

Sustainability Report 2021

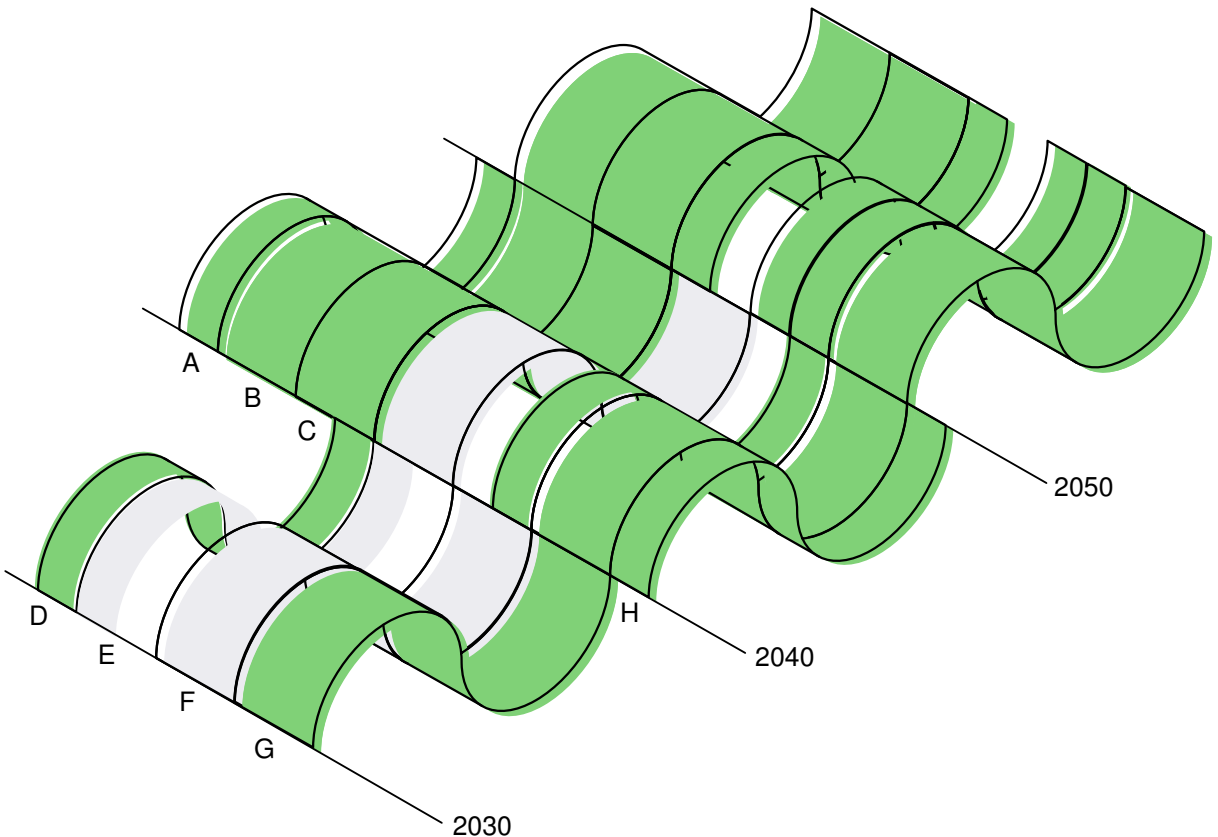
1. Introduction

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

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

2050

Achievement of 100% reduction in total greenhouse gas emissions

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

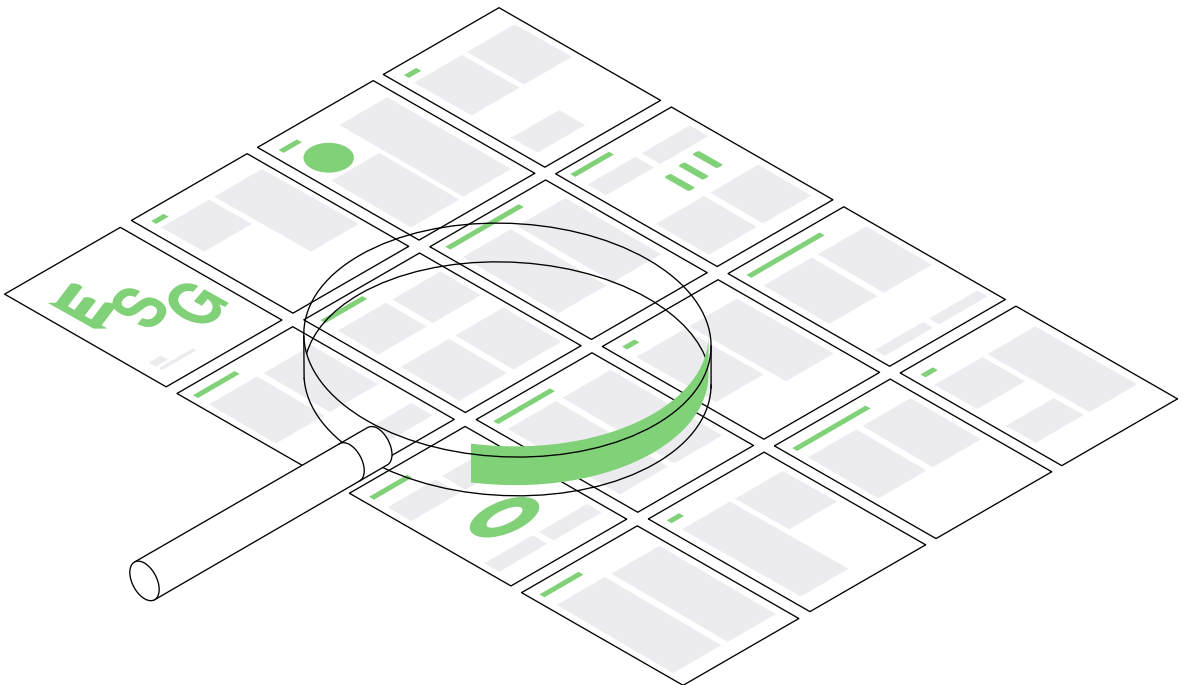
4. About the Sustainability Report

This Report has been prepared in accordance with the GRI standards for the 2021 period. This period corresponds to the period, for which we prepare our annual financial statements in SPP. We have compiled the Report for the first time for 2021 period and all information is published for the Report's purposes for the first time as well.

This Report is not subject to auditor's review. We see the regular preparation of the Sustainability Report as a means of evaluating the impacts of SPP's business activities and the fulfilment of future goals. It is likely that in the coming years the Sustainability Report and the information contained in it will be subject to independent auditing. We have voluntarily chosen to have the information presented in Chapter 12 of this Report relating to SPP's carbon footprint calculation reviewed by an auditor.

Presently, we use external audit services to review our Financial Statements, reports, and other documents as per legislative requirements. The statutory Financial Statements of SPP are verified by an auditor in accordance with law. The auditor is appointed by the General Meeting of SPP. As an advisory body of the Board of Directors of SPP, the Audit Committee handles mandatory communication with the auditor, including the monitoring of related risks. The independent auditor of the Financial Statements is ordinarily selected every 3 years.

The contact person for the purposes of the Report is Juraj Adamica, Deputy Director of Regulation and Compliance Department, Sustainability and Regulatory Affairs Manager.



5. Determination of material topics

Before compiling the Report, we looked at all our activities impacting society and the environment. The determination of material topics included in the Report was a comprehensive process.

We assessed all topics covered by the GRI standards and prepared an overview of topics that relate to key areas of SPP's presence, i.e., energy trading and supply and other activities. We then internally discussed the assessed topics.

The internal workshops were attended by employees from all divisions, by a member of the Board of Directors and the representatives of SPP-founded non-profit organisations. They were aimed at identifying topics that may be material and contributing to better provision of information to the public about SPP's impact on society and the environment. At these workshops, participants were familiarised with all 17 SDGs, i.e., with the sustainable development goals as defined by the UN. Within the framework of the 2030 Agenda for Sustainable Development, the SDGs represent a set of common global goals contributing to a better common future (see full SDG list in Chapter 29 [↗](#)).

When choosing topics, in addition to our core business, participants considered the impact of SPP's business relationships and the impact of their value chain. In the discussion, participants gradually identified the 3 most important SDGs that best reflect both SPP's business and non-business activities:

- Climate action (13)
- Good health and well-being (3)
- Industry, innovation and infrastructure (9)

For an independent review of selected sustainable development goals, we also took into account the selection of material SDGs of companies similar

to SPP, either in terms of business focus or size, including the list of sustainable development goals relevant to the oil & gas sector as compiled by IPIECA. The results showed that the goals identified by our employees were aligned with the industry's goals.

In selecting material topics, we applied the GRI 11 standard: Gas & Oil Sector 2021 (hereinafter the "GRI 11"). This standard lists the recommended material topics for companies operating in the oil and gas sector, including companies active in the field of gas and electricity sales. The GRI 11 sector standard contains 22 recommended topics that may be included in the Report. We assessed these recommended topics in the course of our internal workshops. Whereas the GRI 11 standard contains topics relevant to the entire chain of energy production, transmission, and distribution, we do not consider all sector-wide material topics to be relevant to us.

After considering individual topics within our internal discussions, we established the following 10 most important topics corresponding with the identified significant SDGs and forming part of this Report:

- Greenhouse gas emissions
- Climate adaptation, resilience, and transition to low-carbon economy
- Air emissions
- Biodiversity
- Waste
- Water and effluence
- Critical incident management
- Non-discrimination and equal opportunities
- Economic impacts
- Local communities

More detailed information on these topics is provided in the following parts of this Report.¹

¹ Selected chapters of the Report (Other air emissions, Biodiversity, Waste, Water and effluence, Employment in SPP, Collective Agreement, development and remuneration, Relationships with communities and economic impacts, Customer and stake-



6. Energy supply in 2021 and outlook to the future



Presently, the supply of natural gas to end consumers represents a significant part of SPP's business. This also results from the calculation of our carbon footprint where a significant part of the carbon footprint associated with our activities results from the volume of gas supplied for final consumption by customers. We supply energy to about 1.4 million points of supply

in Slovakia in the segments of Households, Public Sector and Small and Medium Enterprises.

Table 1 shows the volume of energy supplied by the SPP Group to end consumers in 2021. The share of electricity supplied from RES in the total supply of electricity to customers reached 21%.

Table 1: Supplied energy

Energy type	SPP (TJ)	SPP (MWh)	SPP CNG (TJ)	SPP CNG (MWh)	SPP CZ (TJ)	SPP CZ (MWh)
Natural gas	127 679	35 466 456	—	—	5 581	1 550 334
Electricity	5 637	1 565 966	—	—	65	18 000
Electricity with guarantees of origin	1 204	334 402	—	—	—	—
Compressed natural gas (CNG)	—	—	160	44 481	—	—

The SPP Vision and Strategy 2030, which we adopted in 2020, sets out priority areas of the future development of our business. These include improving energy efficiency, promoting energy production from RES and developing internal energy production from RES. Our ambition remains unchanged – to guarantee reliable, safe, and cost-effective energy supplies complemented with the sustainability aspect in terms of environmental impacts and decarbonisation.

We inform the shareholder about our activities and plans via the annual update of the 5-year Strategic

Plan, in which we review and update investments planned by SPP.

Therefore, we perceive our responsibility mainly in the area of developing projects that will allow our customers to reduce their carbon footprint by improving energy efficiency and energy production from RES. By doing so, we shall support sustainability of both our customers and our own. By 2030, we plan to invest some EUR 460 million in projects for improving energy efficiency and development of energy production from RES, which we are developing either independently or with our partners, of which EUR 230 million by 2026.

holder approach, Suppliers and business relationships, Critical incident management and communication of critical concerns, and Membership associations) contain information for the parent company SPP and do not include information for subsidiary companies because the information applies correspondingly to subsidiaries or the information for subsidiary companies is negligible from the viewpoint of the scope of activities of the SPP Group.

7. Support for electricity production and supply from RES



We have been a purchaser of electricity from RES since 2020. We provide services to thousands of small RES electricity producers. We then supply the purchased electricity covered by guarantees of origin to our customers as part of the Clean Electricity product.

The ever-increasing demand by our customers for the supply of RES electricity relates to their sustainability commitments. This applies not only to multinational customers operating branches in the Slovak Republic but, increasingly, to small customers. Demand for RES electricity has seen a long-term trend of growth caused partly by the fact that RES electricity is exempt from electricity excise tax paid by business customers. The higher demand for guarantees of RES electricity origin has been

reflected in the gradual increase in its price.

In 2022, the price of guarantees will likely reach a level that will eliminate the benefit of being exempt from electricity excise tax – if the guarantees of origin for RES electricity become more expensive than the exemption from excise tax, we expect that the demand for RES electricity will only be attributable to the interest of customers to reduce their negative impact and the environmental benefits "net" of the impact of tax incentive. The demand for the supply of RES electricity among household customers has been on the rise, reflecting the households' interest in a more sustainable behaviour (households do not pay electricity excise tax, regardless of its origin, so it is an extra cost for them).

Table 2: Purchase and supply of electricity in 2021 (MWh)

Total electricity volume supplied to end customers	1 565 966
Electricity volume supplied to end customers with RES guarantees of origin	334 402
Total electricity volume purchased from producers authorised to sell RES and CHP electricity	2 142 223
Total electricity volume purchased from producers authorised to sell RES and CHP electricity and acceptance of responsibility for deviation	1 368 685
Electricity volume purchased from renewable sources* (solar or hydropower, biogas and biomass)	1 207 754

* SPP does not automatically have at its disposal guarantees of origin for RES electricity from such purchased electricity since the production facilities are supported by guaranteed purchase prices and the guarantees are managed by OKTE, a.s. (short-term electricity market organiser).

To enable customers to increase their share of RES electricity, we shall prepare and put into operation by 2026 sources for production of electricity from RES (primarily solar and wind energy) with a total installed output of 100 MW. By 2030, we aim to prepare and put into operation another RES electricity production projects of installed output 100 MW, i.e., total installed output of 200 MW by 2030.

The key prerequisite for their implementation is the sufficient capacity of the transmission and distribution system. The long-term contracts (so-called PPAs – Power Purchase Agreements) will play an important role in this regard. The scope of implemented projects may be higher depending on the available investment support from public sources.

8. Support for improving energy efficiency



At SPP, we consider improving energy efficiency to be a key tool for reducing greenhouse gas emissions, achieving carbon neutrality, and lowering energy costs for our customers. We have been offering customers the SPP Carbon Footprint service since 2020. We use it to provide them with personalised advice on how to reduce their consumption, including the costs and environmental impact. The SPP Carbon Footprint service also includes our commitment to plant trees on behalf of our customers in protected areas of Slovakia.

In a strategic partnership with ČEZ ESCO, a.s. we established in 2021 the joint venture ESCO Slovensko, a.s., a company focused on providing comprehensive energy services to customers with energy consumption in excess of 1 000 MWh per year. The goal of ESCO Slovensko, a.s. is to be a leader in the field of efficient, cost-effective and environmentally suitable solutions for businesses, municipalities and the state. SPP's investment in ESCO Slovensko, a.s. represented several tens of millions of euros.

At the same time, we internally provide comprehensive energy services for public sector customers with total annual energy consumption of less than 1 000 MWh (schools, hospitals, municipal offices, social service homes, etc.) and small customers, including households. As early as in 2022, we shall initiate the implementation of pilot projects for installing local RES electricity production sources at several schools. In this way, we shall enable them to use clean electricity and save on electricity purchase costs. SPP Ekofond will also prepare a scheme aimed at supporting the use of photovoltaic power plants at schools in the form of a subsidy. In the coming years, we plan to create replicable products along with providing the necessary financing to these customers.

We likewise see potential in the sector of aggregation and provision of flexibility services by interconnecting

electric power and gas sectors. The provision of these services, including the option to provide support services for the electric power system, is made possible through the use of battery storage facilities or hydrogen.

Battery storage facilities have the potential for short-term energy storage and balancing consumption deviations within a day. The accumulation capacity needed for seasonal energy storage is provided by storage of excess energy in the form of hydrogen, the importance of which will increase hand in hand with the development of RES electricity production. Along with sectoral innovations, we may assume that the efficiency of this type of solution will increase over time with a concurrent decrease in total costs. Hydrogen can also be used in transport and in sectors that are difficult to decarbonise by other methods (e.g., by conversion to electricity).

Other means of increasing energy efficiency is the aggregation of flexibility at customers. By selling their flexibility to market participants, the customers were able not only to benefit from lower energy bills but, in particular, to reduce the need for deploying fossil fuel-based power sources to regulate deviation and to better optimise within the system the existing capacities of the transmission and distribution networks.

Finding the correct configuration of the legislative and regulatory framework in the form of a clearly defined, consistent, and balanced responsibility for deviation for all parties involved in aggregation will be of key importance in this regard.

By 2026, we shall develop and put into operation in the field of aggregation and flexibility battery storage facility projects with a capacity of up to 5 MW and electrolyser projects with a capacity of up to 5 MW, depending on the demand for hydrogen.

9. Support for gas production and supply from RES



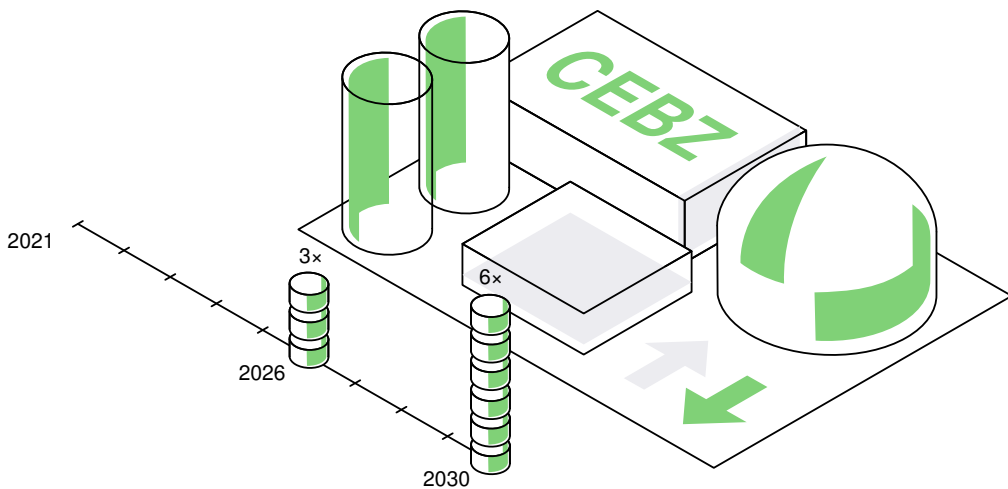
Regarding renewable gases, we are seeing an emerging interest in their supply, particularly among customers participating in the EU's ETS², for whom renewable gas can bring a reduction in the costs of emission allowances. The supply of renewable gas is complicated by the non-existence of a register of guarantees of origin of renewable gas in Slovakia (this register is to be established in the course of 2022) and by the absence of any domestic production of renewable gases (the first producer of biomethane in Slovakia started its production in late 2021).

We expect demand for the supply of renewable gases to increase in the future. Following the establishment of the renewable gases register, we expect that the demand for the supply of RES gas will reflect the comparability of costs of purchasing RES gas compared to natural gas, taking into account savings on costs of emission allowances and exemption of RES gas from gas excise tax, if any. Demand for the supply of RES gas will also depend on the possibility to trade guarantees within the EU. Presently, certain EU member states limit biomethane exports where

support from public sources and prices have been provided for its production.

In 2021, we presented two projects for building Energy and Biological Waste Centers (EBWRC) with biomethane as their energy product. We are developing these two projects together with our partner Brantner, while continuously preparing for implementation at other locations. The EBWRC project and the proposed technology are in line with decarbonisation goals and the principles of a circular economy, having a material environmental aspect. One model EBWRC project comes with investment costs of EUR 30–35 million, being capable of producing 40 GWh of biomethane annually. We expect that first EBWRC projects will be put into operation at the turn of 2023/2024.

To enable customers to use renewable gas by 2030, we shall develop and put into operation 6 EBWRC projects for the production of renewable gas with the estimated annual biomethane production of 240 GWh; of which 3 EBWRC projects by 2026.



2 European Union Emissions Trading System

10. Internal energy consumption



At SPP's site in Mlynské nivy in Bratislava we operate a cogeneration high-efficiency Combined Heat and Power (CHP) source of 2.362 MW electric output and 3.35 MW heating output, with total electricity production of 11.8 GWh and 15.7 GWh of heat. The energy production source used in a CHP facility is natural gas, providing 80% efficiency.

The CHP facility has been designed to produce heat and electricity primarily for buildings owned by SPP. We use the heat produced by the CHP facility to also produce cold for air conditioning these premises. We

supply a portion of the heat produced by the CHP facility to an external customer (see the table below). We own and operate several dozen smaller buildings and premises throughout Slovakia that use various technologies as their heat source, mostly natural gas (SPP uses diesel generators for backup power supply). Some heating sources are now older than 15 to 20 years and their serviceability is ensured by high-level regular servicing. The consumption of gas at the CHP facility constitutes approximately 80% of the total direct internal gas consumption of SPP.

Table 3: Consumption of fuels at SPP³

Fuel type	SPP consumption (GJ)	SPP consumption (MWh)
Diesel	73,74	20,48
Natural gas	171 281	578,06
(of which sold heat)	(1 166,40)	(324)
TOTAL	171 354,74	47 598,54

The CHP facility also ensures production of electricity for our own company site. Any surplus electricity not consumed at the SPP site in Bratislava is consumed by us at other sites within Slovakia or supplied to other end consumers via the distribution system.

We buy electricity, heat or cold from an external supplier indirectly only, just for the needs of premises we rent from third parties, mostly for SPP Customer Centers. SPP CNG and SPP CZ purchased the following energy volumes in 2021 period:

Table 4: Energy consumption of SPP CNG and SPP CZ

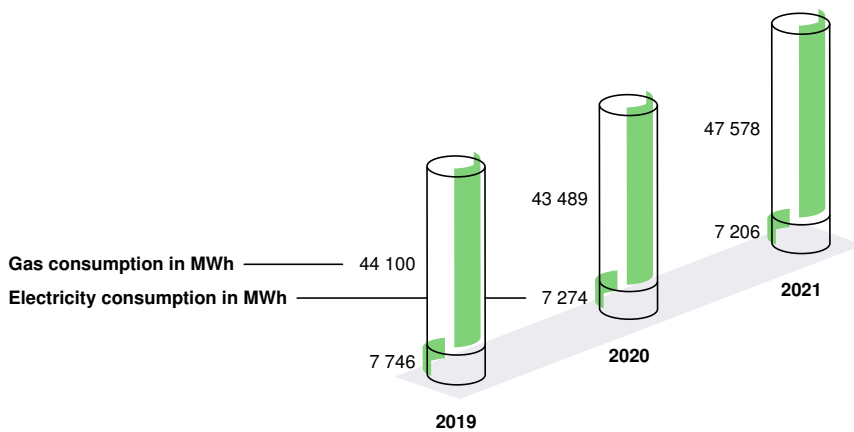
	SPP CNG (GJ)	SPP CNG (MWh)	SPP CZ (GJ)	SPP CZ (MWh)
Electricity	1 453,47	907,81	144,32	40,09
Heat	205,44	57,07	108,66	30,18
TOTAL	1 658,91	964,88	252,98	70,27

³ Fuel consumption is calculated based on the formula defined in GRI 302-1. SPP's fuel consumption also includes consumption by the SPP Foundation and Ekofond SPP

Given the high overall efficiency of the CHP facility and its primary use as a source of heat and cold for buildings in Bratislava, we shall prepare by 2026 a decarbonisation plan reflecting cogeneration technology with the gradual replacement of natural gas with renewable gas or other available solution.

We monitor our internal consumption every year. In 2021, one of the employee goals included the reduction of the volume of electricity consumed for internal purposes. The goal was to reduce consumption, primarily compared to 2019. However,

we are glad that hand in hand with the recovery seen in 2021 we also achieved a reduction compared to the 2020 period, which was significantly affected by the coronavirus pandemic. For the sake of completeness, also during the course of 2021 measures were in place that may have facilitated lower consumption. These included, first and foremost, working from home, which we kept in place after 2020 as an employee benefit. The volume of gas consumed in 2021 increased mainly due to weather conditions and the production of electricity and heat at the CHP facility.



In the coming period, we shall adapt internal processes so that, in any reconstruction of internal heat sources, the design phase of the solution must consider the sustainability of the technology and the replacement of the fossil fuel-based heat source with some other technology, e.g., a heat pump. Considering the interest to ensure the serviceability of company sites, in exceptional cases a heat source may be replaced with a condensing gas boiler providing higher efficiency, though not later than 2026.

SPP, SPP CNG or SPP CZ did not use electricity, heat or cooling produced by RES for their internal processes. In 2021, we developed internal projects for building local photovoltaic power plant (PVPP) sources with battery solutions at our company sites in Bratislava and Košice. Their installation was completed at the start of 2022, meaning that their impact will be reflected only in Sustainability Reports compiled for future periods. To improve the operating sustainability of SPP, we shall by

2026 develop and put into operation at our company sites RES electricity production sources with a total installed output of 1.5 MW. It is this development of local electricity production based on solar energy that has great potential, making it possible to increase the share of electricity produced from RES in Slovakia and saving on energy costs for customers.

As regards premises we rent from external parties (e.g., for SPP Customer Centers), we shall adapt our internal processes so that with rental agreements concluded after 2026 the rental is assessed from the viewpoint of the energy source used for the business and office premises, in addition to the suitability criteria of the given location. We shall also incorporate the principles of green procurement into the terms and conditions of the lease and take into account the fact whether the landlord has any plans to gradually transition to low-carbon energy sources or connect to a high-efficiency central heat supply system.

11. Transport



In the field of transport, we consider it crucial to make use of all its alternatives. Alongside electromobility in passenger transport, other alternatives are the use of CNG (compressed natural gas) in public transport, LNG (liquefied natural gas) in long-distance transport and, in the future, also hydrogen. SPP's strategy is to support building infrastructure in electromobility and other alternative fuels that can be 100% decarbonised, such as bioCNG, bioLNG and renewable hydrogen.

Through SPP CNG, we stand as an operator of CNG alternative fuel filling stations. By the end of 2021, SPP CNG operated 11 self-service CNG filling stations. In 2021, SPP CNG opened 2 CNG filling stations to the public on the R7 express motorway at the Blatná na Ostrove rest stations (North and South). In total, the company supplied 3 million kg of CNG in 2021, up 71 000 kg compared to 2020. The key CNG customers include transport companies and entrepreneurs who mostly use CNG vehicles to supply food or to perform local deliveries. It is precisely for these customer groups that CNG provides an affordable alternative to traditional fuels, thanks to which they are able to quickly reduce greenhouse gas emissions and other pollutants, thereby improving their sustainability. To improve

sustainability further still, it is crucial to replace CNG with a renewable bioCNG alternative with biomethane as its main component.

At the same time, it will be crucial in future to what extent CNG or LNG driving units are made available by car manufacturers themselves. The available information suggests that when it comes to passenger cars in particular, the key manufacturers prefer investments in developing electromobility. Drives based on CNG or LNG are able to decarbonise transportation segments that cannot be converted to electricity, in particular long-distance heavy freight or bus transport.

In 2022, SPP CNG is to open 2 new CNG filling stations on the R1 express motorway at the Pohranice North and South rest stations, a CNG filling station in Martin and, as part of the fuelCNG project, the combined LNG and CNG stations in Prešov, Trnava and at the Brodské rest area on the D2 highway. In the field of mobility, we are interested in developing and putting into operation by 2026 the projects for 10 new CNG stations, 3 LNG stations, 1 hydrogen filling station and to build charging points for electric cars near SPP buildings with more than 20 parking spaces.

12. Greenhouse gas emissions in 2021



In order to protect the climate and reduce the effects of climate change, it is necessary to lower greenhouse gas emissions. The main challenge and goal for us will be the achievement of carbon neutrality by reducing emissions within the entire supply-demand chain. To achieve this, it is crucial to know the value of SPP's total emissions at the present time.

We calculated the greenhouse gas emissions using the globally-recognised GHG Protocol. The period 2021 served as the basis for calculating greenhouse gas emissions. In addition to SPP's emissions, the calculation includes the emissions of SPP CNG and SPP CZ as companies exclusively controlled by SPP.

In 2021, the greenhouse gas emissions relating to business activities of SPP, SPP CNG and SPP CZ totalled 7 703 667 t of CO₂e (so-called CO₂ equivalents). Compared to total emissions of the SPP Group, the emissions of SPP CZ represent about 4.1% and the emissions of SPP CNG less than 1% of total greenhouse gas emissions. Greenhouse gas emissions related to the supply of electricity, gas and

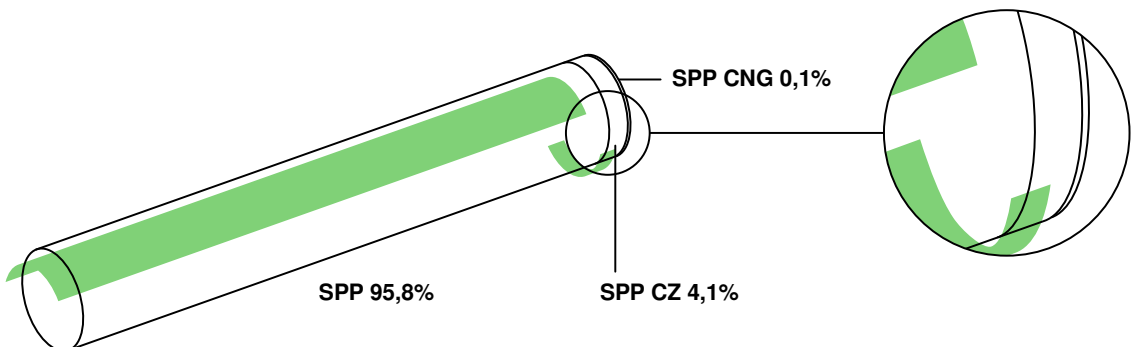
CNG for final consumption make up 99.84% of all emissions of the SPP Group.

Therefore, we perceive the development of projects to allow our customers to reduce their carbon footprint by enhancing energy efficiency and RES energy production as key to lowering SPP's carbon footprint. Our goal is to reduce total greenhouse gas emissions of SPP by 100% at the latest by 2050.

Despite the negligible proportion of emissions related to the operation of buildings or use of rented cars, we consider it equally important to implement projects for reducing emissions resulting from SPP's internal consumption. Our goal is to reduce the greenhouse gas emissions from SPP's internal consumption by 100% at latest by 2040.

We shall regularly review both commitments with the goal to reduce SPP's carbon footprint as soon as possible. See Chapters 6 to 11 for details on what steps we will be taking towards lowering emissions in the coming years.

Chart 2: Share of individual companies of SPP Group in the total carbon footprint



Greenhouse gas emissions in the framework of the GHG Protocol take into account six greenhouse gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur fluoride (SF₆). The emissions of individual greenhouse gases can be expressed as CO₂ equivalents (hereinafter the “CO₂e”). The Global Warming Potential indicates what extent greenhouse gases contribute to global warming over a certain period compared to CO₂. The Global Warming Potential values over a 100-year horizon based on the fifth report of the⁴ International Panel on Climate Change (IPCC) were used in the calculation. The sources of all emission factors used

in the calculation of greenhouse gas emissions are provided in Table 6.

The largest volume of greenhouse gas emissions associated with SPP’s business activities constitutes carbon dioxide as a result of combustion of the natural gas we supply to our customers. The emissions of hydrofluorocarbons used in the refrigeration equipment are recorded under fugitive emissions. The methane and nitrous oxide emissions were included in the calculation of transport emissions. All other emissions included only carbon dioxide. Neither SPP nor our subsidiaries produce any biogenic emissions by their internal activities.

Table 5: Source of emission factors for individual SPP emissions
(Emission factors are provided in units as given in the sources)

Fuel type	Emission factor
Natural gas ⁵	55,92 t CO ₂ /TJ
Diesel ⁶	74,15 g CO ₂ /MJ
Natural gas for CZ ⁷	55,45 t CO ₂ /TJ
R410A air-conditioning fluid ⁸	2 088 t CO ₂ e/t
Electricity supplied in SR (Residual supplier mix) ⁹	184,62 g CO ₂ /kWh
Electricity supplied in the Czech Republic ¹⁰	0,394 t CO ₂ /MWh
Gasoline ¹¹	69,35 g CO ₂ /MJ
CNG ¹²	2,53848 kg CO ₂ e/kg

The GHG Protocol defines three areas of greenhouse gas accounting and reporting as the so-called Scopes. This improves transparency and provides data for various types of climate policies

and business goals, preventing double counting of emissions. In this Report, we use the terminology of the standard, i.e., Scope 1, 2 and 3. Breakdown of emissions into individual Scopes is as follows¹³:

4 IPCC, 2014, https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5_Chapter08_FINAL.pdf

5 https://www.spp-distribucia.sk/wp-content/uploads/2022/01/Kvalita_ZP_emisny_faktor_sk_2021_12.pdf

6 https://minzp.sk/files/oblasti/politika-zmeny-klimy/ets/svk_ef_ncv_energetika_2019-2020.pdf

7 [https://www.mzp.cz/C1257458002F0DC7/cz/vypoctove_factory_emise/\\$FILE/oeok-NIR_vypocetni_factory-20210101.pdf](https://www.mzp.cz/C1257458002F0DC7/cz/vypoctove_factory_emise/$FILE/oeok-NIR_vypocetni_factory-20210101.pdf)

8 <https://szchkt.org/a/cert/co2/calculator?refrigerant=R227ea>

9 <https://www.okte.sk/sk/zaruky-povodu/statistiky/narodny-energeticky-mix/>

10 https://www.mpo.cz/cz/energetika/statistika/elektrina-a-teplo/emisni-faktor-co2-z-vyroby-elektriny-za-leta-2010_2021--260559/

11 https://minzp.sk/files/oblasti/politika-zmeny-klimy/ets/svk_ef_ncv_energetika_2019-2020.pdf

12 DEFRA, (2021) Fuels, CNG

13 WRI, WBCSD (2004), Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Table 6: Breakdown of emissions of SPP Group by Scopes (GHG Protocol)

Emission area	Included activities
Scope 1	<p>The direct emissions of SPP for 2021 period include emissions from internal production of electricity, heat and cold from stationary sources and fugitive emissions from air conditioning units. SPP CNG, SPP CZ, SPP Foundation and Ekofond SPP do not internally produce any energy but they own several vehicles that generate emissions falling under Scope 1. The emissions of SPP CNG also include fugitive methane emissions caused by the operation of CNG filling stations. These emissions are mainly generated at the depressurisation of the filling nozzle of the dispenser. About 0.0006 m³ of methane is released into the air per depressurisation. With 130 686 depressurisations in 2021 period, this only accounts for 56.81 kg of methane. Another source of fugitive emissions are metrological tests of meters. We reduce the risk of leaks to a minimum by automatically checking for any natural gas leaks on other parts of the technology equipment and by automatically shutting down a filling station in the event of a leak. The minimisation of leaks is our priority and we prevent them by regularly checking all the pipes and connections at least once a week. SPP CNG has a policy implemented for reducing and preventing these leaks.</p>
Scope 2	<p>Indirect emissions arising in the production of purchased energy. SPP, SPP Foundation and Ekofond SPP do not register any emissions under Scope 2 as they do not purchase energy for internal needs from external suppliers. SPP CNG and SPP CZ do purchase electricity and heat for internal needs.</p>
Scope 3	<p>Other indirect emissions not covered in Scope 1 and 2. These are emissions associated with, for instance, products and services purchased by the company, the company's employees commuting to work, or use of company's products. In Scope 3, all companies of the SPP Group report emissions associated with the use of their products, i.e., use of gas, electricity and CNG. Emissions associated with the use of cars and premises rented by companies are also reported in this area.</p> <p>Under the GHG Protocol, in Scope 3 we take into account emissions from the supply of electricity and gas to end customers. We shall progressively incorporate other emissions in Scope 3 into the calculation of our carbon footprint, as data becomes available across our chain. Emissions not included in the calculation for 2021 period relate to the following areas:</p> <ol style="list-style-type: none"> 1. Purchased goods and services 2. Capital goods 3. Activities related to fuel and energy (not included in Scope 1 or 2, including emissions from the production, transmission, and distribution of gas and electricity distribution) 4. "Upstream" transmission and distribution 5. Waste generated in operation 6. Business trips 7. Employee commuting 8. Leased "upstream" assets 9. Processing of sold products 10. Franchises 11. Investments

Table 7: SPP Group's emissions

Scope 1

Emission type	t CO ₂ e		
	SPP	SPP CNG	SPP CZ
Emissions from internal sources	9 583 ¹⁴	26	23
Fugitive emissions	11	8	–
TOTAL	9 594	34	23

Scope 2

Emission type	t CO ₂ e	
	SPP CNG	SPP CZ
Electricity	168	16
Heat	14	2 136
TOTAL	182	2 152

Scope 3

Emission type	t CO ₂ e		
	SPP	SPP CNG	SPP CZ
Gas supply to end customers	7 139 823	–	309 478
Electricity supply to end customers ¹⁵	227 371	–	7 092
CNG supply	–	7 602	–
Leased vehicles	246	3	–
Leased premises	67	–	–
SPOLU	7 367 507	7 605	316 570
Total (Scope 1 + Scope 2 + Scope 3)	7 377 101	7 821	318 745

14 Emissions also include emissions from sold heat in the volume of 324 MWh, which SPP produces in the CHP Facility and delivers to an external customer, which corresponds to approx. 82 t CO₂e.

15 The supply of electricity from RES with guarantees of origin has a zero emission factor. SPP CZ does not supply any electricity from RES with guarantees of origin.

13. Other emissions into the atmosphere

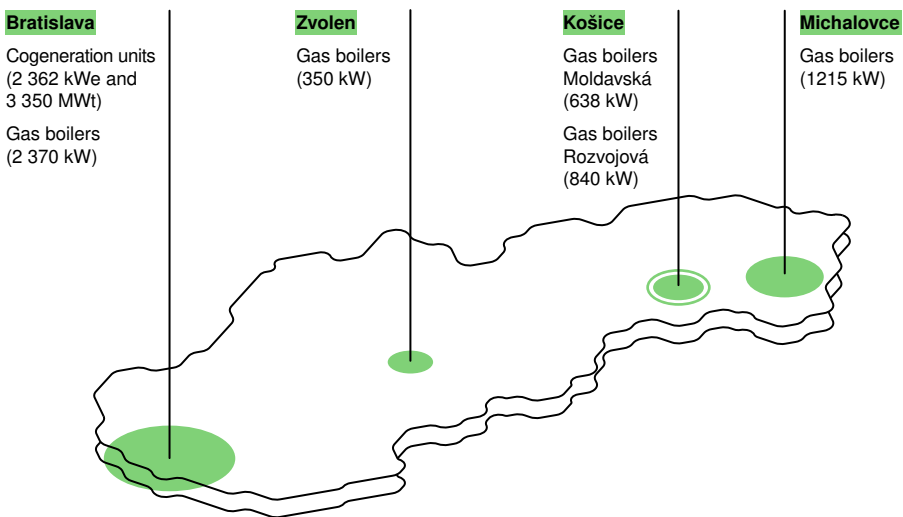


In addition to greenhouse gas emissions, we closely monitor other emissions into the atmosphere. We monitor all pollution sources and provide regular information about emissions into the atmosphere in accordance with legislative requirements.¹⁶

In total, SPP operates 26 small and 11 medium sources of air pollution throughout Slovakia. For the purposes of SPP Customer Centers, we use additional 17 buildings as a tenant without any direct source of pollution. We provide information on small air pollution sources to local self-government bodies and information on medium air pollution sources to district offices through the electronic National

Emission Information System (NEIS). We calculate emissions other than greenhouse gas emissions on the basis of available emission factors defined by the Slovak Hydrometeorological Institute (SHMI) in NEIS, being in accordance with the emission limits set out by the Slovak legislation¹⁷. We shall ensure further reduction of these in the future along with further reduction of internal energy consumption and implementation of internal projects for improving energy efficiency and RES energy production, which are described in Chapter 10 [↗](#). We transparently inform the public about the impact of medium sources of air pollution with a total nominal heat input exceeding 300 kWh¹⁸:

Diagram (4): Stredné zdroje znečistenia podliehajúce oprávnenému meraniu



¹⁶ § 33a (1) of Act no. 17/1992 Coll. on environment; § 15 (1) (ah) of Act no. 137/2010 Coll. on air; and Decree no. 411/2012 Coll. on monitoring emissions from stationary sources of air pollution and air quality in their vicinity, as amended

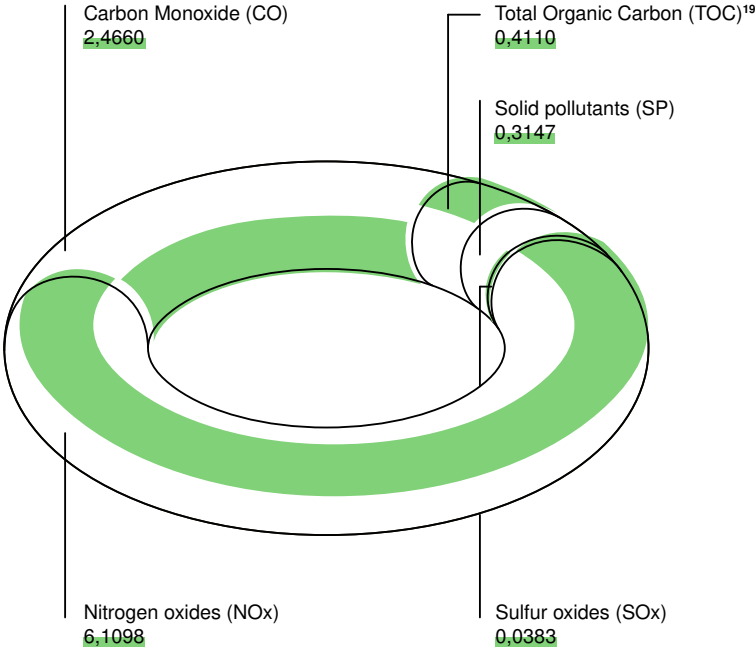
¹⁷ In the Decree no. 410/2012 Coll. implementing certain provisions of the Air Act, Part IV, point 3.2 – combustion of gaseous fuels, except for combustion in gas turbines and piston combustion engines and Part IV, point 5.2 – combustion equipment assembled from stationary combustion engines

¹⁸ <https://www.spp.sk/sk/vsetky-segmeny/o-spp/udrzatelnost-a-ochrana-zivotneho-prostredia/plnenie-standardov/>

We generate directly only a limited amount of emissions other than greenhouse gases caused by

the operation of boilers and diesel generators used to produce heat for buildings in SPP's ownership.

Chart 5: Emissions into the atmosphere from medium pollution sources in 2021 period (tonnes)



In the case of exceeding any set limits, determined as part of regular measurements, we identify the cause and implement measures to reduce emissions,

for instance in the form of installing additional catalytic converters.

¹⁹ Represents the amount of organic substances expressed as total organic carbon.



14. Biodiversity



We recognise that our impact on biodiversity is very closely related to our activity. We do not have operations in protected areas, in the vicinity of protected areas or in areas of high biodiversity value outside of protected areas. However, along with the development of RES projects and improvement of energy efficiency, with our other activities we wish to contribute to preserving biodiversity as well.

Since 2020, we have offered our customers the SPP Carbon Footprint service. In addition to personalised advice on how to reduce energy consumption, it includes our commitment to plant trees on behalf of our customers in protected areas of Slovakia. Together with customers, we have planted more than 115 000 saplings in this way during 2020-2021 period. We planted these trees in cooperation with the experts of the Tatra National Park Administration (TANAP) at the locations of Monk Valley, Slavkov Forest, Podbanské, Kráľova Lehota, valleys of the Choč Mountains, Ľubel' Valley, Žiar Valley, Prosiek Valley and Suchý potok. This always involved areas of European importance – NATURA 2000 or protected bird nesting areas providing habitat to species such as the golden eagle, wood grouse and other protected bird species. It is crucial for us to plant trees in protected forests, in which the trees enjoy guaranteed protection against felling. Thus, they may realistically contribute to reducing greenhouse gas emissions and protecting air and biodiversity.

It is precisely the support for activities in the field of environmental protection and activities associated with education in these areas that is the mission of Ekofond SPP.

In 2021, Ekofond SPP continued to support ecological beekeeping as part of the neSPPíme, bzučíme (We Do Not Sleep, We Buzz With SPP) project, which started in 2020. It includes not just the installation of beehives

with bee colonies at our sites in Bratislava and Košice, but also the education of children and youth about bees and their importance in protecting biodiversity. The project included support for the creation of a Methodical Guide for teachers and worksheets for students, which the teachers are able to use in various fields of education (Language and Communication, Mathematics and Working with Information, Nature and Society, Man and Values, Man and the World of Labor, Art and Culture, Health and Movement) and in the “Land of the Bees” board game.

In 2021, an educational apiary was built at the SPP site in Bratislava providing children with interesting information and lessons about the life of bees and a space for beekeeping. One of the beehives will be converted in 2022 to a “Smart” beehive so that we are able to convey to everyone what happens inside it. We shall also prepare and implement the ecological beekeeping training course and establish cooperation with the University of Prešov in other projects in the field of the environmental protection and the life of bees.

In 2021, we started cooperating with the Slovak Agricultural University in Nitra and in 2022, as part of the neSPPíme, sadíme (We do not sleep, we plant with SPP) project, we plan to transform our site in Bratislava to feature bee meadows. Such modified areas do not require intensive care and retain water better.

In cooperation with the Tatra National Park (TANAP) Administration, Les (Forest) civic association and the Kežmarok City Forests, we contributed to preservation of 107 valuable century-old firs in 2021. The purchased trees are rare not only in terms of their age but also by their reproductive ability to ensure natural renewal of the forest cover. The firs bought by us contribute to cleaner air and act as an important support for young trees.

Those are mature trees that help create favourable climatic and ecological conditions, whether by retaining moisture or by providing wind protection. By purchasing valuable firs, including their subsequent monitoring and control, we help them to remain a permanent feature of our forests. The purchased trees were carefully selected to represent by their quality the best trees in the area concerned. The trees are located in the middle of stands of similar trees in order to protect the largest possible area from felling – their protection zones in fact limit the movement of tree-cutting machinery. In 2022, we shall increase the number of trees protected in this manner to 300.

Ekofond SPP, in cooperation with the TANAP Administration, began in 2021 and shall continue in 2022 in projects aimed at protecting wetlands in the Švihrová and Brezové localities. The goal is to support the management of wetlands so that there is no degradation of them, and this by implementing protective measures (cutting down wood sprouts, cutting down grown woody plants, one-time mulching, mowing using light machinery or manual mowing, removing biomass from the area of peatlands and adjustment of their hydrological regime).

As an ecosystem, a wetland contributes to the cooling of atmosphere by accumulating organic matter of dead plants, in which a certain amount of CO₂ became trapped during their life span (some CO₂ may get released back into the atmosphere

when a plant dies, however this amount is usually lower than the volume of assimilated and subsequently sequestered CO₂). The carbon storage capacity varies depending on the peatland. However, it usually represents 30–70 kg of carbon per cubic meter of peat.

The following biotopes of European importance are found on the territory of Švihrová and Brezová where wetland conservation measures will be implemented:

- Natural dystrophic stagnant waters (3160 Vo3)
- Transitory peatlands and wetlands (7140 Ra3)
- Bogs with high elder content (7230 Ra6)
- Birch, pine and spruce forest on peatlands (91D0 Ls7.3)
- Lowland and foothill mowed meadows (6510 Lk1)
- Waterlogged meadows of mountain and foothill areas (Lk6)
- Willow scrub of stagnant waters (Kr8)

There are important animal species of European significance – yellow-bellied toad (*Bombina variegata*) and narrow-mouthed whorl snail (*Vertigo angustior*) – living in the above habitats.

15. Waste



We are not a manufacturing company. Any waste associated with the activities of SPP mostly arises from the purchasing of goods and services for the needs of operating and maintaining buildings, from liquidation of unused sites, our employees' office activities, our marketing activities and ordinary consumption by employees.

Our goal is to minimise the volume of waste and to maximise its reuse. We regulate the manner of handling waste through internal regulations in accordance with legislative requirements and the implemented certified environmental management system according to the ISO 14001:2015 standard. To limit the amount of waste and to maximise its reuse, we regularly review the waste management system and address any potential risks by amending internal regulations, providing regular annual training to employees, keeping internal registers and by regularly monitoring legislation in the field of waste management.

If possible, we extend the serviceable life of assets and use them as long as possible. Any surplus or discarded assets (IT equipment, office furniture) that can be used further we provide in the form of donations to public sector entities (for instance, schools or healthcare establishments).

In 2021, we gradually phased out purchasing water in disposable plastic containers and replaced it by supporting consumption of tap water or, where necessary, water in returnable glass containers. As a result of this measure, the volume of disposable plastic water containers ordered in 2021 fell by 92% compared to 2020 period. With other drinks (such

as long-life milk or fruit juices) the packaging may be made of 100% recycled plastic or Tetrapak.

In 2021, we made waste separation more efficient in our buildings by adding separate containers for the collection of portable batteries and accumulators to containers serving for the separate collection of paper, glass, and plastics. In 2022, we shall introduce separate collection and recovery of biodegradable waste (BDW) at our offices in Bratislava. In the coming years, we plan to further expand the separate collection and recovery of BDW. In future, we shall introduce requirements for separate collection and recovery of waste as part of the procurement of premises to be leased by us.

As regards office supplies and cleaning products, the share of ordered goods made of sustainable materials accounted for only 13.22% in 2021. Starting in 2022, we shall therefore extend the preference for sustainable products (meaning products issued a relevant certificate, such as Forest Stewardship Council, Programme for the Endorsement of Forest Certification schemes, European Ecolabel, and others) to also cover office supplies, including paper. In the interest of minimising paper consumption and pursuing gradual digitisation, in the coming years we shall adjust customer relationship processes and internal processes so that we are a paperless company by 2026.

We keep detailed records on waste in accordance with applicable legislation.²⁰ The volumes and types of waste produced at all our sites in 2021 are given in Table 8. In total, we generated a little less than 330 tonnes of waste in 2021, of which 264 tonnes were

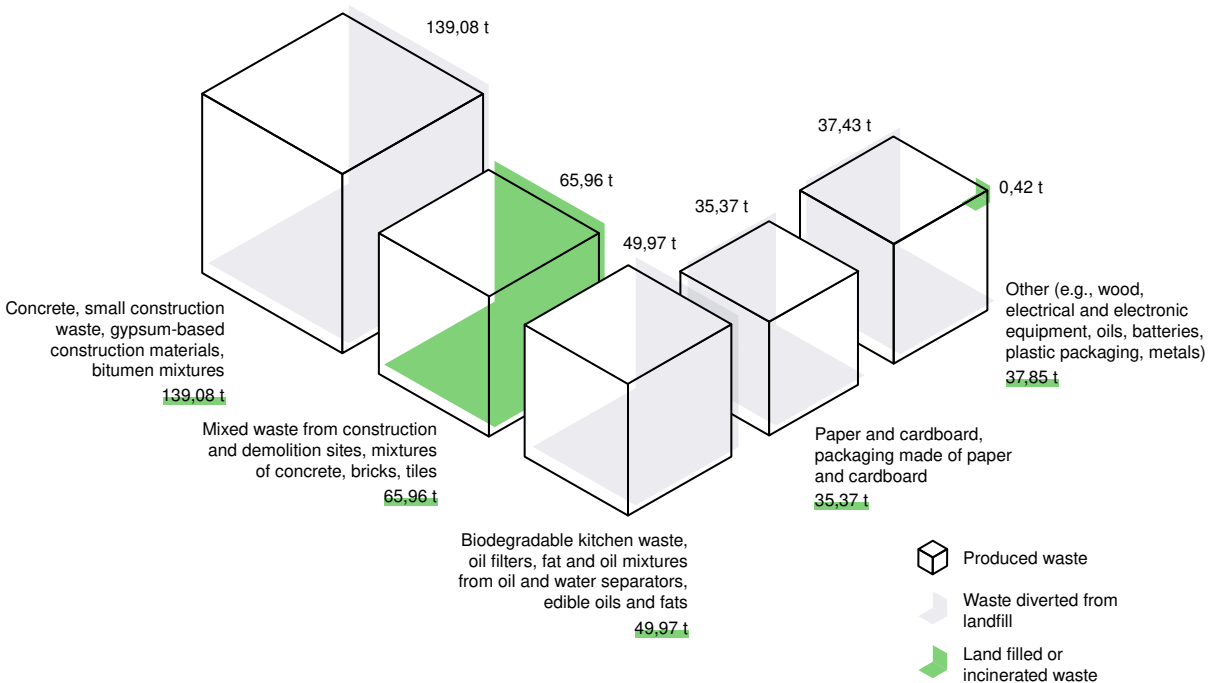
²⁰ Act no. 79/2015 Coll. on waste; Decree no. 365/2015 Coll. establishing the Waste Catalog; Decree no. 366/2015 Coll. on registration obligation and reporting obligation; Decree no. 371/2015 Coll. implementing certain provisions of the Waste Act.

recovered. Of the total volume of produced waste, hazardous waste category accounted for about 13 t, of which more than 95% was recovered. About 70%

of our waste comprises waste from construction and servicing activities and from maintaining operated buildings.

Table 8: Volume and types of produced waste

Waste diverted from landfill in tonnes (t)	At the workplace (t)	Outside the workplace (t)	Total (t)
Hazardous waste	2,10	9,89	11,99
Non-hazardous waste	50,65	200,97	251,62
TOTAL			263,61
Landfilled or incinerated waste in tonnes (t)	At the workplace (t)	Outside the workplace (t)	Total (t)
Hazardous waste	–	0,42	–
Non-hazardous waste	42,94	23,02	65,96
TOTAL			66,38



In addition to the waste listed in Table 8, we also produce other mixed municipal waste and separated municipal waste. However, at present we do not have any data available on its volume. To reduce the volume of produced waste in general, we shall

therefore continuously adopt additional measures not only within our internal processes, but also within the supply chain by gradually introducing sustainability criteria into the procurement process. See Chapter 23 for more information [\[2\]](#).

16. Water and effluence



Water is an irreplaceable resource. Responsible use of it is a prerequisite of doing responsible business. Water management is governed by our internal regulations. We establish SPP's goals in the field of water management in line with the assessment of environmental aspects and risks in accordance with the maintained environmental management system as per the ISO 14001:2015 international standard. In Bratislava, we use a well for the supply of non-drinking water. We receive the rest of the necessary water from regional water distribution companies.

We regularly monitor and report both quantitative and qualitative indicators to Slovenský vodohospodársky podnik, š.p. and SHMI. In the event of an extraordinary deterioration of water quality, we have a Plan of Preventive Measures in place to prevent any uncontrollable leakage of pollutants and the procedure in the event of leakage thereof, the so-called Emergency Plan for Bratislava site. We have a permit issued for the collection of groundwater

and discharge of wastewater and surface water into surface water bodies at water discharge locations. We perform regular analyses as result from the decisions based on contracts with water plant operators. We transparently inform the public about analyses of quality of the water discharged from the surface runoff in Nové Mesto nad Váhom and water from surface runoff and municipal water treated at WWTP in Spišská Belá. We regularly check the pollution level of wastewater discharged into public sewers at the following locations:

- Bratislava, Mlynské nivy 44/a
- Košice, Rozvojová 6
- Levice, SNP 34
- Michalovce, Plynárenská 4
- Nitra, Levická 9

The pollution indicator values of discharged wastewater and special waters meet the limits laid down by the Slovak legislation²¹.

Table 9: Overview of water consumption in 2021

Water consumption by source ²²	m³
Underground water	37 084
Water from regional water distribution companies	45 587
Total water consumption	82 671
Discharged water by destination	m³
Surface water	44 064
Total discharged water	44 064

²¹ Regulation of the Government of the Slovak Republic No. 269/2010 Coll. establishing requirements for achieving good condition of waters.

²² We do not take any other type of water, such as fresh water, which would be characterized by a value of total soluble substances greater than 1000 mg/l.



17. Employee relations



Our environment, culture and shared values are created by our employees. The employee relationship and taking care of our employees form one of the pillars of SPP. The satisfaction of colleagues working in all areas of SPP's business activities is important for our joint success, regardless of whether they provide direct contact with customers, trade commodities, perform support activities, operate buildings, or are involved in information and cyber security.

At SPP, we strive to achieve a balanced workforce distribution based on the skills possessed by individual employees and we exclude any form of discrimination. Every job seeker has the same opportunity to become an employee, provided that s/he meets the required professional and qualification requirements and the needs of the company.

We respect the freedom and equality of all people, and we demand an identical approach from our employees. The values set out in the SPP Code of Conduct, which we adopted in 2021, represent the fundamental pillars of our culture and rules of conduct. Among others, the SPP Code of Conduct

sets out rules for zero tolerance to discrimination, decent work, development and remuneration of employees, resolution of conflicts of interest and others. See Chapter 22 [🔗](#) for more information about the SPP Code of Conduct. As of the date of publication of this Report, we do not have any reported employee discrimination cases.

We create space on a regular basis for internal dialogue with employees in the form of opinion polls. The opinion survey not only monitors the satisfaction of employees with their work and working conditions in SPP, but also establishes topics that are important to employees. In 2021, the opinion poll showed that interpersonal relationships within the company represented one of the best rated areas, being largely responsible for the fact that almost three quarters of our employees were satisfied with their work. This sense of loyalty is a great source of motivation for our employees, and a source of great pride for us. Open communication, responsible behaviour and compliance with rules and laws are among the main priorities of SPP, therefore forming basis of the SPP Code of Conduct. Some 62% of respondents in SPP's internal survey agreed with the statement that they were able to report violations of the principles of the SPP Code of Conduct without fear.

18. Employment in SPP



In 2021, we employed on average 689 persons, of whom 459 were women and 230 men. The number of employees who did not have an employment contract at the end of 2021 was 99. In 2021, these people mostly performed irregular, occasional office work associated with the provision of activities of a supplier of last resort (i.e., signing up new customers from suppliers that had ceased operation).

We fully support employees in returning to their work and employment after maternity or parental leave.

Of the total number of employees at the end of 2021, 57 employees were on maternity/parental leave and this number increased by 18 employees over the course of 2021. Most employees do return to work after the end of their maternity or parental leave (8 out of 9 in 2021).

Below we provide some indicators and statistics reflecting the employee structure, including age groups, number of employees on maternity or parental leave, employees from disadvantaged groups and others.

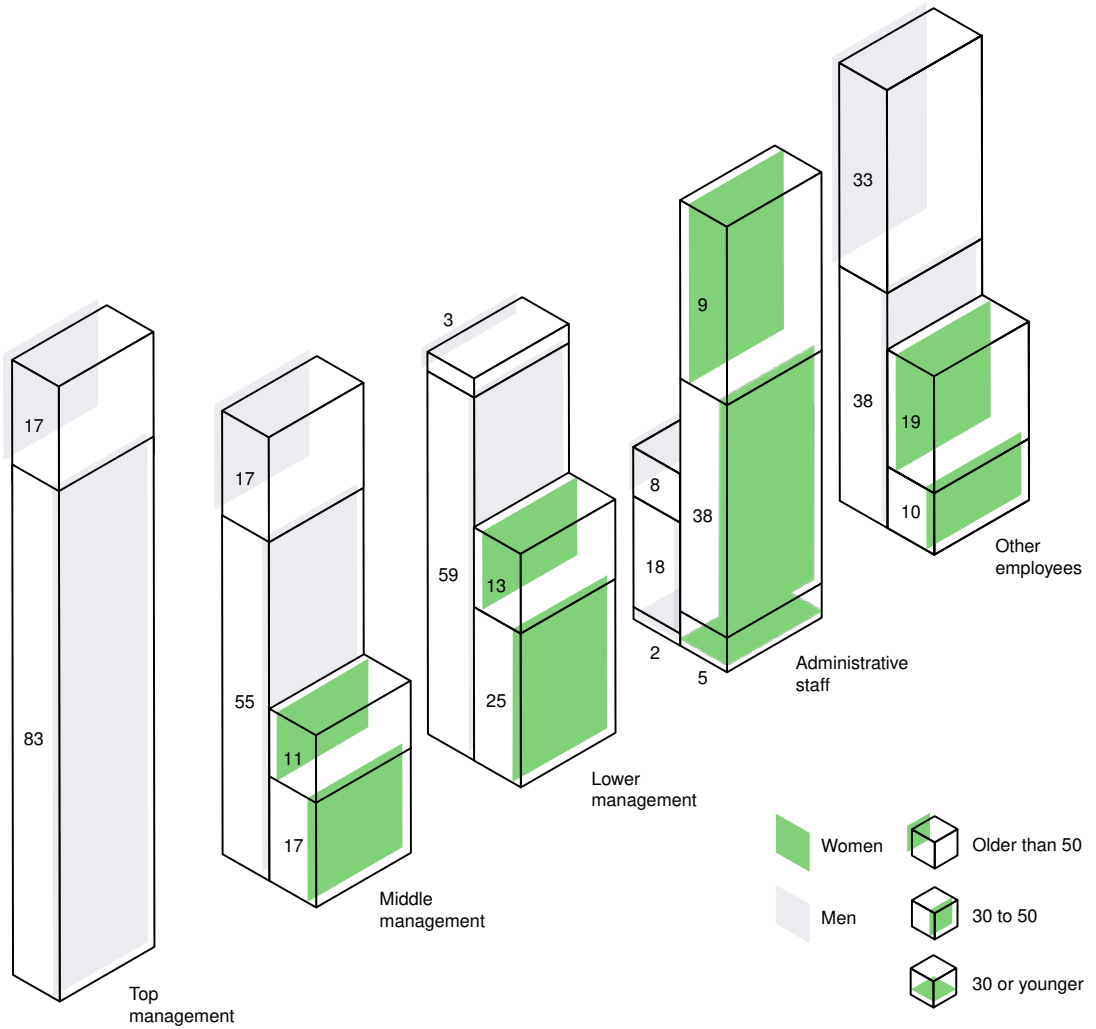
Table 10: Employee breakdown

Total number of employees based on employment type, broken down by gender and region

	West	South	North	East	Men	Women
No. of permanent employees	356	70	37	147	208	402
No. of temporary employees	50	4	2	23	22	57
No. of full-time employees	405	74	39	170	229	459
No. of part-time employees	1	0	0	0	1	0

The table continues on the next page.

Chart 6: Employee Structure



Our future commitment is to achieve representation of women in middle and top management of at least 30% by 2026.

We also support the employment of disadvantaged groups. At the end of 2021, we employed a total of 17 disadvantaged employees, of whom:

Table 11: Disadvantaged employee structure

Employees with medical disabilities	Men	Women
30 or younger (%)	–	–
30 to 50 (%)	17,6%	23,5%
older than 50	17,6%	41,3%

19. Collective Agreement, development and remuneration



Relationships between SPP and its staff are governed by a collective agreement which applies to 88.1% company employees. The collective agreement does not apply to employees working in the position of director, or to special employee groups (i.e., employees on maternity or parental leave, unpaid leave, employees serving jail time or employees released to discharge a public office). We provide the following benefits to our employees, among others:

- Weekly 37.5-hour working time, flexible working hours and working from home
- Contribution to supplementary pension insurance, meal contribution from the social fund, contribution for regeneration, health care, sports and culture, and support in emergencies
- Target bonus, Christmas bonus and work anniversary bonuses
- Vacation and other days off beyond that required by law

- Contribution for a preschool facility operated at the company site of SPP in Bratislava

We regularly invest in the personal development and education of our employees aimed at developing their expertise, skills and abilities. In the course of 2021, each SPP employee completed training courses in a duration of 20 hours on average. We likewise offer our employees several development programs:

- Specific development programs for individual employee categories (business and sales skills, communication, professional training)
- 1.5-year High Potentials program for developing talents aimed at preparing managerial reserves
- Graduate program preparing young students for future work and, at the same time, developing their specific competencies.

Table 12: Average length of training

Average length of completed employee training by management levels

Top management	48 hours
Middle management	38 hours
Lower management	29 hours
Administrative staff	19 hours
Others	11 hours

We make sure that employee remuneration is based on expertise, professionalism, and individual results. Remuneration is based on fair salaries for women

and men, which is evidenced by the balanced basic salary/bonuses ratio between women and men.

Table 13: Remuneration breakdown

Average basic salary and bonuses – women : men

Middle management	1,03 : 1
Lower management	0,94 : 1
Administrative staff	0,94 : 1
Sales manager	0,99 : 1
Product policy specialist	0,99 : 1
Contact center operator	1 : 1
Customer center employee	0,99 : 1

The ratio of the total annual remuneration of the highest earning person to the median total annual remuneration of all employees (excluding the highest earning person) is 9.35. This ratio may vary on a year-to-year basis due to the variable salary component policy. The ratio of the percentage increase of the total annual remuneration of the highest earning person to the average annual percentage increase of the total compensation of all employees (excluding the highest earning person) is 1.71. The highest earning person is mostly remunerated by a variable wage component that depends on the success (profitability) resulting from completed commodity trades.

Along with employee development and their fair remuneration, we take care of their safety as well.

In the field of occupational health and safety, we have an occupational health & safety management system in place in accordance with the requirements of ISO 45001:2018 international standard. Given the nature of SPP's activities, no work was identified in the company that would pose a risk of injury with serious consequences. We improve the employee awareness in the field of prevention and occupational safety and health protection by providing regular information and training. We likewise regularly monitor occupational accidents. However, again given nature of SPP's activities, the number of occupational accidents is very low or zero. In 2021, we recorded 1 accident at work and no cases of bad health condition associated with work, which also means no deaths due to poor health condition relating to work.

20. Relation to communities and economic impacts



Reliable and safe energy supplies to our customers remain our priority in the present time. As the largest energy supplier and supplier of last resort in the field of gas supplies, we consider responsible behaviour to be a necessity in relation to customers.

This is exactly why we were able to ensure additional energy supplies to customers whose suppliers ceased business at the end of 2021. At the turn of 2021 and 2022, these customers, representing more than 122 000 points of supply, were able to rely on us. We are glad that more than 88% of them concluded a standard electricity or gas supply contract with us at the end of the last resort supply period.

We also realise that sustainability includes our relationship with people, communities, and the country in which we operate. We perceive our responsibility as a long-term commitment and we implement activities in the field of corporate responsibility, philanthropy, and sponsorship primarily on the basis of long-term partnerships, particularly in the following areas:

- Protecting natural heritage and environment
- Protecting cultural heritage
- Supporting culture and art
- Supporting education
- Supporting and developing communities and disadvantaged groups
- Supporting sport

We implement our activities either directly or via the SPP Foundation and Ekofond SPP. We also operate the SPP Gallery in Bratislava, which has been

providing a venue for Slovak artists since 2006. The following exhibitions were held in the SPP Gallery in 2021:

- The Paralympic motifs in philately exhibition, the authors of which are Igor Piačka, Peter Uchnár and Karol Felix, photos showing athletes competing at the Paralympic Games by Ján Benický and double portraits of successful Slovak athletes entitled Paralelity (Parallelities) by Jozef Ďuračka
- Exhibition of photographs by Jakub Gulyás under the name Façades
- Exhibition by Maňo Štrauch and Milan Lukáč under the name “Unforgetting Land 1941–2021”, paying respect to the victims of the Holocaust and racial violence
- Exhibition of works by Robert Polanski under the name Retrospective.

In addition, we operate the SPP Museum in Bratislava. In 2021, we prepared and launched in cooperation with Ekofond SPP the Smart Energy exhibition which highlights in an entertaining manner and by featuring interactive exhibits the importance of environmental protection and efficient and responsible use of energy resources.

We provide support to the SPP Foundation and Ekofond SPP through direct donations. We also provide support to the SPP Foundation via the so-called assigned tax (2% of income tax). The SPP Foundation and Ekofond SPP ensure transparent publication of supported projects by publishing information on their websites. In 2021, the SPP Foundation and Ekofond SPP provided support totalling EUR 2 475 064.²³

²³ See the 2021 Annual Report of the SPP Foundation and Ekofond SPP for more detailed information.

In 2021, we contributed a total of EUR 415.9 million to the state budget, of which EUR 9.6 million constituted direct taxes (income tax and special levy), EUR 156.3 million came as indirect taxes (VAT

and excise taxes on gas and electricity) and EUR 250 million in the form of dividends.²⁴

²⁴ More detailed information is available in the SPP annual report for 2021.

21. Approach to customers and stakeholders



When communicating with stakeholders, we proceed individually and take into account of the specifics of each stakeholder.

Employee relations

We regularly communicate with employee representatives in the framework of the standard social dialogue and collective bargaining, resulting in the collective agreement. In a similar manner, we regularly conduct an internal dialogue with our employees. For more detailed information see Chapter 17 [↗](#).

Customers

We communicate with customers via 20 SPP Customer Centers, the SPP Customer Hotline for households and the SPP Business Line for corporate customers. We usually determine the satisfaction of our customers once a year on a representative customer sample in the form of CSI (Customer Satisfaction Index). Several times a year, we also collect feedback from customers about their satisfaction in the form of the NPS (net promoters score) index. These surveys confirm that about 90% of customers are satisfied with SPP as their energy supplier.

Stakeholders in RES projects

All projects are subject to a standard authorisation process (environmental impact assessment – EIA²⁵, zoning proceedings, construction proceedings, integrated prevention and inspection of environmental pollution – IPIEP). In preparing projects, we make sure that the chosen technologies are the best available technologies (BAT), that the necessary appraisals and impact assessments are compiled, and, at the same time, packages of compensation measures are prepared for the needs of local communities.

To familiarise the public with the project and to determine the opinions of stakeholders, we implement proactive communication with the representatives of the municipality where the implementation of a given project is planned (e.g., in the case of projects such as wind energy or waste management). At the same time, we communicate in an above-standard transparent manner about projects with both professionals and public at large. The communication of EBWRC projects via the special odpadjesupa.sk website may serve as an example.

²⁵ The process and outputs of this assessment are governed by Act no. 24/2006 Coll. on the assessment of environmental impacts, amending and supplementing certain acts



22. SPP values, SPP Code of Conduct and Compliance Program



The success and trust of our customers in the future depend on our integrity, reputation, ethical principles and values we represent as a whole along with our employees and other partners. Our long-term success is based on responsible and ethical behaviour towards all parties in work and business relationships. We support basic human rights and freedoms as defined in the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights and in the Charter of Fundamental Rights of the European Union. The conduct of SPP and our employees reflects on our core values:

- We are partners
- We are effective
- We are proactive
- We are professional
- We care about our customers

As the biggest supplier, we wish to be a reliable and long-term partner for our customers, which is why we adopted in 2021 the new SPP Code of Conduct expressing the attitudes and standards of behaviour required from our employees and contractual partners. The SPP Code of Conduct aims to support the creation of a fair, transparent, and competitive environment, application of ethical principles and development of our corporate culture.

The SPP Code of Conduct is based on our core values and is binding on all members of SPP's statutory and supervisory bodies, management, employees, and contractual partners of SPP. The SPP Code of Conduct reflects our commitment to observe applicable legislation, deals with the company's responsibilities and their compliance with laws, in particular the mission of our business, its principles and core values. The SPP Code of Conduct regulates the fight against corruption, conflicts of interest, economic competition and

relations with suppliers or public institutions, among others. The Code is available online on our website and also applies to SPP CZ and SPP CNG subsidiary companies.

As early as in 2020, we created the position of a Compliance Manager. In 2021, a separate Regulation and Compliance Department was created. Its scope of powers includes not only compliance but also corporate governance, prevention of anti-social activities and violations of ethical principles, supervision in the field of personal data protection and sustainability. The comprehensive SPP Compliance Program consists of the SPP Code of Conduct, the Compliance Program Directive, the Investigation of Reports and Complaints Relating to Anti-Social Activities and Violation of the Rules and Principles of Responsible Behaviour Directive, the Compliance Manager's Rules of Procedure and other tools at the disposal of the Compliance Manager. We have also amended our internal rules to deal with anti-money laundering.

We have created a unified system in SPP for submitting complaints relating to anti-social activities and the rules and principles defined in the SPP Code of Conduct. A complaint may be filed electronically or on paper. We accept complaints submitted both anonymously and non-anonymously, regardless of whether the whistle-blower is our employee or not. The person responsible for investigating complaints is our Compliance Manager, who acts independently. SPP makes sure that none of his/her other tasks create any conflict of interests. When investigating a complaint, the Compliance Manager and members of the investigation team maintain confidentiality regarding the identity of the person who submitted the complaint and the secrecy of information provided.

In 2021, we did not register any significant cases involving non-compliance with laws or generally binding regulations.

The supervision of compliance with our internal regulations is performed by the Internal Audit

Department, which regularly informs the Board of Directors about its activities and, based on its findings, draws up a plan of measures to eliminate identified shortcomings.

23. Suppliers and business relations



We require that our contractual partners and suppliers also observe the rules of conduct set out in the SPP Code of Conduct. This is the only way we can ensure that the development of our corporate culture and the application of ethical principles genuinely become an integral part of our business.

As the largest energy supplier, we perceive that our key partners include, in addition to customers, the suppliers of energy and services that are essential for operating our business. Our largest gas supplier is Gazprom export LLC based on the long-term gas supply contract concluded in 2008 for the period of 20 years. As a result of unjustified invasion of Ukraine, we consider diversification of gas supplies to be a key measure to strengthen the energy security of supply for our customers and we are adopting measures in this field. We are monitoring political debate at the level of the EU and Slovakia regarding the end of fossil fuel supplies from the Russian Federation, we support a pan-European solution to this issue and shall proceed in accordance with the adopted sanctions.

Regarding electricity supplies, we provided them mostly through RES electricity purchase contracts as a purchaser of RES and CHP electricity and through contracts with a major electricity producer in Slovakia. Our long-term goal is to diversify the sources of energy we supply to our customers, including our own production of energy from RES. Read more about our plans in Chapters 6 to 11.

We perceive sustainability not just in terms of our own activities and products, but also in relation to the suppliers of goods and services. In addition to gas, electricity and network services associated with ensuring supply to customers, we procure other goods, works and services. Domestic suppliers (we consider a domestic supplier to be a supplier with the place of business in Slovakia, including multinational companies that have a representative office in the Slovak Republic) participate in their delivery in a substantial manner.

Table 14: Share of purchases from suppliers by registered office in 2021

Share of purchases from suppliers by their registered office in 2021

(excluding electricity and gas and associated services)

Share value

Domestic supplier	89,05%
Foreign supplier	10,95%

We are gradually introducing the enhanced sustainability to the procurement process. We use environmental criteria mostly when buying items such as office paper and other office supplies, cleaning products, drinks (packaging), computers or laptops. The environmental criteria may include the submission of a list of environmentally-friendly

products (office supplies, furniture, wood products etc.) that come with certificates, e.g., FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification), European Ecolabel or other equivalent certificates issued by an independent accredited institution (ISO 9000, ISO 14000, EMAS, FLEGT licenses).

In the following years, we shall gradually introduce environmental criteria relating to how the suppliers function, which may include a potential supplier's environmental policy, environmental management

system certificates, etc. In this way, we are better able to significantly influence the impact of our suppliers on the environment and society.

24. Structure, composition of governing bodies and conflicts of interest



We are a joint stock company, the sole shareholder of which is the Slovak Republic represented by the Slovak Ministry of Economy. Our company is managed by the Board of Directors, to which both the CEO and the Internal Audit and Inspection Department report directly. The divisions of SPP, which are structured further into departments and lower organisational units, report to the CEO. Presently, SPP is organisationally divided into the following divisions:

- Business Development Division
- Trade Division
- Equity Holdings Management Division
- Finance Division
- Corporate Affairs Division
- Internal Services Division

SPP has been established in accordance with the regulations governing commercial companies in the Slovak Republic and the EU. Our operation is governed by the publicly available Articles of Association of SPP, other basic documents and other internal management documents regulating the specific processes, activities, and procedures in SPP. We keep the public regularly informed by publishing annual reports.

Members of the Board of Directors and the Supervisory Board of SPP are elected and recalled by the decision of the sole shareholder – the Ministry of Economy of the Slovak Republic for a period of 5 years based on the results of the selection procedure for members of the Board of Directors.² The Board

of Directors consists of 5 members – chairman, vice-chairman and 3 members.

The election of members of the Board of Directors or the Supervisory Board of SPP CZ, or the Managing Director of SPP CNG, takes into account the professional expertise and integrity requirements, as governed by internal rules. Presently, diversity criteria are not considered when electing members of the Board of Directors or the Supervisory Board.

As regards members of the bodies of SPP CZ and SPP CNG, independence requirements are taken into account, according to which a candidate may not have been a member of the top management of SPP or a company wholly-owned by SPP in the last 5 years, or an external auditor of such company, a person signing the auditor's report and s/he is in no close family relationship with any member of the top management of SPP or a company wholly-owned by SPP.

The members of the Board of Directors and the Supervisory Board of SPP and SPP CZ, as well as managing directors of SPP CNG, are public officials in accordance with the Constitutional Act no. 357/2004 Coll. on the protection of public interest in the exercise of duties of public officials. As public officials, they follow strict rules prohibiting membership in statutory or supervisory bodies of other companies. At the same time, each year they transparently disclose their income and assets by declarations of assets published by the National Council of the Slovak Republic.

² The selection is in accordance with the resolution of the Government of the Slovak Republic no. 159/2011, as amended, establishing the selection rules and general conditions for state representatives in the bodies of companies (co-)owned by the state.

25. Performance evaluation and remuneration of top management body



The determination of remuneration for the exercise of duties of members of the Board of Directors and members of the Supervisory Board of SPP is governed by the Remuneration Rules for Members of the Board of Directors and Members of the Supervisory Board of SPP (hereinafter the “Rules”) approved by the decision of the sole shareholder of SPP – the Ministry of Economy of the Slovak Republic. These Rules reflect resolutions of the Government of the Slovak Republic no. 159/2011 and 190/2017.

According to the Rules, remuneration for the performance of duties of a member of the Board of Directors of SPP has three components, consisting of a fixed component, component of economic importance and a variable component. The fixed component and the component of economic importance are paid out monthly. The fixed component of the remuneration is calculated as follows:

- for the Chairman of the Board of Directors, double the average monthly nominal salary in Slovakia as per data published by the Slovak Statistical Office (hereinafter the “average salary”);
- for the Deputy Chairman of the Board of Directors, 1.75 times the average salary, and
- for a Member of the Board of Directors, 1.5 times the average salary.

The economic importance component is calculated as a multiple of the fixed component as per the terms and conditions set out in the Rules, which take into account the turnover, sales profitability and the number of employees. In 2021, the fixed component multiple was determined at 2.16.

The variable component of the remuneration that is paid once a year depending on the fulfilment of key indicators established by the sole shareholder

of SPP is set at a maximum of 50% of the sum of monthly remuneration for the exercise of duties, paid to a member of the SPP Board of Directors in the previous year. The key indicator is the economic performance of SPP, established by the sole shareholder of SPP as a target for a specific year (for 2021 period, the economic performance of SPP is measured by the EBIT indicator).

The remuneration for the exercise of duties of a member of the Supervisory Board of SPP has two components, consisting of a fixed component and the component of economic importance. The fixed component and the component of economic importance are paid out monthly.

Remuneration at SPP CZ and SPP CNG is set in accordance with the remuneration rules approved for SPP. The internal rules specify that a member of the Board of Directors and a member of the Supervisory Board of SPP CZ who is also employed in SPP or SPP CZ has his/her monthly remuneration reduced by 50%.

In SPP CZ and SPP CNG, we have also introduced the evaluation of the bodies of subsidiary companies based on the established corporate governance goals. The goals are approved by the Subsidiaries Management Committee. These goals are a prerequisite for evaluating subsidiary companies’ bodies. This evaluation serves as a tool for developing effective and appropriate development programs for representatives in the company bodies, as well as a useful source of information for future nomination processes. The evaluation is performed by the Equity Holdings Management Division or the (Co-)owned Companies Management Department. The corporate governance objectives have no effect on financial remuneration.

26. Sustainability at SPP



We understand the term 'sustainability' as meaning the overall impact of our activities and business on customers, shareholder, the environment, and society as a whole. For us, improving sustainability forms an important part of responsible business. The SPP Development Strategy, supervision over the management of SPP's impacts, the setting of our future sustainability goals and approval of the annual Sustainability Report are the responsibility of the Board of Directors of SPP. The approved goals and strategies of SPP in the field of sustainability subsequently become binding for both SPP CNG and SPP CZ.

The members of the Board of Directors are regularly informed about changes in the legislative framework in the field of sustainability, including expected obligations in the field of reporting non-financial information. That is why, in 2021, we created the position of Sustainability Manager. His/her task is to identify areas for improvement in SPP and to coordinate the adoption of measures for improving SPP's sustainability. In order to emphasise the importance of sustainability and prepare SPP for regular evaluation of sustainability goals the Board of Directors incorporated the position of Sustainability Manager into the Regulation and Compliance Department, subordinate to the Compliance Manager.

We have undergone certification in the framework of the integrated management system (IMS) according to international standards, such as ISO 9001:2015 (quality management system), ISO 14001:2015 (environmental management system), ISO 45001:2018 (occupational health and safety management system) and ISO/IEC 27001:2013 (information security management system) in the field of sales of gas, electricity and services and operation and management of information systems. Presently, we monitor the impacts of SPP's business separately for each business area or presence.

This Report then represents the basis for setting goals and the controlled monitoring of their effectiveness. The Report presents a comprehensive description of the impacts of SPP's business on society, communities, and the environment. The results of the Report creation process are, if necessary, then taken into account in determining additional tasks, goals and strategies in the field of SPP's sustainability. We shall evaluate the fulfilment of SPP's sustainability goals every year in Q3 of the given year and review their status based on the preliminary evaluation of the fulfilment of these goals.

27. Management of critical incidents and communication of critical concerns



Our responsibility lies in ensuring safe energy supplies to our customers and in maintaining a high standard of services, including protection of sensitive customer data. Our internal regulations also govern the procedure for dealing with incidents or third-party complaints relating to any negative effects of SPP. Nonetheless, we did not register any such incidents in 2021. We consider cyber security and protection of customer personal data to be critical incident areas. We perceive the area of anti-money laundering (AML) as equally important. We have designated a responsible person for this area in accordance with the applicable legal regulations, and our Board of Directors reviews the Report on Fulfilment of AML Obligations on annual basis.

Cyber incidents as a potential threat to security of supply

The approach to prevention and management of incidents and security management is comprehensively covered by our internal procedures and guidelines. The information and cyber security strategy clearly defines the main goals and procedure in managing risks aimed at preventing disruptions and downtime of information systems. Our internal regulations set out procedures for detecting, evaluating, and responding to specific incidents, based on the type of event. Our goal is to be ready for current challenges in the field of cyber security and to ensure continuity and quality of supply to our customers. We are the operator of essential service for gas and electricity supply activities and are registered in the register maintained by the National Security Authority. We regularly undergo an independent cyber security audit. We have also created a Cyber Security

Manager position and provide annual training to our employees in the field of cyber security.

The SPP Board of Directors annually reviews the Cyber Security Report containing information on recorded security incidents. In the course of 2021, we did not record any serious cyber security incident.

Protection of personal data of our customers

We are aware of the responsibility for personal data shared with us by our customers and partners. We re-assessed the strict requirements for protection of personal data back in 2018 when the European Union's General Data Protection Regulation (GDPR) entered into force. We modified our internal processes so that they stayed fully compliant with the requirements of the Slovak and European legislation in the field of personal data protection. We have a designated person responsible for personal data protection (Data Protection Officer – DPO) and regularly implement mandatory training for all our employees.

We receive personal data mainly from our customers and strictly observe the principle of minimising the data processed. Thus, we only process data that are necessary in connection with the performance of the contract for the supply of energy and services, if it is necessary to fulfil legal obligations and provided that the customer has given consent to the processing or where the processing is in SPP's legitimate interest.

The SPP Board of Directors reviews the Personal Data Protection Report on an annual basis. In the course of 2021, we did not record any material violation of personal data processing rules.

28. Membership associations



We see membership in chambers, societies, or associations as an opportunity for discussion within or across sectors, including familiarisation with the opinions of our customers, and the promotion of common interests of their members.

In exercising our membership, we always take care to comply with our legal obligations, particularly in connection with rules for the protection of competition and prohibition of competition-restricting agreements.

We regularly assess the benefits of our membership and flexibly terminate our membership or enter into new partnerships.

In 2021, we were a member of the following organisations:

- Eurogas
- National Union of Employers

- Association of Energy Service Providers
- American Chamber of Commerce in the Slovak Republic
- Slovak-German Chamber of Commerce and Industry
- Franco-Slovak Chamber of Commerce
- Association of Energy Suppliers
- Slovak Gas and Oil Union
- Slovak Chamber of Commerce and Industry
- CFO Club
- Slovak Association of Financiers
- HRCOMM

In 2022, we plan to become a member of the following organisations:

- Slovak Compliance Circle
- Circular Slovakia

29. List of abbreviations

EBWRC	Energy and Biological Waste Recovery Centers
ČEZ	ČEZ, a. s.
EU	European Union
EU ETS	European Union Emissions Trading System
GHG Protocol	The Greenhouse Gas Protocol – a corporate accounting and reporting standard issued by the World Resources Institute (“WRI”) and the World Business Council for Sustainable Development (WBCSD)
GRI	Global Reporting Initiative
IPIECA	International Petroleum Industry Environmental Conservation Association (a non-profit organisation dedicated to environmental protection in the oil and gas sector)
IPCC	International Panel on Climate Change
CHP	Combined Heat and Power high-efficiency cogeneration source
UN	United Nations
RES	Renewable Energy Sources
SDGs	Sustainable Development Goals of the UN
SPP	Slovenský plynárenský priemysel, a.s.
SPP CZ	SPP CZ, a.s., a 100% subsidiary of SPP
SPP CNG	SPP CNG s.r.o., a 100% subsidiary of SPP
Report	SPP Sustainability Report 2021
SR/Slovakia	Slovak Republic



30. GRI content index

Declaration of use Slovenský plynárenský priemysel, a.s. (SPP) reported in accordance with GRI standards for the period of January 1 – December 31, 2021

Used GRI 1 GRI 1: Foundation 2021

Applicable GRI sector standards . . GRI 11: Oil and Gas Sector 2021

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	1. Introduction				
	2-2 Entities included in the organisation's sustainability reporting	1. Introduction				
	2-3 Reporting period, frequency and contact point	4. About the Sustainability Report				
	2-4 Restatements of information	–	All	N/A	The report is issued for the first time	
	2-5 External assurance	4. About the Sustainability Report	2-b	N/A	The company has decided not to use assurance services for this report	
	2-6 Activities, value chain and other business relationships	23. Suppliers and Business Relations				
	2-7 Employees	18. Employment in SPP				
	2-8 Workers who are not employees	18. Employment in SPP				
	2-9 Governance structure and composition	2020 Annual Report, p. 11				
	2-10 Nomination and selection of the highest governance body	24. Structure, composition of governing bodies and conflicts of interest				
	2-11 Chair of the highest governance body	24. Structure, composition of governing bodies and conflicts of interest				
	2-12 Role of the highest governance body in overseeing the management of impacts	26. Sustainability at SPP				
	2-13 Delegation of responsibility for managing impacts					
	2-14 Role of the highest governance body in sustainability reporting					

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
	2-15 Conflicts of interest	Preventing Conflicts of Interest document and the SPP Code of Conduct				
	2-16 Communication of critical concerns	27. Management of critical incidents and communication of critical concerns				
	2-17 Collective knowledge of the highest governance body	26. Sustainability at SPP				
	2-18 Evaluation of the performance of the highest governance body	19. Collective Agreement, development and remuneration				
	2-19 Remuneration policies	25. Performance evaluation and remuneration of top management body				
	2-20 Process to determine remuneration	19. Collective Agreement, development and remuneration				
	2-21 Annual total compensation ratio	2. Statement on sustainable development strategy				
	2-22 Statement on sustainable development strategy					
	2-23 Policy commitments					
	2-24 Embedding policy commitments					
	2-25 Processes to remediate negative impacts					
	2-26 Mechanisms for seeking advice and raising concerns					
	2-27 Compliance with laws and regulations					
	2-28 Membership associations	28. Membership associations				
	2-29 Approach to stakeholder engagement	21. Approach to customers and stakeholders				
	2-30 Collective bargaining agreements	19. Collective Agreement, development and remuneration				

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	5. Determination of material topics				
	3-2 List of material topics					
Greenhouse Gas Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	6. Energy supply in 2021 and future outlook 7. Support for electricity production and supply from RES 8. Support for improving energy efficiency 9. Support for gas production and supply from RES				11.1.1.
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	10. Internal energy consumption				11.1.2
	302-2 Energy consumption outside of the organisation	6. Energy supply in 2021 and future outlook				11.1.3
	302-3 Energy intensity	–	All	Incomplete information	SPP does not have available sufficiently complete information on upstream and downstream emissions as would allow it to calculate a meaningful energy intensity unit	11.1.4
	302-4 Reduction of energy consumption	10. Internal energy consumption				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	12. Greenhouse gas emissions in 2021				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions					11.1.6
	305-3 Other indirect (Scope 3) GHG emissions					11.1.7
	305-4 GHG emissions intensity	–	All	Incomplete information	SPP does not have available sufficiently complete information on upstream and downstream emissions as would allow it to calculate a meaningful intensity unit for greenhouse gas emissions	11.1.8

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Transition, adaptation, and resilience to climate change						
GRI 3: Material Topics 2021	3-3 Management of material topics	10. Internal energy consumption				11.2.1
GRI 201: Economic Performance 2016	201-1 Financial implications and other risks and opportunities due to climate change	6. Energy supply in 2021 and future outlook 7. Support for electricity production and supply from RES 8. Support for improving energy efficiency 9. Support for gas production and supply from RES				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	–	All	Information unavailable	The emissions are calculated for the first time in 2021; it is not possible to compare them with another period	11.2.3
Air emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	13. Other emissions into the atmosphere				11.3.1
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant		POPs, VOCs, HAPs		These substances are not measured as they are not caused by the company's activities	11.3.2
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	–	All	Information unavailable	SPP does not presently perform these assessments	11.3.3

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Biodiversity						
GRI 3: Material topics 2021	3-3 Management of material topics	14. Biodiversity				11.4.1
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					11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity					11.4.3
	304-3 Habitats protected or restored					11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations					11.4.5
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	15. Waste				11.5.1
GRI 306: Effluence and Waste 2020	306-1 Waste generation and significant waste-related impacts	–	All	N/A	SPP does not produce any physical products; therefore, there are no material waste-related impacts	11.5.2
	306-2 Management of significant waste-related impacts	15. Waste				11.5.3
	306-3 Waste generated					11.5.4
	306-4 Waste diverted from disposal					11.5.5
	306-5 Waste directed to disposal					11.5.6

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Water and effluence						
GRI 3: Material Topics 2021	3-3 Management of material topics	16. Water and effluence				11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource					11.6.2
	303-2 Management of water discharge-related impacts					11.6.3
	303-3 Water withdrawal					11.6.4
	303-4 Water discharge					11.6.5
	303-5 Water consumption					11.6.6
Data integrity and critical incident management						
GRI 3: Material Topics 2021	3-3 Management of material topics	27. Critical incident management and communication of critical concerns				11.8.1
GRI 306: Effluence and Waste 2016	306-3 Significant spills	–	All	N/A	The company does not have any spills of such nature. Instead, the company's critical incidents may involve cyber security incidents, about which we report in this chapter.	11.8.2
Non-discrimination and equal opportunities						
GRI 3: Material Topics 2021	3-3 Management of material topics	17. Employee relations				11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	–	All	N/A	SPP is not a global company operating in many countries. It operates solely in Slovakia and the Czech Republic, which is why the management is only hired from these two countries.	11.11.2
GRI 401: Employment 2016	401-3 Parental leave	18. Employment in SPP				11.11.3
	404-1 Average hours of training per year per employee	19. Collective Agreement, development and remuneration				11.11.4
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	18. Employment in SPP				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	19. Collective Agreement, development and remuneration				11.11.6

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	17. Employee relations				11.11.7
Economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	20. Relation to communities and economic impacts				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed					11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	–	All	N/A	SPP is not a global company operating in many countries. It operates solely in Slovakia and the Czech Republic, which is why the management is only hired from these two countries.	11.14.3
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	20. Relation to communities and economic impacts	The information is not broken down by investments in infrastructure but by grant programs			11.14.4
	203-2 Significant indirect economic impacts					11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	23. Suppliers and Business Relations				11.14.6
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	20. Relation to communities and economic impacts				11.15:1

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	20. Relation to communities and economic impacts	(a)	Information unavailable	SPP does not keep detailed records of activities to an extent that would allow quantifying the percentage of activities in which a local community was involved or where an environmental impact assessment was performed. We comply with these terms wherever required by law.	11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	16. Water and effluence: 13. Other emissions into the atmosphere			SPP does not currently have in place any comprehensive procedure to monitor the effective management of negative impacts arising from the company's activities. The Sustainability Report constitutes the basis for establishment of goals and controlled monitoring of their efficiency.	11.15.3

Topics identified as non-material in the applicable GRI sector standards

Standard for Oil and Gas Sector

Topic	Explanation
11.7 Closure and rehabilitation	Whereas the GRI 11 standard covers the entire value chain of the oil and gas sector, we selected only topics that are most relevant to the nature of SPP's business (energy trading).
11.9 Occupational health and safety	
11.10 Employment practices	
11.12 Forced labour and modern slavery	
11.13 Freedom of association and collective bargaining	
11.16 Land and resource rights	
11.17 Rights of indigenous peoples	
11.18 Conflict and security	
11.19 Anti-competitive behaviour	
11.20 Anti-corruption	
11.21 Payments to governments	
11.22 Public policy	

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Material topics as per CSRD proposal						
Occupational Health & Safety						
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	19. Collective Agreement, development and remuneration				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation					11.9.3
	403-3 Occupational health services					11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety					11.9.5
	403-5 Worker training on occupational health and safety					11.9.6
	403-6 Promotion of worker health					11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					11.9.8
	403-8 Workers covered by an occupational health and safety management system					11.9.9
	403-9 Work-related injuries					11.9.10
	403-10 Work-related ill health					11.9.11
Occupational procedures						
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	19. Collective Agreement, development and remuneration				

The table continues on the next page.

GRI standard	Disclosures	Chapter	Omission			GRI sector standard ref. no.
			Omitted requirements	Reason	Explanation	
Materials						
GRI 301: Materials 2016	301-1 Materials used by weight or volume	15. Waste	Partially – (i), (ii)	Incomplete information	As regards office supplies and cleaning products, SPP does not have a complete material composition of each product with an origin clause. Therefore, it is not possible to determine whether purchased materials are renewable or not.	
	301-2 Recycled input materials used					
	301-3 Reclaimed products and their packaging materials	Covered under 301-2				
Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	22. SPP values, SPP Code of Conduct and Compliance Programme				
	205-2 Communication and training about anti-corruption policies and procedures					
Training and Education						
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	19. Collective Agreement, development and remuneration	b	N/A	No such programs exist	
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees receive regular performance and career development reviews				

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