 29 % of all employees of ENERGO-PRO were covered by collective bargaining.

Indicator	Unit	2021	2022	2023
Percentage of all our employees covered by collective bargaining	%	0	0	29
Total number of all our employees covered by collective bargaining	Count	2 985	3 326	2 818
Percentage of all our non-employees covered by collective bargaining	%	0	0	0
Global percentage of employees covered by workers' representatives	%	0	0	28
Total number of all our employees covered by by workers' representatives	Count	0	0	2 703

Diversity metrics

[S1-9] Diversity metrics

We are committed to the principles of diversity and inclusion. In our selection and appraisal of candidates and employees, we consider only their qualifications. The selection of personnel is based on the assessment of their abilities and performance. All employees and contractors are treated with respect.

It is our aspiration to foster a working environment that encourages diversity and inclusion. It is therefore the case that differences between employees are held in high regard. We respect the diversity of our professional workforce and promote the elimination of discriminatory practices.

In 2023, 20% of the top management at ENERGO-PRO consisted of females, while males made up the remaining 80%.

Adequate wages

[S1-10] Adequate wages

All employees and non-employees at ENERGO-PRO are paid adequate wages, in line with applicable benchmarks using 50% of the national average gross monthly wage from the national statistics of the given country or from OECD.

Social protection

[S1-11] Social protection

All our own employees are covered by social protection through public programs or through benefits offered by the Group against loss of income due to any of the following major life events:

- sickness;
- unemployment starting from when the own worker is working for you;
- employment injury and acquired disability;
- parental leave;
- retirement.

Indicator	Unit	2021	2022	2023
Share of men and women at top management				
Females	%	-	-	20
Males	%	-	-	80
Other	%	-	-	0
Employee breakdown (by age)				
age 30 years and younger	Count	844	931	1 024
age between 30 and 50 years	Count	4 210	4 292	4 599
age 50 and older	Count	3 721	3 672	3 923
Employee breakdown (by level)				
Number of EXECUTIVES (includes board members and directors)	Count	45	48	108
males	Count	37	43	86
under 30 years old	Count	0	0	0
30-50 years old	Count	28	31	60
over 50 years old	Count	9	12	26
females	Count	8	5	21
under 30 years old	Count	0	0	0
30-50 years old	Count	6	3	14
over 50 years old	Count	2	2	7
other	Count	0	0	0
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	0
over 50 years old	Count	0	0	0
Number of employees in MANAGEMENT (includes senior managers, managers and team leaders)	Count	196	206	526
males	Count	138	144	402
under 30 years old	Count	6	5	9
30-50 years old	Count	90	90	244
over 50 years old	Count	42	49	158
females	Count	58	62	124
under 30 years old	Count	1	2	5
30-50 years old	Count	44	44	82
over 50 years old	Count	13	16	37
other	Count	0	0	0
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	0
over 50 years old	Count	0	0	0
Number of employees in OTHER LEVELS	Count	8 941	9 013	8 903
males	Count	7 425	7 487	7 404
under 30 years old	Count	817	891	875
30-50 years old	Count	3 439	3 487	3 374
over 50 years old	Count	3 169	3 104	3 156
females	Count	1 516	1 526	1 494
under 30 years old	Count	145	144	134
30-50 years old	Count	826	841	821
over 50 years old	Count	545	541	538

Indicator	Unit	2021	2022	2023
other	Count	0	0	5
under 30 years old	Count	0	0	1
30-50 years old	Count	0	0	4
over 50 years old	Count	0	0	0
Employee breakdown (by position)				
Number of employees in ADMINISTRATIVE POSITIONS	Count	1879	1929	1685
males	Count	823	827	582
under 30 years old	Count	40	50	30
30-50 years old	Count	490	500	367
over 50 years old	Count	293	277	185
females	Count	1056	1102	1095
under 30 years old	Count	83	89	106
30-50 years old	Count	663	697	692
over 50 years old	Count	310	316	297
other	Count	0	0	8
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	7
over 50 years old	Count	0	0	1
Number of employees in TECHNICAL POSITIONS (e.g. engineers, technicians)	Count	5178	5161	1508
males	Count	4982	4999	1337
under 30 years old	Count	540	615	136
30-50 years old	Count	2113	2088	628
over 50 years old	Count	2329	2296	573
females	Count	196	162	171
under 30 years old	Count	15	9	21
30-50 years old	Count	68	52	83
over 50 years old	Count	113	101	67
other	Count	0	0	0
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	0
over 50 years old	Count	0	0	0
Number of employees in MANUAL LABOUR POSITIONS (e.g. production, maintenance)	Count	1718	1805	6441
males	Count	1509	1593	6084
under 30 years old	Count	164	166	714
30-50 years old	Count	790	868	2736
over 50 years old	Count	555	559	2634
females	Count	209	212	357
under 30 years old	Count	2	2	8
30-50 years old	Count	86	87	135
over 50 years old	Count	121	123	214
other	Count	0	0	0
under 30 years old	Count	0	0	0
30-50 years old	Count	0	0	0
over 50 years old	Count	0	0	0

Employees with disabilities

[S1-12] Persons with disabilities

In 2023, 1% of employees of ENERGO-PRO are persons with disabilities and it actually represent 23% increase compare with the previous year.

Indicator	Unit	2023
Share of employees with disabilities	%	1
Number of employees with disabilities	Count	100
Females	Count	31
Share of females	%	0
Males	Count	69
Share of males	%	1
Other	Count	0
Share of other	%	0
Not reported	Count	0
Share of not reported	%	0

Training and skills

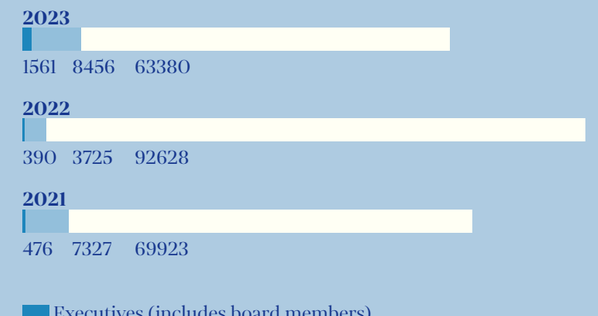
[S1-13] Training and skills development metrics

In ENERGO-PRO, the determination of training and development priorities is a collaborative process involving all levels of employees. The company encourages all employees to pursue opportunities for knowledge and skill enhancement. The responsibility for implementing these actions is shared among employees, line managers, and HR teams.

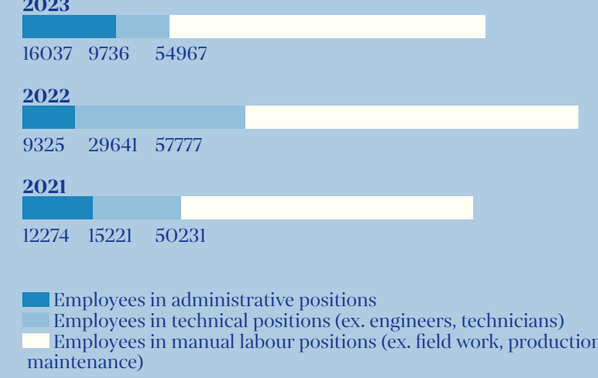
The primary sources of learning are experience and on-the-job training. Managers are tasked with the responsibility of guiding and coaching employees in order to facilitate their success in their current positions. The second source of learning is the free exchange of knowledge and ideas while working on projects. Practices such as lateral professional development, an extension of responsibilities, and cross-functional teams are encouraged in order to facilitate the acquisition of additional skills, the enrichment of job content, and the widening of accountability. The third pillar is based on participation in external programmes.

At ENERGO-PRO, 53% of employees that participated in regular performance and career development reviews.

Total training hours (by employee level)



Total training hours (by employee position)



Indicator	Unit	2023
Employees that participated in regular performance and career development reviews	Count	5 114
Females	Count	767
Share of females	%	47
Males	Count	4 347
Share of males	%	54
Other	Count	0
Share of other	%	0
Not reported	Count	0
Share of not reported	%	0

Health and safety

[S1-14] Health and safety metrics

In 2023, at ENERGO-PRO, 100% of own employees covered by OHS - based on legal requirements and/or recognised standards or guidelines.

Indicator	Unit	2023
Percentage of own employees covered by OHS - internally audited	%	80
Percentage of own employees covered by OHS - externally certified	%	5
Total number of own employees covered by OHS - based on legal requirements and/or recognised standards or guidelines	Number	9 657
Percentage of own NON-employees covered by OHS - based on legal requirements and/or recognised standards or guidelines	%	0
Percentage of own NON-employees covered by OHS - internally audited	%	0
Percentage of own NON-employees covered by OHS - externally certified	%	0
Total number of own NON-employees covered by OHS - based on legal requirements and/or recognised standards or guidelines	Number	132

Work-life balance

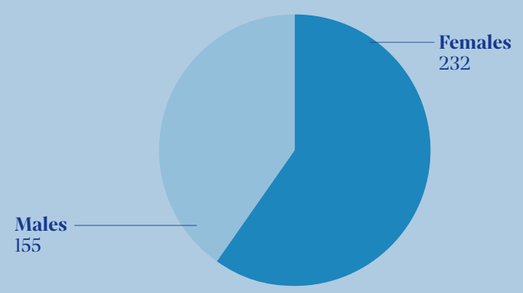
[S1-15] Work-life balance metrics

At ENERGO-PRO, the well-being and satisfaction of our employees are of significant importance. In order to enhance employee satisfaction and foster a productive work environment, a comprehensive range of company benefits is made available. The company offers flexible employment opportunities that facilitate a healthy work-life balance. The safety of employees in the workplace is of significant importance to our Group. It is therefore of the utmost importance to adhere to all international and location-specific health and safety regulations, in accordance with the respective national laws governing working hours and working conditions.

The employer strives to offer a benefit that helps maintain a healthy balance between work and personal life, saves commuting time, and contributes to higher employee efficiency due to increased trust and responsibility for independent problem-solving. A significant emphasis is placed on both the personal responsibility of employees and the responsibility of managers in approving work arrangements that enable remote work. In 2023, ENERGO-PRO are disclosing the work-life balance metrics figures for the first time.

Within the group, employees are entitled to family-related leave according to Human Resources Policy and/or collective bargaining agreements and as per applicable local government regulations.

Total number of employees that took family related leave



ENERGO-PRO reports recordable work-related injuries - own employees for several years, however for the first time in 2023 was reported detailed breakdown of this indicator.

Indicator	Unit	2021	2022	2023
Recordable work-related injuries - own employees	Number	9	6	32
Recordable work-related ill health - own employees	Number	0	0	0
Rate of recordable work-related injuries - own employees	Number	0	0	2
Number of fatalities from work-related injuries and ill health - own employees	Number	4	4	0
Fatalities from work-related injuries - own employees	Number	4	4	0
Fatalities from work-related ill-health - own employees	Number	0	0	0
High-consequence injuries (excluding fatalities) - own employees	Number	0	4	9
Lost time injuries - own employees	Number	0	0	62
Lost time injury rate (LTIR) - employees	Number	-	-	3.50
Calendar days lost (due to incapacity for work) - own employees	Number	0	0	1 409
Total number of hours worked - own employees	Number	17 296 176	17 797 844	17 700 330
Recordable work-related injuries - non-employees	Number	0	0	0
Recordable work-related ill health - non-employees	Number	0	0	0
Rate of recordable work-related injuries - non-employees	Number	0	0	0
Number of fatalities from work-related injuries and ill health - non-employees	Number	0	0	0
Fatalities from work-related injuries - non-employees	Number	0	0	0
Fatalities from work-related ill-health - non-employees	Number	0	0	0
High-consequence injuries (excluding fatalities) - non-employees	Number	0	0	0
Lost time injuries - non-employees	Number	0	0	0
Lost time injury rate (LTIR) - non-employees	Number	-	-	-
Calendar days lost (due to incapacity for work) - non-employees	Number	0	0	0
Total number of hours worked - non-employees	Number	0	0	0
Cases of recordable work-related ill health in persons who are no longer employees	Number	0	0	0
Number of fatalities from work-related injuries and ill health - contractors	Number	0	0	0
High-consequence injuries (excluding fatalities) - contractors	Number	0	0	0
Recordable work-related injuries - contractors	Number	0	1	1
Recordable work-related ill health - contractors	Number	0	0	0
Rate of recordable work-related injuries - contractors	Number	0	0	13
Lost time injuries - contractors	Number	0	0	1
Lost time injury rate (LTIR) - contractors	Number	-	-	12,78
Total number of hours worked - contractors	Number	5 914	7 226	78 253
Work-related hazards that pose risk to injury		0	0	-
physical (e.g., temperature extremes, constant loud noise, spills)	YES or NO	YES	YES	YES
ergonomic (e.g., improperly adjusted workstations, vibrations)	YES or NO	YES	YES	YES
chemical (e.g., exposure to solvents)	YES or NO	NO	YES	YES
biological (e.g., exposure to blood and bodily fluids)	YES or NO	YES	YES	YES
psychosocial (e.g., verbal abuse, harassment)	YES or NO	YES	YES	YES
related to work-organization (e.g., long hours, shift work)	YES or NO	YES	YES	YES
For another, unspecified reason	YES or NO	YES	NO	YES
Lost time injury rate (LTIR) - employees, non-employees and contractors	Number	0,75	0,79	3,54
Rate of recordable work-related injuries - employees, non-employees and contractors	Number	0	0	2

Recordable work-related injuries – own employees

2023

2022

2021

Indicator	Unit	2023
Employees entitled to family-related leave	Count	9,374
Females	Count	1,521
Share of females	%	92
Males	Count	7,853
Share of males	%	97
Other	Count	0
Share of other	%	0
Not reported	Count	0
Share of not reported	%	0
Share of employees entitled to family-related leave	%	96

The share of entitled employees that took family-related leave within the Group is 4%.

Indicator	Unit	2023
Total number of entitled employees that took family-related leave	Count	387
Females	Count	232
Share of females	%	2
Males	Count	155
Share of males	%	2
Other	Count	0
Share of other	%	0
Not reported	Count	0
Share of not reported	%	0

Remuneration

[S1-16] Remuneration metrics (pay gap and total remuneration)

In our report for the year 2023, we are disclosing the remuneration metrics figures for the first time.

Our company actively pursues the goal of creating a workforce that reflects a wide range of perspectives by consciously recruiting and advancing women from diverse cultural backgrounds. This strategy is part of our broader mission to bridge the disparity between genders across various roles within our organization.

In our report for the year 2023, we are disclosing the pay gap figures for the first time. The data indicates that there is a pay gap of 62% between male and female employees. Specifically, the median gross hourly pay with the Group for male employees stands at a value of 19 EUR, while for female employees, the median gross hourly pay is 7 EUR.

Incidents, complaints and severe human rights impacts

[S1-17] Incidents, complaints and severe human rights impacts

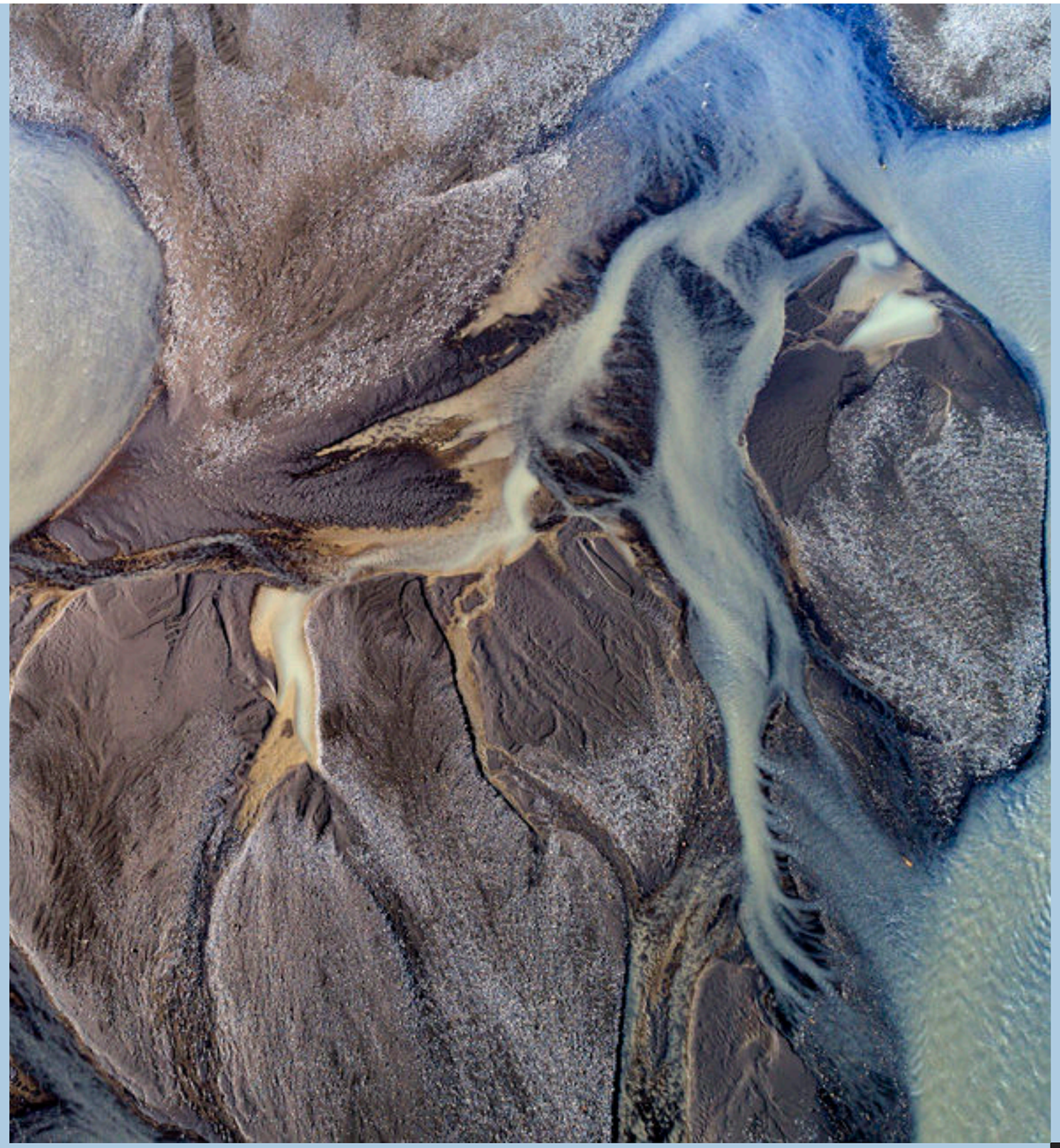
At ENERGO-PRO, we are aware that workplace bullying or harassment has been linked to unproductive behaviour and can cause a range of health issues, including work-related injuries and mental health problems. Such conduct can have a detrimental effect on morale and productivity, as well as creating an unsafe work environment. Those subjected to harassment or bullying may be reluctant to speak up, which can give rise to the perception that the workplace culture tolerates such behaviour. It is the policy of this organization to prohibit any form of discrimination, bullying, or harassment based on sex, religious or political affiliation, nationality, age, race, ethnicity, or sexual orientation.

The anti-discrimination and anti-harassment approaches are mutually reinforcing. In the event that an employee is deemed to have engaged in unconscious discrimination, we provide them with training and counselling in order to assist them in overcoming this issue. Furthermore, we implement processes that mitigate biases. Should an employee believe that they have been subjected to discrimination or harassment, whether or not they have been directly exposed to such behaviour, they are required to report it through the grievance mechanism to their manager or a member of the HR department.

Business units have established internal grievance mechanism procedures, which afford all employees the opportunity to initiate a grievance in the event of any form of workplace harassment. In Colombia, the equivalent is the Comite de Convivencia Laboral, which is a legal requirement.

Indicator	Unit	2021	2022	2023
Total number of incidents of discrimination, including harassment, reported during the reporting period	Number	0	0	2

Both cases of discrimination involve misconduct and unethical interactions between employees. Written explanatory notes were gathered and disciplinary processes initiated, resulting in an evaluation of team communication protocols.



S2 – Workers in the value chain

Our material impacts, risks and opportunities related to workers in the value chain

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

ESG Sustainability Strategic Team of ENERGO-PRO Group has identified following material impacts, risks and opportunities related to workers in the value chain impacted by own operation and within upstream as a part of our double materiality assessment:

Material impacts

Sub-topic	Sub sub-topic	Description of the impact	Type of impact
Other work-related rights	Child labour Forced labour Adequate housing Water and sanitation	Child/forced labour and insufficient working conditions (including adequate housing and access to water and sanitation) for workers in the value chain may cause psychological and physical harm	Negative

Material risks & opportunities

Sub-topic	Sub sub-topic	Description of the risk or opportunity	Opportunity/risk
Working conditions	Health and Safety	Unsafe working conditions for workers in the value chain may lead to reputational loss, litigation and fines/sanctions	Risk

Our policies related to workers in the value chain

[S2-1] Policies related to value chain workers

Global Code of Conduct
It is our responsibility to collaborate with a multitude of contractors and subcontractors on a daily basis. The selection and ongoing evaluation of contractors and subcontractors is undertaken with the objective of ensuring their compliance with the Code, related policies and standards. The contracts with our contractors and subcontractors stipulate that they must comply with our Code and with any relevant local regulations, as well as with Good Industry International Practice (GIIP), where applicable.

Procurement decisions are based on a combination of experience of the company, best value, quality, and performance, including sustainability performance. Gifts or hospitality received from our contractors and subcontractors must comply with the terms of our Anti-Bribery and Anti-Money Laundering Policy.

Anti-Bribery and Anti-Money Laundering Policy
We acknowledge that the Group is exposed to the risks of bribery, money laundering and other improper behaviour as a consequence of its activities in emerging markets, its engagement with numerous contractors, suppliers, customers and other entities, and its involvement in regulated sectors. These risks are not exclusive to interactions with public officials; they also extend to business partners.

Whistle-blower policy
A whistle-blower may be defined as a former, current or prospective partner, director, officer, manager, employee, legal representative of an employee, supplier, contractor, volunteer or intern of any Group company. A whistle-blower is protected under this policy if they become aware of potential illegal activities, including those involving abuse of power, anti-competition, anti-money laundering, bribery and corruption, conflict of interest, discrimination, and so forth.

Health and Safety Policy
The protection of personnel is of a great importance for the continued success of our business. This policy and the accompanying actions are designed to encourage our employees to adopt a positive attitude towards health and safety, thereby fostering a safety culture across all our operational sites. At ENERGO-PRO, we are dedicated to safeguarding the health and safety (HS) of our employees, contractors, visitors, and the communities affected by our operations. It is the duty of all employees, visitors, and contractors and subcontractors to adhere to this policy, as set forth by ENERGO-PRO.

How we remediate negative impacts on workers in our value chain

[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

We recognize that improvements must be made to our supply chain management and monitoring processes of our contractor and sub-contractor relationships. In the context of our Group, we are currently engaged in the development of manuals and processes with the objective of integrating sustainability considerations into our value chain. We implement Contractor and Subcontractor Management and Monitoring Plans, Evaluation checklists and we are preparing Manuals to improve our supply chain performance and make them stronger and more sustainable.

We require our contractors and sub-contractors to abide by similar standards and principles. We support the Human Rights principles of the UN Global Compact and we have zero tolerance for forced labour of any kind and for discrimination and harassment.

Within our supply chain, currently only two Hydroelectric Power Plants (HPPs) are actively monitoring the workforce metrics, namely Chorreritas in Colombia and Alpaslan in Türkiye. It is important to note that the Alpaslan HPP in Türkiye has recently transitioned into the operational phase, which has resulted in a considerably reduced contractor workforce. Despite this reduction, the tracking of workforce data remains a critical practice as Alpaslan is required to adhere to the International Finance Corporation (IFC) standards. To maintain transparency and compliance, contractors at both locations are mandated to submit detailed monthly reports to the Business Unit head office. These reports encompass various workforce-related aspects, including remuneration, overtime, and specific employee details, ensuring that our company maintains a comprehensive overview of our supply chain's labor practices.

The overall accountability of compliance with the Relevant Standards lies with the highest-level executive of the Business Unit, the CEO. Contractor and sub-contractor activities and performance are regularly monitored to ensure contractors and sub-contractors are working in compliance with this plan and in accordance with the scope of work.

Case study

Case Study Czechia – Open day

Educating the public on green energy through open day and school excursions at small hydropower plant Brandýs nad Labem

Brief Description
In 2023 we organized a series of educational field trips for schools to teach students about green energy production and sustainable practices together with Open Day which took place in February. The most modern technologies and unique machines from the 1930s were displayed for viewing in the hydroelectric power plant in Brandýs nad Labem. The hydroelectric power plant in Brandýs nad Labem is one of the landmarks of the town. It has been in operation in 1934 and in 2014 it became a part of the ENERGO-PRO Group. In recent years, the power plant has undergone extensive reconstruction and the entire system has been modified. However, the original machines are preserved in the power plant premises as a reminder of the top Czech interwar industry.

Results (or expected results)
The group organizes an Open day in February at the hydropower plant and this year was an unusually high interest for tours. In 2023, almost 1,000 visitors came to visit HPP Brandýs. The event attracts a lot of visitors as the power station is open to everyone to see how usual operations are carried out and how electricity is generated. During the open day, historical materials and old books with records of operation are available for viewing and the whole event brings the local community together. The positive feedback demonstrates the importance of such initiatives in educating the next generation on sustainability.

In 2023, we also hosted a total of 12 school excursions at the HPP, with a total of 149 visitors. The school visits and open days are an effective way of informing visitors about the benefits of renewable energy and sustainable practices. During each school excursion students were given a tour of the plant, highlighting the various sustainable practices and technologies used to produce green energy. We aim to engage students in interactive activities to educate them on the importance of renewable energy and encourage them to pursue knowledge in this field.

Case Study Türkiye – Clean Water

↑ Repaired water pump house in an affected village

↑ Technical device distribution for the villagers for husbandary

As part of the Alpaslan II HES project, ENERGO-PRO is implementing a "Community Investment Program" targeting 23 settlements within the project's impacted area. Various projects are selected and executed to provide sustainable benefits and improve the quality of life for the residents. These projects are chosen and implemented by a village committee, which consists of at least 50% women, ensuring a diverse and inclusive approach. The committee identifies needs, makes decisions, and oversees the execution of the projects to ensure successful outcomes. ENERGO-PRO employees also attend each meeting or decision-making session, acting as guides and facilitators to support the committee and monitoring the project implementation process.

This case study explores a social responsibility project undertaken by ENERGO-PRO as part of the Alpaslan II Hydroelectric Power Plant (HES) project in Türkiye. The initiative aims to increase the water resources of a nearby village and install water filtration devices in homes, directly aligning with the Sustainable Development Goal (SDG) 6, which focuses on "Clean Water and Sanitation." The primary objective is to ensure access to clean and safe drinking water for villagers, thereby improving public health and quality of life.

Increasing Village Water Resources and Installing Filtration Devices

Brief Description
This project demonstrates a holistic approach to water management by addressing both the supply and quality of water. By increasing the availability of water sources and ensuring the water is safe for household use, the project not only meets the immediate needs of the village but also promotes long-term sustainability. Access to clean water is essential for reducing health risks, enhancing educational opportunities (as children spend less time collecting water), and empowering the community by improving overall living standards. The project's success can serve as a model for other communities facing similar challenges.

Results (or Expected Results)
Improved Public Health: Increased access to clean and safe drinking water will reduce waterborne diseases and enhance overall health.

Enhanced Quality of Life: Easy access to clean water will simplify daily life for villagers and improve their quality of life.

Economic Benefits: Reduced healthcare costs and less time and effort spent on obtaining water will positively impact the village's economic status.

Sustainable Development: Efficient use and conservation of water resources will contribute to sustainable development and help preserve water for future generations.

S3 – Affected communities

Our material impacts, risks and opportunities related to affected communities

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

We aim to further increase our commitments to sustainable development including the well-being of the communities living in our areas of influence.

ENERGO-PRO Group acknowledges that the management of our supply chain and the conduct of our suppliers carries profound implications for the environment, communities, brand reputation, operational and financial achievements, as well as our overall sustainability and ESG performance.

We put great emphasis in ensuring that we create a safe working environment in all areas of our business, not only for our employees but also for others working on our premises (e.g., contractors), we do acknowledge however that we need to improve our safety performance and avoid safety incidents for our contractors, and communities.

ESG Sustainability Strategic Team of ENERGO-PRO Group has identified following material impacts, risks and opportunities related to affected communities impacted by own operation and within upstream as a part of our double materiality assessment.

All impacts are relevant for upstream and own operation and for downstream considered as immaterial.

ESG Sustainability Strategic Team of ENERGO-PRO Group have not identified any risks and opportunities related to affected communities.

Relations with local communities

ENERGO-PRO Group's greatest positive impact is its social contribution to providing access to reliable energy, heat, and basic services, especially providing the necessary social infrastructure, including the construction of roads. The positive contribution to the public infrastructure is mainly determined by the production and distribution of energy. Moreover, the positive social impact of our generation facilities is related to the improvement of the local employment rate. ENERGO-PRO Group is also increasing economic value for local counties, regions, and communities such as local employment, procurement, and tax contributions, and access to services through social investments. On the other hand, there is a risk of potential displacement and loss of livelihoods for local communities due to the construction of reservoirs, power plants and other ancillary facilities. In addition, there are potential disruptions to the local community, such as noise and dust, during the construction period.

As our activities could impact the communities during construction and operations by the generation of dust, noise, road traffic, disruption to ecosystem services, and other. To limit and manage our negative impact, ENERGO-PRO Group has established good practices for open communication with local communities and authorities. We organise regular meetings with local authorities and the communities. Some of the issues and topics discussed include new grid connections, community investment, school education programs, biodiversity, capacity building, and other. We also notify local municipalities about any planned power outages related to grid maintenance.

Material impacts

Sub-topic	Sub sub-topic	Description of the impact	Type of impact
Communities' economic, social and cultural rights	Water and sanitation	Development of local infrastructure as a result of increased activity and new residents in the area	Positive
Communities' economic, social and cultural rights	Adequate housing	New construction in the area offers expanded housing options for local residents	Positive
Communities' economic, social and cultural rights	Adequate housing	Increase in housing costs for local residents due to increased demand may cause an increase in homelessness	Negative
Communities' economic, social and cultural rights	Adequate food	Smaller area of agricultural land may cause a lower local food production	Negative
Communities' economic, social and cultural rights	Security-related impacts	Threats to the safety of vulnerable social groups, especially women, due to the increased influx of male workers and potential sexual violence	Negative
Communities' economic, social and cultural rights	Security-related impacts	Adverse impact on the health and safety of local communities as a result of the handling/ production of hazardous substances (spill or accident)	Negative
Communities' civil and political rights	Freedom of expression/ Freedom of assembly/ Impacts on human rights defenders	Restricting protests and freedom of assembly, preventing discussion with local communities	Negative

Our policies related to affected communities

[S3-1] Policies related to affected communities

Detailed description of the Human Rights policy is presented in the section S1. In this policy we have stated our commitment in relation to the following focal areas regarding human rights and affected communities:

Resettlement: We recognize the right to a comprehensive participatory consultation process and fair, just and adequate compensation for individuals and communities impacted by our operations. We respect land ownership and interests established by law and/or recognized customs and the right to adequate housing for those impacted by physical displacement. We also respect cultural heritage established by law and/or recognized customs. We work to maximize the benefits and reduce the negative impacts of our activities on affected communities. In 2024 we are preparing a Land Acquisition and Involuntary Resettlement Policy requiring all our Business Units to comply with this policy in case of economic and/or physical relocation.

And in the Sustainability policy (2023) we set out objectives regarding the affected communities:

- Respect local cultures, customs, and values in our dealings with employees, communities and other stakeholders.

We understand the importance of contributing to social and economic development where we work. For that we will

- Embed social risks into our wider risk identification and mitigation processes.
- When possible, avoid and/or minimize impacting community land and assets, cultural heritage, and archaeological sites, when designing and developing projects.
- Require all our Business Units to establish a grievance mechanism procedure to receive and enable resolution of stakeholder concerns.
- Ensure and encourage the workforce to report all social incidents and grievances and undertake timely investigations, remedial actions and take appropriate measures to avoid reoccurrences.
- Engage with communities, Government and other stakeholders to develop community conservation programs that focus on community livelihoods and sustainable forests and ecosystems.
- Promote open, transparent, inclusive and constructive engagement, particularly with the communities, including women, the elderly, and vulnerable people in all matters that concern them and have regard to community participation in decision-making.
- Aim to consult early during the design and planning phase of projects, including the design of social and/or environmental management programs. Consultation will be done in a participatory manner and culturally appropriate.
- Develop Local Content approaches and where possible ensure that staff and contractors, develop targets regarding local employment and training, and local procurement.
- Commit to applying the Free, Prior and Informed Consent human rights principle, if operating within the area of influence of Indigenous Peoples (IP) and triggering local legislation regarding IP.
- Maximize employment opportunities and capacity building from the local communities and regions.

The last step is also applicable for our suppliers as is stated in our procurement policy.

Concerns regarding external stakeholders, such as affected communities, are treated through the stakeholder external grievance mechanism procedure.

How we engage with affected communities

[S3-2] Processes for engaging with affected communities about impacts

The approach of the ENERGO-PRO Group to the developed in 2023 stakeholder dialog is described in the section ESRS 2

How we remediate impacts on affected communities

[S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

Our whistleblowing policy sets out ENERGO-PRO's responsibilities and commitments towards whistle blower protection and applies to ENERGO-PRO a.s, together with its affiliates.

ENERGO-PRO commits to investigating all issues brought forward through the whistle blower process and to treat all people making reports with respect and free from harassment and retaliation as it is stated in our whistle blower policy.

Case study

Case Study Bulgaria Varna – Investment in Local Communities

In 2023 ENERGO-PRO Varna continued to support ESG initiatives in the areas of child development and youth professional growth. Through the initiative, "ENERGO-PRO for the society" the company invests in local communities for the realization of socially significant public projects in various areas. Among the financed projects are educational rooms in several kindergartens, construction of outdoor eco corners, equipment of specialized offices in vocational high schools in electrical engineering, support for community centers, as well as ennobling the urban environment by painting energy facilities with graffiti and planting of conifer trees.

Child development

Children's hands-on activities in the newly equipped areas help increase their cognitive skills and emotional satisfaction through experimental activity and build their play and communication capabilities.

Twenty-five creative schools and sports clubs working with children and youth were presented in a unique way, thanks to the "Virtual Information Exchange" project with the financial support of ENERGO-PRO in the scope of the "ENERGO-PRO for the society" initiative. Managers, choreographers and coaches of schools were presented, as well as children and young people trained in the rehearsal and training rooms.

The joint project is useful for parents, who often get lost in finding comprehensive information about the available creative and sports schools in the town of Varna, to which they can direct their children according to their aptitudes and preferences.

Professional development

The company further supports the professional development of future electricians and energy engineers by organizing visits on site for students in professional schools and universities where visitors are acquainted with the overall condition of energy supply facilities.

Environment

A project to paint substations of the "Bulgarian Graffiti School" association was approved, the main cause of which is sustainable change in the urban environment for the benefit of the local and national community. With the financial support of the company, the renewed appearance of facilities owned by ERP North is already pleasing the residents and guests of the city. The locations have high foot traffic; so many more people will be able to enjoy the street art of the graffiti artists.

As part of the program of the Trade Conference 2023, the employees of ENERGO-PRO Energy Services and ENERGO-PRO Sales planted 40 coniferous trees near the central office of the company in Varna with the aim to leave a mark with the improvement of the environment in the town. The planting of the trees was part of the "ENERGO-PRO for the society" initiative, which works to support regional communities in Bulgaria and reaffirms the commitment of the ENERGO-PRO group companies to the sustainable development and well-being of the communities falling within the area of influence of our investments.

Our actions related to affected communities

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

At ENERGO-PRO Group we recognize the risk of negative impact on the local communities. For example, in 2023 at ENERGO-PRO Georgia JSC and Bulgaria Varna we continued documenting non-work-related incidents with civil society, which included electric shocks. Although these incidents were not caused by ENERGO-PRO Georgia JSC we consider this risk as significant due to its potential to cause harm to people. To minimise the risk to the communities we have implemented preventive measures to protect human health and safety from overhead power lines and other energy infrastructure objects. We will continue to improve safety of the neighbouring communities that surround our operations 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.

For example, at Alpaslan II HPP we prepared and implemented a Community, Health, Safety and Security Management Plan. Amongst other things, we provide annual awareness to the communities and to school children awareness regarding dam safety. Also at Alpaslan II we developed a program called the Community Investment Program so nearby communities can benefit from our investment in the area. This program was developed not as a measure to manage project impacts but rather as a community benefit program. The program beneficiaries are 23 villages and requires the identification of projects by the village committees comprising of equal numbers of men and women and elected by the local population. This program involves capacity building of the village committees, identification of projects by the village committees, engagement with local authorities, selection of contractors, construction and other. To date, the large majority of projects involve some type of water program. In addition to the Community Investment Program (CIP), we are implementing Livelihood Restoration Initiatives for the people impacted by economic resettlement. This program consists of a number of projects including livestock support, cheese production, agriculture support, honey production, and others.

Furthermore in 2023 as part of our commitment to our financial partner, the US International Development Finance Corporation (DFC) we launched a requirement to comply with the NFPA and we investigated using the NFPA methodology all community incidents occurring with the communities and prepared an action plan to minimize community incidents. The implementation of the plan will start in 2024.

Twice a year ENERGO-PRO Bulgaria carries out detailed inspections of all the signage and fencing located in risk areas to prevent community incidents. Furthermore, open house days are realized to provide information about the company activities to the communities and during these open house days we discuss dam safety and overall community safety.

We continued using our Group Grievance Mechanism Standard and specific grievance procedures at the Business Unit level, enabling communities and employees to voice their concerns and complaints. We believe this provides an effective way to manage community and labour relations. Depending on the project, Grievance boxes have been installed in the communities and our sites to allow our stakeholders to raise their grievances in writing if they prefer.

Our Group member XEAL is a great example of our effort to protect affected communities. Each year the XEAL carries out various voluntary donations and investments of funds in the community, such as collaboration with the Cee and Dumbría City Councils for the repair of some roads, collaboration with APEM, including the sponsorship of a radio program the association, contribution to the home therapies carried out by the AFAFES association, collaboration through collaboration in a cultural Olympiad with the IES Fundación Fernando Blanco, as well as various contributions made to non-profit entities such as Cáritas or the Red Cross.

Among the most significant actions carried out this year are:

- Throughout 2023, work has continued on the Anida Project, through which Ukrainian refugee families have been welcomed since May 2022.
- In the month of March, the collaboration with the Fernando Blanco Foundation was renewed, to continue supporting its cultural activities and giving support to students in the competition.
- In the month of May, a collaboration agreement was signed with the Brens Church for the preservation of its heritage, as well as one with the Brens community to contribute to the Corpus Christi festival.
- In the month of July, a collaboration agreement was signed with the Brens Cultural Association to support the town's festivities.
- Also in the month of July, an agreement was signed with the Mazaricos City Council to collaborate with various non-governmental associations that provide their services within the city council.
- In July a new agreement was signed with the Vimianzo town council to repair the road to Carantoña.
- In the month of August, an agreement was signed to collaborate with the Xunqueira Festival Commission in Cee.
- In September the collaboration agreement with Caritas Diocesana was renewed, through which they finance a vehicle so that they can carry out their activities to support the community.
- Also in September, collaboration with AFAFES was renewed to support people with Alzheimer's and their families.
- In October it was agreed with the Dumbría town council to contribute financially to the repair of several roads in the town hall.
- In December, an agreement was also signed with Aspadex to support the activities of this organization in relation to the inclusion of people with intellectual disabilities.
- In addition, the company has carried out various activities such as the Christmas Card Contest for children of employees or the recognition days for the company's retirees.

Additionally, Xeal firm also has an agreement with the Consejería de Cultura, Educación y Universidad for the implementation of a dual professional training system in the IES Fernando Blanco for a superior degree corresponding to the title of superior technology in Industrial Automatization and Robotics, which is a lecture course. It has started and will continue until August 31, 2023.

S4 – Customers and end-users

Our material impacts, risks and opportunities related to customers and end-users

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

ESG Sustainability Strategic Team of ENERGO-PRO Group has identified following material impacts, risks and opportunities related to consumers and end-users impacted by own operation and within upstream as a part of our double materiality assessment.

At ENERGO-PRO, we are also engaged in the electricity distribution and power trading, operating large-scale distribution grids in Bulgaria and Georgia with more than 2.3 million grid customers. We recognize the identified risks associated with the insufficient protection of individuals from any kind of harm when interacting with our products, services, or systems in Bulgaria and Georgia.

The potential for safety incidents that could harm our customers and end-users is a concern we take seriously. Such events could not only affect the well-being of those we serve but also lead to reputational damage, legal action, and financial penalties for our company. In response, we are committed to enhancing our safety protocols, conducting rigorous testing of our products, and implementing comprehensive training for our workforce to ensure the highest standards of safety and well-being. By proactively addressing these risks, we aim to safeguard our customers, maintain our reputation for quality and reliability, and uphold our financial stability.

Our policies related to consumers and end-users

[S4-1] Policies related to consumers and end-users

Whistle-blower Policy

We are aware that our presence in emerging markets and regulated sectors brings inherent risks of bribery, money laundering, and other forms of misconduct, which could impact our consumer interactions. To combat these risks, we are committed to rigorous oversight and preventive measures, particularly in consumer protection areas such as product safety and compliance. Our Whistle-blower Policy plays a crucial role in this commitment, offering protection to those who report suspected illegal activities or wrongdoing, thereby ensuring our consumers' interests are safeguarded and that ethical standards are upheld across all areas of operation.

Material impacts

Sub-topic	Sub sub-topic	Description of the impact	Type of impact
Personal safety of consumers and/or end-users	Health and safety/ Security of a person/ Protection of children	Insufficient protection of individuals from physical or psychological harm and to ensure their well-being and integrity when working with products, services or systems.	Negative

Material risks & opportunities

Sub-topic	Sub sub-topic	Description of the risk or opportunity	Opportunity/risk
Personal safety of consumers and/or end-users	Health and safety/ Security of a person/ Protection of children	Safety incidents harming customers/end-users due to unsafe company products and services may lead to reputational loss, litigation and fines/sanctions, resulting in financial loss	Risk

Action plan

In 2023 we adopted an ESG Annual plan with actions regarding affected communities:

KPI	Action	Status	Completion Date
Türkiye	Alpaslan II implementing a Community Investment Plan, Stakeholder Engagement, and Livelihood Restoration Activities	On-going	Continuous
Bulgaria, Sofia	Initial meetings have been held with local communities, municipal authorities and municipal enterprises in relation to the Samaranovo HPP project	On-going	EIA process is expected to start in 2024
Bulgaria, Varna	1. "ENERGO-PRO for the society" is an initiative in support of the regional communities in Bulgaria; The budget amounts to BGN 100,000 per year; The maximum funding that a project can win is BGN 5,000. 2. Regular communication with local authorities – meeting with mayors and news spread in local institutional sites; 3. Internship and scholarship programs for development of young professionals in the energy sector; 4. Regular dialogue with labor unions; 5. We also send daily information to local municipalities with notifications about planned power outages related to our maintenance-of-the-grid activities.	Completed	Dec.23
Georgia	1. Regular meetings and communication with local authorities - meeting with mayors and governors; 2. Internship and scholarship programs for development of young professionals in the energy sector; 3. Information about planned power outages related to maintenance of EPG grid activities is sent to local information agencies a day before, so is to customers via SMS.	On-going	Continuous
Colombia	We are setting up planning workshops with the area of influence	Completed	September of 2023

The actions were suggested with aim to achieve our sustainability commitments stated in the Sustainability policy 2023 and Human rights policy.

06 Governance

G1 – Business conduct and corporate culture

At ENERGO-PRO, ethical conduct is at the core of everything we do. We follow a detailed Code of Conduct that ensures our team acts responsibly, professionally, and with a focus on sustainability. Our policies cover important areas like anti-bribery, privacy, and human rights, and we make sure everyone from our staff to our contractors lives up to these standards. We also provide thorough training to empower our employees to make ethical decisions and steer clear of misconduct.

We keep a close eye on our supply chain to make sure it's clear and efficient. Our Procurement Policy matches our ethical values and our commitment to environmental and social governance. We aim to work with suppliers who understand their role and meet our safety, human rights, and environmental standards. We're also planning to enhance our procurement system and introduce new methods to improve how we manage our supply chain.

We take a firm stand against bribery and corruption, and we're happy to say we had no major issues in 2023. Our policies against bribery and money laundering, along with our Whistle Blower Policy, are key to our strategy to fight corruption. We support our employees in reporting any suspicious activities and protect those who do. With the new FaceUp platform, we're making it even easier for our team to report problems anonymously. We're open about our policies, showing our strong commitment to doing business the right way and being a responsible company.

Material impacts

Sub-topic	Description of the impact	Positive/Negative
Management of relationships with suppliers, including payment practices	Inadequate supply chain management practices leading to untransparent supplier contracts and payment transactions (inability to adequately evaluate and reward suppliers)	Negative
Corporate culture	A company culture that tolerates or encourages unhealthy competition, discrimination or harassment can result in a toxic work environment: lower employee morale and higher turnover	Negative
Corporate culture	Unethical decision-making: If the prevailing culture prioritises profit over ethics, this can lead to decisions that harm customers, the environment or other stakeholders	Negative
Corporate culture	Lack of data security across the group: Potential impact on operations and service delivery could lead to crippling of critical infrastructure, affecting a significant part of the country	Negative
Political engagement	Overly aggressive or unethical lobbying activities and initiatives by companies seeking to influence public policy, regulation and government decisions concerning their activities	Negative
Corruption and bribery	Unethical practices involving the offering, giving, receiving or soliciting of anything of value to influence the actions of a person in a management position	Negative

Our material impacts, risks and opportunities related to governance

[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities

ESG Sustainability Strategic Team of ENERGO-PRO Group has identified material impacts, risks and opportunities related to governance a part of our double materiality assessment. Please find below the list of material IROs for G1 – Governance.

Material risks & opportunities

Sub-topic	Description of the risk or opportunity	Opportunity/risk
Management of relationships with suppliers, including payment practices	Implementation of the WB policy and system and awareness with suppliers can lead to improved performance of suppliers and relationship building	Opportunity
Corporate culture	Crippling of IT infrastructure and cyber attacks may threat data privacy of own employees and customers and disrupt company operations, leading to large scale financial losses	Risk
Protection of whistleblowers	The risks associated with insufficient protection of whistleblowers can lead to reputational damage, litigation and regulatory fines/sanctions (breaches of whistleblower protection laws)	Risk
Management of relationships with suppliers, including payment practices	Unethical payment practices of suppliers may lead to grievances and loss of key suppliers, reputational damage and litigation, resulting in financial loss	Risk
Corruption and bribery	Corruption and bribery incidents can lead to reputational damage, regulatory fines/sanctions, litigation and potentially business closure due to large scale financial damages	Risk

Our corporate culture at ENERGO-PRO

[G1-1] Business conduct policies and corporate culture

At the heart of ENERGO-PRO's operations we adhere to stringent ethical standards, holding ourselves accountable for our actions and decisions, and maintaining professionalism in all interactions with business partners and in our commitment to sustainability. These values are the bedrock upon which we build our business and engage with the world.

ENERGO-PRO's Code of Conduct is embodied in comprehensive policies and standards, including Anti-Bribery and Anti-Money Laundering, Data Protection, ESG, Health and Safety, Human Resources, Human Rights, Security, Procurement, Sustainability, and Whistle Blower, all of which employees and contractors are required to adhere to.

We expect every employee to embrace personal responsibility and adhere to the ethical standards outlined in our Code of Conduct and company policies. To empower our team members, we offer a suite of tailored training resources at Eda e-learning platform. These include personalized face-to-face training sessions, interactive e-learning modules, comprehensive instructional materials, and a repository of Questions and Answers for clarity on common scenarios. To specifically address the prevention of corruption and bribery, our training programs cover 90% of functions-at-risk, ensuring that the vast majority of our workforce is well-equipped to recognize and prevent unethical practices in their professional roles. These educational tools are designed to reinforce our commitment to integrity and ensure that all employees are thoroughly prepared to uphold our high ethical standards.

The training program is divided per the following employee levels:

- management and employees (white collars) most exposed to the risk of bribery or money laundering (online training)
- other employees (training at an annual face-to-face meeting in November/ December)

The training sessions are conducted as follows:

- Familiarizing with the scope of the anti-bribery & anti-money laundering policy as the first step of the online training session.
- After training, take a knowledge test consisting of 10 randomly selected questions; a minimum of 9 correct answers is required to pass.
- Complete the training by confirming familiarization with the Anti-bribery and Anti-money Laundering Policy through a Statement of Familiarization that needs to be agreed upon.

Our Procurement Policy is designed to ensure that our supply chain operations are sustainable, transparent, and effective, aligning with our Code of Conduct and broader ESG commitments. The policy sets clear objectives to identify and manage supplier risks, enhance supply chain transparency, and ensure procurement practices support biodiversity, human rights, labor standards, anti-corruption efforts, and climate change action. It emphasizes the importance of local content, encouraging local procurement and employment, and mandates a thorough understanding of supplier roles and responsibilities. Our procurement procedures are crafted to ensure supplier selection is transparent, ethical, and in line with our values, focusing on suppliers' capabilities, sustainability performance, and adherence to our Occupational Health and Safety, Human Rights, and Environmental

policies. By enforcing these standards, we aim to foster a supply chain that is not only efficient and compliant but also socially responsible and environmentally conscious. In 2024 we will be updating our procurement management system, updating our General Terms and Conditions, preparing a draft Global Supplier Management Procedure, and a draft Supplier Due Diligence process.

Supply chain management

[G1-2] Management of relationships with suppliers

Supply Chain Management is a vital part of our operations that covers everything from buying to paying. Our approach to supply chain management is rooted in the power of collaboration and shared responsibility. We hold our business partners to high standards, anticipating their proactive involvement.

We introduce our Procurement Policy, which guides our interactions with suppliers and ensures we source ethically, sustainably, and affordably. We also cover our Payment Practices, which guarantee prompt and correct payments, keeping our supplier relationships strong and our supply chain reliable.

The procurement policy is an integral part of our operational framework, as it lays the foundation for a sustainable and ethical supply chain that is critical to our business success and corporate responsibility. The policy's primary goals are to manage supplier risks effectively, enhance the transparency and efficiency of the supply chain, and ensure that procurement activities are consistent with our Global Code of Conduct. This includes a strong commitment to ethical considerations such as biodiversity conservation, human rights, labor standards, anti-corruption measures, climate change mitigation, diversity and inclusion, occupational health and safety, as well as robust ESG reporting and governance practices. The policy emphasizes the importance of local content, aiming to boost local procurement and employment, and mandates clear communication of supplier responsibilities.

We at ENERGO-PRO insist on transparent and ethical procurement processes that align with our core values, focusing on meticulous supplier selection, community engagement, adherence to health and safety standards, respect for labour rights, and environmental stewardship. This policy is readily available on our website, forms part of our standard business conditions, and is regularly reviewed to ensure it meets the evolving requirements of our partners and stakeholders.

Furthermore, in 2023 we introduced a draft Contractor and Subcontractor Management Plan which mandates that contractors and primary suppliers working for or on behalf of ENERGO-PRO are subject to direct client oversight and are not regarded as third parties, ensuring compliance and adherence to our standards.

The procurement policies of a company are pivotal in shaping a streamlined, standardized purchasing process. Draft the Group Purchase Order Approval Process delineates the authorization protocol for purchase orders, ensuring fiscal discipline and managerial oversight. Legal safeguards are set in the

Group General Terms and Conditions, which define the terms for procurement transactions to protect the company's interests. The adoption of the Group Web-Based Sourcing Tool, E-lefant, modernizes the procurement process, boosting efficiency and transparency. This process is integral to maintaining an ethical, and efficient procurement framework.

In addition to our current procurement policies, we are preparing to adopt new measures in 2024 that will further enhance our supply chain oversight and ethical standards. The draft Global Supplier Management Procedure will be introduced to create a uniform approach to managing supplier relationships across all our operations, ensuring global consistency and selection of suppliers and contractors that share common values. We will also implement Group ESG Supplier Audits that will allow us to conduct thorough evaluations of our suppliers' environmental, social, and governance practices, aligning with our commitment to sustainability and corporate responsibility. Furthermore, the draft Group Supplier Due Diligence Process will be established to rigorously assess potential suppliers before engagement, mitigating risks and ensuring that our partners meet our stringent ethical, legal, financial and operational criteria. These upcoming procedures demonstrate our proactive stance in refining our procurement strategies to meet future challenges and uphold our dedication to responsible business conduct.

Our actions related to the prevention and detection of corruption or bribery

[G1-3] Prevention and detection of corruption or bribery

At our company, we take pride in upholding the highest standards of integrity and ethical conduct. Our commitment to fair business practices is unwavering, and we are pleased to report that in 2023, we successfully upheld our zero-tolerance policy towards bribery and corruption, with no significant incidents reported.

All rules and principles to combat corruption and bribery are part of our internal regulations (Anti-bribery and anti-money laundering policy, Code of Conduct, Whistle Blower Policy, Procurement Policy). These policies are disclosed and available to public on our website in the section “Sustainability”. We update Anti-bribery and anti-money laundering policy annually.

In the course of our operations, our group interacts with many public and private entities. At each such interface we acknowledge the inherent risks of unethical practices such as bribery. To counter these risks, we have instituted a robust Anti-Bribery and Anti-Money Laundering Policy. This policy stands as our commitment to ethical conduct and serves as a guiding framework for all employees and affiliates to act with integrity and in compliance with the law.

Our Group has established an Anti-Bribery, Corruption and Anti-Money Laundering Committee, comprising a member of the Board of Directors, the head of the Human Resources Department, and the Group general counsel, which convenes at least annually to oversee the rollout and enforcement of our Anti-Bribery and Anti-Money Laundering Policy. This committee is responsible for the supervision of training programs and reviewing internal investigation reports on potential irregularities and serves as a platform for addressing any conflicts of interest. These conflicts, along with their resolutions, are confidential to the whistle-blower team and only anonymised excerpts and can be disclosed to the auditor only.

Our commitment to ethical conduct extends throughout our organization and beyond, mandating that all employees and associates promptly report any suspected instances of bribery. To support this, we've implemented a Whistle Blower Policy that governs the reporting process, subsequent investigations, and any resulting actions. This process is designed to be confidential to ensure that those who report are protected from any form of retaliation or mistreatment. Whistleblowers are encouraged to report issues such as abuse of power, anti-competitive behavior, breaches of conduct, corruption, and other significant wrongdoings.

We are dedicated to maintain integrity not only to our internal operations, however as well beyond to our external relationships as well. We enforce stringent anti-corruption standards across our entire network, which includes our business partners, suppliers, contractors, and service providers. We actively encourage every associated person to report potential anti-corruption violations, emphasizing our collective responsibility to uphold ethical practices.

In 2023 we chose the FaceUp platform, known in the Czech Republic as "Nenech to být - Don't Let It Be", following a competitive tender process. More than 3,700 organizations trust the FaceUp platform. FaceUp is a reporting channel where employees can disclose issues or concerns. FaceUp Whistleblowing System helps build a transparent culture, stops bullying and harassment, and gives the people a voice by Offering anonymous reporting - reporting forms or telephone lines. It provides an advanced case management, a complete report overview, labeled and prioritized, with internal feedback and analytic statistics. As of 2023 FaceUp Platform is available for Czech employees only, however we plan to extend the access for other Business Units.

With the FaceUp platform, employees can report unethical behavior anonymously and be sure there will be no retaliation. The platform is currently available only to our Czech companies, we plan to expand it to ENERGO-PRO Group in 2024.

Incidents of corruption or bribery

[G1-4] Incidents of corruption or bribery

In 2023, there were no material incidents of corruption or bribery reported within the ENERGO-PRO Group.

Our political influence and lobbying activities

[G1-5] Political influence and lobbying activities

Our company's Anti-Bribery and Anti-Money Laundering Policy strictly prohibits any form of political sponsorship or affiliation. We handle sensitive activities, including lobbying, NGO memberships, and association with trade groups, on a case-by-case basis, in line with our Code of Conduct. Any sponsorships or contributions are subject to rigorous scrutiny to ensure alignment with our ethical standards, including the assessment of the sponsorship's scope, the business rationale behind it, the integrity of the recipient, and the overall authenticity of the initiative.

In our interactions with a broad spectrum of entities, from political figures in the energy sector to licensing authorities and tax offices, we recognize the potential for unethical conduct. Our policy is designed to mitigate these risks, particularly in our dealings with key stakeholders such as market operators, customers, suppliers, contractors, and funding providers. This policy is binding for all levels of management and staff, as well as certain external associates.

Metrics for our payment practices

[G1-6] Payment practices

In 2023, we reported 1 legal proceeding due to the late payment in ENERGO-PRO Colombia S.A.S.

The legal procedure was related to the fact that the telephone company implemented enforcement measures for overdue payments. This case was resolved immediately.

Governance metrics

Those metrics were reported by the ENERGO-PRO Group for the first time in the year 2023.

Indicator	Unit	2023
Total amount of fines for violation of anti-corruption and anti-bribery laws	EUR	0
Total number of convictions for violation of anti-corruption and anti-bribery laws	Number	0
Number of confirmed incidents of corruption or bribery	Number	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Number	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Number	0
Average time taken to pay an invoice (from supplier within the EP Group)	Number of days	14
Legal proceedings initiated in the period due to late payments	Number	1
Number of legal proceedings currently outstanding for late payments	Number	0

07 Additional GRI data tables

This chapter supplements the ESRS-related disclosures to provide additional metrics from GRI standard, which are not fully relevant under the ESRS topical standards.

Indicator	Unit	2021	2022	2023
Number of critical concerns that were communicated to the highest governance body	Number	0	2	2
Total number of significant instances of non-compliance with laws and regulations, broken down by:	Number	5	14	5
instances for which fines were incurred	Number	0	10	2
instances for which non-monetary sanctions were incurred	Number	5	4	3
Fines for instances of non-compliance with laws and regulations that were paid				
total monetary value of significant fines	EUR	255 211	6 773	57 582
total number of non-monetary sanctions	Number	3	2	2
Total number of senior management personnel at significant locations of operation that are hired from the local community	Number	1	12	59
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation	%	10	13	28
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior	Number	0	1	3
Benefits provided to full-time employees that are not provided to temporary or part-time employees				
life insurance	YES or NO	-	-	Yes
health care	YES or NO	-	-	Yes
disability and invalidity coverage	YES or NO	-	-	Yes
parental leave	YES or NO	-	-	Yes
retirement provision	YES or NO	-	-	Yes
stock ownership	YES or NO	-	-	Yes
others	YES or NO	-	-	Yes
Number of operations with implemented local community engagement, impact assessments, and/or development programs	Number	2	6	7
Social investments (donations, funds, etc.) - total value contributed	EUR	112 550	752 852	392 321
donations	EUR	107 732	752 852	390 191
other	EUR	4 818	0	2 130
Total monetary value of investment in new technologies	EUR	209 754	639 923	176 000
Total number of recorded significant spills	Number	0	0	0
Total volume of recorded significant spills	m3	0	0	0

08
EU Taxonomy

The European Union has set a goal of achieving climate neutrality by 2050. In this context, the EU Taxonomy for sustainable activities has emerged as a crucial component of the European Green Deal. Established by Regulation (EU) 2020/852, the EU Taxonomy is a classification system that identifies environmentally sustainable economic activities, aiming to channel investments towards a more sustainable economy.

The EU Taxonomy defines six environmental objectives that activities must contribute to in order to be considered sustainable: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. The EU Taxonomy distinguishes between eligibility and alignment of economic activities. Eligibility determines whether an activity falls within predefined sectors, while alignment assesses how well it meets environmental objectives. For an activity to be taxonomy-aligned, it must make a substantial contribution to one of these objectives, do no significant harm (DNSH) to the others, and comply with minimum social safeguards.

ENERGO-PRO does not currently have a regulatory obligation to disclose information in the EU Taxonomy. However, ENERGO-PRO is taking preparatory steps well ahead in light of upcoming regulatory obligations. This reflects our firm commitment to promoting sustainable investments and supporting the broader environmental goals outlined by the European Union

In 2023, we have initiated the process of identification of our taxonomy-eligible activities by screening the economic activities listed in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

ENERGO-PRO is dedicated to continuing the process of identifying sustainable economic activities within its operation in the coming period and assessing compliance with the complex alignment criteria in accordance with EU taxonomy requirements.

Our ultimate goal is to prepare ENERGO-PRO for the reporting requirements and to set up robust processes, including the reporting of mandatory KPIs (revenue, CAPEX, OPEX) defined in delegated Act supplementing Article 8 of the EU Taxonomy Regulation.

09 ESRS Content Index

[IRO-2] Disclosure Requirements in ESRS covered by sustainability statements

Standard	Disclosure identifier	Disclosure requirement	Page	Reasoning for omission
ESRS2 – GENERAL DISCLOSURES	BP-1	General basis for preparation of the sustainability statement	14	
	BP-2	Disclosures in relation to specific circumstances	16	
	GOV-1	The role of the administrative, management and supervisory bodies	42	
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	44	
	GOV-3	Integration of sustainability-related performance in incentive schemes	45, 51	
	GOV-4	Statement on due diligence	45	
	GOV-5	Risk management and internal controls over sustainability reporting	17	
	SBM-1	Strategy, business model and value chain	30, 31, 36	
	SBM-2	Interests and views of stakeholders	41	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46, 51, 74, 92, 112, 116, 119	
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	46, 55, 68, 70, 74, 84, 126	
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	138	
	Policies MDR-P	Policies adopted to manage material sustainability matters	-	Implemented in each topical disclosure
	Actions MDR-A	Actions and resources in relation to material sustainability matters	-	Implemented in each topical disclosure
	Metrics MDR-M	Metrics in relation to material sustainability matters	-	Implemented in each topical disclosure
	Targets MDR-T	Tracking effectiveness of policies and actions through targets	-	Implemented in each topical disclosure
ESRS E1 – CLIMATE CHANGE	E1-1	Transition plan for climate change mitigation	56	
	E1-2	Policies related to climate change mitigation and adaptation	57	
	E1-3	Actions and resources in relation to climate change policies	57	
	E1-4	Targets related to climate change mitigation and adaptation	60	
	E1-5	Energy consumption and mix	60	
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	63	
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-	Information for this DR is not available or relevant
	E1-8	Internal carbon pricing	-	Information for this DR is not available or relevant
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	Information for this DR is not available or relevant
ESRS E2 - POLLUTION	E2-1	Policies related to pollution	69	
	E2-2	Actions and resources related to pollution	69	
	E2-3	Targets related to pollution	69	
ESRS E2 - POLLUTION	E2-4	Pollution of air, water and soil	69	
	E2-5	Substances of concern and substances of very high concern	69	
	E2-6	Anticipated financial effects from material pollution-related risks and opportunities	69	
ESRS2 E3 - WATER AND MARINE RESOURCES	E3-1	Policies related to water and marine resources	71	
	E3-2	Actions and resources related to water and marine resources	71	
	E3-3	Targets related to water and marine resources	72	
	E3-4	Water consumption	72	
	E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities	72	
ESRS2 E4 – BIODIVERSITY AND ECOSYSTEMS	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	75	
	E4-2	Policies related to biodiversity and ecosystems	75	
	E4-3	Actions and resources related to biodiversity and ecosystems	76	
	E4-4	Targets related to biodiversity and ecosystems	78	
	E4-5	Impact metrics related to biodiversity and ecosystems change	79	
	E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	79	
ESRS2 E5 – RESOURCE USE AND CIRCULAR ECONOMY	E5-1	Policies related to resource use and circular economy	85	
	E5-2	Actions and resources related to resource use and circular economy	85	
	E5-3	Targets related to resource use and circular economy	87	
	E5-4	Resource inflows	87	
	E5-5	Resource outflows	87	
	E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	87	
ESRS2 S1 – OWN WORKFORCE	S1-1	Policies related to own workforce	92	
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	94	
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	95	
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	98	
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	98	
	S1-6	Characteristics of the undertaking's employees	99	

Standard	Disclosure identifier	Disclosure requirement	Page	Reasoning for omission
ESRS2 S1 – OWN WORKFORCE	S1-7	Characteristics of non-employees in the undertaking's own workforce	104	
	S1-8	Collective bargaining coverage and social dialogue	104	
	S1-9	Diversity metrics	104	
	S1-10	Adequate wages	104	
	S1-11	Social protection	104	
	S1-12	Persons with disabilities	107	
	S1-13	Training and skills development metrics	107	
	S1-14	Health and safety metrics	108	
	S1-15	Work-life balance metrics	108	
	S1-16	Remuneration metrics (pay gap and total remuneration)	110	
	S1-17	Incidents, complaints and severe human rights impacts	110	
ESRS2 S2 – WORKERS IN THE VALUE CHAIN	S2-1	Policies related to value chain workers	113	
	S2-2	Processes for engaging with value chain workers about impacts	-	Information for this DR is not available or relevant
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	113	
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	-	Information for this DR is not available or relevant
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-	Information for this DR is not available or relevant
ESRS S3 – AFFECTED COMMUNITIES	S3-1	Policies related to affected communities	117	
	S3-2	Processes for engaging with affected communities about impacts	117	
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	117	
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	120	
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-	Information for this DR is not available or relevant
ESRS S4 – CONSUMERS AND END-USERS	S4-1	Policies related to consumers and end-users	121	
	S4-2	Processes for engaging with consumers and end-users about impacts	-	Information for this DR is not available or relevant
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	-	Information for this DR is not available or relevant
	S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	-	Information for this DR is not available or relevant

Standard	Disclosure identifier	Disclosure requirement	Page	Reasoning for omission
ESRS S4 – CONSUMERS AND END-USERS	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-	Information for this DR is not available or relevant
ESRS G1 – BUSINESS CONDUCT	G1-1	Business conduct policies and corporate culture	127	
	G1-2	Management of relationships with suppliers	128	
	G1-3	Prevention and detection of corruption and bribery	129	
	G1-4	Incidents of corruption or bribery	129	
	G1-5	Political influence and lobbying activities	130	
	G1-6	Payment practices	130	

10 GRI Index

Statement of use	ENERGO-PRO Group has reported in reference with the GRI Standards for the period 1.1.2023 – 31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No GRI Sector Standards are applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	[BP-1] General basis for preparation of sustainability statements
	2-2 Entities included in the organization's sustainability reporting	[BP-1] General basis for preparation of sustainability statements
	2-3 Reporting period, frequency and contact point	[BP-2] Disclosures in relation to specific circumstances
	2-4 Restatements of information	[BP-2] Disclosures in relation to specific circumstances
	2-5 External assurance	[BP-2] Disclosures in relation to specific circumstances
	2-6 Activities, value chain and other business relationships	[SBM-1] Strategy, business model and value chain
	2-7 Employees	[S1-6] Our own employees
	2-8 Workers who are not employees	[S1-7] Our non-employees
	2-9 Governance structure and composition	[GOV-1] Role of the administrative, management and supervisory bodies
	2-10 Nomination and selection of the highest governance body	[GOV-1] Role of the administrative, management and supervisory bodies
	2-11 Chair of the highest governance body	[GOV-1] Role of the administrative, management and supervisory bodies
	2-12 Role of the highest governance body in overseeing the management of impacts	[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies
	2-13 Delegation of responsibility for managing impacts	[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies
	2-14 Role of the highest governance body in sustainability reporting	[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies
	2-15 Conflicts of interest	Not included
	2-16 Communication of critical concerns	Additional GRI data tables
	2-17 Collective knowledge of the highest governance body	Not included
	2-18 Evaluation of the performance of the highest governance body	[GOV-3] Integration of sustainability-related performance in incentive schemes
	2-19 Remuneration policies	Not included
	2-20 Process to determine remuneration	Not included
	2-21 Annual total compensation ratio	[S1-16] Remuneration
	2-22 Statement on sustainable development strategy	[SBM-1] Strategy, business model and value chain
	2-23 Policy commitments	[SBM-1] Strategy, business model and value chain
	2-24 Embedding policy commitments	[SBM-1] Strategy, business model and value chain
	2-25 Processes to remediate negative impacts	[SBM-1] Strategy, business model and value chain
	2-26 Mechanisms for seeking advice and raising concerns	[SBM-2] Interests and views of stakeholders
	2-27 Compliance with laws and regulations	Additional GRI data tables
	2-28 Membership associations	Participation in membership associations
	2-29 Approach to stakeholder engagement	[SBM-2] Interests and views of stakeholders
	2-30 Collective bargaining agreements	[S1-8] Collective bargaining coverage and social dialogue
GRI 3: Material Topics 2021	3-1 Process to determine material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities
	3-2 List of material topics	[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [E4-1] Transition plan on biodiversity and ecosystems in strategy and business model; [E4-2] Policies related to biodiversity and ecosystems; [E4-3] Actions and resources related to biodiversity and ecosystems; [E4-4] Targets related to biodiversity and ecosystems
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	[E4-5] Metrics related to our impact on biodiversity and ecosystems change
	304-2 Significant impacts of activities, products and services on biodiversity	[IRO-1] Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities
	304-3 Habitats protected or restored	[E4-5] Metrics related to our impact on biodiversity and ecosystems change
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	[E4-5] Metrics related to our impact on biodiversity and ecosystems change
Market presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Additional GRI data tables

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [G1-1] Business conduct policies and corporate culture; [G1-2] Management of relationships with suppliers; [G1-6] Payment practices
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Additional GRI data tables
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [G1-3] Prevention and detection of corruption or bribery
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not included
	205-2 Communication and training about anti-corruption policies and procedures	[G1-3] Prevention and detection of corruption or bribery
	205-3 Confirmed incidents of corruption and actions taken	[G1-4] Incidents of corruption or bribery
Anti-competitive behaviour		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Additional GRI data tables
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [E1-1] Transition plan for climate change mitigation; [E1-2] Policies related to climate change mitigation and adaptation; [E1-3] Actions and resources in relation to climate change policies; [E1-4] Targets related to climate change mitigation and adaptation
GRI 302: Energy 2016	302-1 Energy consumption within the organization	[E1-5] Energy consumption and mix
	302-2 Energy consumption outside of the organization	Not included
	302-3 Energy intensity	[E1-5] Energy consumption and mix
	302-4 Reduction of energy consumption	[E1-5] Energy consumption and mix
	302-5 Reductions in energy requirements of products and services	Not included

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [E3-1] Policies related to water and marine resources; [E3-2] Actions and resources related to water and marine resources; [E3-3] Targets related to water and marine resources
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Not included
	303-2 Management of water discharge-related impacts	Not included
	303-3 Water withdrawal	[E3-4] Water consumption; Water stored, reused or recycled
	303-4 Water discharge	[E3-4] Water consumption; Water stored, reused or recycled
	303-5 Water consumption	[E3-4] Water consumption; Water stored, reused or recycled
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model; [IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [E1-1] Transition plan for climate change mitigation; [E1-2] Policies related to climate change mitigation and adaptation; [E1-3] Actions and resources in relation to climate change policies; [E1-4] Targets related to climate change mitigation and adaptation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	[E1-6] Our greenhouse gas (GHG) emissions
	305-2 Energy indirect (Scope 2) GHG emissions	[E1-6] Our greenhouse gas (GHG) emissions
	305-3 Other indirect (Scope 3) GHG emissions	[E1-6] Our greenhouse gas (GHG) emissions
	305-4 GHG emissions intensity	[E1-6] Our greenhouse gas (GHG) emissions
	305-5 Reduction of GHG emissions	[E1-6] Our greenhouse gas (GHG) emissions
	305-6 Emissions of ozone-depleting substances (ODS)	Not included
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not included
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	[IRO-1] Description of process to identify and assess material impacts, risks and opportunities; [E5-1] Policies related to resource use and circular economy; [E5-2] Actions and resources related to resource use and circular economy; [E5-3] Targets related to resource use and circular economy

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	[IRO-1] Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
	306-2 Management of significant waste-related impacts	Not included
	306-3 Waste generated	[E5-5] Resource outflows
	306-4 Waste diverted from disposal	[E5-5] Resource outflows
	306-5 Waste directed to disposal	[E5-5] Resource outflows
	308-2 Negative environmental impacts in the supply chain and actions taken	Not included
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model; [S1-1] Policies related to own workforce; [S1-2] Processes for engaging with own workers and workers' representatives about impacts; [S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns; [S1-4] Taking action on material negative and positive impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; [S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	[S1-6] Our own employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Additional GRI data tables
	401-3 Parental leave	[S1-11] Work life balance
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	[S1-14] Health and safety metrics
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	[S1-14] Health and safety metrics
	403-2 Hazard identification, risk assessment, and incident investigation	Not included
	403-3 Occupational health services	Not included
	403-4 Worker participation, consultation, and communication on occupational health and safety	[S1-2] Processes for engaging with own workers and workers' representatives about impacts
	403-5 Worker training on occupational health and safety	Not included

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Occupational health and safety		
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Not included
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns
	403-8 Workers covered by an occupational health and safety management system	[S1-14] Health and safety
	403-9 Work-related injuries	[S1-14] Health and safety
	403-10 Work-related ill health	[S1-14] Health and safety
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	[S1-13] Training and skills development metrics
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	[S1-13] Training and skills development metrics
	404-2 Programs for upgrading employee skills and transition assistance programs	Not included
	404-3 Percentage of employees receiving regular performance and career development reviews	[S1-13] Training and skills development metrics
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	[S1-9] Diversity metrics; [S1-12] Persons with disabilities; [S1-16] Remuneration metrics (pay gap and total remuneration)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	[S1-9] Diversity metrics; [S1-12] Persons with disabilities
	405-2 Ratio of basic salary and remuneration of women to men	[S1-16] Remuneration metrics (pay gap and total remuneration)
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	[S1-17] Incidents, complaints and severe human rights impacts
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Resources policy ENERGO-PRO

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Child labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Resources policy ENERGO-PRO
Forced or compulsory labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Resources policy ENERGO-PRO
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model; [S3-1] Policies related to affected communities; [S3-2] Processes for engaging with affected communities about impacts; [S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns; [S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Additional GRI data tables
	413-2 Operations with significant actual and potential negative impacts on local communities	Not included
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Not included
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Additional GRI data tables
	414-2 Negative social impacts in the supply chain and actions taken	Additional GRI data tables
Regulatory compliance		
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulation in the social and economic area	Additional GRI data tables

11 Annex

Steps taken during the DMA

We followed a five-step process to conduct the double materiality assessment according to the ESRS.

1) Context analysis

The first step of this process consisted of analyzing both the internal and external sustainability environment, considering ENERGO-PRO Group's business model, value chain and stakeholders.

To understand ENERGO-PRO Group's business model and its operating environment, besides analyzing relevant internal documentation, those responsible for the Group's most pertinent business areas were consulted. Main business activities were identified and described within the Group's value chain. The activities were afterwards used in the IROs mapping phase.

We also analyzed the international environmental, social and corporate governance standards, as well as legal requirements, globally applied regional and/or local standards, economic policies, self-regulation standards.

Benchmarking of ESG topics and materiality matrices of the leaders in the sectors was done to further improve the understanding of the sectoral ESG issues. We used sectoral reports and guidelines to identify global, sectoral trends, challenges and risks pertaining to the business model in the area of sustainability, including those issued by HPP Generation, GPP Generation, Distribution, Trading, Ferroalloy plants and Services.

Additionally, we analyzed materials used by investors including reports and methodologies by ESG rating agencies such as MSCI, S&P and Sustainalytics, among others.

2) Identification of impacts, risks and opportunities (IROs)

As the result of the contextual analysis performed in the previous step, together with those of ENERGO-PRO Group's materiality process from the previous year, a preliminary list of impacts, risks and opportunities linked to each of the relevant ESRS topics and sub-topics were defined based on identified activities throughout the value chain.

3) Assessment of potentially material impacts, risks and opportunities

The impacts, risks and opportunities identified in the previous step were assessed according to ESRS 1 as follows:

IMPACT PERSPECTIVE CRITERIA

Resulting score = Severity · Likelihood

$$\text{Severity} = \frac{(\text{Scale} + \text{Scope} + \text{Irremediability})}{3}$$

In case of negative impacts on human rights, the final result uses Severity irrespective of Likelihood.

FINANCIAL PERSPECTIVE CRITERIA

Resulting score = Size of the financial effect · Probability of occurrence

Each criterion had a specific interface of values with an appropriate description, from which the value was selected based on the business' impact on the environment or the financial effects on the business. The interface was set up as follows:

Impact materiality scales

Scale - magnitude of/how grave the positive or negative impact is

5	Absolute
4	High
3	Medium
2	Low
1	Minimal
0	None

Scope – how widespread the benefit / impact is and to what extent the scope (e.g. size of area affected) of the impact will occur

5	Global/Total
4	Widespread
3	Medium
2	Concentrated
1	Limited
0	None

Irremediability – whether and to what extent the negative impacts could be remediated (eg. process measures)

5	Irreversible
4	Very difficult to remedy or long term
3	Difficult to remedy or mid-term
2	Remediable with effort (time & cost)
1	Relatively easy to remedy short-term
0	Very easy to remedy

For positive impacts, the irremediability is assumed to be scored as 0 and does not influence the final score.

Likelihood – the likelihood of the impact on the environment and/or people

1	Guaranteed
0.8	Very likely
0.6	Likely (recurrent but not frequent)
0.4	Possible (could occur, but uncommon)
0.2	Unlikely (almost never)
0	Never

For actual impacts, the likelihood is assumed to be scored as 1.

Financial materiality scales

Size of the financial effect – how severe a financial effect of a risk or opportunity is to be

5	Catastrophic - loss of $100M+
4	Major - loss of $1M - $100M
3	Moderate - loss of $200 000 - $1M
2	Minor - loss of $50 000 - $200 000
1	Superficial - loss of <$50 000
0	None

Probability of occurrence – how likely a risk or opportunity is to occur

1	Guaranteed
0.8	Very likely (occurs frequently)
0.6	Likely (recurrent but not frequent)
0.4	Possible (could occur, but uncommon)
0.2	Unlikely (almost never)
0	Never

The specific descriptions of the mentioned criterions interface and values are described in the DMA tool.

To evaluate the extent of the IRO, available sources of information were considered, including the outcomes of various engagement channels for customers and employees as the main affected stakeholder groups.

4) Determination of material issues

The evaluation of the topics and sub-topics is determined by the resulting scores of each of the impacts, risks and opportunities.

The final determination of materiality is established by comparing these evaluations with the materiality thresholds set for this purpose. Thus, all those topics, for which IROs obtained a score above the relevant threshold as defined below, are deemed to be material.

		Threshold for materiality
Impact materiality	Positive impacts	2
	Negative impacts	2.5
Financial materiality	Opportunities	3
	Risks	2

In case of potential negative impacts on human rights (relevant for Social and Governance topics), the threshold for Severity is 2.

5) Oversight and validation of DMA results

In this step we presented and cross-checked the results obtained. This was done in conjunction with all the areas at a global level that took part in the process, as well as with various experts and managers.

The results were subsequently validated by ENERGO-PRO Group's top management in order to ensure a thorough overview and oversight.

Finally, we conducted a stakeholder dialogue as a part of the assessment of IROs in the DMA process. The key stakeholder groups considered in the DMA results validation are aligned with the groups described in the Stakeholder engagement section of this Report.

Each BU used the results of their existing forms of dialogue. The resulting findings were then incorporated into the DMA assessment process.

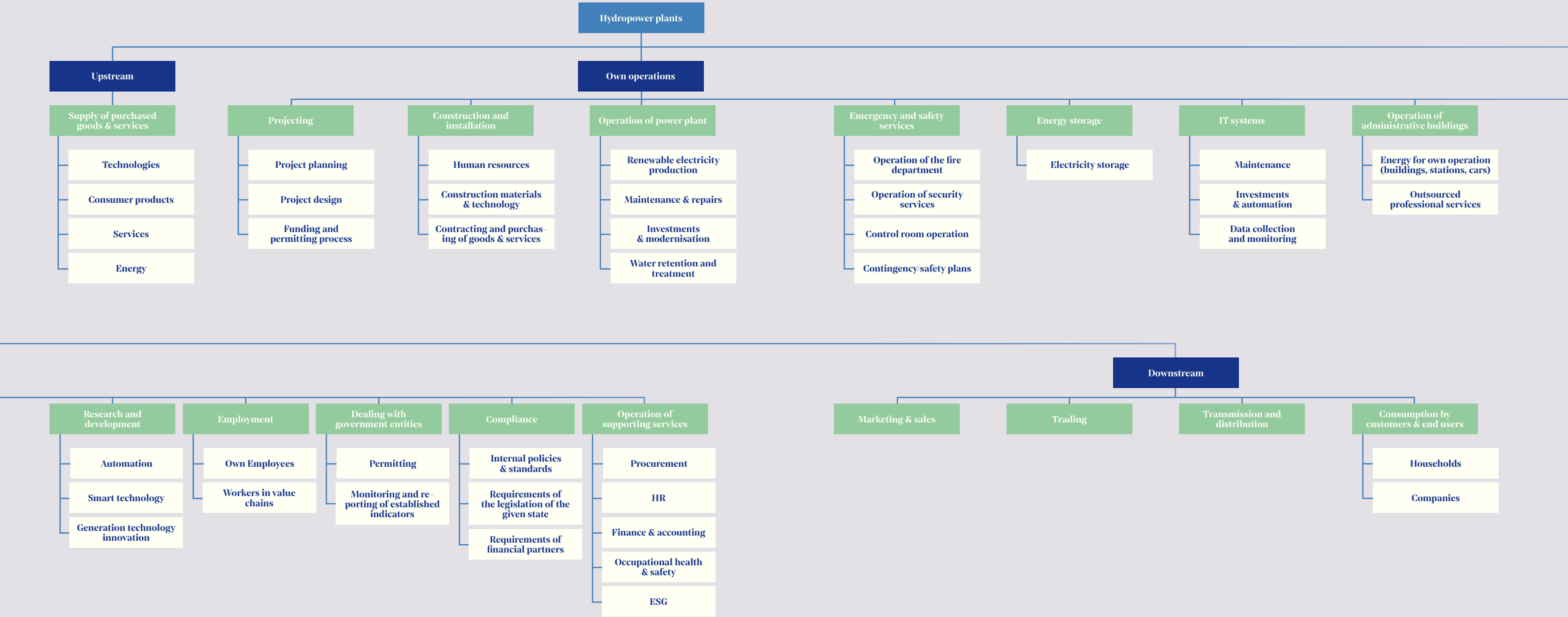
The key stakeholders were engaged from the perspective of ENERGO-PRO Group as well as individual BUs in our countries in scope of Sustainability report 2023 to validate the list of material topics as a result of the double materiality assessment according to ESRS standards.

The engagement was performed in the time period 5.5.2024 - 22.5.2024 using 3 communication channels - email, face-to-face meetings and phone conversations. We have engaged 27 stakeholders across 10 stakeholder groups and received 14 responses (response rate 67 %). The responses were received from stakeholders related to the whole ENERGO-PRO Group and entities in Bulgaria, Czechia, Georgia and Türkiye.

Overall, the feedback from stakeholders regarding material topics was positive - more than 90 % agreed with the final list without any additional comments or suggested changes that were already included in the assessment. The remaining feedback was taken into consideration and will be applied to the DMA accordingly in the future to improve the results.

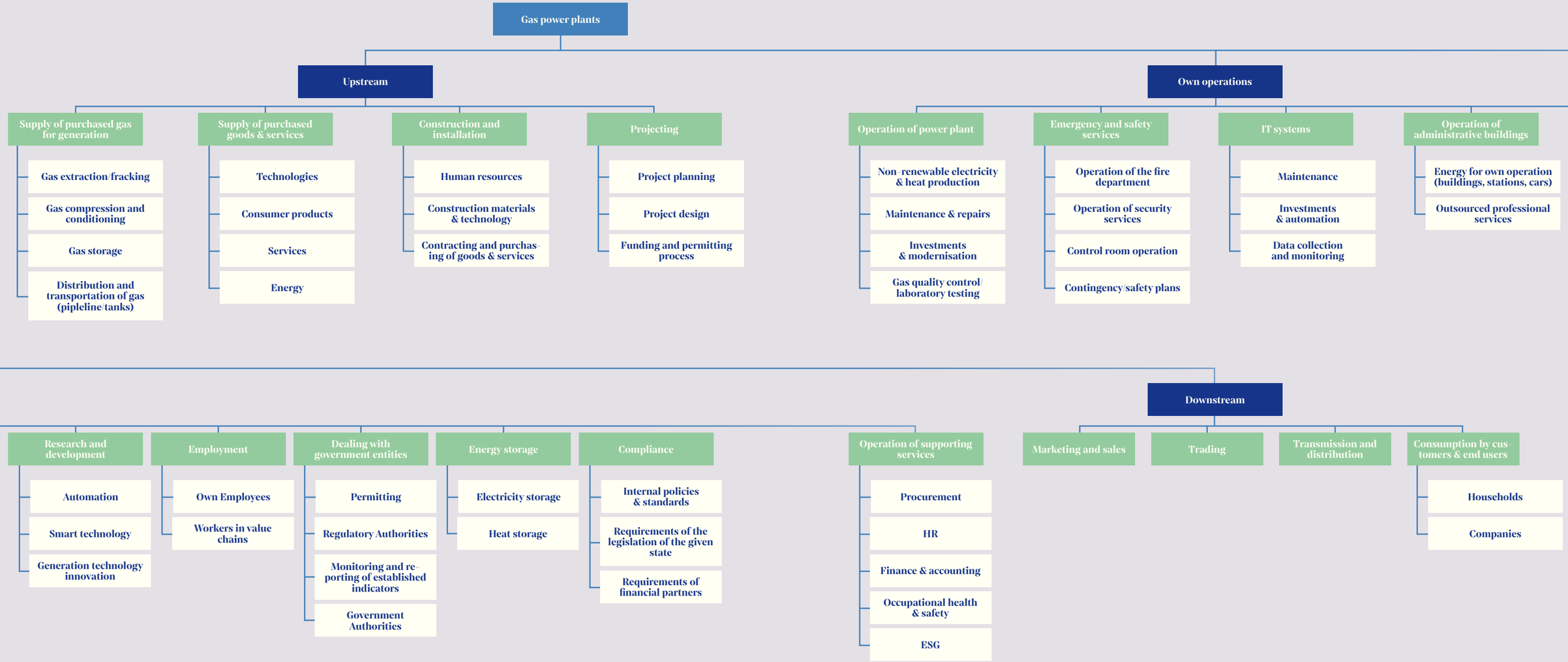
Detail of our value chains

Value Chain of HPP Generation



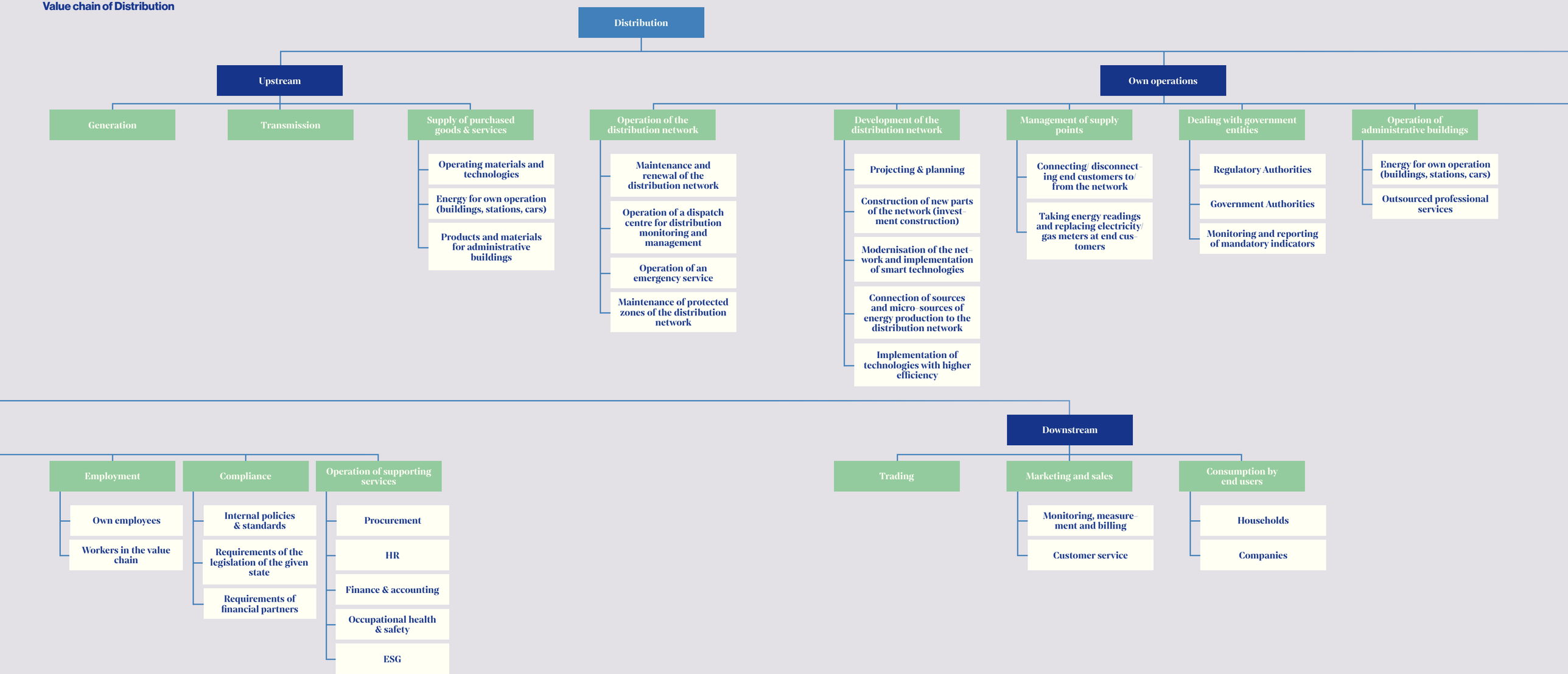
Detail of our value chains

Value chain of GPP Generation



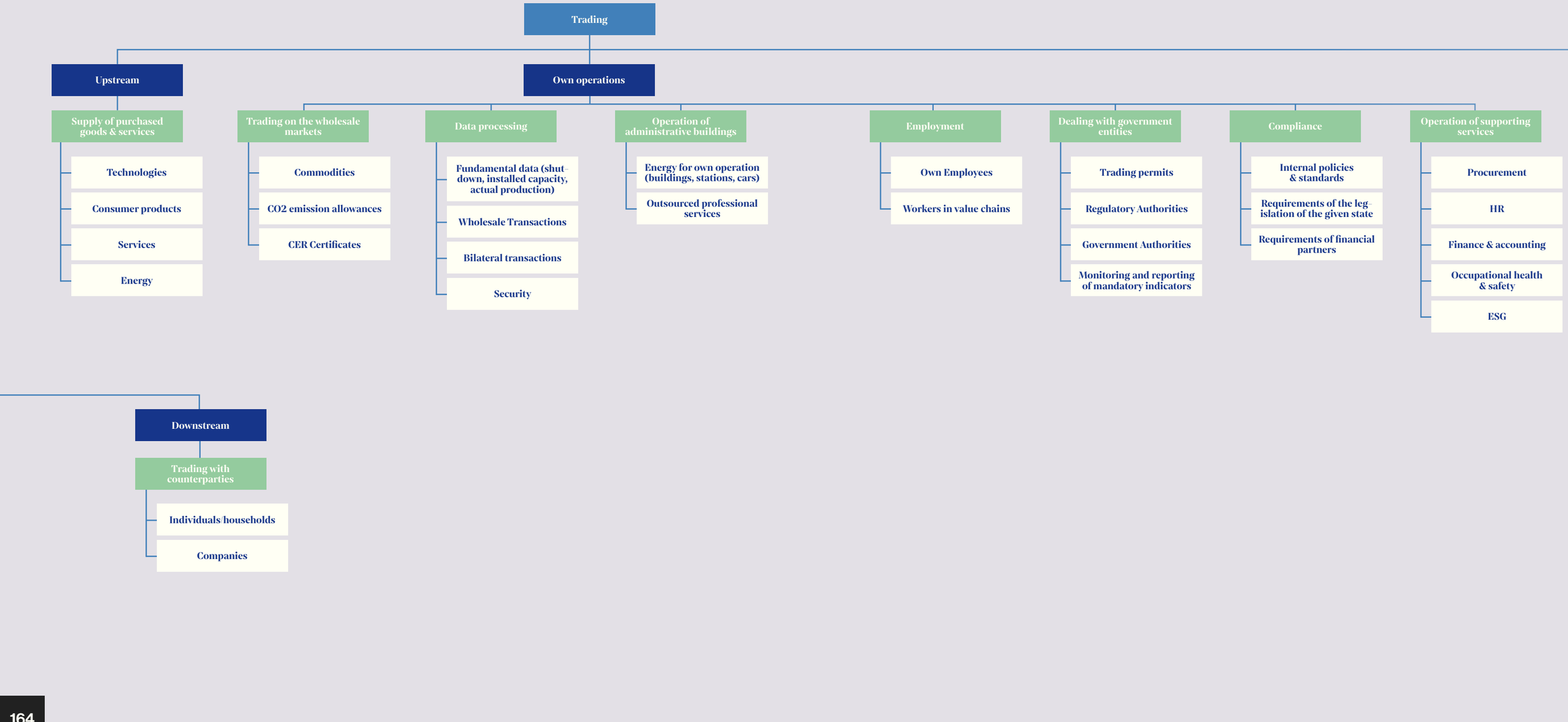
Detail of our value chains

Value chain of Distribution



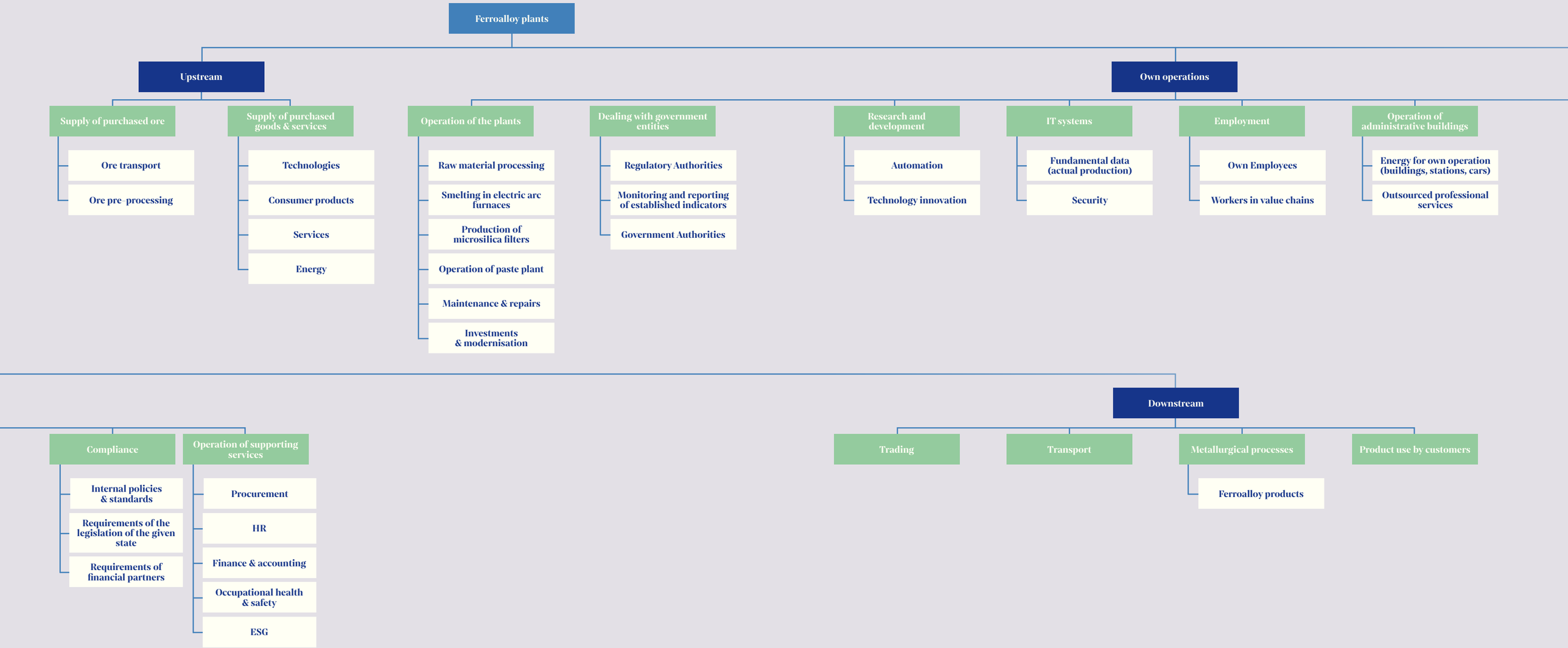
Detail of our value chains

Value chain of Trading



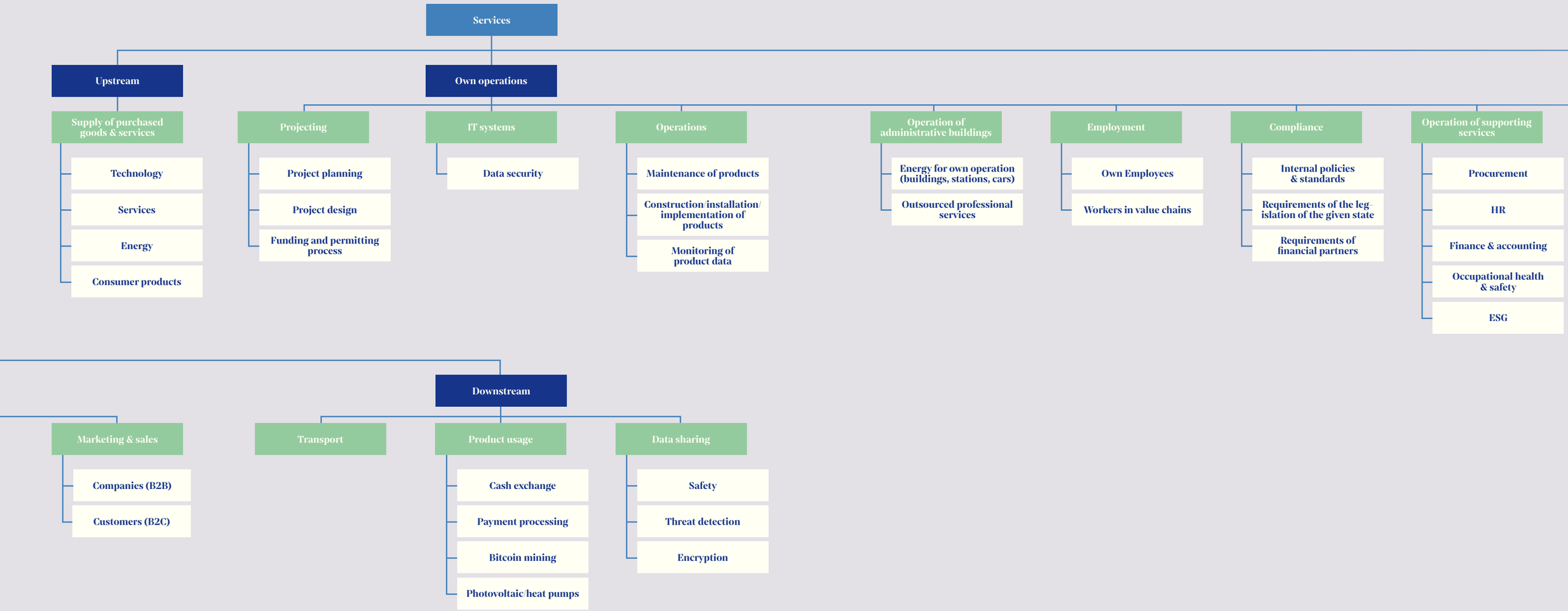
Detail of our value chains

Value chain of Ferroalloy plants



Detail of our value chains

Value chain of Services



GHG emissions calculation methodology

Our GHG inventory was calculated according to the approach and methodology of the GHG Protocol Corporate Standard (the 'GHG Protocol') and Scope 3 Standard as the most widely used international standards for governments and business leaders to understand, quantify, and manage their greenhouse gas emissions.

The system boundaries have been defined using the operational control approach, i.e. covering all entities over which we have operational control. The organizational boundary for 2023 was set as follows:

Country	Entity
Bulgaria	ENERGO-PRO Bulgaria EAD
	ENERGO-PRO Varna EAD
Colombia	ENERGO-PRO Colombia S.A.S.
Czech Republic	ENERGO-PRO a.s.
	MEGAWATT SERVIS s.r.o.
Georgia	ENERGO-PRO Georgia JSC
	ENERGO-PRO Georgia Generation JSC
	OPPA JSC
Türkiye	ENERGO-PRO Türkiye Holding A.S
Spain	Xallas Electricidad y Aleaciones, S.A.U.
	Feroe Ventures & Investments S.L.U.

In 2024 we will further define our boundaries to align with the annual report and the Sustainability Report boundaries.

Under the 'GHG Protocol', emissions are divided into direct and indirect emissions. Direct emissions (Scope 1) are those originating from sources owned or controlled by the reporting entity. Indirect emissions (Scopes 2 and 3) are generated as a result of the reporting entity's activities but occur at sources owned or controlled by another entity. Our GHG inventory includes the following Scope 1, 2 and 3 sources:

Scope 1

- **Stationary Combustion**
- **Mobile Combustion**
- **Fugitive Emissions**
- **Processing Emissions**

Scope 2

- **Purchased Electricity**
- **Purchased Heat & Cooling**

Scope 3

- **Purchased Goods and Services** (Category 1)
- **Capital Goods** (Category 2)
- **Fuel and Energy–Related Activities** (Category 3)
- **Transportation and Distribution** (Category 4 & 9)
- **Waste Generated in Operations** (Category 5)
- **Business Travel** (Category 6)
- **Employee Commuting** (Category 7)
- **Leased Assets** (Category 8 & 13)

The remaining Scope 3 categories below were determined to be not relevant or not material based on initial screening.

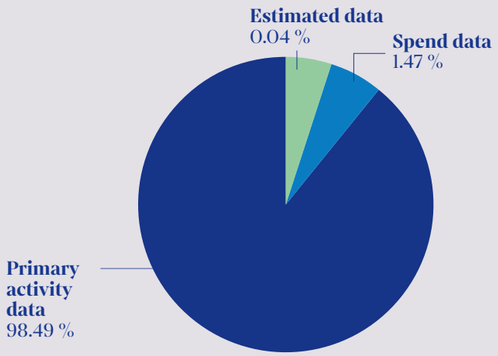
Scope 3 emission activity relevance

Scope 3 Category	Reasoning for omission
Upstream leased assets (Category 8)	The Group does not have upstream leased assets producing material amounts of emissions.
Downstream transportation (Category 9)	The Group does not use downstream transportation producing material amounts of emissions.
Processing of Sold Products (Category 10)	The Group does not sell physical products for further processing, except for Spanish ferroalloy plants. These emissions are therefore relatively negligible and not material.
Use of Sold Products (Category 11)	The Group does not sell physical final products, only electricity, for which emissions are already included in our Scope 1 & 2.
End of Life Treatment of Sold Products (Category 12)	The Group does not sell physical products, except for Spanish ferroalloy plants. These emissions are therefore relatively negligible and not material.
Franchises (Category 14)	The Group does not use a franchising system.
Investments (Category 15)	The Group does not have material stakes in projects or business entities to warrant relevancy for GHG inventory.

For Scope 2, we decided to use and report only location-based approach. A location-based approach is designed to reflect the average emissions intensity of grids within which energy consumption occurs, using grid-average emission factors. The rationale for making this decision was that the location-based approach is more representative of the emissions that we consume and is more suitable for traded electricity emissions.

In 2023, primary activity data was used to calculate 98.49% of Scope 3 emissions. Although this is partly skewed by the fact that most emissions come from one category, traded electricity (category 3), the data quality is continuously improving. For the first time, we have collected primary activity data for three Scope 3 categories: Business travel, Waste generated in operations, and Upstream transportation and distribution (freight). 1.47% of Scope 3 emissions was calculated using spend data and 0.04% using estimates.

Scope 3 data quality distribution (%)



For the calculation of our GHG emissions we used the most accurate available emission factors (EF) from public databases. Specifically, we used the following sources:

- The UK Department for Business, Energy, and Industrial Strategy (BEIS)
- Comprehensive Environmental Data Archive by Watershed (CEDA)
- Ecoinvent Database
- IPCC 2006 Guidelines for National Greenhouse Gas Inventories
- IPCC Fifth Assessment Report (AR5)
- International Energy Agency (IEA)
- Unidad de Planeación Minero Energética (UPME) Colombia
- International Hydropower Association (IHA)
- Cornell Hotel Sustainability Benchmark Index
- Anthesis Calculation Tool

Key assumption for the calculation of ENERGO-PRO Group GHG emissions:

Category	Assumption
Stationary Combustion	No notable assumptions.
Mobile Combustion	No notable assumptions.
Fugitive Emissions	In case no data is available for catchment area and impoundment area types, assumptions are based on last year's scientific data. Post-impoundment CO2 emissions from reservoirs older than 20 years are not accounted for, as well as pre-impoundment emissions for reservoirs older than 20 years.
Purchased Electricity	Consumed electricity is based on electricity consumption at HPPs with unknown origin (grid electricity). Distribution losses are accounted for across the network using a Scope 2 location-based grid average emission factor.
Purchased Heat	No notable assumptions.

Recalculation of emissions

Making meaningful comparisons of emissions data over time is an integral part of a corporate GHG inventory. A prerequisite for meaningful comparisons is a consistent data set over time. In order to maintain consistency between emissions inventories, the GHG Protocol recommends that emissions from previous years be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions).

In 2023, ENERGO-PRO acquired new assets that could significantly influence emissions. So that organic emission reductions can be tracked accurately over time, we have recalculated emissions for 2019, 2020, 2021 and 2022 to include emissions from the newly acquired Spanish entity, including 10 hydropower plants and 2 ferroalloy plants. The restated emissions increased across the 4 years by around 5-8%, with highest change occurring in Scope 1 emissions due to high energy consumption in ferroalloy business.

ENERGO-PRO´s GHG emissions for 2019-2022 have increased due to the acquisition of XEAL. While this has not had a significant impact on overall emissions as emissions from XEAL only account for 3.7% of total emissions in 2023, it has significantly increased scope 1 emissions. Scope 1 process emissions from Cee and Dumbria account for 33.4% of scope 1 emissions in 2023: XEAL reservoirs account for 24.1% of biogenic emissions in 2023. The acquisition of XEAL has increased our consumed electricity emissions, electricity consumptions at Cee and Dumbria account for 91.6% of Scope 2 electricity emissions in 2023.

As well as including emissions from new Spanish entity, we have made amendments to the 2019-2022 footprints based on improved processes and better availability of data. This has resulted in minor changes to the 2019-2022 footprints as methodological approaches have been improved. These low materiality changes would not usually require recalculating emissions, but due to the restatement to include Spain, this was deemed an appropriate step.

We have also undertaken a process of re-categorization for some sub-categories of emissions, to facilitate accurate cross-comparability between years. For example, aligning purchased goods and services emissions to consistent sub-categories across years. This exercise has allowed for the development of a set of footprints with high granularity and cross-comparability across all five years.

12
ESRS Metrics breakdown at the country level

The following tables provide a detailed breakdown of data at the country level.

ESRS2 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total revenue	EUR	821477242	0	70576000	429968122	98715814	120748000	1541485178
EBITDA	EUR	91530385	0	-10503000	162101393	47550832	98724000	389403610

E1 – Division by countries (2023)	Country						
	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total energy consumption related to own operations	409313	96653,87	391	5387011	779658	1160427	7833453
Total energy consumption from renewable sources	389872	7	9	5072636	644044	1159609	7266178
Total energy consumption from nuclear sources	722	0	15	0	52565	0	53303
Total energy consumption from fossil sources	18718	96646	366	314375	83049	818	513973
Consumption of fuels from renewable sources	0	0	0	0	0	0	0
Consumption of purchased or acquired energy from renewable sources	1826	7	9	3225336	181992	9287	3418457
Consumption of self-generated non-fuel renewable energy	388047	0	0	1847300	462052	1150322	3847721

E1 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total energy consumption from renewable sources	MWh	389872	7387	9	5072636	644043	1159609	7273557
Consumption of fuels from renewable sources	MWh	0	0	0	0	0	0	0
Consumption of purchased or acquired energy from renewable sources	MWh	1826	7387	9	3225336	181991	9287	3425836
Consumption of self-generated non-fuel renewable energy	MWh	388047	0	0	1847300	462052	1150322	3847721
Total production of renewable energy	MWh	0	0	0	89247	0	0	89247
Total production of renewable energy	MWh	388047	0	0	1847300	462052	1150322	3847721
Stationary consumption of fuels from non-renewable sources	0	0	0	0	266834.95	2181	0	269016
Fuel consumption of coal and coal products	MWh	0	0	0	0	0	0	0
Fuel consumption of crude oil and petroleum products	MWh	0	0	0	0	2181	0	2181
Fuel consumption of natural gas	MWh	0	0	0	266835	0	0	266835
Fuel consumption from other fossil sources (process, waste and other fuels used for energy purposes)	MWh	0	0	0	0	0	0	0
Consumption of purchased or obtained electricity, heat, steam and cooling from fossil sources	MWh	4593	0	43	1221779	80603	181	1307199
Mobile consumption of fuels from non-renewable sources	MWh	14125	96646	323	37993	265	638	149991
Gasoline	l	103979	39542	12501	2649502	0	3770	2809294
Diesel	l	1154698	9596652	20875	1382070	26434	60124	12240853
LPG	l	224547	0	0	0	0	0	224547
CNG	kg	0	0	0	0	0	0	0
Propane-Butane	kg	0	0	0	0	0	0	0
Other fuels from non-renewable sources	l	0	0	0	0	0	0	0

E1 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total purchased or acquired energy from non-renewable sources	MWh	7088	7387	68	1223029	224163	317	1462052
Electricity	MWh	5927	7387	40	1223029	224163	25	1460572
Heat	MWh	1138	0	27	0	0	162	1327
Cooling	MWh	23	0	0	0	0	130	153
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3	0	0	0	0	0	0	0
Electricity from NUCLEAR sources - Power purchase agreement / Guarantees of origin	MWh	0	0	0	0	0	0	0
Total annual production of energy from non-renewable sources	MWh	0	0	0	89247	0	0	89247
Electricity	MWh	0	0	0	89247	0	0	89247
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3				0	0	0	0
Total gross production of electricity - conventional sources	MWh	0	0	0	89247	0	0	89247
Gas	MWh	0	0	0	89247	0	0	89247
Other	MWh	0	0	0	0	0	0	0
Total net production of electricity - conventional sources	MWh	0	0	0	86184	0	0	86184
Gas	MWh	0	0	0	86184	0	0	86184
Other	MWh	0	0	0	0	0	0	0
Total self-generated energy sold	MWh	0	0	39987	0	0	0	39987
Electricity	MWh	0	0	39987	0	0	0	39987
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m3	0	0	0	0	0	0	0
Stationary combustion of fuels from renewable sources	MWh	0	0	0	0	0	0	0
Biomass	MWh	0	0	0	0	0	0	0
Biogas	MWh	0	0	0	0	0	0	0
Hydrogen from RES	MWh	0	0	0	0	0	0	0

E1 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Other raw materials from renewable sources	MWh	0	0	0	0	0	0	0
Mobile combustion of fuels from renewable sources	MWh	0	0	0	0	0	0	0
Hydrogenated Vegetable Oil (HVO)	l	0	0	0	0	0	0	0
Bioethanol	l	0	0	0	0	0	0	0
BioCNG (biomethane)	kg	0	0	0	0	0	0	0
BioLNG (liquified biomethane)	l	0	0	0	0	0	0	0
Biodiesel (Fatty acid methyl esters - FAME and its versions)	l	0	0	0	0	0	0	0
Other biofuel	l	0	0	0	0	0	0	0
Total purchased or acquired energy from renewable sources	MWh	0	0	0	3224087	90996	9150	3324233
Electricity	MWh	0	0	0	3224087	90996	8786	3323869
Heat	MWh	0	0	0	0	0	364	364
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3	0	0	0	0	0	0	0
Total annual production of energy from renewable sources	MWh	388047	0	0	1847300	462052	1150322	3847721
Total fuel renewable energy production	MWh	0	0	0	0	0	0	0
Electricity	MWh	0	0	0	0	0	0	0
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3						0	0
Total non-fuel renewable energy production	MWh	388047	0	0	1847300	462052	1150322	3847721
Electricity	MWh	388047	0	0	1847300	462052	1150322	3847721
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m3						0	0
Total gross production of electricity - renewable sources	MWh	395807	0	33687	1847300	475969	1150322	3903086
Hydro	MWh	395807	0	33687	1847300	475969	1150322	3903086

E1 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Other	MWh	0	0	0	0	0	0	0
Total net production of electricity - renewable sources	MWh	388047	0	33687	1819411	462052	1141536	3844734
Hydro	MWh	388047	0	33687	1819411	462052	1141536	3844734
Other	MWh	0	0	0	0	0	0	0
Total self-generated fuel renewable energy sold	MWh	0	0	0	891081	0	0	891081
Electricity	MWh	0	0	0	891081	0	0	891081
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3	0	0	0	0	0	0	0
Total self-generated non-fuel renewable energy sold	MWh	388045	0	39987	1819411	2693	1150322	3400459
Electricity	MWh	388045	0	39987	1819411	2693	1150322	3400459
Heat	MWh	0	0	0	0	0	0	0
Cooling	MWh	0	0	0	0	0	0	0
Steam	MWh	0	0	0	0	0	0	0
Compressed air	m^3	0	0	0	0	0	0	0

E2-6 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Capital expenditure (CapEx) incurred in the reporting period in conjunction with major incidents and deposits	EUR	-	0	0	0	0	0	0
Operating expenditure (OpEx) incurred in the reporting period in conjunction with major incidents and deposits	EUR	-	0	0	0	0	0	0
Provisions for environmental protection and remediation costs, e.g., for rehabilitating contaminated sites, recultivating landfills, removal of environmental contamination at existing production or storage sites and similar measures	EUR	-	0	-	0	139 509	0	139 509

E3-4 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Total water consumption	m^3	0	0.02	1999.55	18414	1098	6715	115119.43
Total water withdrawals...	m^3	270	0.19	2039.00	667	106435	511707307	511816718.6

E3-4 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
... from groundwater (water that is being held in, and that can be recovered from, an underground formation)	m^3	0	0	0,00	0	80 101	0	80 101
... from produced water (water that enters an organization's boundary as a result of organizational activities, e.g. extraction)	m^3	210	0	0,00	0	0	0	210
... from seawater (water in a sea or in an ocean)	m^3	0	0	0,00	0	0	0	0
... from surface water (water that occurs naturally on the Earth's surface)	m^3	0	0	2039,00	0	0	0	2 039
... from third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m^3	60	0	0,00	667	26 334	6 715	33 776
Total water discharges	m^3	270	0,17	39,50	667	106435	511700592	511808004
... to groundwater (water that is being held in, and that can be recovered from, an underground formation)	m^3	0	0	0	0	0	0	0
... to seawater (water in a sea or in an ocean)	m^3	0	0	0	0	0	1358 702 450	1358 702 450
... to surface water (water that occurs naturally on the Earth's surface)	m^3	0	0	0	0	0	0	0
... to third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m^3	270	0	0	667	0	2 270 592	2 271 529
Total water stored...	m^3							
...at the beginning of the reported period	m^3	1 926 210 000	0	0	258 000 000	59 290 000	106 490 000	2 349 990 000
...at the end of the reported period	m^3	2 114 600 000	0	0	292 000 000	112 120 000	93 110 000	2 611 830 000
Changes in water storage	m^3	188 390 000	0	0	34 000 000	52 830 000	-13 380 000	261 840 000
Fresh Water Consumption for energy generation	m^3	7 562 242 365	0	0	1 557 570 131	21 276 856 088	849 272 450	31 245 941 034
Fresh Water Consumption Intensity Ratio for generators	number	17 599	0	0	4 014	11 518	1 838	34 968
Water capacity of dams	m^3							
Maximum water capacity of dams	m^3	2 562 500 000	0	0	648 000 000	125 976 851	117 200 000	3 453 676 851
Minimum water capacity of dams	m^3	1 140 960 000	0	0	72 000 000	40 430 255	31 000 000	1 284 390 255
Total volume of reused and recycled water	m^3	0	0	877	0	0	0	877

E3-4 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Changes in water storage	m^3	188 390 000	0	0	34 000 000	52 830 000	-13 380 000	261 840 000
Fresh Water Consumption for energy generation	m^3	7 562 242 365	0	0	1 557 570 131	21 276 856 088	849 272 450	31 245 941 034
Fresh Water Consumption Intensity Ratio for generators	number	17 599	0	0	4 014	11 518	1 838	34 968
Water capacity of dams	m^3							
Maximum water capacity of dams	m^3	2 562 500 000	0	0	648 000 000	125 976 851	117 200 000	3 453 676 851
Minimum water capacity of dams	m^3	1 140 960 000	0	0	72 000 000	40 430 255	31 000 000	1 284 390 255
Total volume of reused and recycled water	m^3	0	0	877	0	0	0	877
Water Consumption Intensity Ratio	number	193 120 720	0	0	31 801 461	3 009	17 201 605	242 126 795

WATER-STRESS AREAS	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Total Water Consumption in the areas of water stress	m^3	0	0	0	529	0	0	529
Groundwater	m^3	0	0	0	174	0	0	174
Surface water	m^3	0	0	0	355	0	0	355
Drinking water	m^3	0	0	0	0	0	0	0
Total volume of water withdrawn from water stress areas...	m^3	0	0	0	0	0	0	0
... from groundwater (water that is being held in, and that can be recovered from, an underground formation)	m^3	0	0	0	0	0	0	0
... from produced water (water that enters an organization's boundary as a result of organizational activities, e.g. extraction)	m^3	0	0	0	0	0	0	0
... from seawater (water in a sea or in an ocean)	m^3	0	0	0	0	0	0	0
... from surface water (water that occurs naturally on the Earth's surface)	m^3	0	0	0	0	0	0	0
... from third-party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in water use and effluents)	m^3	0	0	0	0	0	0	0

WATER-STRESS AREAS	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Total volume of water discharged to water stress areas	m^3	0	0	0	0	0	0	0
freshwater (≤1,000 mg/L Total Dissolved Solids)	m^3	0	0	0	0	0	0	0
other water (>1,000 mg/L Total Dissolved Solids)	m^3	0	0	0	0	0	0	0

E4-3 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Area of biodiversity offsets applied	ha	6 917	0	28	3 000 000	200	0	3 007 145
Financing effects (direct and indirect costs) of biodiversity offsets	EUR	0	0	240 678	28 243	45 479	0	314 399
Total value of investments in protection of biodiversity and ecosystems	EUR	174 394	0	457 288	2 691 758	51 175	50 000	3 424 615

E4-5 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Sites owned, leased or managed in or near biodiversity-sensitive areas	number	4	0	0	11	1	4	20
Sites owned, leased or managed in or near biodiversity-sensitive areas (in protected areas and areas of high biodiversity value outside protected areas)	ha	48	0	0	36	0	0	84
Total use of land	ha	7 104	-	-	0	0	-	7 104
Total nature-oriented area off site	ha	0	-	-	0	26 000	-	26 000
Total nature-oriented area on site	ha	3	-	-	0	0	-	3
Size of all habitat areas protected or restored	ha	5 600	0	0	0	0	0	5 600
Number of invasive alien species	number	0	0	0	0	0	0	0
Total number of IUCN Red List species and national conservation list species								
critically endangered	number	0	0	0	1	0	0	1

E4-5 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
endangered	number	1	0	0	2	0	0	3
vulnerable	number	1	0	0	12	1	0	14
near threatened	number	0	0	0	2	0	0	2
least concern	number	0	0	164	1	0	0	165
Number of invasive alien species	number	0	0	0	0	0	0	0

E5-5 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Total amount of waste generated	t	1	131	9	1036	162	2693	4032
Total amount of waste generated transferred to authorised entities	t	1	71	4	989	162	0	1226
HAZARDOUS waste diverted from disposal	t	0	0	0	123	0	55	178
Hazardous waste diverted from disposal as a result of preparation for reuse	t	0	0	0	0	0	0	0
Hazardous waste diverted from disposal due to recycling	t	0	0	0	120	0	0	120
Hazardous waste diverted from disposal due to other recovery operations	t	0	0	0	3	0	55	58
OTHER waste diverted from disposal	t	0	0	5	882	14	2459	3360
Other waste diverted from disposal as a result of preparation for reuse	t	0	0	0	0	0	0	0
Other waste diverted from disposal due to recycling	t	0	0	5	882	14	0	901
Other waste diverted from disposal due to other recovery operations	t	0	0	0	0	0	2459	2459
HAZARDOUS waste intended for waste treatment	t	1	3	0	0	148	0	153
Hazardous waste intended for incineration	t	0	0	0	0	7	0	7
Hazardous waste intended for landfill	t	1	0	0	0	0	0	1
Hazardous waste intended for treatment by other disposal operations	t	0	3	0	0	141	0	145
OTHER waste intended for waste processing	t	0	127	3	31	0	179	341
Other waste intended for incineration	t	0	0	0	0	0	0	0
Other waste intended for landfill	t	0	0	3	31	0	179	214
Other waste intended for treatment by other disposal operations	t	0	127	0	0	0	0	127
NON-RECYCLED waste	t	1	131	3	34	148	2693	3011
Total amount of HAZARDOUS Waste	t	1	4	0	123	148	55	331
Total amount of NON-HAZARDOUS Waste	t	0	127	9	913	14	2638	3701
Total amount of RADIOACTIVE waste	t	0	0	0	0	0	0	0

E5-5 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
Disposal method - HAZARDOUS waste onsite	t	0	4	0	0	0	55	59
reuse	t	0	0	0	0	0	0	0
recycle	t	0	0	0	0	0	0	0
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	0	0	55	55
incineration (mass burn)	t	0	0	0	0	0	0	0
deep well injection	t	0	0	0	0	0	0	0
landfill	t	0	0	0	0	0	0	0
other	t	0	3	0	0	0	0	3
Disposal method - HAZARDOUS waste offsite	t	1	0	0	123	148	0	272
reuse	t	0	0	0	0	0	0	0
recycle	t	0	0	0	120	0	0	120
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	3	0	0	3
incineration (mass burn)	t	0	0	0	0	7	0	7
deep well injection	t	0	0	0	0	141	0	141
landfill	t	1	0	0	0	0	0	1
other	t	0	0	0	0	0	0	0
Disposal method - NON-HAZARDOUS waste onsite	t	0	56	5	47	0	2638	2747
reuse	t	0	0	0	0	0	0	0
recycle	t	0	0	5	47	0	0	53
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	0	0	2459	2459
incineration (mass burn)	t	0	0	0	0	0	0	0
deep well injection	t	0	0	0	0	0	0	0
landfill	t	0	0	0	0	0	179	179
other	t	0	56	0	0	0	0	56
Disposal method - NON-HAZARDOUS waste offsite	t	0	71	3	866	14	0	955
reuse	t	0	0	0	0	0	0	0
recycle	t	0	0	0	835	14	0	849
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	0	0	0	0
incineration (mass burn)	t	0	0	0	0	0	0	0
deep well injection	t	0	0	0	0	0	0	0
landfill	t	0	0	3	31	0	0	35
other	t	0	71	0	0	0	0	71

E5-5 – Division by countries (2023)	Country							
	unit	TUR	CZE	COL	BUL	GEO	SPA	EP Group
reuse	t	0	0	0	0	0	0	0
recycle	t	47	5	0	0	0	0	53
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	0	2459	0	2459
incineration (mass burn)	t	0	0	0	0	0	0	0
deep well injection	t	0	0	0	0	0	0	0
landfill	t	0	0	0	0	179	0	179
other	t	0	0	56	0	0	0	56
Disposal method - NON-HAZARDOUS waste offsite	t	866	3	71	14	0	0	955
reuse	t	0	0	0	0	0	0	0
recycle	t	835	0	0	14	0	0	849
compost	t	0	0	0	0	0	0	0
recovery, including energy recovery	t	0	0	0	0	0	0	0
incineration (mass burn)	t	0	0	0	0	0	0	0
deep well injection	t	0	0	0	0	0	0	0
landfill	t	31	3	0	0	0	0	35
other	t	0	0	71	0	0	0	71

S1-6 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
TOTAL number of employees	number	2589	32	79	6646	231	162	9739
Total number of employees - MEN	number	1865	17	58	5794	193	151	8078
Total number of employees - WOMEN	number	724	15	21	852	23	11	1646
Total number of employees - OTHER	number	0	0	0	0	0	0	0
Total number of employees - NOT REPORTED	number	0	0	0	0	15	0	15
Total number of permanent employees	number	2522	32	71	6482	215	162	9484
Permanent employees - MEN	number	1820	17	54	5685	191	151	7918
Permanent employees - WOMEN	number	702	15	17	797	22	11	1564
Permanent employees - OTHER	number	0	0	0	0	0	0	0
Permanent employees - NOT REPORTED	number	0	0	0	0	2	0	2
Total number of temporary employees	number	66	0	8	178	3	0	255
Temporary employees - MEN	number	42	0	3	113	2	0	160
Temporary employees - WOMEN	number	24	0	5	65	1	0	95
Temporary employees - OTHER	number	0	0	0	0	0	0	0
Temporary employees - NOT REPORTED	number	0	0	0	0	0	0	0
Total number of non-guaranteed hours employee	number	0	0	0	0	0	0	0
Non-guaranteed hours employees - MEN	number	0	0	0	0	0	0	0
Non-guaranteed hours - WOMEN	number	0	0	0	0	0	0	0
Non-guaranteed hours - OTHER	number	0	0	0	0	0	0	0
Non-guaranteed hours - NOT REPORTED	number	0	0	0	0	0	0	0
Total number of full-time employees	number	2588	32	65	6638	216	162	9701
Full-time employees - MEN	number	1864	17	50	5784	193	151	8059
Full-time employees - WOMEN	number	724	15	15	854	23	11	1642
Full-time employees - OTHER	number	0	0	0	0	0	0	0
Total number of part-time employees	number	1	0	14	8	15	0	38
Part-time employees - MEN	number	1	0	9	6	15	0	31
Part-time employees - WOMEN	number	0	0	5	2	0	0	7
Part-time employees - OTHER	number	0	0	0	0	0	0	0
Total number of all terminated employment relationships	number	256	1	11	573	26	15	882

S1-6 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total number of new hires	number	259	18	11	690	26	10	1014
males	number	194	9	7	592	4	7	813
under 30 years old	number	49	1	0	251	2	2	305
30-50 years old	number	115	8	5	285	2	5	420
over 50 years old	number	30	0	3	56	0	0	89
females	number	65	9	4	98	0	3	179
under 30 years old	number	9	0	2	41	0	0	52
30-50 years old	number	46	9	2	42	0	3	102
over 50 years old	number	10	0	0	15	0	0	25
other	number	0	0	0	0	22	0	22
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	8	0	8
over 50 years old	number	0	0	0	0	14	0	14
Total number of leavers	number	256	2	11	498	4	15	786
males	number	194	0	8	440	4	13	659
under 30 years old	number	36	0	1	124	0	2	163
30-50 years old	number	88	0	6	204	3	9	310
over 50 years old	number	70	0	1	112	1	2	186
females	number	62	2	3	58	0	2	127
under 30 years old	number	7	1	1	18	0	0	27
30-50 years old	number	35	1	1	23	0	2	62
over 50 years old	number	20	0	0	17	0	0	37
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0

S1-7 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total number of non-employees	number	14	1	6	0	0	0	21

S1-8 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total number of all our employees covered by collective bargaining	number	1885	0	0	702	231	0	2818
Total number of all our employees covered by workers' representatives	number	2472	0	0	0	231	0	2703

S1-9 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Number of EXECUTIVES (includes board members and directors)	number	62	3	19	17	1	6	108
males	number	45	1	18	16	0	6	86
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	30	1	11	14	0	4	60
over 50 years old	number	15	0	7	2	0	2	26
females	number	17	2	0	1	1	0	21
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	10	2	0	1	1	0	14
over 50 years old	number	7	0	0	0	0	0	7
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0
Age 30 years and younger	number	183	1	3	816	1	20	1024
Age between 30 and 50 years	number	1519	16	58	2873	6	127	4599
Age 50 and older	number	892	0	37	2978	3	13	3923
Employee breakdown (by level)								
Number of EXECUTIVES (includes board members and directors)	number	62	3	19	17	1	6	108
males	number	45	1	18	16	0	6	86
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	30	1	11	14	0	4	60
over 50 years old	number	15	0	7	2	0	2	26

S1-9 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
females	number	17	2	0	1	1	0	21
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	10	2	0	1	1	0	14
over 50 years old	number	7	0	0	0	0	0	7
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0
Number of employees in MANAGEMENT (includes senior managers, managers and team leaders)	number	229	9	15	255	9	9	526
males	number	164	4	10	212	6	6	402
under 30 years old	number	2	0	0	7	0	0	9
30-50 years old	number	107	4	5	113	4	11	244
over 50 years old	number	55	0	5	92	2	4	158
females	number	65	5	5	43	3	3	124
under 30 years old	number	1	0	0	3	1	0	5
30-50 years old	number	43	5	1	29	1	3	82
over 50 years old	number	21	0	4	11	1	0	37
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0
Number of employees in OTHER LEVELS	number	2303	5	64	6395	0	136	8903
males	number	1656	0	41	5580	0	127	7404
under 30 years old	number	144	0	1	714	0	16	875
30-50 years old	number	912	0	24	2334	0	104	3374
over 50 years old	number	600	0	17	2532	0	7	3156
females	number	647	0	23	815	0	9	1494
under 30 years old	number	36	0	2	92	0	4	134
30-50 years old	number	417	0	17	382	0	5	821
over 50 years old	number	194	0	3	341	0	0	538
other	number	0	5	0	0	0	0	5
under 30 years old	number	0	1	0	0	0	0	1
30-50 years old	number	0	4	0	0	0	0	4
over 50 years old	number	0	0	0	0	0	0	0
Employee breakdown (by position)								
Number of employees in ADMINISTRATIVE POSITIONS	number	826	9	51	745	13	41	1685
males	number	272	5	29	246	0	30	582
under 30 years old	number	7	1	0	21	0	1	30
30-50 years old	number	174	4	20	146	0	23	367
over 50 years old	number	91	0	9	79	0	6	185
females	number	554	4	22	499	5	11	1095
under 30 years old	number	30	2	2	68	0	4	106
30-50 years old	number	363	2	19	297	4	7	692
over 50 years old	number	161	0	1	134	1	0	297
other	number	0	0	0	0	8	0	8
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	7	0	7
over 50 years old	number	0	0	0	0	1	0	1
Number of employees in TECHNICAL POSITIONS (e.g. engineers, technicians)	number	382	1	18	1080	19	8	1508
males	number	313	1	17	981	17	8	1337
under 30 years old	number	16	0	0	116	3	1	136
30-50 years old	number	178	1	10	420	12	7	628
over 50 years old	number	119	0	7	445	2	0	573
females	number	69	0	1	99	2	0	171
under 30 years old	number	5	0	0	16	0	0	21
30-50 years old	number	44	0	0	37	2	0	83
over 50 years old	number	20	0	1	46	0	0	67
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0
Number of employees in MANUAL LABOUR POSITIONS (e.g. production, maintenance)	number	1346	0	12	4784	188	111	6441

S1-9 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
males	number	1250	0	11	4537	176	110	6084
under 30 years old	number	123	0	1	575	1	14	714
30-50 years old	number	672	0	9	1862	104	89	2736
over 50 years old	number	455	0	1	2100	71	7	2634
females	number	96	0	1	247	12	1	357
under 30 years old	number	2	0	0	6	0	0	8
30-50 years old	number	57	0	1	67	9	1	135
over 50 years old	number	37	0	0	174	3	0	214
other	number	0	0	0	0	0	0	0
under 30 years old	number	0	0	0	0	0	0	0
30-50 years old	number	0	0	0	0	0	0	0
over 50 years old	number	0	0	0	0	0	0	0

S1-12 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Number of employees with disabilities	number	54	0	2	41	3	0	100
females	number	22	0	0	8	1	0	31
males	number	32	0	2	33	2	0	69
other	number	0	-	0	0	-	0	0
Not reported	number	0	-	0	0	-	0	0
Employees with disabilities amongst employees subject to legal restrictions on data collection	number	0	0	0	41	0	0	41
females	number	0	0	0	8	0	0	8
males	number	0	0	0	33	0	0	33
other	number	0	-	0	0	-	0	0
Not reported	number	0	-	0	0	-	0	0

S1-13 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Employees that participated in regular performance and career development reviews	number	2547	0	0	2405	0	162	5114
females	number	724	0	0	32	0	11	767
males	number	1823	0	0	2373	0	151	4347
other	number	0	0	0	0	0	0	0
Not reported	number	0	0	0	0	0	0	0
Total number of training hours	number	63900	0	2011	193	8813	2978	77895
females	number	7624	-	535	30	592	271	9052
males	number	56276	-	1476	163	8221	2708	68843
other	number	0	-	0	0	-	0	0
Not reported	number	0	-	0	0	-	0	0
Average number of training hours per person	number	86	360	106	6	155	258	971
females	number	26	180	34	3	82	119	445
males	number	59	180	72	3	73	138	526
other	number	0	0	0	0	0	0	0
Not reported	number	0	0	0	0	0	0	0
Total training hours (by employee level)								
Executives (includes board members)	number	936	0	435	24	18	148	1561
Managers (includes senior managers and managers)	number	7000	0	225	497	291	443	8456
Employees in other positions	number	55764	2160	1350	1719	0	2387	63380
Total training hours (by employee position)								
Employees in administrative positions	number	10518	2160	1125	622	314	1298	16037
Employees in technical positions (e.g. engineers, technicians)	number	7964	0	328	477	855	112	9736
Employees in manual labour positions (e.g. field work, production, maintenance)	number	44418	0	555	1091	7335	1568	54967

S1-14 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total number of own employees covered by OHS - based on legal requirements and/or recognised standards or guidelines	number	2574	37	3	6663	218	162	9657
Total number of own NON-employees covered by OHS-based on legal requirements and/or recognised standards or guidelines	number	0	132	0	0	0	0	132
Recordable work-related injuries - own employees	number	9	0	2	8	12	1	32
Recordable work-related ill health - own employees	number	0	0	0	0	0	0	0
Rate of recordable work-related injuries - own employees	number	7	0	506	2	58	11	584
Number of fatalities from work-related injuries and ill health - own employees	number	1	0	0	0	0	0	1
Fatalities from work-related injuries - own employees	number	1	0	0	0	0	0	1
Fatalities from work-related ill-health - own employees	number	0	0	0	0	0	0	0
High-consequence injuries (excluding fatalities) - own employees	number	5	0	0	0	4	0	9
Lost time injuries - own employees	number	48	0	2	6	6	0	62
Lost time injury rate (LTIR) - employees	number	192	0	506	1	21	0	3,50
Calendar days lost (due to incapacity for work) - own employees	number	7	0	165	291	946	0	1409
Total number of hours worked - own employees	number	4305393	0	3950	12594000	341039	455949	17700330
Recordable work-related injuries - non-employees	number	0	0	0	0	0	0	0
Recordable work-related ill health - non-employees	number	0	-	0	0	-	0	0
Rate of recordable work-related injuries - non-employees	number	0	0	0	0	0	0	0
Number of fatalities from work-related injuries and ill health - non-employees	number	0	0	0	0	0	0	0
Fatalities from work-related injuries - non-employees	number	0	0	0	0	0	0	0

S1-14 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Fatalities from work-related ill-health - non-employees	number	0	0	0	0	0	0	0
High-consequence injuries (excluding fatalities) - non-employees	number	0	0	0	0	0	0	0
Lost time injuries - non-employees	number	0	0	0	0	0	0	0
Lost time injury rate (LTIR) - non-employees	number	0	0	0	0	0	0	-
Calendar days lost (due to incapacity for work) - non-employees	number	0	-	0	0	-	0	0
Total number of hours worked - non-employees	number	0	0	0	0	0	0	0
Cases of recordable work-related ill health in persons who are no longer employees	number	0	-	0	0	-	0	0
Number of fatalities from work-related injuries and ill health - contractors	number	0	0	0	0	0	0	0
High-consequence injuries (excluding fatalities) - contractors	number	0	0	0	0	0	0	0
Recordable work-related injuries - contractors	number	0	0	0	0	1	0	1
Recordable work-related ill health - contractors	number	0		0	0	0	0	0
Rate of recordable work-related injuries - contractors	number	0	0	0	0	34	0	34
Lost time injuries - contractors	number	0	0	0	0	1	0	1
Lost time injury rate (LTIR) - contractors	number	0	0	0	0	34	0	12,78
Total number of hours worked - contractors	number	0	0	0	0	78253	0	78253
Lost time injury rate (LTIR) - employees, non-employees and contractors	number	192	0	506	1	30	0	3,54
Rate of recordable work-related injuries - employees, non-employees and contractors	number	7	0	506	2	58	11	584

S1-15 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Employees entitled to family-related leave	number	2586	0	87	6310	229	162	9374
females	number	724	0	24	739	23	11	1521
males	number	1862	0	63	5571	206	151	7853
other	number	0	0	0	0	0	0	0
Not reported	number	0	0	0	0	0	0	0
Total number of entitled employees that took family-related leave	number	330	0	4	29	21	3	387
females	number	199	0	4	27	2	0	232
males	number	131	0	0	2	19	3	155
other	number	0	0	0	0	0	0	0
Not reported	number	0	0	0	0	0	0	0

S1-16 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Average gross hourly pay level of MALE employees	EUR	18	0	119	5	59	1459	1661
Average gross hourly pay level of FEMALE employees	EUR	15	0	38	4	70	116	243
Pay gap by segment								
Average gross hourly pay level of MALE employees	EUR	18	-	48	-	28	1082	1176
Average gross hourly pay level of FEMALE employees	EUR	7	-	0	-	25	90	122
Average gross hourly pay level of MALE employees	EUR	10	-	92	-	21	39	162
Average gross hourly pay level of FEMALE employees	EUR	15	-	40	-	21	26	103
Average gross hourly pay level of MALE employees	EUR	17	-	249	-	107	338	710
Average gross hourly pay level of FEMALE employees	EUR	15	-	88	-	171	0	274
Median employee annual total remuneration (excluding the highest-paid individual)	EUR	29849	16295	82407	737	86201	33493	248982

S1-17 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total number of incidents of discrimination, including harassment, reported during the reporting period	number	2	0	0	0	0	0	2
Number of complaints of social and human rights incidents	number	2	0	0	0	0	0	2
Number of complaints filed through channels for own workers to raise concerns	number	2	0	0	0	0	0	2
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	number	0	0	0	0	0	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	EUR	0	0	0	0	0	0	0
Number of severe human rights issues and incidents connected to own workforce	number	0	0	0	0	0	0	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	number	0	0	0	0	0	0	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	EUR	0	0	0	0	0	0	0

G1-4 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Total amount of fines for violation of anti-corruption and anti-bribery laws	EUR	0	0	0	0	0	0	0
Total number of convictions for violation of anti-corruption and anti-bribery laws	number	0	0	0	0	0	0	0
Number of confirmed incidents of corruption or bribery	number	0	-	-	0	0	0	0

G1-4 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	number	0	-	0	0	0	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	number	0	-	-	0	0	0	0

G1-6 – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Legal proceedings initiated in the period due to late payments	number	0	1	0	0	0	0	1
Number of legal proceedings currently outstanding for late payments	number	0	0	0	0	0	0	0

GRI Indicators – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Number of critical concerns that were communicated to the highest governance body	number	0	0	0	0	0	2	2
Total number of significant instances of non-compliance with laws and regulations, broken down by:	number	0	0	0	5	0	0	5
instances for which fines were incurred	number	0	0	0	2	0	0	2
instances for which non-monetary sanctions were incurred	number	0	0	0	3	0	0	3
Fines for instances of non-compliance with laws and regulations that were paid								
total monetary value of significant fines	EUR	0	0	0	57582	0	0	57582

GRI Indicators – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
total number of non-monetary sanctions	number	0	0	0	2	0	0	2
Total number of senior management personnel at significant locations of operation that are hired from the local community	number	3	1	0	50	3	2	59
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour	number	1	0	1	1	0	0	3
Number of operations with implemented local community engagement, impact assessments, and/or development programs	number	2	2	0	0	1	2	7

GRI Indicators – Division by countries (2023)	Country							
	unit	BUL	COL	CZE	GEO	SPA	TUR	EP Group
Social investments (donations, funds, etc.) - total value contributed	EUR	156365	6622	0	11537	202810	14987	392321
donations	EUR	154235	6622	0	11537	202810	14987	390191
other	EUR	2130	0	0	0	0	0	2130
Total monetary value of investment in new technologies	EUR	0	0	0	176000	0	0	176000
Total number of recorded significant spills	number	0	0	0	0	0	0	0
Total volume of recorded significant spills	m3	0	0	0	0	0	0	0