

Corporate social responsibility report of Enea Capital Group 2016

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Letter of the President of the Management Board

G4-1

Dear Sirs,

I am delighted to provide you with the "Enea Group Sustainable Development Report for 2016".

Our times are full of diverse, global challenges, including sustainable development. The Polish government adopted the Responsible Development Plan at the beginning of 2016, which is a set of measures to stimulate development of our country, allowing effective implementation of Strategy for the Responsible Development.

Developed by us the Enea Group Development Strategy directly matches these documents as well as to the global trends set by the United Nations. Our Strategy responds to the assumptions of the governmental plan, enhancing the innovation and development of the Polish economy. We have devoted a lot of effort to sustainable development – as such we wish to emphasize that corporate social responsibility is a part of the whole Enea Group and is an important part of our entire business activity.

Our Group carries out its business responsibly in line with the assumptions of the government's goals. Our mission is to provide customers with reliable access to electricity. We prove this by carrying out new investments and promoting innovative solutions.

Our priority is the construction of a modern power unit in Koźienice Power Plant, which is completed in 98% and has passed first tests. LW Bogdanka became a part of our Group. Furthermore, Połaniec Power Plant joined Enea in March this year. These initiatives will enable us to create a resource-based, cost and operating effective, Koźienice-Bogdanka-Połaniec mining and generation area, which is an important pillar of the Polish energy economy. Moreover, we are also strongly committed to developing and promoting implementation of innovative solutions on a large scale, hence our participation in the project of electromobility system creation in our country.

We undertake the above mentioned and other initiatives to meet the requirements and expectations of our present and future customers. We're already responsible for the supply of electricity to over 2.5 million customers, so we pay much attention to the improvement of the distribution system as well as the client service modernization. We provide friendly co-operation by offering our understanding and creating offers which make life easier. We use technology advanced and modern service tools. We are for the client in the way which is expected by us.

We conduct our activities with success thanks to our employees. We belong to the group of the largest employers in Poland, and it obliges us. We wish everyone to feel safe and secure. We listen to our employees, appreciate their professionalism and commitment, and take care of the conditions in which they work. We encourage them to take advantage of the benefits and projects we create for them. We support increasing competences and train in interesting areas.

I am impressed by our employees who put a lot of effort in their work and are highly sensitive and willingly engage in volunteering: either by sharing expertise or offering other kind of support. The group of satisfied beneficiaries of our volunteer initiatives is still growing.

Enea Group is an active participant in the life of local communities, also through activities of the Enea Foundation. I am happy that the Enea Foundation allocated almost 630 thousand zlotys in 2016 by supporting projects that contributed to improving our environment, quality of life and local communities. We help the needy, provide emotional excitement, support numerous scientific initiatives, aspire to the art patronage and give fun by supporting cultural events. We wish to express our sense of responsibility for the environment from which we originate and depend.

We are a stable and strong mining and energy company, but what makes us a modern company is a conscious approach to our role as supplier of first-class products and services and the awareness of our influence on the environment and economic development of the country. Our business is responsible and we wish to develop in a systematic, innovative and sustainable way - these are our goals and our promise to our social and business partners.

Mirosław Kowalik

President of the Management Board of Enea SA

1. Enea Group

G4-3, G4-4, G4-5, G4-6, G4-8, G4-9

We are a leading entity in the Polish electricity market. We manage a full value chain: from fuel acquisition, through generation, distribution, sale of energy and other electricity-related products and services. Every day, we safely supply **2.5 mln clients**.

Enea Operator manages a distribution network in the north-western part of Poland.

We employ 15.7 thousand employees who create an innovative mining and energy group - Enea Group. These include two important system power plants: Kozienice Power Plant and Połaniec Power Plant. Furthermore, LW "Bogdanka" is a mine, which is the main supplier of raw materials to our power plants. We also operate in the field of thermal power in the plants in Białystok, Oborniki and Piła. Our seat is in Poznań.

By implementing our key strategic goals, we make sure that our development is stable and sustainable, and that our solutions translate directly to innovation and competitiveness improvement of the Polish economy. This report is a summary of our most important activities and achievements, illustrating our contribution to the development of the environment from which we originate and in which we operate. We wish you a pleasant reading.

Segments of our business operations

EXTRACTION	GENERATION	DISTRIBUTION	TRADE
<ul style="list-style-type: none"> • Production of bituminous coal • Sale of bituminous coal • Securing the base of resources for the Group 	<ul style="list-style-type: none"> • Generation of electricity based on bituminous coal, biomass, gas, wind, water and biogas • Heat generation • Heat transmission and distribution • Trade in electricity 	<ul style="list-style-type: none"> • Electricity supply • Planning and guaranteeing the extension of the distribution network • Exploitation, maintenance and renovations of the distribution network • Metering data management 	<ul style="list-style-type: none"> • Retail sales: <ul style="list-style-type: none"> • Trade in electricity and gas on the retail market • Range of products and services adjusted to customer needs • Comprehensive client service • Wholesale trading: <ul style="list-style-type: none"> • Electricity and gas wholesale contract portfolio optimisation • Operations on product markets • Guaranteeing access to wholesale markets

Our modern company achieved the following results in 2016:

- **9 038 thsd tons** - net coal production
- **13 567 GWh** - electricity generation
- **18 741 GWh** - sale of distribution services to final customers
- **17 989 GWh** - sales of electricity and gas to retail customers

Enea Operator distribution network covers 20% of the country and about 9% of electricity generated in Poland in 2016 comes from our units:

- Koźienice Power Plant

- Białystok Heat and Power Plant, MEC Piła, PEC Oborniki, PEC Zachód, MPEC Białystok
- Wind farms: Bardy, Darżyno, Baczyna
- 21 hydroelectric power plants: Koronowo, Tryszczyn, Smukała, Żur 1 and 2, Gródek, Rejowice, Likowo, Trzebiatów I, Trzebiatów II, Płoty, Prusinowo, Kamienna, Bledzew, Gucisz, Międzylesie, Podgaje, Jastrowie, Ptusza, Dobrzyca, Piła Koszyce, Oborniki
- Biogas power plants: Gorzelsław, Liszkowo

Our business activities related to generation, distribution and trade are supported by the Shared Services Centre that handles human resources, finance and accounting, IT, logistics, legal services and client service.

A. Enea Capital Group

Structure of the Enea Group

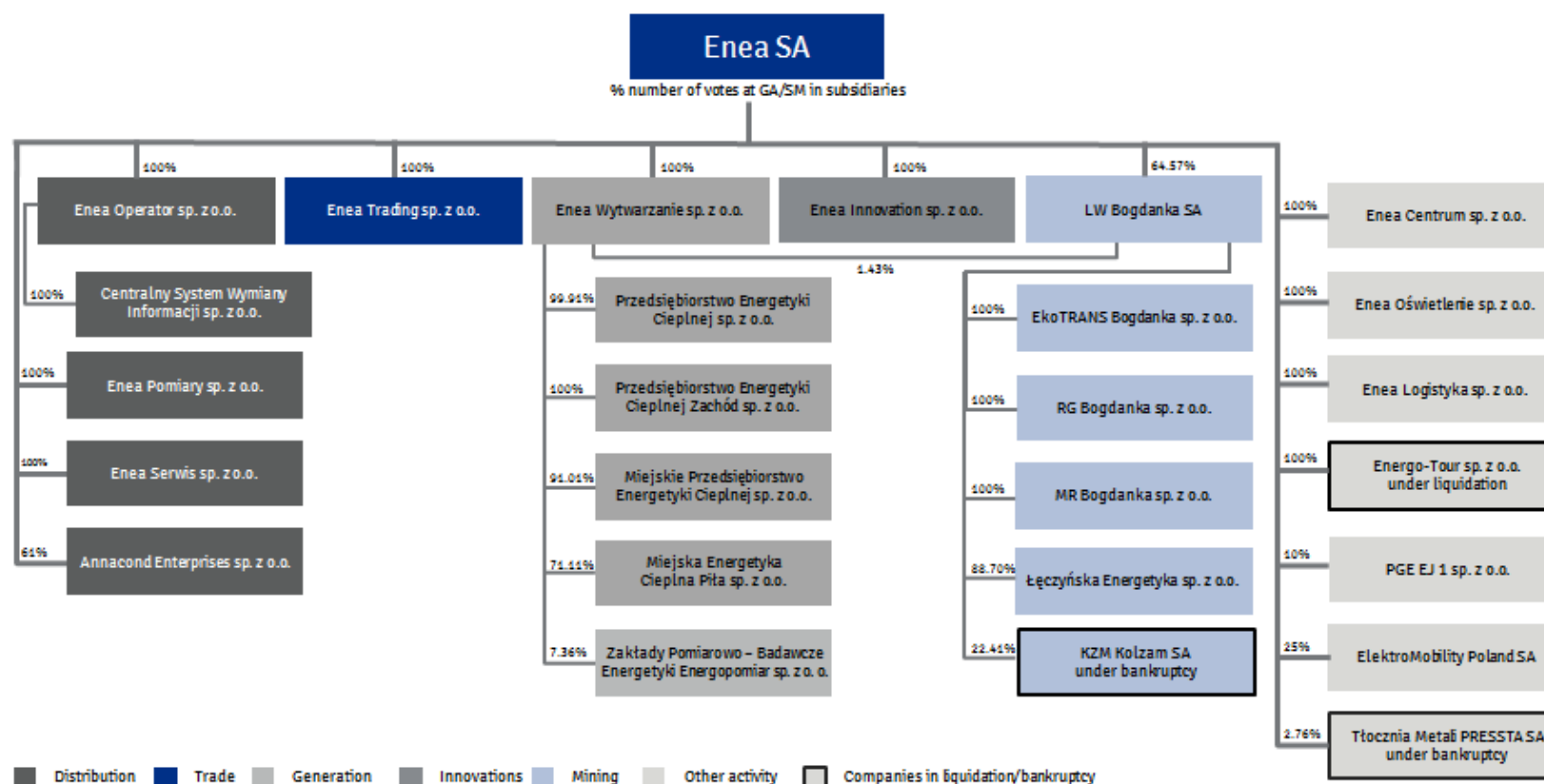
G4-8, G4-17, G4-13

Enea Group consists of Enea parent company and 12 direct subsidiaries.

Within the Enea Group, there are 5 leading companies, i.e. Enea SA (electricity and gas trading), Enea Operator Sp. z o.o. (distribution of electricity), Enea Wytwarzanie Sp. z o.o. (generation and sale of electricity and thermal energy), Energa Trading Sp. z o.o. (wholesale of electricity) and LW Bogdanka SA (coal extraction). Other entities provide supporting activities.

Enea SA sells electricity and gas throughout Poland to all sectors of the economy and customer segments, from households to the largest manufacturing companies.

GROUP'S STRUCTURE (as at 31 December 2016)



Changes in the Group's structure

In 2016 we continued to integrate LW "Bogdanka" with the Enea Group. Thanks to that, the Statute of LW Bogdanka was changed to include the obligation of the company to act in the interest of the Enea Group and was adapted to the Enea Group standard. The mine also adopted the Enea Group Code. Thanks to the integration of LW Bogdanka with the Enea Group, the full value chain will be optimally exploited, mutual exchange of experiences and development of the entire Group will be possible.

On 19 October 2016 ElectroMobility Poland SA was incorporated, in which Enea has a 25% shareholding. On 7 December 2016 the company was registered in the National Court Register.

Since 2 December 2016 the "Energetyk" health-resort has a new owner. By concentrating on the core business of the Group, we signed an agreement to sell shares of the health-resort in Inowrocław in September 2016. Furthermore, Energo-Tour company is in liquidation since February 2015.

On 23 December 2016 we concluded with ENGIE International Holdings BV a conditional agreement for the acquisition of 100% shares in ENGIE Energia Polska SA (the owner of Połaniec Power Plant), according to which Enea SA will acquire 100% of shares in the share capital of ENGIE Energia Polska SA, and indirectly also 100% of shares in ENGIE Bioenergia sp. z o.o. As such in mid-March 2017, Połaniec Power Plant joined the Enea Group - one of the most modern, system power plants in Poland, which owns one of the largest biomass units in the world.

On 20 January 2017 Enea acting in cooperation with Energa, PGE and PGNiG Technologie bought a total of 150 million of Polimex - Mostostal shares. We, along with our partners, took over 65.93% of the company's shares, thereby contributing to its recapitalization. Polimex - Mostostal has the largest share of over 23% in the accomplishment of key projects in the conventional energy segment. The company is present in executive consortiums of the largest energy investments in Poland, total budget of which is about PLN 30 billion zlotys.

In February 2017 Enea SA bought from Energa SA almost 25 mln shares of Elektrownia Ostrołęka SA and as such became the owner of 11.89% of the company's share capital.

In mid-March 2017, Połaniec Power Plant joined the Enea Group - one of the most modern, system power plants in Poland, which owns one of the largest biomass units in the world.

Click our [corporate website](#) to find a short description of the companies.

A detailed description of the Enea Group – as at 31 December 2016 – you may find in the [annual report](#).

Management model

G4-17, G4-14

Enea SA as a listed company is perceived by the market as a single, coherent economic organism with its subsidiaries. The Management and Supervisory Boards of Enea SA are responsible for the effectiveness of the Capital Group management.

We execute corporate governance in the Enea Capital Group, the creation of which has been started in 2013. As part of the implemented governance model, we have designed a new division of decision-making powers between the Enea Management Board, Group Management Boards and Group Committees. Internal regulations of our companies have been comprehensively adapted to the new competence map.

Our new management model is a **transparent, planned, uniform and procedurally safe**, decision-making mechanism within the Group by the appropriate corporate bodies to ensure the choice of the best business decision.

Enea Group committees are internal teams that support the Enea Management Board in decision-making, in accordance with their respective competencies. The task of committees, depending on the importance of the case, is to take a decision by the committee or to recommend a decision to Enea Management Board.

There are six committees at present, each of them has its own support unit, i.e. a department which is responsible for a given area in the Enea Group assigned to the competences of a given committee:

- Management Committee - Corporate Department at Enea
- Investment Committee - Controlling Department at Enea
- Compliance Committee - Operational Management Department at Enea
- Finance and IT Committee - Finance Area: Finance Department at Enea Centrum; IT Area: Department of Teleinformatics at Enea Centrum
- Trade and Promotion Committee - Trade Area: Enea Sales Department; Promotion Area: PR and Communications Department at Enea
- Risk Committee - Risk Management Department at Enea

There are five management divisions and they manage the joint functions of the Group across the legal structures:

Communications Management Division: conducts a joint communication between the Group on promotional, image and media activities to communicate and support sales activities in a coherent manner.

Audit Management Division: assess internal processes in terms of their compliance with relevant standards, procedures and regulations.

Purchase Management Division: deals with the optimization of the purchasing and logistic processes within the Group so that, by using the economies of scale, better business conditions are achieved.

HR Management Division: implements a coherent staffing policy that takes into account the competencies and professional development of employees in all Group companies in order to effectively utilize human capital

Security and Legal Services Management Division: manages security in the Enea Group and provides legal protection for Group companies to ensure compliance of all procedures and documents within the Enea Capital Group with applicable law

Shared Services Centre managed by Enea Centrum company supports Enea Capital Group companies as far as accounting and payroll, human resources and logistics are concerned.

Code of the Enea Group

G4-56, G4-14

The management model functioning in the Enea Group is defined in the **Code of the Enea Group**, that is a specific constitution of the Group. The document obliges all companies within the Enea Group to work together to implement the strategy and mission of the Group, create its value as a whole and maintain consistency.

We are aware that our business is exposed to a number of risks, i.e. that is why we use and continue to improve our **integrated risk management system (ERM)**. Its framework defines the unified Risk Management Policy, binding in the Enea Group.

For some corporate risks such as credit, liquidity, foreign exchange, interest rate and commodity, a formal approach to risk management takes a form of dedicated policies and procedures.

Risk management principles adopted by the Group are based on the highest management standards, which are consistent with the best market practices in this area. The risk management system was subject to further development and process optimization in 2016, among others: through work related with integration with LW Bogdanka and IT systems implementation.

Click the [Report of the Management Board on the operations of the Capital Group](#) if you wish to learn on the risk management process.

Capital Group management

G4-34

The Management Board of Enea consists of four persons. Composition of the Management Board (as of 15th of May 2017):



Mirosław Kowalik

President of the Board



Wiesław Piosik

Vice-President of the Management
Board for Corporate Affairs



Piotr Adamczak

Vice-President of the Management
Board for Commercial Affairs



Mikołaj Franzkowiak

Vice-President of the Management
Board for Financial Affairs

Enea is supervised by the Supervisory Board comprising of ten persons. Composition of the Supervisory Board (as of 15th of May 2017):

- Małgorzata Niezgoda – Chairman of the Supervisory Board

- Piotr Kossak – Vice-Chairman of the Supervisory Board
- Rafał Szymański – Secretary of the Supervisory Board
- Tadeusz Mikłosz – Member of the Supervisory Board
- Sławomir Brzeziński - Member of the Supervisory Board
- Wojciech Klimowicz - Member of the Supervisory Board
- Rafał Bargiel - Member of the Supervisory Board
- Piotr Mirkowski - Member of the Supervisory Board
- Roman Stryjski - Member of the Supervisory Board
- Paweł Skopiński - Member of the Supervisory Board

Click the [link](#), if you wish to see the detailed biographies of the members of the Management Board and the Supervisory Board.

Rules of the Management and Supervisory Board are available [here](#).

Enea on the Stock Exchange

G4-7

Enea company is listed on the **Warsaw Stock Exchange**.

The company's shares in the Indices (as of 30 December 2016):

WIG 20	WIG 30	WIG energia	WIG Poland	WIG
1.15%	1.06%	11.67%	0.76%	0.73%

As a result of the annual index review Enea SA, after 17 March 2017 session, left WIG20 index, supplementing at the same time mWIG40 index portfolio.

Data relating to the Enea SA shares in 2016:

Corporate social responsibility report of Enea Capital Group 2016

The maximum rate in 2016	12.22 PLN
The minimum rate in 2016	8.42 PLN
Capitalization at the end of the period	4 193.70 mln PLN

Shareholding structure as at 30 March 2017:

State Treasury	51.5%
PZU TFI	10.1%
Others	38.4%

B. Vision and strategy

The Supervisory Board of Enea approved the document titled: "Enea Capital Group's Development Strategy until 2030" on 29 September 2016 (hereinafter referred to as the Strategy).

It was an extremely important event for our entire Group, as the new Strategy is a response to the dynamic changes that we observe both in the national economy and in the world. To maintain a strong market position, we optimize and adapt our way of operating to changes in the environment. At the same time we increase our market share in particular market segments and focus on the development of new innovative business lines and technologies. We wish to be an active participant of changes in the Polish economy and contribute to strengthening the energy security of our country.

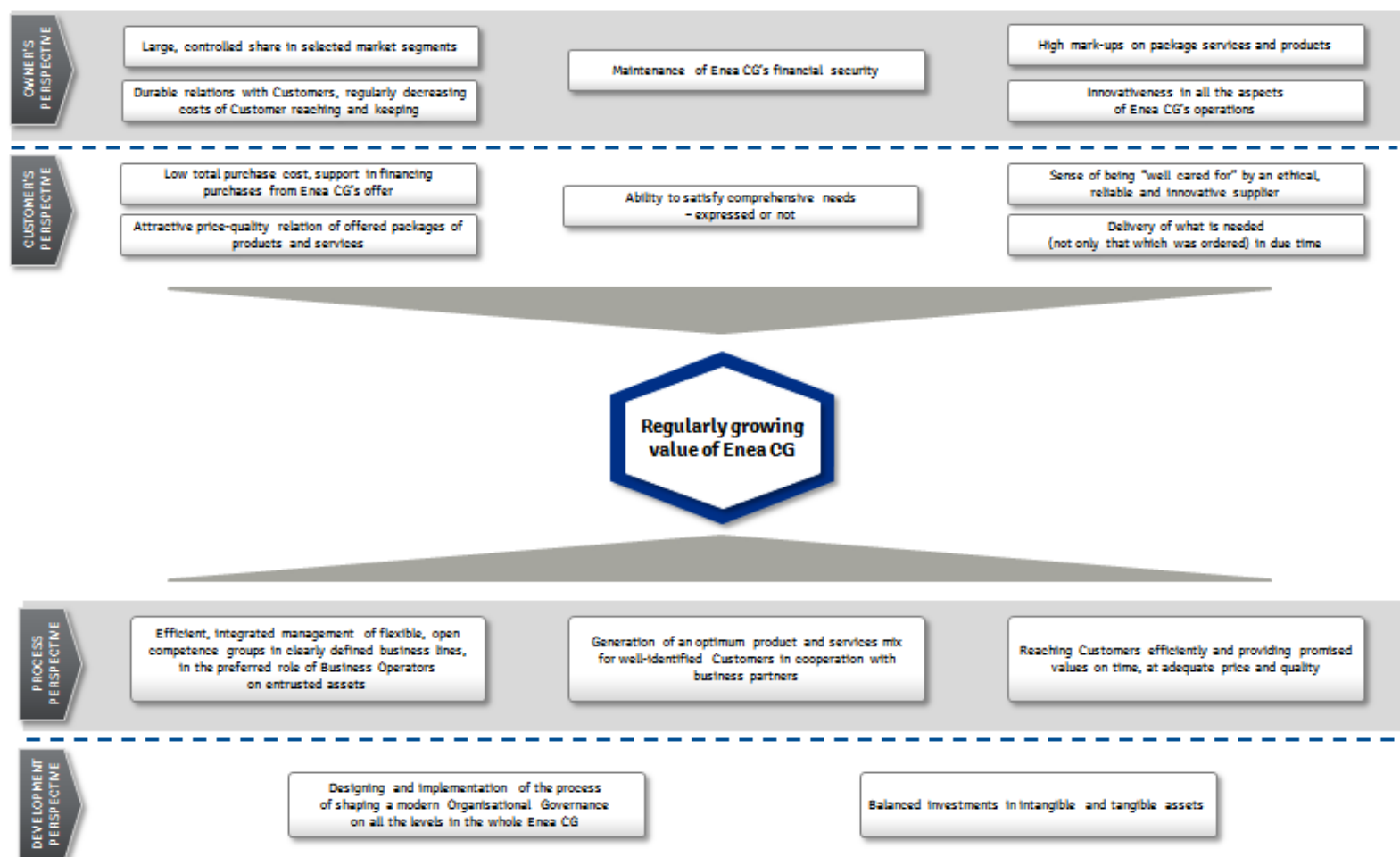
Our mission - Enea delivers constantly improved products and services, anticipating customers' expectations due to motivated teams working in a friendly, safe and innovative organisation.

Our vision- Enea is a leading supplier of integrated raw materials and energy related products and services and other innovative services for the wide range of customers, recognised for the quality, comprehensiveness and reliability.

The new development directions defined in the Strategy anticipate that Enea CG will be:

1. Innovative: a leader in identification, assessment of the potential and implementation of innovative undertakings on a large scale
2. Multiservice: diversified portfolio of provided services, stable income sources
3. Highly-specialist: specialist knowledge, competences and maturity in operations in the sector of raw materials and energy
4. Affecting the environment: a leader in positive changes in the power sector in Poland
5. Efficiently utilizing market opportunities: external environment analysis, flexible response to occurring opportunities, creator of demand for new goods
6. Reliable: considerable contribution in the Polish energy security

Growth in the value of Enea CG for shareholders is the primary objective specified in the strategy. In order to build a lasting competitive advantage Enea defined 15 strategic goals within four perspectives:



We have identified 31 innovative initiatives enhancing the business potential. Among them:

- initiatives aiming at the development of innovative technologies and business lines
- initiatives realised mainly by the dedicated entity, Enea Innovation
- well-thought investments in high-margin business lines, products and services

Implementation of the above mentioned initiatives will support e.g. the development of innovative products, services and business lines of Enea CG, such as:

- Clean coal technologies (including IGCC)
- Development of distributed poly-generation
- Hybrid RES
- Repository of intelligent solutions
- Best practices and growth in mining effectiveness
- Smart distribution network
- Operator's services (including for micro-grids and mines)
- Development of micro- and macro-clusters of energy
- Prosumer installations
- Integrated packages of products and services
- Services within the Internet of Things
- Electromobility

Corporate Social Responsibility in Enea's business strategy

Corporate social responsibility has once again become a part of the Group's development strategy and is present in many elements of the company's operations. According to the guidelines of the Ministry of Treasury on CSR good practices:

- corporate governance is a tool that integrates the Enea Group's operations
- responsibility for the area of corporate social responsibility is attributed to the President of the Enea Management Board
- the dedicated organizational unit - the Corporate Social Responsibility Office is responsible for coordination of socially responsible activities in the Group.
- The Enea Foundation carries out initiatives in the area of corporate social responsibility addressed to the environment
- The Supervisory Board constantly monitors expenditures from the field of social engagement

By incorporating the corporate social responsibility to the duties of the President of the Enea Management Board and the Supervisory Board, we stressed the great importance which our Group attaches to responsible practices.

Direction of actions adopted in the Enea Group's strategy corresponds directly to the five pillars of the Polish Development Plan, which are called: (1) reindustrialization, (2) development of innovative companies, (3) development capital, (4) foreign expansion, (5) social and regional development . Our responsible business plans match directly the fifth pillar of social and regional development.

Enea Capital Group:

- includes a strong support of the local development and taking care of social relations as part of a responsible business policy in the new Strategy
- operates throughout the country, taking care of the development of individual regions, including creation of new jobs as an attractive employer and social stimulus
- actively supports local vocational education in a way that is optimized for long-term cooperation
- assumes in its Strategy that its products and energy services will be provided by graduates of the above-mentioned local technical schools and training courses

C. Ethical standards

G4-56, G4-DMA

We're guided at Enea by values such as **honesty, competence, responsibility and security**. They are included in the "Code of Values of the Enea Capital Group". It is a written, along with the employees, statement of respect for the law, professionalism and respect for one another. Together with our mission and vision, this document is the foundation for Enea Group.

Click and learn why [values](#) are so important to us.

„[Enea Capital Group Code of Ethics](#)” includes the Enea Group Employee Code of Conduct towards co-workers and business Partners. We value corporate responsibility, kindness and willingness to cooperate in the workplace. The Code describes these expected attitudes as well as obligations arising from business relations.

We pay much attention to creating comfort for the employees in an environment where rules of conduct are transparent and generally known. All Group employees received a Code in paper and we launched an eLearning training series on the Intranet. Every newly-trained person in Enea undergoes ethics training at work. Everyone may use the [online version of our Code](#).

We also prepared a series of [short animated movies](#), which consist of seven episodes, each with a different ethical principle included in the Code.

Reporting irregularities

Committee for Code of Ethics operates in the Enea Capital Group the role of which is, among others, promoting values in the organization and taking care of compliance with the Code. Each employee may ask the committee for advice, report any doubts or irregularities. There are two ways to contact:

- by e-mail: etyka@enea.pl
- or through a [form available](#) in the Intranet or on the website www.enea.pl

Compliance Policy

We are very serious about respecting law as well as any internal rules and procedures in the Enea Group. We wish the rules to be precise and cover every type of activity. All employees were familiarized with the regulations binding in the Group: "Compliance Policy" and "Rules of accepting and giving gifts". According to the Compliance Policy:

- We always act fairly, honestly and in a friendly way. It is a pillar of modern and dynamic operation for us
- We are committed to openness and transparency in all business relations
- The Enea Group's management is committed to playing a key role in creating an organizational culture
- Corruption is unacceptable, and employees are required to report any form of activity that is indicative of it. Such submissions are treated confidentially, carefully examined and don't expose the applicant to any repression.

All Enea Group employees are required to complete training in this area. E-learning trainings for employees with access to computer were conducted at the turn of 2016/2017, e.g. 94% of employees positively completed the training in Enea SA. Compliance issues are addressed in adaptive training for new employees.

We started the training process in the third quarter of 2016 and ended it in the first quarter of 2017. These trainings will be repeated in 3-year cycles.

„New Energy” - is a joint initiative of employees and managers of Enea Centrum to develop recommendations concerning the following areas: attitude, leadership, system solutions and communication. Applying these recommendations, also within the scope of the company's desired behavior, will improve the cooperation between the company's organizational units and employees. The initiative started in 2016 and shall continue in 2017.

D. Investments

G4-9

A majority of investment outlays, exactly 51%, was allocated to generation segment in 2016. This is connected with the realization of our key initiative.

The construction of block 11, which is a new block of 1,075 MWe at Koźienice Power Plant, is an investment already completed in **98 %** (as of May 2017). The Europe's largest power unit will be launched in 2017.

The most important information:

- The block will generate about **6 TWh** of net energy per year and its capacity shall amount to **1075 MW**
- Energy from Koźienice shall go to every **ninth** Pole
- The new block will prolong the operation of the power plant by at least **40 years**
- **13%** of Polish energy will come from Koźienice
- A pressure test of the boiler was carried out at a load of **513 ba** in April 2016

2016 is also a very intensive period for Enea Operator in terms of investment. The company allocated over PLN 900 million for this purpose, out of which more than PLN 300 million for investment in the power network in the Poznań unit.

Enea Operator finalized five projects of strategic importance to Wielkopolska: the Sieraków power station and four high voltage lines. Furthermore, it signed by 15% more contracts to connect new customers to the network than in the previous year.

Other key investments accomplished by Enea in 2016 in the following areas:

Mining

- Execution of 23.8 km of new excavations
- Completion of drilling works by research holes of "Ostrów " area and acquisition of the right to use the geological information of this deposit
- Completion of the construction of the installation and all the objects of the central air conditioning of Bogdanka field
- Optimization of direct production costs and investment outlays

Generation

- Continuation of the construction of flue gas desulphurisation plant on K7 and K8 boilers
- Installation of the catalytic denitrification of flue gases (SCR): unit no. 1-2, 5-7 – commissioning; units no. 4 and 8 – continuation; units no 9-10 – signing contract with the contractor
- Construction of industrial waste and rainwater treatment

Distribution

- Significant improvement of indicators for planned and unplanned interruptions in 2016: SAIDI - by 44% y /y; SAIFI - by 30% y /y
- Improvement of the connection processes
- Completion of the realisation of a range of investments on medium and high voltage, among others, construction and reconstruction of 7 Main Transformer Stations
- Development of information tools supporting the grid management

Trade

Sales and client service:

- Launching the Customer Loyalty Programme (Purchase Zone)
- Introduction of new products into the product range for households, e.g. ENERGY+ Photovoltaics and ENERGY+ Professional
- Completion of a migration process of Customer data to the central billing system
- Launching an Electronic Customer Service Centre for all Customers

Wholesale trade:

- Development and implementation of a model of long-term price paths for products listed on wholesale markets

We plan to invest about PLN 2.7 billion in 2017. Selected investment projects in 2017 are:

Mining

Obtaining mining license for Ostrów deposit

- Modernisation and renovations of machinery and equipment (purchase, modernization, assembly of new machines and equipment)
- Performance of new excavations and modernisation of the existing ones
- Extension of the plant for mining waste neutralisation in Bogdanka
- Continuation of works related to the "Production management integrated system" and "Smart solutions mine" project

Generation

- In the system power plant segment: completion of block 11 and modernization of units no. 3 and 8 and 10
- In heat segment: construction of flue gas desulphurisation plant on K7 and K8 boilers
- In RES segment: searching for bargain investment and acquisition projects

Distribution

- Construction of GPZ Choszczno II and GPZ Recz
- Construction of Garaszewo Transformer Station and construction of 110 kV Kromolice - NAGRADOWICE, Kromolice - Gądkki, Kromolice - Swarzędz lines
- Implementation of smart grid solution development programme (AMI)
- Implementation of a programme enhancing network reliability
- Implementation of the Network Information System project
- Implementation of the system of digital operator communications in TETRA standard

Trade

Area of retail sales

- Development of the Customer Loyalty Programme (Purchase Zone)
- Implementation of the analytic system aiding the sale-purchase portfolio management and projection
- Introduction of new products for households and business customers
- Customer service quality and satisfaction monitoring
- Promoting new service and communication tools

Area of client service

- Optimisation of Client Service Centres, visualisation of selected Offices

- Higher quality and scope of services by remote contact channels (among others, as a result of increasing the catalogue of customer matters realised by first contact)
- Implementation of a new multi-channel contact centre platform, launching of which will provide customers with new contact channels
- Development of new concepts of customer service operation and settlement support areas and preparation of the implementation plan

Area of wholesale trade

- Adjustment to the changes resulting from increasing generation assets in Enea Group as regards the improvement of tools and methods of portfolio management and hedging positions within the whole added value chain
- Development of the fundamental model of long-term price paths for bituminous coal
- Development of tools supporting distributed generation in relation to the changes in the renewable energy sources support mechanisms which enter into force after 1 January 2018
- Contract agreement of generation fuel supply for planned energy generation for 2018

E. Financial results

G4-9

We successfully completed 2016 with good financial results, recording growth **in almost all areas of business**.

Compared to 2015:

- Electricity generation [GWh] **increased by 3,2 %** (including 6% increase from conventional sources and 36.5% decrease from renewable sources)
- Gross heat generation [TJ] **increased by 1,6%**
- Sales of distribution services to end users [GWh] **increased by 4,5%**
- Sales of electricity and gas to retail customers [GWh] **increased by 5,6%**

FINANCE 2016

- PLN 11,256 million - net sales revenues
- PLN 2,328 million - EBITDA
- PLN 849 million - net profit
- 1.9 - net debt/EBITDA ratio

Detailed financial results for 2016 - go to the [annual report](#).

F. Awards

Pearl of the Polish Economy

Enea was awarded a certificate in the ranking of Polish enterprises and received the title of the Pearl of the Polish Economy in the Great Pearls category in October 2016. We were proud that in laudation we were appreciated for "consistent implementation of company policy and strategy and a leading position among the most dynamic and effective companies in Poland."

Enea the Wprost weekly Eagle

We won the "Wprost Eagles" competition in June 2016 in the category "Company with the highest average net profit in 2012-2014".

We're prudent

Enea Logistyka was awarded the "Prudent Company" certificate for taking up specific debt management activities and conducting business in accordance with the standards described in the Code of Good Practices of Prudent Companies.

Appreciated by the industry

Association of Polish Electrical Engineers awarded Szczecin division of Enea Oświetlenie in 2016 with the medal of Eng. Kazimierz Szpotański. The award is granted to companies particularly distinguished for the development of the electrical industry. It is also an expression of gratitude to the company for many years of cooperation with the organization.

Customer friendly company

We received Emblem of Customer Friendly Company in 2016 for the third time. The award is based on a survey among nearly 900 Enea clients, who assessed the following issues: probability of our company's recommendation, ease of contact with us and overall customer satisfaction with Enea co-operation.

A proven energy seller

We were awarded for the second time with the title of Certified Energy Seller of Association of Energy Trading, which confirms the application of the "Best Practices of Electricity Sellers". We are one of the seven companies in Poland to receive this title out of 400 companies with a license to trade in electricity.

Amber of the Polish Power Industry

Our company was honored during the All-Poland Energy Summit in Gdańsk, for "complementing the value chain with coal assets and thus securing supplies of raw materials to the key investment in the generation segment."

The best digital project

Oracle Poland awarded Enea Centrum for the "Best digital project". This is a confirmation of the very good result of process management introduction, document digitization and system integration within the Enea Group.

Safe Bogdanka

LW "Bogdanka" SA received the title of "Industrial Safety Leader" during the International Conference "Risk Engineering Days". This distinction is granted annually to companies and institutions in Poland in recognition of their achievements and innovations in the field of industrial safety.

Bogdanka report is the best

LW Bogdanka was awarded the Main Prize of the Minister of Development in the tenth jubilee edition of the "Social Reports" competition organized by the Responsible Business Forum and Deloitte. The Integrated Report of LW Bogdanka SA Capital Group for 2015 was awarded.

Innovative Bogdanka

LW Bogdanka received the main prize in the "Industry" category in the 6th edition of "Wprost Innovators" - competition for the most innovative companies in Poland. The winners of "Innovators" are selected on the basis of the author's own Innovation Research, which verifies expenditures on research, development and investments in innovation and their practical application in business.

Bogdanka the best employer east of Poland

LW Bogdanka mine was awarded in the Top Employers of Eastern Poland 2016 competition.

G. Contact

G4-31

We invite you to contact us:

Joanna Maderska

Corporate Social Responsibility Office

Department of Public Relations and Communications

email: csr@enea.pl

Information on the strategic objectives of corporate social responsibility and respective activities, including earlier reports are available at [website](#).

2. Stakeholders

A. Stakeholder map

G4-24, G4-25, G4-26

Map of Enea Capital Group stakeholders

Stakeholder	Communication channels
Investors, Shareholders, Analysts	<ul style="list-style-type: none"> • Investor Relations Office • face-to-face meetings with investors i.e. road show, study tour • conferences • mobile applications • new website www.enea.pl • current and quarterly reports • annual report • CSR report
Employees	<ul style="list-style-type: none"> • employee satisfaction research • meetings and trainings • cooperation with trade members • intranet • newsletters • meetings and newsletters for managers • broadcasting system at Koźienice Power Plant • employee volunteer program • annual report • CSR report
Clients	<ul style="list-style-type: none"> • direct contact with the Customer Service Centre and Sales Offices • electronic Customer Service Centre (eCSC) • customer hotline (Contact Centre) • Enea Purchasing Zone

Corporate social responsibility report of Enea Capital Group 2016

	<ul style="list-style-type: none"> • customer satisfaction research • website www.enea.pl • profile “Energia +” on Facebook • electronic failure reporting platform at Enea Oświecenie • Web platform for communication with municipalities • print on invoices, invoices inserts • ATL media • partners and caregivers of a client • special events i.e. sponsored by Enea • advertisements in the local media: newspapers and radio • annual report • CSR report
Local authorities	<ul style="list-style-type: none"> • direct meetings, participation in local events • representatives of Enea take an active part in the working group appointed by the governor of Wielkopolska. Its goal is to identify the essential social needs and planning measures for their implementation • websites, including new website www.enea.pl • conferences • CSR report
Local communities, public opinion	<ul style="list-style-type: none"> • direct meetings and cooperation with representatives of the local communities • contact and cooperation with the Enea Foundation • communication with local and national media • participation of Enea Capital Group employees in activities for the sake of local communities within employee volunteer program • website www.enea.pl, including website tab dedicated to corporate social responsibility, Enea strategic goals in that respect and their implementation • lectures and participation in industry events and events dedicated to corporate social responsibility • CSR report
Non-governmental organizations, beneficiaries, social partners, scientific institutions	<ul style="list-style-type: none"> • new website www.enea.pl • application form for beneficiaries • direct contact • dialogue during the implementation of shared projects • CSR report

Corporate social responsibility report of Enea Capital Group 2016

Contractors and suppliers	<ul style="list-style-type: none"> • direct communication with dedicated people appointed for cooperation from the Group companies • website www.enea.pl • industry meetings, trade fairs • annual report • CSR report
Industry organizations	<ul style="list-style-type: none"> • meetings • trade fairs • membership in organizations • participation in working groups, authorities of industry organizations • annual report • CSR report
Media	<ul style="list-style-type: none"> • press office and current communication • contact by the dedicated e-mail • new website www.enea.pl • meetings with media • press conferences • CSR report
Public administration	<ul style="list-style-type: none"> • reports • annual report • CSR report • direct communication • conferences
Natural environment	<ul style="list-style-type: none"> • communication of environmental impact through statements and reports sent to government entities dedicated to environment protection • CSR Report

B. Membership in organizations

G4-16

Enea Group companies also belong to the following organizations:

- EDSO for Smart Grids
- Polish District Heating Chamber of Commerce
- Polish Chamber of Power Industry and Environmental Protection
- Chamber of Commerce of North Wielkopolska
- Chamber of Commerce and Industry of Radom
- Partner Club of the Poznań University of Economics
- Polish Testing Laboratories POLLAB
- Lubuskie Association for Energy Development
- Polish Electricity Association
- Polish Committee of the World Energy Council
- Polish Association of Professional Heat and Power Plants
- Polish Society of Transmission and Distribution of Electricity
- Association of Listed Companies
- Association of Polish Electrical Engineers
- Polish Association for Hydropower
- Economic Society Polish Power Plants
- Association of Energy Trading
- Wielkopolska Chamber of Commerce and Industry
- Association of Heating Employers

C. Suppliers

G-12

Our suppliers

Good relations with a group of reliable suppliers is a prerequisite for effective performance on Enea Capital Group scale. Each of our companies works with hundreds of suppliers every day. Efficient coordination of these contacts is the task of Enea Centrum, which manages the purchases of our entire Group.

Proceedings concerning the supply of electrical goods and equipment for the needs of Group companies and external customers in the field of power engineering are within the scope of Enea Logistyka responsibilities. On the other hand, contacts and relations with suppliers after the process of their selection are led by individual companies.

Among our suppliers are: generators, traders and wholesalers.

Demand for the supply of raw materials, materials, products and services is differentiated in particular areas of our business. Here are the main ones:

Suppliers for the generation area

- The primary fuel used for electricity generation in the System Power Plant Segment is hard coal. Hence, suppliers to this Segment in 2016 were:
 - LW Bogdanka - about 74% (the main supplier of our Group)
 - Katowicki Holding Węglowy - about 12%
 - Polska Grupa Górnicza (earlier: Kompania Węglowa) - about 7%
 - Jastrzębska Spółka Węglowa - about 7%
- The primary fuel used in the Heat Segment in Enea Wytwarzanie (Białystok Thermal Power Plant) is biomass, mainly in the form of forest chips, energy willow chips and sunflower husk pellets.
The amount of delivered biomass amounted to 427,845.34 tons in 2016 and deliveries were made by 13 entities. Approximately 33% of the biomass was delivered to Heat Segment - Enea Wytwarzanie by rail.
- On the other hand, coal supplies for the Heat Segment in 2016 came from:
 - Katowicki Holding Węglowy SA - about 71%

- Jastrzębska Spółka Węglowa SA - about 25%
- Polska Grupa Górnicza (earlier: Kompania Węglowa SA) - about 4%

Enea Wytwarzanie also buys raw materials: hard coal, magnesite (for flue gas desulphurization), sodium sulfite, sodium phosphate, sodium hydroxide, hydrochloric acid, rock salt and Rokrysol WF2 (for the production of treated water).

- PKP Cargo - rail transport was the only transport service provider for the Wytwarzanie segment and the only means of transport used for the supply of hard coal to the Segment of System Power Plants in 2016. The carrier made 100% of deliveries. On the other hand, coal deliveries to the CHP Białystok were realized by: PKP Cargo SA (about 85%) and Freightliner PL Sp. z o.o. (about 15%).

Enea Wytwarzanie **purchased** such raw materials like coal, biomass, fuel oil and gas for **PLN 1 billion 246 million** in 2016

Other goods and services ordered by Group companies:

- construction services (modernization or construction of administrative buildings)
- electric power construction services (modernization and construction of the network)
- services related to the design of power networks
- services related to the IT area
- support services, such as: cleaning, maintenance,
- electrotechnical materials used in the construction and operation of the distribution network
- delivery of products such as: transformers, cables and wires, equipment for line construction
- vehicles and fuel
- equipment
- OHS equipment

Principles of co-operation with suppliers

Quality and price are the key criteria for selecting a product or service provider for companies in our Group. Rates that we offer to our clients largely depend on them. Purchases in the Group are made on the basis of provisions of law in force in Poland, such as the Public Procurement Law. In addition, the purchasing policy of our companies is governed by a number of documents:

- Purchase Process QP-7.4-01.
- Purchase Instruction QI-7.4-04.
- Regulations of contracts not subject to the PZP Act provided by a particular company - each company has such regulation adjusted to the subject of business activity
- Specification and Terms of the Order - annexed to each specific tender
- When purchasing biomass, a Proper Due Diligence System is used additionally, which is approved by the Enea Wytwarzanie Management Board.
- A list of qualified contractors used in Enea Operator, which aims, among others, to create long-term relationships with contractors and to simplify cooperation

Detailed information about the rules and current tender procedures can be found on the websites of our companies under the “Zamówienia” ("Orders") tab and [on the website](#).

Every relation with stakeholders as well as with suppliers in Enea should be transparent and ethically unambiguous. That is why our Code of Ethics and Code of Conduct provide answers as to how we work with suppliers.

In addition, our suppliers are required to apply practices consistent with the Integrated Quality, Environment and Safety Management System which is in force in Enea Wytwarzanie.

3. Clients

A. Clients and Enea products

G4-4, G4-8, G4-PR5, G4-DMA, G4-PR9

Our Clients

Enea SA is responsible for sale of electricity and gas **throughout Poland to all sectors of the economy and customer segments, starting from households to the largest manufacturing companies.** In order to provide adequate customer relationship standards, we have distinguished the following customer Groups: individual clients (households and SOHO), business clients, key clients, strategic clients and tender clients. On the other hand, Enea Operator - Distribution System Operator (DSO) is the supplier of the energy bought by Enea clients or clients of any other electricity sales company. The DSOs, in accordance with their Compliance Programs, must ensure equal treatment to customers of all sales companies. At the end of the year, we served over 2.5 million **customers**. Other Group companies that offer other products and services from area of a broadly understood power engineering have their own profiled clients, i.e. for Enea Oświeetlenie it is primarily a local, city and a municipality government unit outside of the company's historic area and other public entities acting for the general public.

Our concern consists of a group of companies and each of them has its business partners. A key customer of a part of our companies is an internal customer, i.e. belonging to Enea, such as Enea Serwis or Enea Pomiary.

We are proud of our large, each year growing, group customers for our products.

Main services and products

We generate, distribute and sell electrical and thermal energy – its Enea core business and a great responsibility at the same time. We are aware that the comfort of our customers and on a broader scale the country's energy security depends on our services.

We are still growing, as our results of 2016 prove it, compared to the previous year:

- Increase of new clients by 23 thousand.

- Increase of generated electricity by 425 GWh. In January-December 2016, the Group generated 13.6 TWh of electricity (an increase of 3.2% y/y), of which 13.0 TWh came from conventional sources (an increase by 6.0% y/y)
- Increase of gross heat generation by 188 TJ
- Sales of distribution services to end users amounted to 18.7 TWh, and increased by 4.5%
- Enea SA increased its volume of electricity and gas sales to retail customers by 951 GWh and 5.6% y/y.
- Sales of gas to business customers increased by 465 GWh (55.0% y/y)



A wide offer is our advantage. We put a lot of effort into finding the best offer for household or a company in the Enea Group. We have created attractive products to meet the needs of different customers thanks to additional benefits.

Enea main offer in 2016:

- Offer for households:
 - Energy + Professional
 - Energy + Health
 - Energy + Photovoltaics
 - Energy + Economical house
 - Energy + Fixed Price

• Offer for small and medium businesses:

- Energy + Fixed price
- Energy + Always cheaper
- Offer for large companies
- Energy + Index
- ENERGY + Professional
- Dual Fuel

Detailed descriptions of the above offers may be found on our website:

[„Dla domu” \("For home"\) tab](#)

[„Dla firmy” \("For company"\) tab](#)

Efficient power supply network

Enea Operator company is responsible for electricity distribution and operates in an area of approximately 58,213 km². It provides access to electricity to the citizens of six voivodships: Wielkopolska, Zachodniopomorskie, Kujawsko-Pomorskie, Lubuskie and part of Dolnośląskie and Pomorskie. This is an important task that can only be accomplished with an efficient and secure network.

We have power lines of over 121 301 km (including connections) and 37 629 power stations (as of 31 December 2016). We take care of the reliability of this network by investing in its repairs and, above all, modernization. It is worth mentioning that Enea Operator made investments in the amount of PLN 914 295.6 thousand in 2016. Enea Operator invested in the network, infrastructure to support business, and IT. We don't stop in this type of investments, because efficient, modern and extensive network is one of the conditions to meet the expectations of our customers and our contribution to the country's energy security.

We're proud that our indexes of breaks in electricity supply improved compared to 2015 and were as follows:

Item:	2015	2016
SAIDI scheduled and unplanned breaks including breaks following disasters (HV, MV) [minutes]	434.07	244.44

SAIFI scheduled and unplanned breaks including breaks following disasters (HV, MV) [pcs.]	5.5	3.85
Number of clients	2 487 023	2 520 175

SAIDI is an average index of systemic long and very long break in electricity supply, determined in minutes per customer.

SAIFI is an average index of systemic frequency of long and very long break in electricity supply.

In the distribution area, indicators that are significant for our clients have improved significantly in 2016:

- SAIDI by 44% y/y
- SAIFI by 30% y/y

One of our goals until 2025 is SAIDI/SAIFI index at 144 min/1.69.

Compliance with law

G4-PR9

No penalties were imposed on our Group companies in 2016 for the incompliance with law and regulations related with the delivery and use of products and services. We only provided clients with discounts of PLN 310,596. Discounts were mainly related with the quality parameters of electricity and client service standards.

Our priorities

We believe that in Enea we are and we should develop for our clients. The strength of the Enea Group is growing with the increased satisfaction of our customers, and it is for them that we wish to be even more modern and invariably innovative company. The most important for us is:

- Building long-term relations with customers and positive experiences in relations with committed and motivated employees.
- Effective offering of products and services tailored to clients' expectations.
- Launching and developing remote (digital and traditional) sales and client service channels.
- Visualization and optimization of Client Service Centers to provide customers with modern, functional offices to meet their needs.

- Continuous improvement and processes automation for better and easier service
- Development of the Enea Operator connection portal

We completed the following activities for our clients in 2016:

In the area of retail sales:

- Launching the Customer Loyalty Programme (Purchase Zone)
- Introduction of new products into the product range for households, e.g. ENERGY+ Photovoltaics and ENERGY+ Professional
- Widening of the gas product range and implementation of new products for business Customers: ENERGY+ Index and ENERGY+ Professional
- Customer service quality and satisfaction survey

In the area of customer service:

- Completion of a migration process of Customer data to the central billing system - CCSS-T, CCSS-D
- Launching an Electronic Customer Service Centre for all customers
- Opening a modernised monumental office building with a Customer Service Centre in the centre of Szczecin
- Modernisation of Customer Service Centres in Inowrocław, Nowa Sól, Piła, Stargard, Szmotuły and Zielona Góra
- Launching new services for all Enea CG Companies on Enea Group's on-line service
- The execution of the purchase process of the multi-channel contact centre platform, which will allow for accessing new contact channels by customers

Plans for Customers

We will continue the majority of our projects in 2017 that we've undertaken in the past year. As far as initiatives are concerned we shall continue those that improve customer comfort and provide even better service, among others, we plan to:

- Implement a new analytical system supporting the forecasting and management of the purchase and sales portfolio
- Introducing new products for households and business clients
- Customer Satisfaction and Customer Service Monitoring
- Promotion of new communications and service tools

- Increase of the scope of service provided through remote contact channels, i.e. increase of the list of issues performed for the client during the first contact
- Implementation of a new, multichannel contact center platform, which will provide customers with new contact channels
- Development of new concepts for the operation of customer service areas and settlements

Innovations and modern solutions for customers

We believe that in relation with the customers one has to constantly strive to improve - it is our duty in return for the trust they give us. Here are some examples of activities that are performed especially for the client:

- Enea Operator consistently strengthens security of electricity supply in north-western Poland. Innovative technology was introduced in the second quarter of 2016 to automatically detect faults and reduce their range to the point of occurrence. Application of this solution was possible thanks to the company launching another functionality - the SCADA (Supervisory Control and Data Acquisition) dispatcher system, FDIR (Fault Detection, Isolation and Restoration) module, which can "bypass" a damaged fragment of the network.
- In addition, Enea Operator provided a new functionality on its website allowing customers to obtain information on failures in their area of interest, or to cancel scheduled power cuts. A special tab is available at www.operator.enea.pl, which will be available in the event of extensive power failures.
- Also for our clients, our distribution company launched the Connection Portal. The new platform is an electronic, connection Client Service Centre.
- Together with the National Center for Nuclear Research, the Warsaw University of Technology, Energa, PGE and Tauron Polska Energia, we signed a letter of intent for joint development, promotion and propagation of electromobility in Poland and the development of industry related to this area. Combining the forces of the power sector and the scientific community is a chance for new innovative services and products that meet the growing expectations of our customers. One of the aims of the project is to promote the use of electric cars.

Customer Opinion

G4-PR5, G4-27

We regularly conduct customer satisfaction surveys in our companies. They are a valuable source of information and a guide for planning activities in the cooperation with clients area.

We conducted the **"Customer satisfaction survey of Enea SA against competition"** at the turn of 2016 and 2017. The study was performed by a research agency. Its purpose was to determine the level of satisfaction with cooperation with Enea in all customer groups - both individual and business. For the analysis to be complete, the customers of our market competitors were likewise examined in the same way. Over 1,950 Enea clients and nearly 1 050 Clients of other companies in the industry participated in the survey.

The customer satisfaction index (CSI) was 76.52 in the study for Enea. This is a result by 8.69 higher from the last year's survey. Enea assumes continuation and cyclical annual testing of this customer satisfaction index.

A professional research agency completed the **"Mystery Client"** study in Enea in 2016. The study included audits at Client Service Centers, hotlines, and quality assurance via email. Two key objectives of the study were: to examine quality of client service standards in sales channels and to examine the sales competence of Enea employees. In order to provide background an analogous audit of competing companies was also made.

The survey was completed with an overall score of 66.6%, which means that Enea client service standards were fulfilled at 66.6%, with each channel achieving the following results:

- Customer Service Centre 64.6%
- Infoline 71.6%
- E-mail 76.2%

We plan to continue the cyclical research of the "Mystery Client".

Also Enea Operator participated in the project: **"Customer Satisfaction Survey of Power Distribution System Operators (OSD)"** in 2016, in which five main Distributor Operators in Poland took part. The research concerned DSO clients who completed one of the processes: network connection, Infoline contact, visit of an electrician, or complaint in 2016. In total, 13,541 interviews with clients of all OSDs were conducted. The level of satisfaction with the five-step scale was as follows: connection → 3.94, Infoline → 3.97, electrician → 4.44 and complaint → 3.06.

Recommendations indicated the complaint process as a priority for improvement, highlighted the need to inform about the operating principles and deadlines in each process. It was suggested that the communication with customers should include advantages i.e. image of a strong company, giving a sense of security.

Enea Oświetlenie also conducted a **customer satisfaction survey** in 2016, which primarily focused on satisfaction with the use of lighting - the main product of the company. The surveyed respondents were representatives of the municipal offices for whom the company provided services, in total 35 entities. Satisfaction of customers in the field of lighting use is 69.7%, which indicates an increase of about 17% compared to 2015.

The annual "**Customer satisfaction survey**" was conducted also at **Enea Pomiary**. The results of the survey indicated an improvement (compared to the previous year) of the quality of services provided by the company.

Data security of our customers

We're obliged to protect clients' data according to the law that we strictly obey. Due to the importance of this issue, we established a policy in this regard, as well as a number of regulations that help us to effectively handle data security of our clients. Examples of regulations binding in Enea :

- "Enea Group Security Policy"
- "Security rules within processing of personal data in the Enea Group"
- "Instruction of IT system management which processes personal data in the Enea Group"
- "Rules of information processing in the Enea Group"
- "IT security rules in the Enea Group"
- There is a record guaranteeing protection of customer data in each contract for the sale of energy or other products

G4-PR8

Despite of the accumulation of data migration of Enea customers to the central billing system in most locations in the first quarter of 2016, problems with the data were incidental. Only two clients of Enea SA filed a complaint regarding the receipt of other customers' information in the e-mail correspondence. The cause of the error was the failure of the contact center platform. In addition, there was one violation of Enea Operator privacy with no data loss reported.

B. Service Quality

"Enea constantly delivers high quality products and services ahead of our customers' expectations", says Enea's mission statement. We recognize issues that are important to our customers, hence we set goals for relations with the clients in our new strategy implemented in 2016.

Client service standards

"Enea Group Code" is the basic document that is a kind of a bible of our principles, including those that govern ethical and legal standards in our relations with clients. It is complemented by a detailed "Enea Group Compliance Policy". In order to make the rules of contact with Enea clients precise, clear and systematized we established the following documents specifying our standards:

- "Implementation standards related to the sales process and customer service of Enea SA by the organizational units of Enea SA and Enea Centrum Sp. z o.o. "
- " Enea SA sales standards for business customers"
- " Enea Operator Sp. z o.o. customer service standards by Enea Centrum Sp. z o.o."
- "Standards for customer service in contact centre"
- " Standards for customer service in customer service centres"
- "Standard of working in the office of customer service support"
- "Standard of working in the office for settlements"
- "Standard of customer e-mail correspondence service in the Enea Centrum contact centre "

In addition, Enea Logistyka applied the "Authorized Quality Management System".

"Rules for giving and accepting gifts" is a document that is binding in our Group from 2016. The regulation introduces a coherent approach to this issue in the Group, adapting it to the applicable tax regulations. These policies refer to business relations including customer relations. Content of this regulation is available to each employee on the intranet.

Additionally, due to the specificity of relations with customers, the following regulations apply in Enea Operator:

- Procedure of client service
- Procedure for handling complaints
- Instruction of transmission and maintenance of the distribution network
- Compliance Program - Program of Providing a Non-discriminatory Treatment of the Enea Operator Sp. z o.o. Distribution System Users
- Procedures for determining the connection conditions and concluding agreement (RD) (PK1)

- Procedures for connection of micro-installations (PK2)
- Procedures for determining the connection conditions and concluding agreement (Department DR, OD) (PK3)
- Procedure for monitoring of the connection agreement, its settlement and connection of the facility (PK4)
- Print request for determining connection conditions, connection agreement templates, pricelists of connection elements, and average cost of network components.
- Procedures for changing supplier
- Instruction for receiving and recording customer requests, processes of customer service and complaints of provided services
- Invoicing instructions for distribution services in Enea Operator Sp. z o.o.
- Rules of conducting inspection of measuring systems, compliance with concluded agreements and correctness of settlements by representatives of Enea Operator Sp. z o.o.
- Principles for determining the connection power when ordering by Customers contractual capacity
- Rules for collection, analysis and sharing measurement data in Enea Operator Sp. z o.o.
- Debt collection procedure at Enea Operator Sp. z o.o.
- Principles of connection of energy sources classified to the III connection group on the basis of Art. 7 sec. 9 of the Act of 10 April 1997 Energy Law (Journal of Laws of 2012, item 1059)
- Rules of debt releasing, writing off overdue and uncollectible receivables and performing revaluation write-downs of receivables
- Regulations of distribution services settlement in terms of quality fee, final fee and RES fees
- Rules for determination of power and electricity losses in entities connected to the Enea Operator Sp. z o.o. network
- Tariff for electricity distribution services
- Specimen contract for the provision of electricity distribution services to customers qualified to the V connection group (consumer and non-consumer)
- Specimen contract for the provision of electricity distribution services to customers qualified to the II, III or IV connection group
- Specimen contract for the provision of electricity distribution services to customers connected to low-voltage network, whose installations are not equipped with measuring and billing systems (consumer and non-consumer)
- Specimen contract for the provision of electricity distribution services to electricity generators in micro-installations
- Instructions for conducting research and expertise of electric meters
- Instruction of repair and legalization of electricity meters
- User manual for meter storehouses
- Instruction for receiving and issuing electrical insulation for testing / after dielectric testing

Standards and quality = excellent product and service = meeting customer needs

The Integrated Quality Management System plays an important role in maintaining the highest standards of our operations. Enea Wytwarzanie received a certificate confirming the compliance of the system with the relevant standards until 1 April 2018. This and other our certificates are available [here](#).

Provision of a high quality product is a first condition of customer satisfaction. Hence our great care for efficient generation, increasing the generation capacity, supplying electricity and heat in a reliable, safe and environmentally friendly way.

Awards

Enea received the **Emblem of Customer Friendly Company** for the third time in November 2016. This is a valuable distinction, because it was preceded by research on a group of nearly 900 Enea clients whose goal was to evaluate co-operation with Enea, the probability of our company's recommendation, ease of contact with us, and overall customer satisfaction with Enea co-operation. The Customer Friendly Company Index was 89%, and the surveyed areas were rated between 88% and 91%.

Certificates

G4-15

We have a **Certified Energy Seller Certificate of Energy Trading Association**.

The certification body - TÜV Rheinland Polska – confirmed in 2014 that Enea SA meets the requirements of the "Best Practices of Electricity Sellers" and is reliable in the area of sales and operates to eliminate unfair market practices.

Another positive audit took place in 2016 and resulted with the renewal of the Certificate for the next 2 years.

Our companies also received other certificates listed [here](#).

Availability and friendly service

We are aware that the satisfaction of our clients depends on the reliability of all Enea employees. The task of the improvement of contact management process within the entire Capital Group was entrusted to Enea Centrum.

Our goal is to constantly improve service standards to meet our customers' needs. We wish to achieve this by:

- Development of communication channels with the customer to improve service efficiency

- Process automation, development of available on-line tools that support client service, and implementation of new solutions in response to changing trends of on-line services.
- Simplifying and adjusting the rules of contact with customers to the most friendly and clear

We also implemented a modern billing system and a system for customer relations management (CRM).

Client Service Centres

We're for our clients in **31 modern, comfortable Client Service Centres**.

We worked to improve our offices in 2016, adapting them to the needs of our clients. We installed queuing channelling system in all facilities, arranged baby corners and places for the elderly. We made every effort to make the offices look friendly and in line with adopted by us design and standards.

Electronic Client Service Centre

We completed implementation of a modern system of electronic Customer Service Centre (e-CSC) in the first quarter of 2016, which is available to all our customers. The solution is designed for both: households and companies.

The main advantage of having an on-line account is the ability to handle issues related with the co-operation with Enea without leaving home 24 hours a day, 7 days a week. We respect our customers and their time, hence the created tool works wherever our customer needs it. All you have to do is access the Internet and our multi-purpose office is available to you.

Introduction of all customer data to the on-line Client Service Centre was a large and successful project. We are happy that our customers have been already enjoying it for more than a year. Our customer satisfaction surveys, mentioned above, prove that clients are satisfied.

Advantages of e-CSC for the clients:

- Starting eCSC functionality, allows customers to:
 - make payments for energy online,
 - purchase codes for prepayment meters,
 - check the current balance of payments,
- The launch of the e-Invoice service and direct debits,

- The possibility to purchase codes for prepayment meters and to pay energy invoices in the hundreds of network Via Moje Rachunki points (grocery stores, gas stations),
- The possibility of receiving a summary invoice,
- Free transfers from several thousand of bank branches throughout the country.

We're still working, for the convenience of our clients, on expanding of the electronic Customer Service Centre with new features. We wish the customer to have access to our offer through this channel so that it is possible to order products or go to the Purchase Zone. We strive to make as many technical improvements as possible to facilitate the use of eCSC. We widely promote and encourage you to use our electronic office.

[See how you can save time with Enea e-CSC.](#)

The www.enea.pl website is an important channel of communication with the customers.

We worked on a new visualization of our site in 2016. This made our website site easy to navigate, and compatible with all types of devices (PC, phone, tablet). The site provides detailed information on our service packages, introduced changes and information of how to handle individual energy related issues. In addition, the customer has the opportunity to fill in the contact form to receive necessary information. We improved our website in 2016 through:

- creation of a comfortable and clear sales service “for home” and “for company”.
- friendly and visually attractive way of presenting the product offer and bonuses
- redesigning contact ordering for more convenient and more visible for the customer

At the same time, our [contact centre](#) is at the disposal of our clients. It is a modern, based on the latest teleinformatic solutions, secure telephone customer service platform. Through the contact center our clients may also receive information without contacting the consultant. At the same time it is possible to order a call when the line is busy.

In addition, Enea Operator provides customers with 24 hour a day hotline for power emergency.

991 open around the clock information number on breakdowns and interruptions in power supply.

[Customer Service Consultant](#) is also a kind of contact with Enea, dedicated to key and strategic business customers.

We are in the process of preparing to launch [chat](#) that will create the opportunity to directly ask questions from the website and get immediate answers.

ENERGIA+

The content and functionality of the platform, previously available at www.energiaplus.pl , was incorporated into our company's website enea.pl in 2016. We care to provide our customers with a wide range of services. We create offers tailored to the preferences of our clients. As a result, the customer receives from us a high quality product that is tailor-made to suit expectations, because it contains the most important value for a particular customer. Individual customers may conclude comprehensive agreements via the Internet with a guaranteed, fixed price for energy and additional benefits. This is the main principle of ENERGY +, hence the very successful offers: ENERGY + Health, ENERGY + Professional and many others. Take a look and read how we respond to the needs of [individual](#) and [business](#) clients.

C. Education

Enea expert

We are willing to share our knowledge by taking advantage of many best professionals in our profession. We organize and participate in conferences and other industry meetings:

- **We were the host of the International Congress of Science and Industry Energia21.**, which took place in Poznań on 10-11 May in 2016. The event is considered one of the most important energy conferences in Poland. Participants raised problems in the panels faced by the industry every day. Speakers discussed the future of coal, energy storage, e-mobility and e-utility. They also dealt with climate policy and strategies for constructing innovative products and services.
- The Energy Congress21 was held under the Energy Future Week and the parallel energy trade fair Green Power and Expo Power. Our company once again presented itself in one of the pavilions of the Poznań Fair.
- We were co-organizers of the **"Future with energy, energy with the future"** competition, which was accompanied by Energi@21 congress. The project of two students from the Poznań University of Life Sciences is an innovative way of producing energy from hydrogen and biogas in modern dairies. There were 39 participants competing. Students from different universities from all over the country presented scientific papers according to their own ideas. Evaluation of the work was based on the usefulness of the proposed solutions, as well as innovation, creativity and the fastest possible implementation time. As a result, the jury awarded first and second prizes and three awards. Winners received cash prizes.
- During the **"More Lights" Fair** organized in Kołobrzeg in June 2016 we presented a full comprehensive service. Under this panel, we educated local government representatives in the context of current and emerging energy solutions introduced to the market.
- Modern carbon technologies were the subject of the first meeting organized within the **Enea Wytwarzanie Technical Days**. Energy experts and industry representatives discussed coal gasification and liquefaction at the beginning of May in Warsaw.

- During the **Economic Forum in Krynica** in September, partner of which was Enea, participated more than 3,000 people from over 50 countries. The forum consisted of more than 180 discussion panels, lectures and debates. Polish and European politicians, officials, entrepreneurs and economists were among special guests.
During Forum Enea and Polski Holding Nieruchomości established cooperation as far as sale of electricity is concerned. Energy shall be transferred to more than 500 collection points located on the properties belonging to the Polski Holding Nieruchomości for over 3 years, i.e. until 31 December 2019. Thanks to the established co-operation Polski Holding Nieruchomości will save on purchased electricity and Enea shall gain a large and stable client.
- The **Eco Energy Summit**, organized in Rzeszów in October, is one of the most important economic events involving opinion leaders, representatives of the central administration and self-governments, as well as a wide range of specialists and executives of the most significant energy companies. Congress was held under the slogan "Safety first and foremost - Polish power industry at the stage of transformation", which was an opportunity not only for discussing present but also future challenges but most of all future changes in the energy sector.
- **3rd National Energy Law Competition** was held for students and graduates up to the age of 27 in Poznań on 16 April 2016. The **National Conference on Energy Law** was held on the day before the Final Gala of the competition and was entitled "**Legal regulations on renewable energy sources in Poland and in Germany**".
- Enea was a partner of the **Warsaw Academy of Energy** and the **New Energy Forum** for the third time already. The event was organized by the Lesław Paga Foundation. This is an annual educational project aimed at those who see their future in the energy industry. The aim of the project is to create a knowledge sharing platform between experienced energy industry practitioners and people starting their career in the industry. Enea representative ran workshops for students on innovation in power industry. Students and graduates of such directions like economics, law, finance and technical universities who were under the age of 27 took part in the Forum.
- Enea was the main partner of the **Forum for Freedom and Development**, during which the most important assumptions of the "Strategy for Poland" were presented. During the Forum, 12 thematic panels were held, with the participants formulating more than 30 substantive conclusions, which were communicated to representatives of the government and other authorities.
- Enea together with Enea Trading became a strategic partner of the "**Modeling the energy market**" competition for the **President of the Enea Management Board Award** organized by Poznań University of Economics (UE) and the Adam Mickiewicz (UAM) University in Poznań for students of the Faculty of Informatics and Electronic Economy of the EU and the Faculty of Mathematics and Computer Science of the Adam Mickiewicz

University. The aim of the competition was to popularize the issue of the energy market functioning and to familiarize students with the specifics of the analyst's work in this area. The award ceremony took place at the EU headquarters in April 2017.

- Enea was a partner of the 25th edition of the **EuroPOWER Energy Conference** - one of the most important events in the energy sector in Poland. The conference discussed the most important changes taking place in the industry right now, thus responding to the challenges posed by the Polish energy sector. EuroPOWER has become a platform for dialogue and, above all, a place for public consultation of government representatives with all industry representatives and co-operating sectors.
- We took part in the **XIII Congress of the New Industry 2016 - Energetics, gas, fuel** in Warsaw, one of the most important economic events in our country, devoted to the strategic changes taking place in the Polish energy sector. During the Congress, NEW IMPULSE awards were granted. 80 panelists took part in the event, 10 thematic sessions took place, 800 guests participated.
- Enea was a partner of **KONGRES 590** - a forum for the exchange of ideas and experiences of Polish specialists from the business, science, policy and legislation area. The name of the event derives from the bar code prefix, which is placed on the goods produced or distributed by Polish companies.
- Enea Wytwarzanie was also one of the partners of the **2nd Technical Conference "Maintenance - management, efficiency and renovation"** in Katowice.

Our Prosumer Client

One of our offers is definitely educational and customer-conscious. We prepared a new Energy + Photovoltaic package. Photovoltaic panels are used to directly convert solar energy into electricity. By using them, the customer gets his own source of energy, constantly using our services and professional advice - he becomes Prosumer.

Energy + Photovoltaics includes location audit (professionals analyze site technical conditions at no additional cost), photovoltaic installation, support for financing and full service, including post-warranty. Professionals also calculate the rate of return of this solar investment for customers. Currently the offer is addressed to customers from the Enea distribution area. Details of the offer are available at the [website \[www.enea.pl/fotowoltaika\]](http://www.enea.pl/fotowoltaika).

We warn against fraud

We took part in the campaign organized by the Association of Energy Trading as part of the second edition of nationwide information and education campaign warning against dishonest energy sellers in 2016. The project was addressed to clients of the 60+ age group, and supplemental to clients of the above 30 years age. The campaign was conducted with the participation of all companies in the industry. Patronage over the action was taken by the Energy Regulatory Office and the Consumer Federation.

Slogan from the previous edition: "Choose wisely" was supplemented with the message: "Don't guess - check who is selling energy to you".

The campaign was carried out throughout Poland from 14 November 2016 to 31 December 2016 in four communication channels - press, radio, internet and outdoor. In the spirit of this campaign, we run our own activities - we warn Enea's customers against fraudulent practices and encourage careful consideration of all contracts and offers.

We take care of safety

Enea Operator launched information campaign related with the security in the vicinity of energy infrastructure. "We take care of your safety. You also should care about it! ". Police, Fire Brigade and PTPIREE - a professional association of energy operators are partners of the action. The idea behind the campaign is to educate both children and adults how to act and what to avoid in the vicinity of energy infrastructure. For the needs of the action, four animated educational spots, competitions for pupils and safety demonstrations by Enea volunteers were held. Details of the action are available at the [website](#).

[See the inauguration of the information campaign.](#)

Other forms of contact with the client and education

Our companies, through various communication channels, not only expand our customers' knowledge of our products and services but also educate them about energy security, innovation in our industry, and inform about events organized by Enea. We contact clients through:

- individual conversations with our specialists, i.e. MPEC Bialystok employees provide clients with information on how to minimize their energy consumption or how to heat their homes
- local and industry press

Corporate social responsibility report of Enea Capital Group 2016

- information leaflets, magazines, spots
- product training
- trade fairs and other business meetings in which we participate
- ENERGIA+ profile on Facebook (@EneaEnergiaPlus)

4. Employees

A. Employment scale

We employ almost 15,700 people in the Enea Group which makes us one of the largest employers in the region of our operations. We are responsible for our employees, so we're especially concerned about their health and creating safe working places. We care that people working for us develop for their own benefit and for the whole Group. Enea fulfills the legal obligations of the employer but also offers a number of privileges and benefits. In this way we wish to take care of the well-being of our employees and appreciate the role they play in the creation of our Group.

G4-DMA.

How the organization manages the "Employment" Aspect.

Rules at the workplace

Rules of working in individual companies are governed by the Labour Code and internal documents, which include:

- Code of Values of the Enea Capital Group
- Code of Ethics of ENEA Capital Group
- Multi-company Collective Bargaining Agreement
- Collective Bargaining Agreement
- Labour Code
- Organizational Regulations of the company
- Terms of remuneration of employees of the Company

Co-operation with trade unions

G4-11

In each of our companies trade union organizations operate, therefore there are collective agreements binding in the Group.

Table 1. Percentage of employees covered by collective bargaining agreements in 2016 and trade unions in which the Group's employees were associated in 2016.

G4-10, G4-LA1

Enea Group Company	Percentage of employees covered by collective bargaining agreements in 2016	Trade unions that associate the company's employees
Enea Oświetlenie sp. z o.o.	100%	Inter-enterprise Employee Organization of Enea Capital Group NSZZ Solidarity Enea Inter-enterprise Organization Inter-enterprise Trade Union of Power Engineers and Technicians "Synergia" Inter-enterprise Trade Union
Enea Trading sp. z o.o.	52.38%	Inter-enterprise Trade Union of Power Engineers in Enea Wytwarzanie Sp. z o. o ZOZ Inter-enterprise Trade Union of Power Engineers in Enea Trading Sp. z o.o "Synergia" Inter-enterprise Trade Union of Enea Capital Group Employees NSZZ Solidarity Enea Inter-enterprise Organization
Enea Wytwarzanie sp. z o.o.	99.7%	Independent Self-Governing Trade Union "Solidarity" Organization in Enea Wytwarzanie Sp. z o.o. Inter-enterprise Trade Union of Power Engineers in Enea Wytwarzanie Sp. z o.o. Trade Union of Shift Employees in ENEA Wytwarzanie Sp. z o.o.
Miejska Energetyka Ciepła Piła Sp. z o.o.	0%	Inter-enterprise Trade Union of Power Engineers in Enea Wytwarzanie Sp. z o. o and MEC Piła Sp. z o.o.
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	99.61%	NSZZ Solidarity Enea Inter-enterprise Organization Inter-enterprise Trade Union of Heat Engineers
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	no data	no data
Przedsiębiorstwo Energetyki	95.28%	MOZ „Solidarity”

Ciepłej „Zachód” sp. z o. o. in Białystok		MOZ „Heat Engineer”
Enea Centrum sp. z o.o.	100%	Inter-enterprise Trade Union of Power Engineers in Enea Wytwarzanie Sp. z o.o. Kadra' Inter-enterprise Trade Union of Enea Capital Group Employees NSZZ Solidarity Enea Inter-enterprise Organization Inter-enterprise Employee Organization of Enea Capital Group Inter-enterprise Trade Union of Power Engineers and Technicians at Enea S.A. "Synergia" Inter-enterprise Trade Union of Enea Capital Group Employees
Enea SA	100%	NSZZ Solidarity Enea Inter-enterprise Organization Inter-enterprise Employee Organization of Enea Capital Group Trade Union of Engineers and Technicians – Inter-enterprise Trade Organization in Enea SA "Synergia" Inter-enterprise Trade Union of Enea Capital Group Employees
Enea Pomiary sp. z o.o.	100%	NSZZ Solidarity Inter-enterprise Organization
Enea Operator sp. z o.o.	100%	Enea NSZZ Solidarity Enea Inter-enterprise Organization Inter-enterprise Trade Union of Continuous Maintenance Employees of Enea SA Energy Group Trade Union of Engineers and Technicians – Inter-enterprise Trade Organization in Enea SA Kadra' Inter-enterprise Trade Union of Enea SA Energy Group Employees Inter-enterprise Employee Organization of Enea Capital Group
Enea Serwis sp. z o.o.	100%	Inter-enterprise Employee Organization of Enea Capital Group "Synergia" Inter-enterprise Trade Union NSZZ Solidarity Enea Inter-enterprise Organization Kadra' Inter-enterprise Trade Union of Enea Capital Group Employees Inter-enterprise Trade Union of Continuous Maintenance Employees
Enea Logistyka sp. z o.o.	100%	ZSZ "Solidarity" National Trade Union of Heat Engineers - Inter-enterprise Trade Union Organization in Białystok

Table 2. Number of employees employed on a contract of employment by gender in 2016 (as at 31 December 2016).

Company	Total number of employees	No. of women	No. of men
Enea Oświetlenie sp. z o.o.	124	29	95
Enea Trading sp. z o.o.	84	34	50
Enea Wytwarzanie sp. z o.o.	2269	291	1978
Miejska Energetyka Ciepła Piła Sp. z o.o.	130	21	109
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	252	42	210
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	32	3	29
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	127	5	122
Enea Centrum sp. z o.o.	1320	971	349
Enea SA	313	169	144
Enea Pomiary sp. z o.o.	169	44	125
Enea Operator sp. z o.o.	4264	534	3730
Enea Serwis sp. z o.o.	567	78	489
Enea Logistyka sp. z o.o.	168	34	134

Table 3. Number of employees employed on a contract of employment broken down into posts and gender (as at 31 December 2016).

Company	Top management		Directors		Middle level managers		Operational employees		Office personnel	
	No. of women	No. of men	No. of women	No. of men	No. of women	No. of men	No. of women	No. of men	No. of women	No. of men
Enea Oświetlenie sp. z o.o.	0	0	0	2	3	17	0	40	26	36
Enea Trading sp. z o.o.	0	0	0	5	6	8	0	0	28	37
Enea Wytwarzanie sp. z o.o.	0	1	0	11	19	108	103	1494	169	364
Miejska Energetyka Ciepła Piła sp. z o.o.	0	0	0	2	1	5	8	80	12	22
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	0	0	0	3	10	11	0	154	32	42
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	0	0	1	0	0	0	0	25	2	4
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	0	0	0	0	0	3	1	120	1	2
Enea Centrum sp. z o.o.	0	0	11	8	48	38	0	0	912	303
Enea SA	0	0	6	11	19	32	0	0	144	101
Enea Pomiary sp. z	0	0	0	3	4	11	29	108	11	3

o.o.										
Enea Operator sp. z o.o.	0	0	6	41	44	302	20	2064	464	1323
Enea Serwis sp. z o.o.	1	0	1	14	6	72	22	316	49	86
Enea Logistyka sp. z o.o.	0	0	2	7	8	22	15	94	9	11

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Table 4. Number of employees employed on a contract of employment broken down by type of employment contract in 2016 (as at 31 December 2016).

Company	Total number of employees employed on a contract of employment	Number of employees in division to type of employment contract			Number of employees in division to working time	
		Trial	Fixed-term	Indefinite	Full time	Part time
Enea Oświetlenie sp. z o.o.	124	0	13	111	124	0
Enea Trading sp. z o.o.	84	0	8	76	83	1
Enea Wytwarzanie sp. z o.o.	2269	2	301	1966	7	2262
Miejska Energetyka Ciepła Piła sp. z o.o.	130	0	6	124	130	0
Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Białystok	252	3	0	249	252	0
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	32	0	4	28	32	0

Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o. o. in Białystok	127	0	0	127	127	0
Enea Centrum sp. z o.o.	1320	0	126	1194	1307	13
Enea SA	313	0	36	277	305	8
Enea Pomiary sp. z o.o.	169	0	0	169	167	2
Enea Operator sp. z o.o.	4264	0	121	4143	4253	11
Enea Serwis sp. z o.o.	567	18	50	499	549	18
Enea Logistyka sp. z o.o.	168	3	9	156	167	1

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Table 5. Number of employees employed on a contract of employment and under civil-law in 2016 (as at 31 December 2016.)

Company	Number of employees employed on a contract of employment	Number of employees employed under civil-law agreement
Enea Oświetlenie sp. z o.o.	124	9 (including 7 managerial contracts)
Enea Trading sp. z o.o.	84	6 (including 2 managerial contracts)
Enea Wytwarzanie sp. z o.o.	2269	26 (including 12 managerial contracts)
Miejska Energetyka Ciepła Piła sp. z o.o.	130	0
Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Białystok	252	8

Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	32	0
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	127	1
Enea Centrum sp. z o.o.	1320	33 (including 3 managerial contracts)
Enea SA	313	13 (including 4 managerial contracts)
Enea Operator sp. z o.o.	4264	27 (including 4 managerial contracts)
Enea Pomiary sp. z o.o.	169	1
Enea Serwis sp. z o.o.	567	29 (including 7 managerial contracts)
Enea Logistyka sp. z o.o.	168	7

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Table 6. Number of employee leaves and churn broken down by gender in 2016

Company	Total number of leaves	Churn of all employees	No.of women leaves	Women churn	No.of men leaves	Men churn
Enea Oświetlenie sp. z o.o.	4	3.23%	0	0%	4	3.23%
Enea Trading sp. z o.o.	12	14.28%	5	5.95%	7	8.33%
Enea Wytwarzanie sp. z o.o.	139	6.12%	20	0.88%	119	5.24%
Miejska Energetyka Ciepła Piła sp. z o.o.	1	0.77%	0	0%	1	0.77%
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	9	3.57%	4	1.59%	5	1.98%

Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	2	6.25%	1	3.13%	1	3.13%
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	10	7.87%	0	0%	10	7.87%
Enea Centrum sp. z o.o.	148	11.21%	110	8.33%	38	2.88%
Enea SA	25	7.98%	14	4.47%	11	3.51%
Enea Pomiary sp. z o.o.	5	2.96%	3	1.78%	2	1.18%
Enea Operator sp. z o.o.	109	2.56%	13	0.31%	96	2.25%
Enea Serwis sp. z o.o.	34	6%	19	3.35%	15	2.65%
Enea Logistyka sp. z o.o.	11	6.55%	4	2.38%	7	4.17%

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Table 7. Number of employee leaves and churn broken down by age in 2016

Company	Employees leaves till 29 years old	Churn of employees below 30 years old	Employees leaves from 30 till 50 years old	Churn of employees from 30 till 50 years old	Employees leaves above 50 years old	Churn of employees above 50 years old
Enea Oświetlenie sp. z o.o.	0	0%	1	0.81%	3	2.42%
Enea Trading sp. z o.o.	4	4.76%	8	9.52%	0	0%
Enea Wytwarzanie sp. z o.o.	6	0.26%	23	1.01%	110	4.85%
Miejska Energetyka Ciepła Piła sp. z o.o.	1	0.77%	0	0%	0%	0%

Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	11	4.37%	2	0.79%	6	2.38%
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	0	0%	1	3.13%	1	3.13%
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	0	0%	0	0%	10	7.87%
Enea Centrum sp. z o.o.	18	1.36%	82	6.21%	48	3.64%
Enea SA	7	2.24%	15	4.79%	3	0.96%
Enea Pomiary sp. z o.o.	0	0%	3	1.78%	2	1.18%
Enea Operator sp. z o.o.	10	0.25%	32	0.75%	67	1.57%
Enea Serwis sp. z o.o.	4	0.71%	14	2.47%	16	2.82%
Enea Logistyka sp. z o.o.	0	0%	6	3.57%	5	2.98%

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Table 8. Number of new employees hired, broken down by age groups and gender in 2016

Company	Number of new employees hired in 2016					
	Total	Women	Men	Age category up to 29 years of age	Age category from 30 to 50 years of age	Age category above 50 years of age
Enea Oświetlenie sp. z o.o.	7	2	5	4	3	0
Enea Trading sp. z o.o.	14	5	9	5	9	0

Enea Wytwarzanie sp. z o.o.	162	18	144	58	92	12
Miejska Energetyka Ciepła Piła sp. z o.o.	2	0	2	2	0	0
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	3	2	1	1	2	0
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	1	1	0	0	1	0
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o. o. in Białystok	5	0	5	4	0	1
Enea Centrum sp. z o.o.	173	134	39	74	89	10
Enea SA	60	35	25	14	43	3
Enea Pomiary sp. z o.o.	9	5	4	2	2	5
Enea Operator sp. z o. o.	210	53	157	117	85	8
Enea Serwis sp. z o.o.	48	10	38	29	14	5
Enea Logistyka sp. z o.o.	6	0	6	3	3	0

"0" - is the reported data, meaning that the phenomenon doesn't occur.

B. Health and safety

G4-LA6, G4-DMA

Health and safety

We conduct business activity that requires from us a special approach to health and safety at work. We're responsible for our employees and we treat this task very seriously. We operate in accordance with generally applicable regulations such as health and safety laws and regulations, but we also have a number of our internal guidelines.

Important documents and regulations relating to safety and health at work (in each of our companies the following documents are in force, some of them in a version that is adjusted to the company's profile):

- Work regulations (including detailed regulations, e.g. for safe working on electrical equipment)
- Occupational health and safety procedures
- Job instructions
- Rules and instructions for operational activities
- Operating instructions for facilities and equipment
- Fire safety procedures
- Detailed training procedures
- Occupational risk assessment and documentation (e.g. risk assessment cards for specific job positions)
- PN-N-18002:2011 – health and safety management system - general guidelines for occupational risk assessment
- Procedures defining the principles of OSH cooperation between the company and the Contractor (binding for example in Enea Operator)
- Standardization of equipment (e.g. power stations)
- Hazardous and emergency procedures

Use of the Live Work Procedure (LWP Procedure) is particularly important for the safety of Employees and their contractors in the case of Enea Operator. It is a prerequisite for cooperation to obtain a LWP Certificate, which entitles to work on equipment belonging to the company.

Each company in our Group manages occupational health and safety issues separately. Dedicated specialists who usually work in specially established for that purpose departments are responsible for those issues, e.g.:

- Enea Operator - dedicated OHS position in the company's Management Board - Vice President of the Labour Safety
- Enea Centrum - BHP team (two specialists and manager)
- Enea Logistyka - OHS specialist is assisted by the Social Labour Inspector
- Enea Oświetlenie - Office of Labour Protection, additionally assisted by the OSH Specialist on the area of Enea Branch in Szczecin,
- Enea Pomiary - Occupational risk assessment team (two specialists and inspector)
- Enea Serwis - Health and Safety Office (four specialists and manager)
- MEC Piła - employee of the Health and Safety Service supports the Company Social Labour Inspector
- MEC Białystok - Committee on Occupational Health and Safety

Occupational Health and Safety actions and initiatives

Part of our activities in the field of health and safety result primarily from the requirements of applicable law. We meet the following obligations:

- hazards identification and occupational risk assessment,
- monitoring of working conditions e.g. inspections and reviews of occupational health and safety requirements,
- corrective and preventive actions in the health and safety area (e.g. enforcement of use of personal protective equipment by employees)
- health and safety trainings, (initial, periodic, on-the-job)
- internal communication in the health and safety area
- identification and implementation of legal requirements related with occupational health and safety, (Labour Code and Rules of Procedure).

We take various initiatives in these areas. Furthermore, we try to creatively address the subject and offer our crew more than just the minimum required by law.

Let the scale and number of actions undertaken in 2016 prove that:

Trainings:

- on occupational health and safety at integration trips (PEC Zachód)
- First Aid for all our companies, e.g. in Enea Wytwarzanie further 44 employees were trained in 2016
- specialist training of employees in the field of electrical equipment exploitation (Enea Operator)
- training for physical workers and managers who, in connection with their work, are or may be exposed to asbestos dust
- "Qualified First Aid and getting a title of a rescuer" course was attended by 20 people in Enea Wytwarzanie

Workplace:

- creating ergonomic workstations by equipping employees with footrests, seats with armrests, pads helping to prevent carpal tunnel syndrome (Enea Centrum, Enea Oświetlenie)
- taking care of the workplaces: repairs, refreshing (Enea Oświetlenie)
- providing modern personal protective equipment i.e. anti-vibration gloves and dielectric hearing protectors for helmets (Enea Serwis)
- modernization of office air-conditioning (MEC Piła)
- replacement of lighting in workplaces, to those that give light which is closer to daylight (PEC Oborniki)

Purchase and modernization of security equipment and tools:

- purchase of autonomous external defibrillators AED (for three Enea Centrum locations: Szczecin, Gorzów Wielkopolski, Poznań)
- equipping the brigade of installation electricians with safety equipment, improving work safety and replacing security equipment for elevation work (Enea Oświetlenie)
- purchase of additional medicine cabinets (Enea Oświetlenie) and adding Aqua Gel that helps with burns (Enea Centrum)
- professional insect repellents given to employees working outside during increased insect activity, e.g. ticks (Enea Oświetlenie and Enea Serwis)

Health and safety education:

- distribution among employees of press articles on OSH topics (Enea Logistyka)
- Enea Serwis released the first issue of the Health and Safety information bulletin. "Occupational Health and Safety Office informs". The newsletter is published twice a month, and its purpose is to provide information on the current situation in the field of occupational safety and health. The bulletin is sent to all mailboxes of the company's employees and printed and posted on all OHS boards in regions and departments.
- distribution of posters and brochures of the National Labour Inspectorate and the Office of Technical Inspection related with safety (Enea Serwis)

Conferences, events and competitions:

- Live working conference on 29-30 September 2016 organized by Enea Operator
- employees participation in competitions promoting safety, also organizing such competitions internally
- deepening employee safety knowledge through participation in various external trainings, conferences, conventions and seminars (Enea Wytwarzanie)

Development of instruction and analysis of legal changes:

- development of a new Occupational Risk Assessment covering the specificities, issues and hazards of handling warehouses and communicating this assessment (Enea Logistyka) and developing and implementing new risk assessment cards for the 7 positions in the company (Enea Pomiary)
- introduction of new technologies during exploitation of electrical equipment - live works (Enea Operator)
- development and implementation of a reporting procedure of work accidents (Enea Pomiary)

- implementation of rules for carrying out general OSH instruction for people employed by the Temporary Employment Agency (Enea Pomiary)
- development of a list of harmful factors for medical referrals for all 574 Employees of the Company (Enea Serwis)
- continuous improvement of the "Central Registry of Incompliance" program and implementation of reported by the employees incompliances (Enea Wytwarzanie)

Control:

- There were 74 inspections carried out in in Enea Serwis in 2016 with respect to compliance with the rules and conditions of occupational health and safety at construction sites. Relevant protocols were drafted.
- Detailed inspections were carried out in 18 organizational units in Enea Wytwarzanie. 28 reports on health and safety inspection of external companies and Enea Wytwarzanie employees were drafted and 17 inspections of modernization and investment works were carried out. In addition, health and safety inspections are carried out on the construction of block 11.
- annual inspection of fire equipment and the fire alarm system (Enea Wytwarzanie)
- verification of the equipment and systems insulation (Enea Wytwarzanie)

Medical rescue in Enea

The pre-medical rescue program was a grass-roots initiative of Enea employees. We have been aware for a long time that in the event of a casualty, other employees will be the fastest and best of all. That is why, we established a program of expanded first-aid training almost seven years ago, which we provided to all employees. Trained persons receive the title of pre-medical rescue coordinators, and some of them are qualified as a medical rescuers. Our employees consider the knowledge acquired to be very important, hence they wish to share it. As a result, we included pre-medical rescue services in the Enea Employee Volunteering Program. Since 2010 we have already trained 33,000 people, spending 800 hours on our trainings.

"Practical rescue knowledge should be systematically repeated so that it may be used when needed. We see a lot of interest and involvement during the classes. Employees are well aware of the importance of first aid," stresses Wiktor Kubacki, rescue coordinator who runs the training.

Table 9. Total number of injuries and injury rate in 2016

Company	Number of injuries	Injury frequency rate*
Enea Centrum sp. z o.o.	4	3.03
Enea Logistyka sp. z o.o.	2	11.9
Enea Operator sp. z o.o.	30	7
Enea Oświetlenie sp. z o.o.	0	0
Enea Pomiary sp. z o.o.	0	0
Enea Serwis sp. z o.o.	15	26.46
Enea Trading sp. z o.o.	1	0.012
Miejska Energetyka Ciepła Piła sp. z o.o.	1	7.69
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	1	3.97
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	0	0
Enea Wytwarzanie sp. z o.o.	14	6.18
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	4	31.25

** Injury frequency rate is calculated on the basis of occupational accidents, i.e.:

$$\text{Ww injury frequency rate} = \frac{\text{number of accidents at work in a given period}}{\text{number of employees}} \times 1000.$$

"0" - is the reported data, meaning that the phenomenon doesn't occur.

Employees health

We encourage our employees to take care of their health by promoting health and disease prevention. There is a sport spirit in our Group, because it is an active lifestyle that is an ally in maintaining good condition. We support our employees through a number of initiatives, including:

- Enabling employees to use preventive medical examinations (required by law and additional, such as professors' advice, specialist examinations)
- Preventive actions for employees and their family members, e.g. human influenza vaccine, (we actively encourage them to use it under the "Flu Action") the study of tumor markers
- Employees' participation in sport events organized by the Group, e.g. Business Run
- Rental of a sports hall for trainings of a football team
- Employee participation in amateur races and football competitions

C. Support and benefits

G4-LA2, G4-DMA

Our employees have the opportunity to enjoy additional privileges and benefits. Additional benefits vary depending on the company and are the result of the employees needs and the company's possibilities.

Support of employees	Preventive care	Cheaper electricity
<ul style="list-style-type: none">• Benefits from the social fund• Housing loans• Repayable or non-repayable grants• Funding for recreation of employee and children and group tours• Support for cultural and educational activities and sports (the purchase of tickets to cinemas, theaters, sports events)• Buying Christmas and New Year packages for children under 15• Funding child care in nurseries and kindergartens• MultiSport Benefit Card, giving access to sports facilities and activities	<ul style="list-style-type: none">• Additional health provision: providing employees with medical care in the field of occupational medicine as well as - depending on the entity - providing additional medical services, the cost of which is paid by the employer• Preventive actions for employees and their family members, eg. flu vaccine, the study of tumor markers• The PZU Club "Help in Life" - membership gives employees access to healthcare, but also the "Four Seasons" drug insurance, discounts for travel insurance and special offers (e.g. shopping)	<ul style="list-style-type: none">• Privilege of a reduced payment for electricity after having worked for one year in the Enea Group• Right to a reduced payment for electricity - financing payment for electricity used for household needs in the amount not exceeding 3000 kWh

D. Trainings and education

G4-LA9, G4-DMA

We support development of employees through a training system organized by us, but we also provide grants for education outside of Enea. Training processes for our entire Group are handled by Enea Centrum (Shared Services Centre).

We carefully select profiles of trainings we offer. We pay attention to the needs of our employees, but they are also closely related to Enea's development. Our educational programs and programs:

WE COMPLEMENT AND POLISH COMPETENCES

- The Generation Change Program aims to maintain the desired competences in Enea through long-term actions and systemic solutions. We try to prevent the negative effects of economic and demographic change. One aspect of the project is the Competence Enhancement Program with planned activities such as:
 - supplementing and improving competences of the management staff through the implementation of "tailor-made" development programs
 - implementation of traineeship programs aiming at attracting candidates with the highest potential
 - development of cooperation with educational centers, vocational schools in the field of practices organization, promotion of the installation electrician profession and employment in the energy industry
 - development and implementation of scholarship programs for the most talented students in technical schools (vocational and secondary)
 - implementation of mentoring programs at workplace

The program has been implemented at the end of 2016 and will continue for another year.

- A mentoring program is operating in Enea Operator where training is provided for future mentor-masters.
- "Manager Academy" a series of training courses was organized for the Customer Service Department
- A training series on "Standards of cooperation between Enea SA and Enea Centrum" was conducted. Its main purpose was to strengthen the ability of co-operation and build a consensus between the departments responsible for the process of sales and client service. We learned the principles of customer service quality.
- The development program "HR Academy" was implemented for the management staff. The following workshops took place:
 - Work organization and creativity

- Moderating business meetings and conducting professional presentations
- Exerting influence and negotiations in business

WE CO-OPERATE WITH THE WORLD OF SCIENCE

- Enea Wytwarzanie, in cooperation with the Warsaw and Wrocław University of Technology, exploits the scientific potential and research base of these Universities, while supporting their scientific and didactic activity. This provides a free and open exchange of knowledge, views and experiences.

Under the agreements concluded with universities, cooperation is being carried out in the following areas:

- training and research (eg. organization of scientific conferences, seminars);
- promotion in the student environment (organization of educational trips for students, internships of full-time/part-time students);
- training of the technical staff of Enea Wytwarzanie Sp. z o.o. on postgraduate and doctoral studies.
- Enea Operator cooperates with the University of Zielona Góra on the implementation of the research and development project "Innovative system services for energy storage, which increase the quality and efficiency of electricity use"
- Enea Operator cooperates with the Institute of Electrical Engineering of the Poznań University of Technology and the Institute of Power Engineering in Gdańsk in the field of analytical and advisory work on reliability, safety and development of the distribution network.
- Enea Operator conducted joint work with the Institute of Logistics and Warehousing in Poznań in 2016. The cooperation concerned the implementation of innovative radio network identification (RFID)
- Enea Group participated in the Innovation Day workshop organized by the AGH Energy Center in December 2016. During the meeting AGH staff together with experts from the Enea Group discussed the future of energy and looked for common areas of cooperation within research, development and innovation projects.
- Enea was a strategic partner of the "Modeling the energy market" competition, which was organized jointly by the University of Economics in Poznań and the University of Adam Mickiewicz in Poznań. Enea Trading took care of the preparation of the competition. Teams of students fought for President Enea's award, solving the competition for the energy market. Analysis of energy prices was the competition topic. Next edition was held in 2017.
- Innovation-oriented position was created in Enea Operator - Vice-President of the Management Board for Innovation and Logistics
- Enea Wytwarzanie was one of the partners of the 2nd Technical Conference "Maintenance - management, efficiency, renovation" in Katowice

WE SUPPORT EMPLOYEES EDUCATION

- 125 Enea employees in 2016 had the opportunity to develop and continue their education at the engineering, bachelor, master's, and postgraduate studies.
- "Talent" project was created at Enea Operator. Three employees began the Master of Business Administration (MBA) within the program, twenty-eight employees took part in a dedicated postgraduate studies. "Academy of Managers", and the next five began higher education in the master's and postgraduate studies.

... AND MOREOVER:

- 54 training projects were implemented, including external training and closed projects at Enea SA - in 2016. A total of 435 employees participated in the training initiatives.
- 659 trainings were carried out at Enea Operator, including Occupational health and safety training sessions, as well as preparatory courses for acquiring qualifications, development training and support for already functioning systems
- Also at Enea Operator, as all Branch Offices and Distribution Divisions were equipped with automatic defibrillators, there were 110 training sessions for 724 employees from first aid using this equipment.

Table 10. Average number of training hours per year per employee according to the employment structure in 2016

Company	Average number of training hours per:							
	Total employees	Women	Men	Top management	Directors	Middle level managers	Operational employees	Office personnel
Enea Trading sp. z o.o.	18.95	20.94	17.6	0	41.6	26.29	0	15.51
Enea Centrum sp. z o.o.	27.81	25.55	34.08	0	64.84	40.56	0	21.25
Enea SA	25	23.67	26.56	0	12.24	11.61	0	28.67
Enea Pomiar sp. z o.o.	20.66	20.45	20.74	0	32	23.2	18.83	33.43
Enea Serwis sp. z o.o.	23.88	7.72	26.45	12	11.2	15.69	29.62	12
Enea Wytwarzanie sp. z o.o.	25.32	15.26	26.79	56	34.91	22.99	25.69	24.48
Miejska Energetyka Ciepła Piła sp. z o.o.	16.17	9.9	17.38	0	58.8	43.6	14.03	14.38
Miejskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Białystok	8,21	14,07	7,06	0	23,25	17,28	6,49	8,82
Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. in Oborniki	no data	194	40	0	0	0	0	236
Przedsiębiorstwo Energetyki Ciepłej „Zachód” sp. z o.o. in Białystok	16,61	6,6	17,02	0	0	25	16,69	14,38
Enea Oświetlenie sp. z o.o.	26,85	9,1	30,51	0	24	30,6	43,35	7,98
Enea Operator sp. z o.o.	32,04	16,72	34,23	0	26,21	24,92	54,42	12,86
Enea Logistyka sp. z o.o.	0	0	0	0	0	0	0	0

"0" - is the reported data, meaning that the phenomenon doesn't occur.

5. Community

Enea provides customers with products and services that are fundamental to functioning in today's world. They have a close relationship with the quality of life of the recipients. As a public utility, we have a special duty towards society - to be reliable. We take care of optimal operation, systematic maintenance and repairs of our infrastructure, but above all we are developing to provide a modern and friendly product.

We generate and supply electricity, heat, illuminate cities and towns, but our ambition is also to play the role of an active and responsible participant in social life. We are connected with north-western Poland for many years now, most of our companies are active in this region, and here we are most involved in our relations with the local community. We also support projects that benefit citizens of the whole country. We participate in a number of initiatives that meet socially important goals through activities of Enea Foundation, the volunteer activity of our employees and realization of our own ideas.

Principles of cooperation with communities

Each activity in our Group is transparent and included in the appropriate procedures and policies. This also makes us effective in the area of cooperation with the social environment. Our actions in this regard are governed by the following documents:

- Principles of conducting sponsorship activities in companies of the Enea Capital Group
- Regulations of Communications Management Division in the Enea Group
- Statute of the Enea Foundation
- Principles of Employee Volunteering in the Enea Capital Group
- Rules of handling applications for support in the area of social involvement in Enea SA
- Enea brand positioning and communication policies
- Enea Group Communication Strategy
- Principles of communication with the media in the Enea Group
- Principles of Crisis Communication in the Enea Group
- Enea Group Compliance Policy
- Rules for accepting and giving gifts in the Enea Group

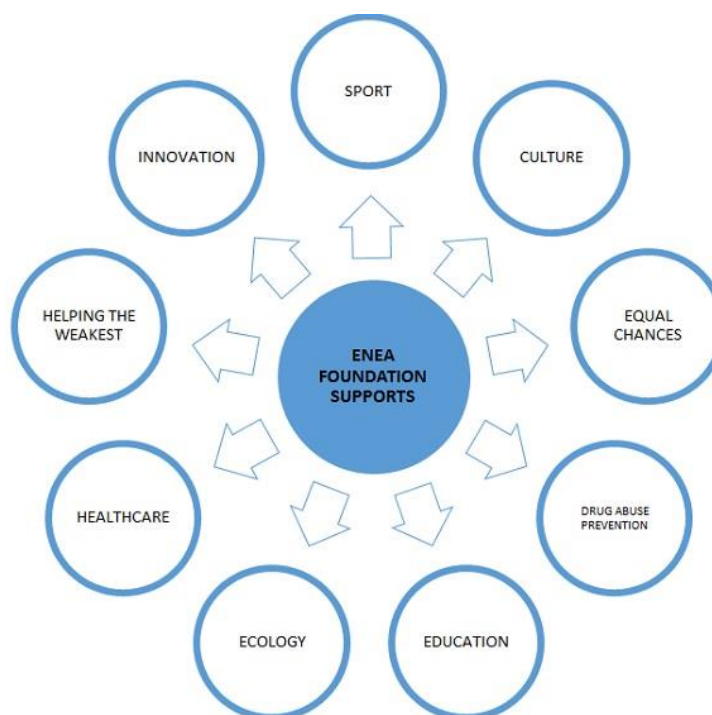
Our fundamental regulations, i.e. the Enea Code of Ethics of the Capital Group and the Code of Values of the Enea Capital Group are also used.

Enea Foundation

We wished our social activities to be conducted in a well thought out, professional manner according to clearly defined rules. That is why, we established Enea Foundation in 2014, which, in accordance with the Act of on April 6, 1984 about foundations and their own statute, accomplishes its goals by:

- acquiring financial resources for business operations
- supporting projects and programs consistent with the Foundation's goals: foundations, associations, schools, orphanages, social welfare centers, healthcare entities and other non-economic organizations acting for the benefit of the public
- conducting activities and promotional campaigns to achieve the Foundation goals
- supporting the activities of other individuals and institutions coinciding with the Foundation's objectives
- helping individuals as direct beneficiaries

The goal of our Foundation is to support and promote activities defined [in the Statute in the seventeen articles](#). They may be divided into main areas, which we think, require our support and attention:



Three companies of the Group: Enea SA, Enea Operator Sp. z o.o. and Enea Wytwarzanie Sp. z o.o. on the basis of donation agreements, provided to the Enea Foundation financial means in the total amount of PLN 675,000.00 for the purpose of carrying out statutory activities and administrative service in 2016. On the other hand, Enea Logistyka Sp. z o.o. donated electrical materials worth PLN 966.61 in the form of donations.

Enea Foundation, provided support of **PLN 628 670.43** according to 51 agreements in 2016. We particularly focused on education and science (37% of signed donation agreements), health promotion and active living (27% of signed donation agreements), culture and arts development (22% of signed donation agreements) and initiatives supporting development of local communities. Our beneficiaries included entities acting for the sake of social goods, as well as Enea employees, who were in a health or life threatening situation. Enea Foundation is the only entity in the Enea Group that provides support for social purposes.

More sport at school

We developed the "Enea Sport Academy" in 2016, a program prepared for children and young people from four voivodships belonging to the distribution area of the Enea Group. Within the program:

- 73 schools from voivodships: Wielkopolska, Lubuskie, Kujawsko-Pomorskie and Zachodniopomorskie were covered by the Academy actions
- 3 100 children took advantage of sports activities (extra-curricular activities or organized at on-site sport partner clubs)

"Enea Mini Volleyball League" is a part of the "Enea Sport Academy" project which aims to promote physical activity among children and young people. Within the program the following activities were held:

- 8 Elimination Tournaments
- 1 "Enea Mini Cup" final tournament

During each tournament there were approximately 570 matches of „two’s”, „three’s” and „four’s”.

Initially, the aim of the tournament was mostly to have fun. The league changed it. Competitions included several rounds. Classification was introduced in each age category. Thanks to this, aside from having fun, there is an element of good, sports competition. "Enea Mini Volleyball League" consisted of eight rounds. In each round boys and girls from primary schools IV-VI class competed on the floor of the Poznań Arena sports hall. The purpose of the action was to create a training pyramid that would educate children and young people at all levels and systematically bring the most talented players to the senior teams.

Since September 2016 the following took part in the project:

- 30 primary schools from the city of Poznań
- 1,000 participants in volleyball categories, „two’s”, „three’s” and „four’s”.
- 148 teams of "two's"
- 78 teams of "three's"
- 42 teams of "four's"

Enea Mini Cup 2017 Grand Final was held on 25 May 2017 - see how it looked like [here](#).

More about the project is on [the Sports Academy ENEA profile](#) on the social network.

Support of rescue system in Enea

Enea Foundation supported a project aimed at training of Enea employees within a comprehensive use of rescue equipment in May 2016. Training included the use of semiautomatic defibrillators (AEDs) in which all the buildings of the Enea Group are equipped. Course was led by teams of volunteers - rescuers. 47 employees from our locations in Zielona Góra, Gorzów, Bydgoszcz and Szczecin were trained.

Sponsorship

Like every year, Enea Group is involved in social life of numerous events as a sponsor and patron. By running sponsorship projects we build our brand awareness, gain recognition from our clients as initiators and active participants of initiatives significant to local communities, and by gaining trust, also potential clients. Furthermore, we support realization of the Group's business objectives.

Enea SA implemented **27 sponsorship projects in more than 600 places in Poland** in 2016. **4, 5 million participants** took part in the events supported by us. Here are our main sponsorship projects:

SPORT sponsorship	CULTURE sponsorip	CSR projects that strengthen relations with community
<ul style="list-style-type: none"> • Enea Challenge Poznań, Enea Tri Tour series of competitions, Herbalife Ironman 70.3 Gdynia - We are the most active triathlon sponsor in Poland - a dynamically developing discipline, which is getting increasingly popular year by year, providing direct access to both athletes and sports fans. • Polski Cukier Muszynianka Enea - We are a titular sponsor of the women's volleyball team of the Orlen League, supported by more than 24,000 fans. • Stelmet Zielona Góra -We supported as a main sponsor, the best male basketball team in Poland. The club also played in European competitions. • Enea AZS Poznań - The project included the support of the children's and youth section and the senior team of AZS Poznań basketball players. 	<ul style="list-style-type: none"> • Enea Patron of Grand Theater in Poznań - We are a patron of one of the most important theaters in Poznań, where 140 000 spectators saw performances in 2016. • Enter Enea Festival - We were involved in sponsoring of a festival popularizing the highest quality jazz music, whose artistic director is Leszek Możdżer. • Enea Spring Break - This is the biggest festival for debuting artists from the country and Europe, during which 100 artists had a chance to perform. • International Violin Competition of Henryk Wieniawski - 40 violinists from 20 countries took part in the competition, and live concerts were attended by more than 10,000 guests. • "Eagle and the Cross" outdoor historical spectacle -this is the largest historical outdoor event in Poland, which gathered 13 000 spectators in 2016. • Events as part of the celebration of Baptism of Poland 	<ul style="list-style-type: none"> • Enea Academy of Sport (project implemented jointly with the Enea Foundation) • KS Basket Piła • Dragons Pniewy • Volleyball giants • Air picnic in Mirosławiec and Poznań • "Energy + Sparkling Emotions" Project - illuminations and events organized on ice rinks in cities throughout Poland • World Youth Day in Kraków • "Polish Art Circles in China" - support for the Polish culture promotion

A. Employee volunteering

We are proud to be working with people of exceptional sensitivity who are not indifferent to the problems of their closest surroundings. Our employees work on projects that meet specific needs. We have been supporting the voluntary social engagement of the Group employees through the employee volunteering program from 2011.

Enea volunteers spent 171 hours of social work for 5 867 beneficiaries in 2016.

Competence volunteering

We run two programs where our employees - volunteers share their expertise and skills by providing trainings, also for children and young people. We have continued the issues we started over the past year, the rules for safe electricity use and the first aid. We believe that promoting knowledge and practical skills in these topics is extremely important and socially desirable for the safety of us all.

About our volunteering programs:

- „First aid – premedical rescue” – program targeted at all age groups. Our volunteers explain how to properly behave in a situation where someone's health or life is threatened. During training, participants practice methods of providing help in a variety of situations, such as fainting, accidents, etc. by using equipment and professional teaching aids. 4,670 beneficiaries benefited from this program during 160 hours of volunteer work in 2016. The program is conducted mainly in schools, kindergartens, at festivals and during promotional events with participation of Enea Group.
- „Electricity is not so terrible” – program prepared for preschool and early school children. During one lesson children will learn about the sources of energy (traditional and renewable) and the hazards of improper use of electrical appliances. Volunteers teach children how to behave in a dangerous situation, whom to call, what not to do. Group of 1 197 children in 26 hours benefited from the program last year.

Action volunteering

Our volunteers are equally willing to engage in social activities and support one-off actions. They help during collections, festivals, tours and with all kinds of special events.

B. Social events

We have also been supporting charity actions for years. We have eyes and hearts wide open to the problems of people living in our immediate surrounding, so we are eager to take part in collections, competitions or help with events prepared by local organizations.

Get to know a few of our initiatives:

- Collection of sweets, clothing and toys for the Children's Home in Szamotuły
- A collection of daily necessities for 30 children of the Lonely Mother House in Poznań
- Collection of plastic tops for a child with cerebral palsy
- Collection of school supplies for children from the "Hope" Association of Poor Families from Gniezno
- "School bag full of smiles" - action organized jointly with Caritas. Enea employees collected school supplies for Caritas charges in Wielkopolska and in the Lublin region
- Great Easter Package - a collection of sweets and toys for more than 260 children from educational institutions on the area of Enea Group business operations. Employees visited children in Szamotuły, Kiekrz, Zielona Góra, Dębno, Police, Więcbork, Piła and Poznań during the Easter.
- Co-operation with the Police at the Academy of Safe Kindergarten
- "We take care of your safety. You also should care about it!" - action of Enea Operator, partners of which is police from Zachodniopomorskie voivodship, fire brigade from Wielkopolska voivodship and the Polish Society of Transmission and Distribution of Electricity
- Enea Wytwarzanie organized a charity fair - pupils from the Special Education and Training Center in the Opactwo presented and sold handmade Christmas decorations at the company headquarters.
- Enea employees participation in the "Szlachetna paczka" action
- Collection of plastic taps in the headquarters and branches of the company as well as used clothes within "Clothes in motion" action for Anna Dymna Foundation
- Poznań Business Run - a charity event gathering crowds of sport fans who help by taking part in the run. Enea made it possible for 13 teams to start. All funds from the event were donated to the charges of the Beyond Horizons Association of Jasiak Mela
- Honorary Blood Donor Club at Enea Wytwarzanie

Osprey protection

Osprey is one of the most endangered clawed birds in Poland. According to estimates, there are only 30 couples in Poland. Enea Operator entered into an agreement with the Regional Directorate for Environmental Protection in Gorzów Wielkopolski to jointly work on effective fisheries protection in 2016. As in the wild, these birds like to build nests on power poles, we built six platforms on the high voltage towers.

Protection of a white stork

There is more than 3.3 thousand stork nests on the power poles in Northwestern Poland, which is the Enea Operator area of operation.

Almost 3.1 thousand of them were lifted on special platforms during the last 30 years. This creates favourable safety conditions for both: people and storks. Birds like to build nests on power poles mainly for two reasons: this location makes it difficult for potential intruders to access the nest, and in addition, it is easier to learn young birds how to fly. Storks nest the same nest each year, and young couples are building new ones.

After a few years, such a nest may weigh even a tonne. If such a nest had fallen, it could have a serious impact on the electrical infrastructure and on the customers. In turn, damp twigs from the nest may touch the wires and cause short circuits and even burn the nest - it is a threat to the life of the storks. Enea Operator strives to apply solutions to minimize the risk of electric fires by modernizing its network infrastructure through the implementation of the additional insulation on lines and power substations. In addition, Enea Operator included numerous bird protection instructions recommended by the General Directorate for Environmental Protection through defining standards for the construction and modernization of medium and low voltage overhead lines.

6. Environment

A. Our influence and actions

By generating and distributing energy and heat, we affect environment every day. We are aware of this, hence we implemented a number of solutions that allow us to monitor and limit our environmental impact. Some of them are required by regulators, others are voluntary, bearing in mind the welfare of our environment, which directly affects us. We aim to use the best available solutions and technologies to minimize the negative impact on the environment. Taking care of the environment, we established one of the guiding principles of the "Code of Ethics for the Enea Capital Group", imposing an obligation on all employees to take actions aimed at environment protection.

G4-DMA. How the organization manages the "Compliance" Aspect.

Environment protection management

Policy of Integrated Quality, Environment and Occupational Health and Safety Management is binding in our organization. It is consistent with the requirements of PN-EN ISO 9001:2009, PN-EN ISO 14001:2005, PN-N-18001:2004, OHSAS 18001:2007, within generation and trade of electricity, generation and distribution of heat. It helps us, among others, to set goals and strategic directions for development. It allows to implement environmental processes at the highest level and ensure compliance with applicable laws.

Moreover, Enea Wytwarzanie has a number of procedures that regulate environmental monitoring, regulatory compliance, identification and evaluation of environmental aspects and goals management.

These are:

- Instructions of Monitoring the Environment in Enea Wytwarzanie sp. z o.o. - Location Świerze Górne.
 - Instructions of Data Management in the field of Environmental Protection in Enea Wytwarzanie sp. z o.o. - Location Białystok.
 - Procedure of Monitoring the Environment in Enea Wytwarzanie sp. z o.o. - Location Koronowo
 - The plan of monitoring CO₂ emissions approved by the decision of the Marshal of the Podlasie Province and Procedure of Monitoring CO₂ emissions in Enea Wytwarzanie sp. z o.o. - location Białystok.
 - The plan of monitoring CO₂ emissions approved by the decision of the Marshal of the Mazowieckie Province and Procedure of Monitoring CO₂ emissions in Enea Wytwarzanie sp. z o.o. - location Świerze Górne.
- Monitoring of CO₂ emissions from the combustion of coal and biomass,

- Monitoring of CO₂ emissions from the combustion of coal (mass-balance approach)
- Monitoring of CO₂ emissions from the combustion of fuel oil
- Monitoring of CO₂ emissions from the process of flue gas desulphurisation,
- Monitoring emissions from propane combustion
- The procedure for supervision of the implementation of the CO₂ monitoring plan
- Documentation supervision procedure in monitoring CO₂ emissions
- The procedure for risk management in monitoring CO₂ emissions,
- The procedure for estimating the uncertainty of data regarding the monitoring of CO₂ emissions.
- Instructions of the Principles of Waste Management in Enea Wytwarzanie sp. z o.o. - Location Świerze Gorne.
- Instructions on the handling of waste in the CHP Białystok.
- Instructions of waste management in Enea Wytwarzanie sp. z o.o. - Location Koronowo.

G4-EN29

No significant fines or non-financial sanctions were imposed on us for non-compliance with laws and regulations relating to environmental protection in 2016. Charging MPEC Białystok with an additional fee for exceeding the conditions for the disposal of industrial wastewater to wastewater facilities in the amount of PLN 2 327.11 gross was the only marginal incident.

Key investments

We completed a number of investments in 2016 that allow us to modernize our installations and reduce impact on the environment. The most important were:

Generation

- Successive stages of the construction of a supercritical bituminous coal fired 1,075 MW_e power unit
- 14.1 MW Baczyna wind farm commissioning
- Unit No. 1 - obtaining the operating permit and commissioning of the installation of the catalytic denitrification of flue gases (SCR)
- Continuation of the SCR installation for units No. 4-8
- Commencement of the modernisation of cooling water intake - temporary stabilising checkdam on the Vistula River
- Commencement of the SCR installation and modernisation of electrostatic precipitators for units No. 9 and 10 as part of the 2 x 500 MW units modernisation programme
- Construction of industrial waste and rainwater treatment
- Continuation of the construction of flue gas desulphurisation plant

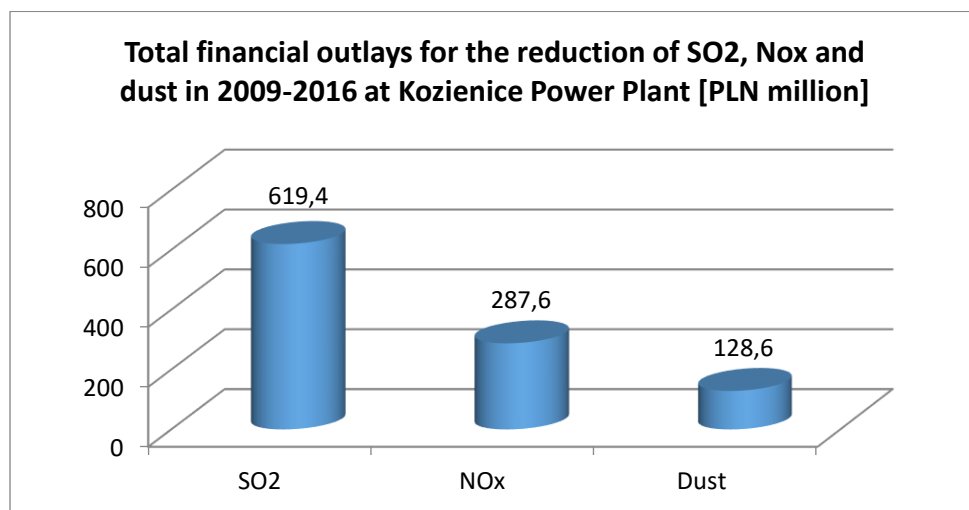
Distribution

- Completion of the realisation of a range of investments on medium and high voltage related to the extension, automation and modernisation of the unit and power grids
- Improvement of the connection processes and reduction of the negative impact on the environment of the used power equipment
- Development of information tools supporting grid management

The construction of a new 1,075 MWe unit at Koźienice Power Plant was one of our most important investments in 2016. 98% is the investment stage for May 2017. We shall launch the most modern power plant in Poland and Europe in 2017.

A new unit at Koźienice Power Plant:

- Shall increase by 1/3 capacity in the Koźienice Power Plant
- Will allow to eliminate deficits of energy on the market
- Shall guarantee high efficiency of energy generation and low failure rate
- Will be the largest in Europe power unit fired with bituminous coal



See how the construction of [Koźienice Power Plant](#) is progressing.

B. Energy

G4-DMA. How the organization manages the "Energy" Aspect.

G4-EN3

Table 11. Total electricity consumption (MWh) in 2016*

Company	MWh
Enea SA	2054.22
Enea Wytwarzanie	1 167 478
MEC Piła	4361.9
PEC Oborniki	671.43
MPEC Białystok*	5158.7
Enea Operator	company's own needs: 39 794 MWh company's network losses: 1 322 306 MWh
Enea Centrum**	0.545356
Enea Trading ***	no data
Enea Serwis	591.594
Enea Logistyka****	525.89
Enea Oświetlenie	194.233 MWh (including 21.041 MWh from own photovoltaic installation)
Enea Pomiary	162.3
PEC Zachód	70.9

* Much lower electricity consumption for thermal energy generation compared to 2015 is associated with a decrease in heat generation in 2016 by approximately 83%.

**Only a part of electricity consumption is included in the table. The remaining amount is included in the rent.

***All office spaces used by Enea Trading are rented by the company (from Enea SA, Enea Wytwarzanie Sp. z o. o. and Enea Serwis Sp. z o. o). Therefore, all operating costs are included as fixed fees in the amount of a monthly rent. As a result, it is difficult to define exactly how much water or electricity is used by the company.

****In some locations there is no metering and the cost of electricity is included in the rent.

How have we improved our energy efficiency in 2016?

1. We carried out modernization of our heating infrastructure in Białystok in 2016, which in turn resulted in lower energy consumption. We replaced parts of pipe distribution network in pre-insulated pipe technology, which contributes to increased power supply reliability and is associated with reduced heat transfer losses. We have also modernized pumping systems at the district heating substations, leading to a decrease in electricity consumption.
2. Due to the installation of the flue gas denitrification system at the 200 MW blocks 4 and 5 in Świerże Górne we have implemented a project consisting on the replacement of the drive exhaust fans on boilers 4 and 5 and we used a more economical way of adjusting their efficiency. Installation of new exhaust fans along with the replacement of the drive and the rotational speed regulation of the engine driving the fan by the inverter will save the amount of energy consumed by the engine. This contributes to reducing the internal load of blocks 4 and 5 alone.
3. Enea Oświetlenie modernized road lighting in the towns and districts: Obrzycko, Mieścisko, Wolsztyn, Choszczno, Przelewice, Dobiegniew, Barlinek, Międzyrzecz (replacement of old, worn out lighting fixtures to new energy saving fixtures).

The company's energy audit is a new requirement for large companies under the Energy Efficiency Act of 20 May 2016. This is a procedure to provide information on potential energy savings in an enterprise and to make calculations on proposed energy efficiency improvements. In case of Enea Wytwarzanie, audit covers all company's locations. We've started the audit in 2017, and we shall present its results in the next report.

C. Emissions

Tight emission standards

G4-DMA. How the organization manages the "Emissions" Aspect.

According to the EU directive on the industrial emissions (IED), more stringent emission standards have been introduced from 1 January 2016. However, the new law provides the possibility of delaying their application in the form of a derogation mechanism - Transitional National Plan (PPK) which is in force until 30 June 2020. PPK provides the possibility of aggregate settlement of limits within the group. Consequently, the Kozienice Power Plant accounts for with the Białystok Thermal Power Station as it regards SO₂ and dust limits. In addition, Kozienice Power Station benefits from the derogation of the Treaty of Accession on the NO_x emission standard (valid until 31 December 2017).

By taking into account all analyzes and investment carried out, we don't expect any unit shutdown in Enea Wytwarzanie due to tightened emission standards. All power units will be fully modernized and will also meet new emission standards.

G4-EN15

Table 12. Emission rate of carbon dioxide in the companies from the generation segment [Mg]*

	CO2 emissions [Mg]	Emission rate
Enea Wytwarzanie	12 372 636	872 kg/MWh (Świerże Górne); 190 kg/MWh and 62 kg/GJ (Białystok)
MPEC Białystok	5434	0.098 Mg/GJ
PEC Oborniki	14274.40	-
MEC Piła	82 481	88.05 kg/GJ
PEC Zachód	not applicable	not applicable

*Significant decrease of CO₂ emission in MPEC Białystok results from a significantly lower amount of coal burnt (16827.13 Mg in 2015 vs. 2500.41 Mg)

G4-EN21

Table 13. Emission of sulphur and nitrogen oxides in 2016 [Mg]*

Company	Nox emission	Dust emission	SO ₂ emission
Enea Wytwarzanie	14812		10833
MPEC Białystok*	4	3	1
PEC Oborniki	26.27		33.63
MEC Piła	107.38		155.90

*Significant decrease of CO₂ emission in MPEC Białystok results from a significantly lower amount of coal burnt (16827.13 Mg in 2015 vs. 2500.41 Mg)

Pollutant concentration in Kozienice Power Plant in 2016:

- SO_x lower by **71%** than the acceptable concentration
- NO_x lower by **23%** than the acceptable concentration
- Dust lower by **83%** than the acceptable concentration

What have we done to limit our emissions in 2016?

1. We rebuilt the district heating network to reduce energy losses in Białystok (we exchanged about 2.5 km of network) and modernized 44 district heating substations.
2. We completed the modernization of through-flow parts WP, SP, NP and other turbine parts, together with revitalization of the bodies and valve chambers WP and SP of block no.5 of 200 MW in Świerże Górne. The modification of the through-flow part of block 5 resulted in a reduction of a unit heat consumption by a turbine set of about 140 kJ/kWh. This reduces the amount of carbon used for the generated unit of energy and thus reduces the emission of pollutants into the atmosphere. In addition, the block capacity increased by 3 MW.
3. We completed the catalytic flue gas denitrification installation (SCR) for blocks 4 and 5 in Świerże Górne. We plan to build SCR installations on other blocks in the next few years. Catalytic flue gas denitrification installation for 200 MW boilers (OP-650) no. 1-8 and 500MW (AP-1650) no. 9 and 10 installed in Enea Wytwarzanie Sp. z o.o. aims to reduce NO_x emissions from the current level of 500 mg /m³ to a level of ≤ 100 mg/m³ NO_x (understood as the sum of nitrogen oxides per NO₂ at 6% of O₂ in dry exhaust), in the range of 50 - 100% of the maximum sustainable efficiency and burning of primary fuel and biomass co-firing in weight fraction not higher than 10%.

4. We have been working on the installation of flue gas desulphurisation plant no. 5 for the power unit no. 11 in Świerże Górne.
5. Construction of flue gas semi-dry desulphurisation plant on K7 and K8 boilers in Heat and Power plant in Białystok.

D. Water and raw materials

G4-DMA. How the organization manages the "Materials" Aspect.

G4-DMA. How the organization manages the "Water" Aspect.

Main raw materials that are used in our daily activities include: biomass, coal, fuel oil and light fuel oil. Basic fuel used to generate electricity in Enea is hard coal. 74% of coal supplies came from LW Bogdanka in 2016. In turn, the main fuel used by Enea Wytwarzanie - Heat Segment (Bialystok Thermal Power Plant) is biomass, in the form of forest chips, energy willow chips and sunflower husk pellets.

G4-EN1

Table 14. Main raw materials used by Enea Wytwarzanie in 2015 and 2016.

Fuel type	2015		2016		Change	
	Volume [thsd tons]	Cost [PLN mln]*	Volume [thsd tons]	Cost [PLN mln]	Volume	Cost
Bituminous coal	5 870	1 321	5 426	1 137	-7.6%	-13.9%
Biomass	634	172	427	79	-32.6%	-54.1%
Fuel oil (heavy)**	8	9	8	7	no change	-22.2%
Gas [thsd m3]***	13845	20	16 198	23	17%	15%
TOTAL		1 522		1 246		

*Including transport

**Light-up fuel in Koźienice Power Plant

***Used for the production of electricity and heat energy in MEC Piła and heat energy in PEC Oborniki

G4-EN8**Table 15.**Total water withdrawal in the companies of Enea Capital Group in m³ in 2016*

	Unit	Withdrawal	Sources
Enea SA	m ³	9256	wells - 837 m3 water supply system - 8419 m3
Enea Operator	m ³	75288.65	water supply system 75 010.99cm3 wells 277.66 m3
Enea Wytwarzanie	m ³	1 775 004 528	groundwater intake – 941 760 water from drainage – 5 010 700 surface water from Wisła river - returnable water withdrawal for cooling purposes and non- returnable water withdrawal for technological purposes - 1 769 003 928 water supply system intake - 48 140
MPEC Białystok*	m ³	7 936	water from deep wells [m3]: 5 628 water supply system [m3]: 2 308
MEC Piła	m ³	5 680	water supply system [m3]: 5 680
PEC Oborniki	m ³	2512	water supply system [m3]: 2 512
Enea Pomiary	m ³	770	no data
Enea Oświetlenie	m ³	727	water supply system Poznań- 589.

			water supply system Szczecin-138
Enea Logistyka**	m ³	1279	water supply system [m3]: 1279
PEC Zachód	m ³	2686	water supply system [m3]: 2686
Enea Centrum*	m ³	1575	water supply system [m3]: 1575
Enea Serwis	m ³	3968	water supply system [m3]: 3968
Enea Trading **	m ³	no data	

*Significant decrease of water consumption is due to reduced heat generation. 9352 m3 heat was generated in 2015 and only 116 m3 in 2016.

**In some locations there is no metering and the cost of electricity is included in the rent.

***Only a part of electricity consumption is included in the table. The remaining amount is included in the rent.

**** All office spaces used by Enea Trading are rented by the company (from Enea SA, Enea Wytwarzanie Sp. z o. o. and Enea Serwis Sp. z o. o). Therefore, all operating costs are included as fixed fees in the amount of a monthly rent. As a result, it is difficult to define exactly how much water or electricity is used by the company.

What have we done to reduce water consumption?

1. With the activities related to the current operation and modernization of transmission networks in the Heat and Power Plant in Białystok, the loss of heat carrier decreased from 172 thousand m³ in 2013 to 60.3 thousand m³ in 2016 i.e. by around 35%.
2. We launched the installation of water recycling from the cooling of technological drives to the holding tanks of raw water in Białystok.

G4-EN23

Table 16. Waste by type of waste [Mg] in 2016

	Type of waste	Unit	2016
Enea SA*			
	Hazardous waste	Mg	3.95
	Other than hazardous waste	Mg	0
Enea Operator **			
	Hazardous waste	Mg	21.926
	Other than hazardous waste	Mg	1182.731
MPEC Białystok*****			
	Hazardous waste	Mg	16.41
	Other than hazardous waste	Mg	1115.7
Enea Wytwarzanie			
	Hazardous waste	Mg	56.55
	Other than hazardous waste	Mg	512423.75
MEC Piła			
	Hazardous waste	Mg	9.707
	Other than hazardous waste	Mg	5323.6395
PEC Oborniki			

	Hazardous waste	Mg	0.0433
	Other than hazardous waste	Mg	1201.949
PEC Zachód			
	Hazardous waste	Mg	didn't produce
	Other than hazardous waste	Mg	2.1
Enea Pomiary			
	Hazardous waste	Mg	0.06
	Other than hazardous waste	Mg	1
Enea Logistyka***			
	Hazardous waste	Mg	4.828
	Other than hazardous waste	Mg	12.7
Enea Trading****			
	Hazardous waste	Mg	no data
	Other than hazardous waste	Mg	no data
Enea Serwis			
	Hazardous waste	Mg	116.225

	Other than hazardous waste	Mg	333.968
Enea Oświetlenie			
	Hazardous waste	Mg	1.859
	Other than hazardous waste	Mg	192.24 (excluding municipal waste)
ENEA Centrum			
	Hazardous waste	Mg	no data
	Other than hazardous waste	Mg	no data

*No hazardous waste is identified as a result of transferring IT services to Enea Centrum. Since 2016, Enea Centrum is a waste generator associated with this activity and not Enea SA, therefore Enea SA doesn't generate this waste.

**Significant difference in the amount of hazardous waste in Enea Operator in 2016 and 2015 is due to the modernization of lines and power substations in 2015. Modernization concerned replacement of wooden poles, oil and transformers and power cables.

***The above values include waste collected by Enea Logistyka Sp. z o.o. from other Enea companies which result from provisions of the Waste Electrical and Electronic Equipment Act. The above figures do not include municipal waste. Hazardous wastes were handed over to ABBA Ekomed company Sp. z o.o., while non-hazardous waste are subject to recycling.

****Waste included in rent.

***** We reported a wrong value of non-hazardous waste produced in MPEC Białystok in the report for 2015, the correct value is 7910.69 Mg.

21 leaky transformer foundations 110/MV were modernized by Enea Operator in 2016 to prevent possible soil contamination with petroleum derivatives. Other leaky transformers are to be modernized and are already included in investment plans for future years.

Enea Logistyka introduced a new waste management procedure.

E. RES

We use renewable energy sources (RES) in our generation processes. 21 hydroelectric power plants, 3 wind power plants: Bardy, Darżyno and Baczyna, as well as 2 biogas plants in Gorzesław and Liszków belong to the Enea Group. In addition, we use biomass as fuel for power generation in our power plants and CHP plants.

- **212.8 MW**, RES capacity in Enea Group of which:
 - 134.3 MW in RES segment
 - 78.5 MW in Heat segment
- Amount of energy generated from RES in Enea Wytwarzanie: **302 730.330 MWh**
- Amount of energy generated from co-generation in Enea Wytwarzanie: **551 093.589 MWh**

Table 17. Generation of electricity (net) from renewable energy sources [GWh]* by Enea Capital Group

		2015	2016
Biomass co-firing		255	0
	Change [%]	-46.40%	-100%
Biomass combustion		309	256
	Change [%]	5.10%	-17.20%
Hydroelectric power plants		109	113
	Change [%]	-3.50%	3.70%
Wind farms		162	160
	Change [%]	14.90%	-1.20%
Biogas power plant		14	10.00%
	Change [%]	55.60%	-28.60%

Our investments in RES area

Table 18. Current and planned Enea CAPEX in renewable energy sources

	2014	2015	2016	2017
RES CAPEX	13.1 mln PLN	94.3 mln PLN	6.14 mln PLN	7.16 mln PLN

Key RES investments in 2016:

1. **FW Bardy II (9-10 MW)** - 3 turbines of 3 MW each and connection to the existing Bardy-Dygowo 50 MW wind farm (Zachodniopomorskie voivodship). Planned total capacity of 59-60 MW.
2. **FW Baczyna 15 MW** - construction of 6 turbines, 2.5 MW each in Lubno in the Gorzów district.

Planned investment outlays of the RES segment for 2017, including:

a) development investments:

1. construction of a 1MW photovoltaic power plant in Jastrów, provided that the auction organized by the ERO is won.

b) Maintenance investments:

1. **Modernization of power input, switching station and AKPiA (Control and Measurement Instruments and Automation) power station systems (EW Tryszczyn)** - modernization of excitation systems, modernization of the standard switching station air insulated on the switching station gas insulated, construction of the remote control and control system of the entire power plant.
2. **Generation optimization (WF Bardy)** - assembly of combs and flaps on turbine blades to increase aerodynamic efficiency of blades and upgrade of the turbine control software to optimize turbine operating parameters. The project aims to increase farm productivity by 1.9%.
3. **Automation of the power plant** - automation consisting on the installation of the central SCADA (Supervisory Control and Data Acquisition) system of the RES segment to optimize management / control of the operation of generation facilities.

Calendar of 2016

JANUARY

- On 30 December 2015 Supervisory Board of Enea appointed Mirosław Kowalik as the President of the Management Board of Enea with effect from 7 January 2016. Wiesław Piosik, previously acting the Company's President, was appointed the Vice-president for Corporate Affairs of the Enea S.A. Management Board.
- The "Energy friendly self-government" competition organized by Enea Operator was won by the Kościan district. The investment worth PLN 15 thousand for activities supporting the reliability and security of electricity supply was an award.
- Enea introduced to the market ENERGY + Professional, on 15 January, a product for individual clients. The fixed price of energy and benefit package is provided in cooperation with the PZU Group.

FEBRUARY

- Data migration of nearly 2.5 million customers to the Complex Client Service Care System (SKOK) ended. Moreover, electronic Customer Service Centre (e-CSC) and e-invoice were launched. These activities provide easier settlements and better customer service.
- Two new members of Enea Management Board were appointed on 15 February: Piotr Adamczak - Vice-President of Enea SA Management Board for Commercial Affairs and Mikołaj Franzkowiak - Vice-President of Enea SA Management Board for Financial Affairs. Since then, Enea Management Board has been operating in a full four-person composition.
- Eight employees of the Enea Group were honored with the "Merit for Energetics" badges. The badge, awarded since 2001 to distinguished employees of the energy industry, is a Polish, one-step civilian decoration granted by the Minister of Economy.
- Enea Wytwarzanie signed a framework cooperation agreement with Kozienice district. This is the third such agreement between the company and the local government that will support educational, cultural and sport projects.
- As part of the reorganization of the maintenance services at Enea Operator, the following Regional Dispatching Centers were merged: Inowrocław and Mogilno, Dębno and Sulęcín, Międzyzdroje and Gryfice, Krosno Odrzańskie and Żary. Spacious rooms with new functionalities were renovated and equipped with modern equipment, which improved the working conditions of the staff.

MARCH

- Enea Operator launched a new high voltage line Pakość – Żnin on 1 March. This line replaced the old, worn out 110 kV line built in the early 1960s. Thanks to investments, citizens of Inowrocław and Żnin gained more electricity of a better quality and secure supply.
- Enea Logistyka was awarded the "Prudent Company" certificate for the second time in recognition of the consistent reduction of receivables default risk and conducting business in accordance with the Code of Good Practice of Prudent Companies.
- New Odra-Chlebowo high-voltage line was launched. It significantly increased the energy security of the Szczecin agglomeration.
- Enea conference presenting financial results was held in Warsaw on 21 March. Representatives of the Management Board of Enea and Lubelski Węgiel "Bogdanka" presented the Group's most important priorities for the coming months.

- The first general test on block 11 was held during which a successful water boiler trial was conducted. Thus, one of the most important stages in the construction of the new 1,065 MW power unit in Kozienice was a success.

APRIL

- All Enea clients have access to eCSC. This electronic Customer Service Centre operates everywhere where the Internet is available and allows 2.5 million customers to check the status of invoices, pay bills, make complaints and send inquiries to the company on any matter.
- Enea Oświetlenie built the first intelligent LED road lighting system in Mieścisko (Wągrowiec district). Modern system controls the lamps on the foot-bike path so that light follows the passerby or cyclist. Thanks to the new solution, the safety and comfort of the citizens will be improved and the district will save on electric charges.
- Enea Operator appeared at the "Arena of Professionals" education fair in Poznań and "CV 2016. School - Work - Career" in Bydgoszcz at the beginning of April.
- Enea Wytwarzanie was one of the partners of the 2nd Technical Conference "Maintenance - management, efficiency, renovation" in Katowice.
- Extraordinary General Meeting of LW Bogdanka adopted amendments to the company's Statute on 12 April. The revised document integrated LW Bogdanka's objectives with the Group's strategy.
- Amber of the Polish Power Industry for Enea. During the OSE All-Poland Energy Summit in Gdańsk on 20 April a gala ceremony was held during which Amber of the Polish Power Industry was granted. Our company was honoured, for "complementing the value chain with coal assets and thus securing supplies of raw materials to the key investment in the generation segment."

MAY

- Enea was the host of the International Congress of Science and Industry Energia21. The event is considered one of the most important energy conferences in Poland. Speakers discussed the future of coal, energy storage, e-mobility and e-utility. They also dealt with climate policy and strategies for energy sales, its distribution and construction of innovative products and services.
- Enea Management Board approved the amendment of the Code of Enea Group. It was supplemented by Article 15, which deals with the functioning of companies having the status of a public company within the Group. This change was introduced to better integrate LW Bogdanka and Enea.
- Enea Wytwarzanie commissioned a new 14.1 MW Baczyna wind farm. The project is located in Lubno in Lubiszyn district (Lubuskie voivodship). The assumed annual generation of electricity will be over 30 thousand MWh. Around 10,000 households needs so much energy.
- Enea Oświetlenie division in Szczecin was awarded the medal of Eng. Kazimierz Szpotański by the Association of Polish Electrical Engineers. The award is granted to companies particularly distinguished for the development of the electrical industry.
- Enea Oświetlenie was an organizer of "More light" industry fairs in Kołobrzeg. It was the fifth edition of the cities and districts lighting event. The company presented new products during the fair.

- The President of the Energy Regulatory Office extended expiry date for the distribution of electricity to Enea Operator. The current was valid until 1 July 2017. New concession is valid until 1 July 2030.

JUNE

- Enea, the National Center for Nuclear Research, the Warsaw University of Technology, Energa, PGE and Tauron Polska Energia, signed a letter of intent for joint development, promotion and propagation of electromobility in Poland and the development of industry related to this area. The letter was signed during a presentation by the Ministry of Energy titled “On the road to electromobility” on 7 June.
- Enea Operator connection portal was launched. The platform is an electronic Customer Service Centre that enables the customer to electronically submit applications, such as defining connection conditions or obtaining information on ensuring electricity supply.
- Enea Operator, as the first Operator of the Distribution System in the country, introduced a system for informing customers about cancellation of planned power outages. Such information can be obtained on the company's website, via a free newsletter or on the Infoline and at 991.
- Enea Operator introduced an innovative technology in its network to automatically detect faults (short-circuit) and limit their range to where they occurred.

JULY

- Enea Oświetlenie registered office was moved to Szczecin, to the Szczecin branch of the company on 7th July.
- Enea is among the 17 largest Polish companies, which established the Polish National Foundation on 13 July, which will be responsible for promoting the Polish economy, as well as creating a positive image of Treasury-owned companies and their investments in Poland and abroad.

AUGUST

- Modernization of Pniewy, located in Wielkopolska Transformer Station (GPZ), was completed. The investment will among others provide large reserves needed for the development of the region and will increase energy security for districts: Pniewy, Kuślin, Kwilcz, Chrzypsko Wielkie, Lwówek.

SEPTEMBER

- We announced the Development Strategy of the Enea Capital Group until 2030. The presentation was held at the Copernicus Science Center in Warsaw.

- Enea and Polski Holding Nieruchomości established cooperation as far as sale of electricity is concerned. Energy shall be transferred to more than 500 collection points located on the properties belonging to the Polski Holding Nieruchomości for over 3 years. Enea offer was chosen as the most advantageous in the tender procedure.
- LW Bogdanka mine was awarded in the Top Employers of Eastern Poland 2016 competition. The awards were granted during the 3rd Eastern Economic Congress in Białystok, which took place on 22-23 September.

OCTOBER

- Enea Wytwarzanie and RAFAKO signed a contract for the construction of a modern flue gas denitrification installation together with the modernisation of electrostatic precipitators in Koźienice Power Plant. The goal of the investment is guaranteeing an over five-fold reduction in the emission of nitric oxides. The completion of the investment is planned for the end of 2018.
- LW Bogdanka received the main award in the "Industry" category in the 6th edition of "Wprost Innovators" - competition for the most innovative companies in Poland. The winners of "Innovators" are selected on the basis of the author's own - Innovation Research, which verifies expenditures on research, development and investment in innovation and their practical application in business.
- Enea Operator completed a thorough modernization and officially opened the Main Transformer Station in Pniewy. The investment will increase energy security, among others, in the Pniewy, Kuślin, Kwilcz and Lwówek districts.
- LW Bogdanka received the Main Prize and the Minister of Development Award in the tenth, jubilee edition of the "Social Reports" competition organized by the Responsible Business Forum and Deloitte. The Integrated Report of the 2015 Lubelski Węgiel Bogdanka SA Capital Group was awarded.
- LW Bogdanka received the title of "Industrial Safety Leader" during the International Conference "Risk Engineering Days". This distinction is awarded annually to companies and institutions in Poland, in recognition of achievements and innovations in the field of industrial safety.
- The new WATTO system was implemented in Enea Pomiar, facilitating the management of the work of the collectors and fitters. The activity of the new application covers about 550 field workers. The system allows for cost efficiency improvement by more than 10%.
- Enea Operator opened Central Power Dispatch (CDM) in Poznań on 17th October. The Branch Office Dispatch and The Regional Office Dispatch of the Distribution Division in Poznań, which together form the technologically advanced entity, were moved to the new headquarters.

NOVEMBER

- Enea won the tender and signed a collective purchase agreement for more than 262 GWh of electricity of 61 entities from Poznań and its vicinity. The tender involved a total of almost 4,000 energy consumption points, and its value is more than PLN 67.6 million.
- Enea introduced a new offer for clients - Energy + Photovoltaics. It includes comprehensive customer service including auditing and selection of optimum photovoltaic installation.

- Oracle Polska customers received recognition awards during the Oracle Digital Day 2016 conference. Enea Centrum received the "Best Digital Design" award. This is a confirmation of the very good results of the process management introduction, document digitization and integration of the Enea Group systems.
- Modernized Customer Service Centers were opened in Inowrocław, Stargard, Szamotuły and Żary. Modern facilities offer comfortable conditions and efficient service.
- Enea Wytwarzanie was honoured with a special medal "Pro Masovia" granted by the marshal of Mazowieckie voivodship for the contribution to health care. The Company has been supporting, among others, Koźienice health facility for many years.

DECEMBER

- Enea Consumer Zone Loyalty Program for individual clients was launched. This is the first such program that also includes Group employees who are also Enea clients and have an employee tariff.
- Enea Wytwarzanie signed a contract with GE Power Polska for the modernization of 560 MW turbine units No. 9 and 10 at Koźienice Power Plant. The contract value is PLN 65.5 million net. Completion of the investment is scheduled for May 2018.
- Enea and Energa concluded an investment agreement to jointly prepare, construct and operate a new 1000 MW MWe coal fired power plant in Ostrołęka. Companies predict that the construction of the Ostrołęka Power Plant will last about 5 years.
- Enea Operator for the first time in its history simultaneously launched four completely rebuilt Transformer Stations (GPZ). The total value of modernized facilities - Załom, Niemierzyn, Tanowska i Stargard Wschód - is over PLN 32 million. All stations are located in the Zachodniopomorskie voivodship.
- Enea signed with ENGIE International Holdings B.V., which is the owner of the Połaniec Power Plant, a conditional purchase agreement for 100% of ENGIE Energia Polska shares. The investment is part of the implementation of the new Enea Group Development Strategy. The acquisition of the Połaniec Power Plant will strengthen Enea's position as one of the country's leading electricity generators.
- "Energetyk" health-resort has a new owner from 2 December. Enea by concentrating on the core business of the Group concluded an agreement to sell the shares of the hospital in Inowrocław in September. The agreement provides for maintaining the facility's business profile for 24 months.
- On 28 December, Enea Operator signed, with the Ministry of Energy, the first three contracts for co-financing investments from the EU funds under the Infrastructure and Environment Operational Program until 2020. The value of projects amounts to over PLN 67 million. The obtained funds of nearly PLN 37 million will be allocated to the development of the distribution network, increasing the available connection capacity, among others, for RES generators and prosumers, as well as for increasing energy security.

Selected initiatives and events in 2017

COMMUNITY

- The next edition of the Enea Spring Break festival was a success. Poznań hosted 135 musicians and 5 thousand fans during April weekend.
- "We Run-Collect-Help" charity action is directed to Enea Group employees who like to run. Each run is honoured with a given amount of points converted into money. The collected amount will be donated to a non-governmental organization to implement a project aimed at children's sport activation. The campaign will last until November 2017.
- Enea Foundation received the "Signum Caritatis" award for charity engagement in the Donor of the Year category. The statuette was granted during the 9th Gala of Mercy Bank - the annual charity event organized by the Caritas of the Poznań Archdiocese.
- We joined the Responsible Business Partnership Program. The official inauguration of the cooperation took place during the announcement of the "Responsible Business in Poland 2016. Good Practices" report. The report singled out six CSR projects and programs of the Enea Group.
- Our "Power of Help" grant Program was launched, which aims to promote pro-community ideas of local scope among our employees. Employees may submit social initiatives that require support from them. The Management Board of our Foundation shall select 3 winning projects and give them financial support. 3 editions of the project shall take place in 2017.
- Enea became a titular sponsor of the Enea PTPS Piła volleyball club.
- We support basketball - we also became a titular sponsor for Astoria Bydgoszcz, the first division basketball club.
- We inaugurated a support action for Poles living in Lithuania - "Good Energy beyond the Borders". The aim of the project is to encourage parents of children and young people of Polish descent to choose Polish schools and learn our language and history. Fifty children from Lithuania and three carers visited Poland at the invitation of the Enea Foundation. The partner of the action is Caritas of the Poznań Archdiocese.

CONSUMERS

- New Customer Service Standards are in force in our Customer Service Centers from May 2017. This is a fresh look at the customer service and handbook of everyday work in Customer Service Centers. The document supports consultants and answers questions related to their work.
- The "Find out who sells energy to you before you sign the agreement" campaign is to inform and educate customers how not to fall victim to dishonest energy sellers.
- As a part of another campaign on this subject, we have also prepared a [website](#), where everyone may see how to avoid dishonest energy sellers.

EMPLOYEES

- "Our Choice - Safe Work" information campaign, which aims to promote the principles of safe work by raising employees and supervisors awareness on OSH principles. The campaign began in January 2017 in three companies in the distribution area of: Enea Operator, Enea Serwis and Enea Pomiary. The campaign will inform more than 5,000. employees. This action aims to raise awareness of employees' health and safety in the work environment.
- We installed a free "Rescue" application on all Enea Operator employees business phones, which allows to call for help by dialing an emergency telephone number with the Rescue Service and sending SMS information about the exact location (up to 3 m) of the injured person.
- We organized vaccination against tick-borne encephalitis to employees working with biomass.
- We equipped our facilities with automatic external AED defibrillators. Currently already installed in 50 locations.

INVESTMENTS

- Połaniec Power Station was included in the Enea Group in March. A modern 200 MW biomass block which generates "green" energy is an important part of the Enea Połaniec Power Plant company.
- Enea Operator launched a new Transformer Station (GPZ) in Śmiłów, in the Piła region. This modern power station in northern Wielkopolska is designed to secure increasing power demand and improve energy security in this area.
- Our Group became a member of the "Polish Electric Bus - supply chain for electromobility" cluster. Co-operation of companies from the automotive and energy sectors will accelerate research, development and implementation of e-mobility.

About the report

G4-28 Reporting period.

G4-29 Date of most recent previous report (if it was published).

G4-30 Reporting cycle (annual, two-year, etc.)

G4-33 Organization's policy and current practice with regard to seeking external assurance for the report.

G4-22 Explanations which relate to effects of any restatements of information provided in previous reports, and the reasons for such restatement and their influence.

G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.

This report presents social, environmental and economic results of the Enea Capital Group for the period from 1 January 2016 to 31 December 2016, as well as a brief summary of CSR activities undertaken in the first half of 2017. Report doesn't include LW Bogdanka, which publishes a separate non-financial report.

The report was prepared in accordance with the guidelines of the international Global Reporting Initiative G4standard, CORE application level. The report presents the most important aspects of sustainability reporting, that is, the company's most important environmental impacts. They were identified in the reporting process in 2014. Employees of all companies take part in the preparation of the report. Reporting is co-ordinated by CSR Manager.

This year's report neither include any significant changes in the scope, coverage or method of measurement compared with the report for the previous year nor corrections to the information contained in the previous report.

How often the company publishes the report?

Enea publishes the report every year. Previous corporate social responsibility report for 2015 was released in 2016.

How was the report prepared?

The report was prepared in accordance with the guidelines of the international Global Reporting Initiative G4standard, CORE application level. The report presents the most important aspects of sustainability reporting, that is, the company's most important environmental impacts. They were identified during the previous reporting process. Employees of all companies take part in the preparation of the report. Reporting is co-ordinated by CSR Manager.

This year's report neither include any significant changes in the scope, coverage or method of measurement compared with the report for the previous year nor corrections to the information contained in the previous report.

- G4-18 Process for defining the report content and the Aspect Boundaries.
 G4-19 All the material Aspects identified in the process for defining report content.
 G4-20 Aspect Boundary for each material Aspect within the organization.
 G4-21 Aspect Boundary for each material Aspect outside the organization.

List of the most significant reporting aspects of Enea Capital Group:

Table: List of the most significant aspects of sustainable development of the Enea Capital Group

Key aspect or subject	Impact of the aspect within organization	Impact of the aspect outside organization
Environmental area		
Emissions of carbon dioxide and other greenhouse gases in the context of energy generation and distribution	✓ In particular on companies from the Generation Segment	✓
Energy consumption and energy saving solutions	✓	✓ In particular on the clients
Care of water resources	✓	✓
Renewable Energy Sources (RES)	✓	✓ In particular on suppliers, clients and environment
Compliance	✓	✓
Social area: employment and decent work		
Employment - scale and conditions of employment	✓	✓
Employees health and safety	✓	✓
Employees training and education	✓	✓ In particular on the clients
Social area: impact on community		

Anti-corruption policy and procedures	✓	✓ In particular on suppliers and clients
Impact on local communities and cooperation	✓	✓ In particular on local communities of the companies operating area
Social indicators: product responsibility		
Client privacy and personal data protection	✓ In particular on companies from Trade and Distribution Segment	✓ In particular on the clients
Quality of Client service	✓ In particular on companies from Trade and Distribution Segment	✓ In particular on the clients
Communication channels with Clients	✓	✓ In particular on the clients
Compliance	✓	✓ In particular on the clients and competition

How is the report verified?

The report is verified internally. Data is checked by company employees.