

Sustainability Report 2021 – Summary

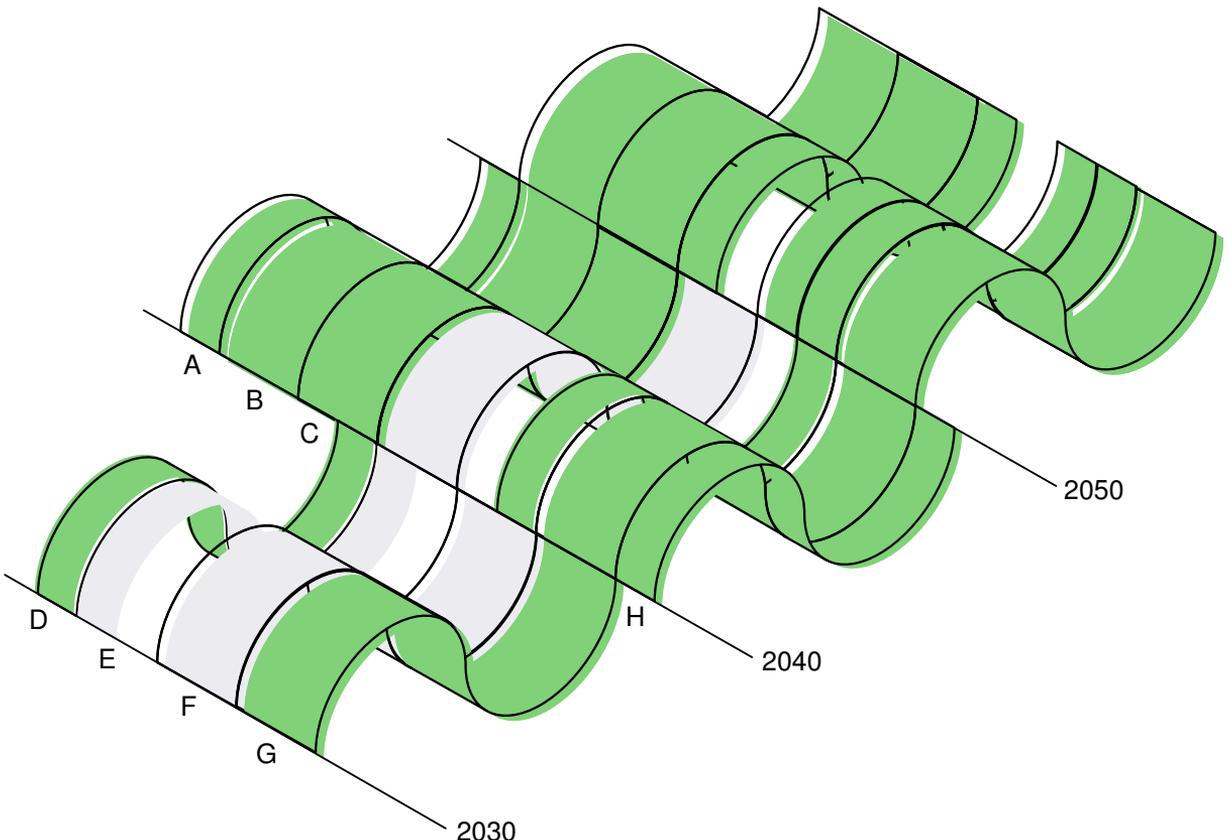
1. Introduction

We are the largest energy supplier in Slovakia, building on the tradition established by our predecessors more than 165 years ago. Today, we supply energy to more than 1.4 million points of supply, serving as a stable and reliable supplier of both electricity and gas and as a provider of energy services.

Looking back at our history, the supply of gas continues to represent an essential part of SPP's business activities even today. We understand the urgency of challenges society faces in the field of climate and environmental protection. We support the goals of the EU and Slovakia in the field of reducing greenhouse gas emissions by 2030 and the need to achieve carbon neutrality. Through this Sustainability Report (hereinafter the "Report") we would like to

inform the public about how we are preparing to meet these goals.

Transparency, consumer awareness and a fair approach to customers are extremely important to us. The goal of this Report is to inform the public about the impact of SPP on society and the environment. Where applicable, in addition to the information relating to SPP, the Report also includes information relating to legal entities wholly owned by SPP, i.e., SPP CZ, SPP CNG, the SPP Foundation and Ekofond SPP (hereinafter "the SPP Group"). The Report does not include information relating to SPP Infrastructure, a.s., in which SPP owns 51% of the shares but which is controlled by Energetický a průmyslový holding, a.s.



2. Foreword



We understand that our responsibility is directly proportional to our size and tradition. We support the goals announced by the UN, EU, and Slovak Republic in the field of climate and environmental protection, including the reduction of emissions by 2030 and achievement of carbon neutrality by 2050. We consider the improvement of energy efficiency and development of renewable energy sources (RES) to be key tools on the path to carbon neutrality.

Mitigating the effects of climate change, as well as protecting biodiversity and ecosystems, are among the most urgent challenges faced by our generation. Achieving carbon neutrality will require effort from us all. For SPP, this mostly means introducing new services and solutions for our customers. A reduction of greenhouse gas emissions can be achieved by combining measures improving energy efficiency, reducing the volume of energy consumed and by developing energy production from renewable sources to replace fossil fuels.

In 2020, we adopted the SPP Vision and Strategy 2030 identifying the risks arising from our business in relation to the future and naming them directly. We are progressively fulfilling the SPP Vision and Strategy 2030 through specific activities and by expanding the fields of our presence. We have been

a purchaser of electricity from RES since 2020. Together with the ČEZ Group, we founded ESCO Slovensko, a.s. in 2021 – a company focusing on comprehensive energy services for corporate and public sector and energy efficiency. We are deeply involved in preparing other projects for internal production of electricity and gas from RES.

The invasion of Ukraine in February 2022, constituting an unacceptable act of war aggression, underlined the need to adopt measures to strengthen energy independence, security, diversification of resources, to support measures for improving energy efficiency and RES development. In the short term, we expect the EU to confirm its goals in climate and environmental protection, including greater ambitions in the field of reducing emissions and RES development.

Our continuing priority is to serve as a responsible and reliable supplier of energy and other services to our customers. By creating added value for our customers, shareholder and employees through quality products, services, and innovation and by applying the principles of responsible business and sustainability, we strive to contribute to the joint efforts of building a sustainable future and a better life for all. We share our success, which is based on the expertise, experience and talent of our employees and the trust of our customers and society, with the communities and country we operate in. Promoting education, protecting the cultural heritage of Slovakia and communities through the SPP Foundation, protecting the environment, and preserving biodiversity through Ekofond SPP and supporting art in our SPP Gallery are among the focused initiatives of SPP that will remain the pillars of our sustainability strategy in the future. This Report serves as an opportunity to inform the public at large about the future goals of SPP.

Henrich Krejčí

Member of the Board of Directors

3. Summary of 2021 and sustainability goals of SPP

Summary of 2021

1,4

million

Points of supply, to which SPP supplied electricity and gas

122 000

Points of supply of customers whose supplier ceased operations and SPP supplied them with gas as a supplier of last resort in 2021

37 TWh

Volume of supplied gas to end consumers (of which SPP CZ accounts for 1.55 TWh)

1,57 TWh

Volume of supplied electricity to end customers

2,1 TWh

Volume of electricity purchased from RES and CHP producers

334

GWh

Volume of electricity supplied from RES to end customers

21 %

Share of electricity supplied from RES in the total supply of electricity to customers

1,2 TWh

Volume of purchased electricity from RES (solar or hydropower, biomass and biogas)

2 475 064

eur

Financial value of the support provided by SPP Foundation and Ekofond SPP to community-benefit activities



ESCO Slovensko, a.s.
Establishment of a joint venture with ČEZ ESCO, a.s.

115
thousands

Saplings planted in the protected forests of Slovakia

107
pcs

Saved unique century-old firs in Kežmarské Žitavy, forming part of the original forest gene pool of the Tatra Mountains

3 million kg
Alternative CNG fuel supplied to consumers

7 703 667

t CO₂e

Greenhouse gas emissions relating to the SPP Group's business activities (of which the internal consumption of the SPP Group represents only 11 985 t CO₂e)

Future sustainability goals

240

GWh

Biomethane production by 6 EBWRC (Energy and Biological Waste Recovery Centers) projects for the production of renewable gas, which we will put into operation by 2030; of which 3 EBWRC projects will be put into operation by 2026

200

MW

Installed output of sources for electricity production from RES, to be put into operation by us by 2030; of which half will be put into operation by 2026

1,5

MW

Installed output of sources for electricity production from RES for the internal needs of our own sites, to be put into operation by us by 2026

5

MW

Installed output of electrolysers to be put into operation by us by 2026

5

MW

Installed output of the battery storage to be put into operation by us by 2026

460

million eur

Financial value of investments in the production of energy from RES spent by 2030 (independently or in cooperation with partners); of which EUR 230 million spent on investments in RES energy production by 2026

200

thousands

Saplings planted in the protected forests in 2022

2040

Achievement of 100% reduction in emissions resulting from SPP's internal consumption

30

%

Share of women in middle and top management positions by 2026

300

Saved century-old firs in Kežmarské Žľaby in 2021–2022 period

2050

Achievement of 100% reduction in total greenhouse gas emissions

To minimise paper consumption and to become a paperless company by 2026

To introduce and evaluate sustainability standards in the supply chain by 2026



© Slovenský plynárenský priemysel, a.s., 2022

All rights reserved. Copying and reproduction of texts is allowed only with the consent of the company Slovenský plynárenský priemysel, a.s.

Design by: Calder Design Community (Peter Gála, Martina Budziňáková)

Photograph by: Jakub Gulyás

www.spp.sk