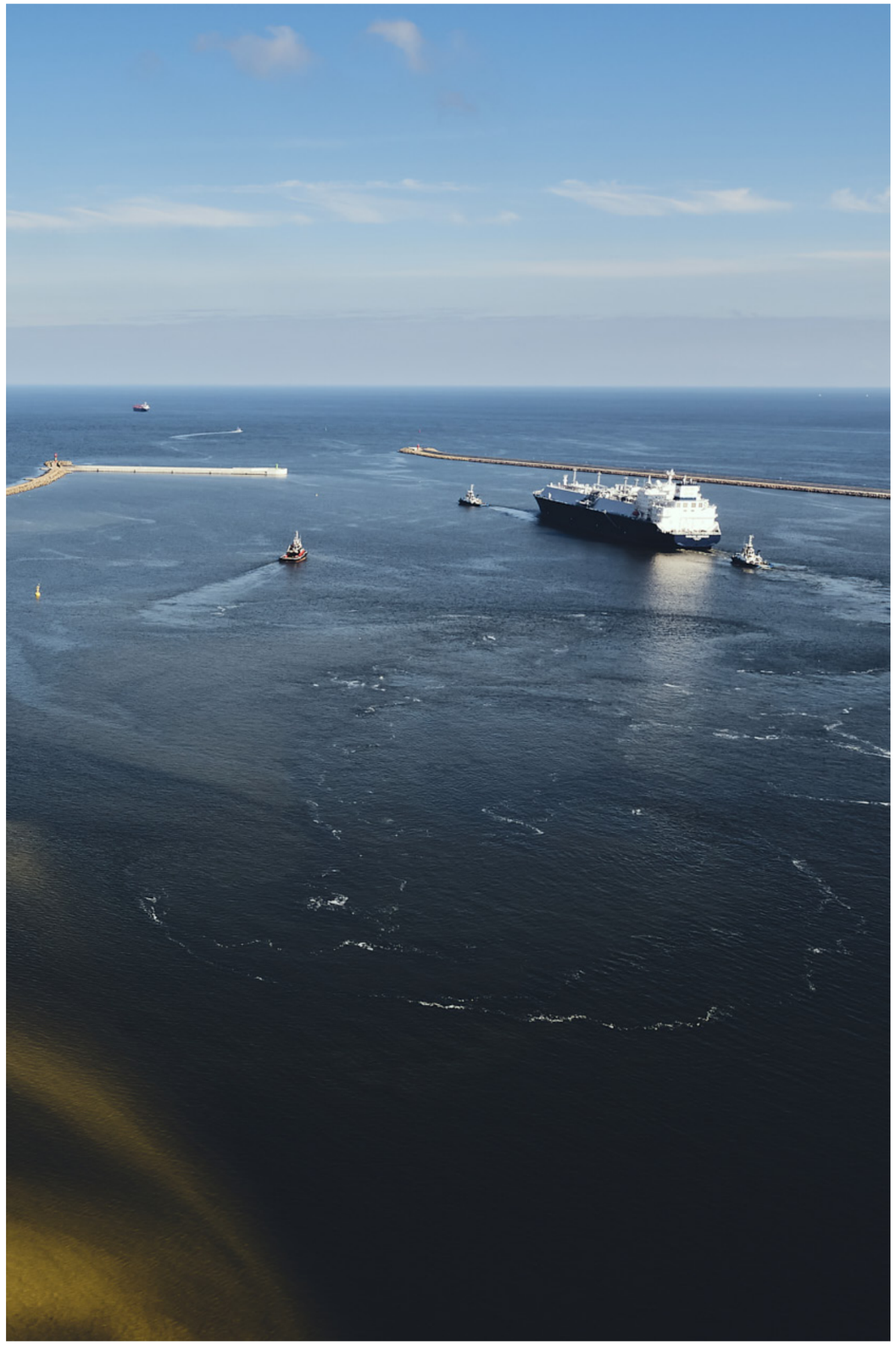
SUSTAINABILITY REPORT

GAZ system

2021

CONTENTS



LADIES AND GENTLEMEN,

I am proud to introduce you to GAZ-STSTEM's 14th Sustainability Report. It presents the company's major business achievements in 2021 as well as the social responsibility and environmental protection initiatives we pursued.

[GRI 102-14] [GRI 102-32]

GAZ-SYSTEM is a State Treasury owned company of strategic importance for the Polish economy and energy security of the country. The company is responsible for the development of gas transmission infrastructure in Poland and the transportation of the fuel to consumers. It is also the owner of the President Lech Kaczyński LNG Terminal in Świnoujście. Since 2016, we have been carrying out a major investment programme to diversify the sources of gas supply to Poland, thereby ensuring the continuity of supply to customers.

The year 2021 was undoubtedly a challenging time for the entire gas industry. The Covid-19 pandemic, commodity prices, rising tensions in the East – all these factors meant that we had to intensify our efforts.

One of the most important objectives we achieved last year was the completion of the offshore section of the Baltic Pipe. This was the most demanding phase of our flagship project which will soon start flowing gas from the Norwegian shelf to Poland.

Deliveries of liquefied natural gas to Poland are another key factor in the diversification of gas supply. With this in mind, we are expanding the LNG terminal in Świnoujście. Last year we successfully completed phase 1 of the expansion – the installation of 2 SCVs (Submerged Combustion Vaporizers), resulting in the increase of the annual regasification capacity of the facility from 5 to 6.3 billion cu. m.

In the second half of 2021, we also completed the symbolic golden welds on 2 strategic interconnections of our transmission system with Lithuania and Slovakia.

While executing this major investment plan, we kept in mind that one of our key responsibilities is to ensure adequate operation of the infrastructure we manage, so as to ensure uninterrupted gas transmission to consumers.

Despite the epidemiological situation in 2021, GAZ-SYSTEM remained a safe and reliable employer. The company's headcount level remained unchanged. Our employees were regularly informed and instructed on how to prevent coronavirus infection.

GAZ-SYSTEM understands corporate social responsibility not only as a commitment to society and the environment, but also as a way of building long-term good relations with its stakeholders. Through building trust and mutual understanding we can grow as a mature and responsible organisation. That is why the regular panel discussions with stakeholders which we have been organising for many years, are so important to us. They provide an opportunity for us to obtain stakeholders feedback about GAZ-SYSTEM and expectations towards us.

We believe that good relations cannot be built without mutual trust, transparency and effective communication. That is why each major investment project we undertake is widely consulted with interested parties. On our initiative, in 2021 alone we held over 100 meetings with local government and community representatives across the country.

Neither were our charitable activities put on hold as we carried on with the Natural Energy Fund programme, in which local authorities, educational institutions and NGOs submitted projects promoting measures to optimise energy consumption. We held educational workshops for children and young people about the origin of gas and its safe use. Also, under the GAS-SYSTEM for Education project we have provided 17 municipalities with funds to purchase equipment for distance learning, and to provide psychological support for children affected by the pandemic.

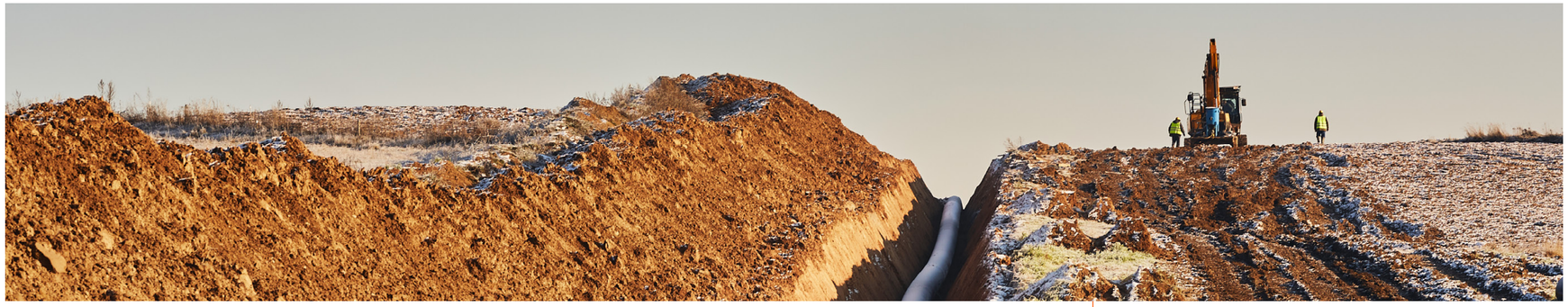
GAS-SYSTEM has been consistently pursuing its ambitious investment goals for many years. At the same time, we are an organisation that takes into account social interests, environmental aspects and relations with different stakeholder groups, in particular employees, in its business activities. And because of this, I would like to thank our employees for their commitment, for understanding the seriousness of the pandemic situation and for working together to keep us all healthy and safe.

I also appreciate that, despite difficult circumstances – not only professionally, but also often in their private lives – they were open to helping others.

I warmly invite you to read this summary and get to know more about our activities in individual business areas of GAZ-SYSTEM. At the same time, I would like to thank everyone who contributed to the 2021 Sustainability Report.

Tomasz Stępień
President of the GAZ-SYSTEM Management Board

2021 KEY EVENTS



JANUARY

- President of the Energy Regulatory Office approves the new Transmission Network Code (TNC).

FEBRUARY

- Construction permit obtained for the third tank at the LNG Terminal in Świnoujście.

MARCH

- Merger of GAZ-SYSTEM and Polskie LNG.
- GAZ-SYSTEM receives an award in the competition Highest Quality International 2021 for the gas meter calibration service.
- Planted 26,000 trees in the Warsaw district of Białołęka as part of greenery compensation measures following an investment project carried out in the area.

APRIL

- Publication of the report Decarbonisation in Central, Eastern and South-Eastern Europe, prepared by Gas Infrastructure Europe in cooperation with GAZ-SYSTEM.
- European Hydrogen Backbone – a study initiated by European infrastructure operators, in which GAZ-SYSTEM participated for the first time.
- Completion of the Tworóg-Tworzeń gas pipeline.

MAY

- GAZ-SYSTEM signs a cooperation agreement with TRANSGAZ – the Romanian TSO.

JUNE

- New tariff for the National Transmission System and Transit Gas Pipeline System (NTS and TGPS) for 2022 approved by the President of the Energy Regulatory Office.
- Nationwide support programme for the elderly "GAZ-SYSTEM for Senior Citizens" launched in cooperation with Caritas Poland.

JULY

- First environmental decisions obtained for the three FSRU onshore gas pipelines which will distribute gas from the Gdańsk area to consumers in Poland in the future.

AUGUST

- Golden weld completed on the gas pipeline connecting the gas systems of Poland and Slovakia.

SEPTEMBER

- 3rd Family Bike Rally under the patronage of the President of GAZ-SYSTEM for the company's employees and their families.
- Client workshop organised as part of the GAZ-SYSTEM Forum.
- 10th Sailing Regatta under the patronage of the President of GAZ-SYSTEM.

OCTOBER

- Ten-Year Network Development Plan for the years 2022-2031 agreed with the President of the Energy Regulatory Office.
- Golden weld on the gas pipeline connecting the gas systems of Poland and Lithuania.
- GAZ-SYSTEM signs of the Sectoral Agreement for the Development of the Hydrogen Economy in Poland.

NOVEMBER

- A binding Open Season procedure started for the FSRU project.
- Pipe-laying completed for the offshore section of the Baltic Pipe.
- Construction of the Gustorzyn – Wronów gas pipeline started.
- Piotr Kuś – Deputy Director of the Gas Market Development Division of GAZ-SYSTEM appointed General Director of the European Network of Transmission System Operators for Gas which associates gas transmission system operators from the EU countries.

DECEMBER

- Co-financing agreement signed f or the construction of the Gustorzyn – Wronów gas pipeline (Stage I).
- Completion of the Strachocina – Pogórska Wola gas pipeline.
- Announcement of the charity initiative of the employees of GAZ-SYSTEM and Caritas Polska dubbed "Be like Santa".
- 12th edition of the Natural Energy Fund Grant Competition announced.

HIGHLIGHTS

Gas Transmission Operator GAZ-SYSTEM S.A. is a company with strategic significance for the Polish economy. The company is responsible for natural gas transmission, operates major gas pipelines in Poland and controls the President Lech Kaczyński LNG Terminal in Świnoujście. It is also in charge of implementing a large-scale investment plan in response to the increasing demand for natural gas.

1.1 1.1HIGHLIGHTS

[GRI 102-16]

Our mission

We ensure safe transportation of natural gas in Poland and are actively engaged in the creation of an integrated transmission system in Europe.

In our day-to-day activities, we are committed to environmental stewardship and sustainable development.

Our vision

We strive to ensure energy security and play an instrumental role as an operator integrating the transmission system in Europe through the

Creating conditions for the development of a competitive market in natural gas in Poland, and the companies operating in the sector;

Building interconnections with the transmission systems of the neighbouring countries as part of the European gas networks;

Developing a modern gas pipeline network in Poland and offering services to optimise its utilisation.

1.2 ABOUT THE COMPANY

[GRI 102-1] [GRI 102-3] [GRI 102-4] [GRI 102-5] OWN INDICATORS]

GAZ-SYSTEM operates pursuant to a concession issued by the President of the Energy Regulatory Office, valid until 6 December 2068. GAZ-SYSTEM also performs the duties of a transmission system operator on the Polish section of the Yamal-Western Europe Transit Gas Pipeline System.

The company is 100% state-owned. The head office is located in Warsaw at 4 Mszczonowska Street, with branches in: Gdańsk, Poznań, Rembelszczyzna, Tarnów, Wrocław and Świerklany. The company is the owner the President Lech Kaczyński LNG Terminal in Świnoujście (ul. Ku Morzu 1) and has an office in Brussels, which represents the interests of GAZ-SYSTEM in EU institutions and monitors events in the energy sector (1040 Brussels, Boulevard Saint-Michel 47).

GAZ-SYSTEM in 2021

[GRI 102-7]

employees
3,276

net revenue from sales
PLN 2.9 billion

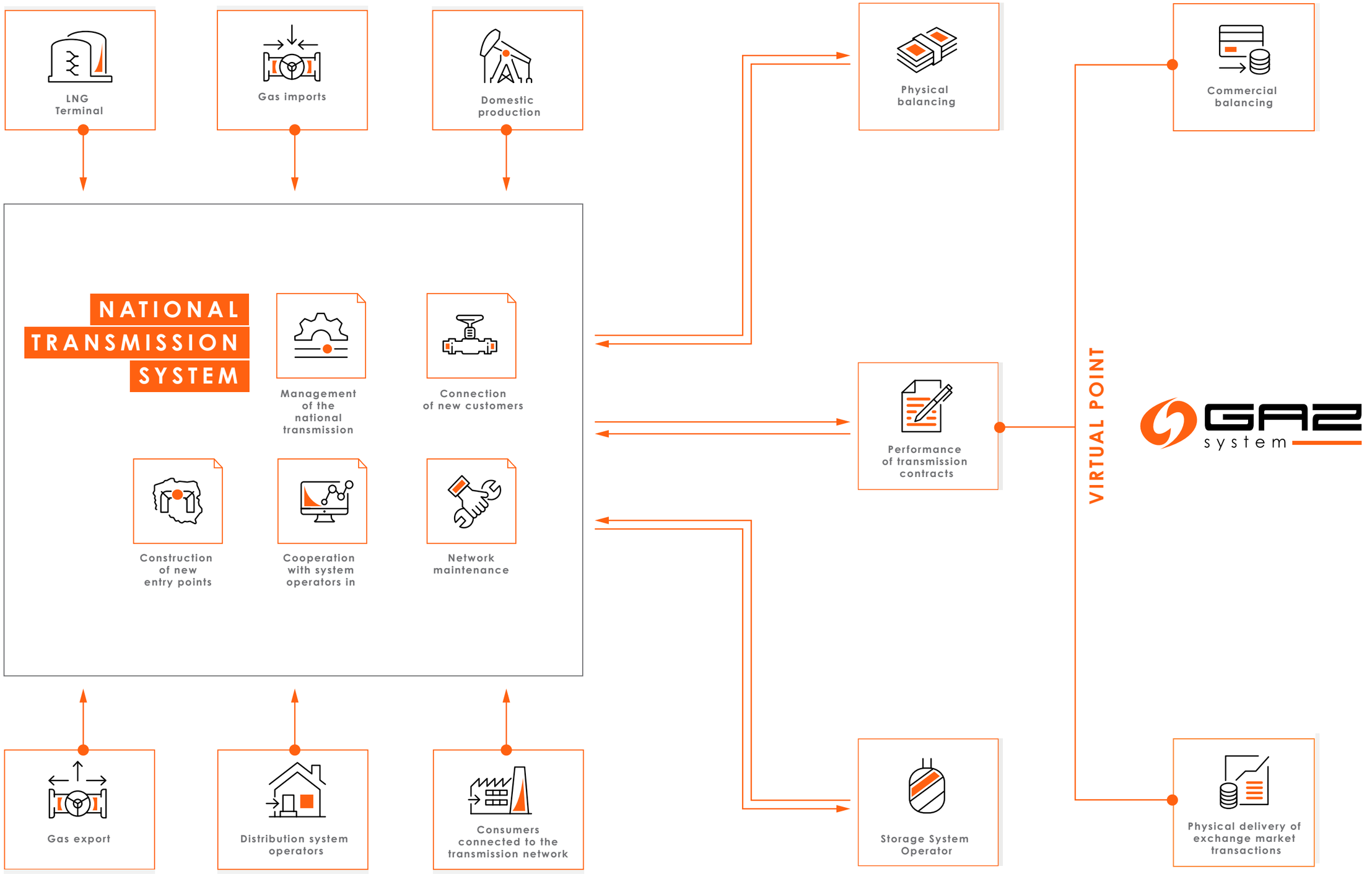
transmission network length
11,394 km

net profit
PLN 642 million

investment expenditures
PLN 5.4 billion

property tax
PLN 252 million

1.3 BUSINESS MODEL



1.4 SERVICES AND OPERATIONS

[GRI 102-6]

GAZ-SYSTEM, as the transmission system operator designated by the Energy Regulatory Office, is responsible for safe and uninterrupted transmission of gas in Poland. The core service provided by the company consists of gas transport over the transmission network throughout the country, in order to deliver gas to the distribution grid and end-users connected to the transmission system.

Gas transmission in numbers

Figures for calendar year 2021 – as at 31 December 2021

[OWN INDICATOR]

Length of transmission network
11,394 km

Compressor stations
14

Entry points[1]
68

System points
34

Exit points[1]
925

Metering stations
864

Volume of gas transported[3]
19.3 mld m³ / 217.4 TWh

Volume of gas transported including UGS[4]
21.3 mld m³ / 240.5 TWh

1. Number of physical entry points to the transmission system, i.e. points at which gas is delivered to the system at a specific physical location. Includes gas imports, withdrawal from UGS facilities, deliveries from fields and domestic production (mixing plants).
2. Number of physical exit points from the transmission system, i.e. points at which gas is offtaken from the system at a specific physical location. Includes transmission to exit points at the connection with distribution areas and the distribution network other than a gas distribution area, injection to UGS facilities, exports and supply to final customers.
3. The volume of transported gas comprises low-methane gas (Lw), after volume conversion to high-methane gas (E) equivalent. The volume of gas transmitted expressed in units of volume is an indicative value.
4. The volume of transported gas includes the operation of UGS facilities. The volume of transported gas comprises low-methane gas (Lw), after volume conversion to high-methane gas (E) equivalent. The volume of gas transmitted expressed in units of volume is an indicative value.

TRANSMISSION NETWORK CONNECTION SERVICE

The transmission service is provided on the basis of a transmission contract concluded between GAZ-SYSTEM S.A. and a system user.

In accordance with the provisions of the Transmission Network Code (TNC), transmission capacity is made, respectively, for physical entry and exit points in the transmission system, virtual entry-exit points including, inter alia: points with an unspecified physical location where gas trading takes place (Gas Exchange, OTC), points of interconnection with distribution areas, points of interconnection with storage facilities.

GAZ-SYSTEM's dispatch units work together with operators in neighbouring countries, the storage system operator and distribution system operators and customers. Detailed rules on, inter alia, cooperation, nomination and provision of transmission services are set out in the Transmission Network Code (TNC) and the TGPS Network Code (TGPS TNC) for the transit gas pipeline.

[OWN INDICATOR]

Transmission contracts

140 National Transmission

47 Transit Gas Pipeline System

GAZ-SYSTEM enters into a network connection agreement with entities applying for connection on an equal treatment basis. The connection to the network is possible subject to technical and economic conditions and the fulfilment of the conditions for network connection and gas offtake.

TERMINAL SERVICES

GAZ-SYSTEM operates the Lech Kaczynski LNG terminal in Świnoujscie.

The installation provides the capabilities for:

- LNG unloading from tankers of capacity ranging from 120,000 m^3 to 217,000 m^3;
- process storage of LNG in containers with total capacity of 320,000 m^3;
- LNG regasification with a maximum capacity of 6.2 bcm of natural gas per year;
- LNG reloading to tanker trucks at 2 dedicated loading bays.

In previous years, the operations of the LNG Terminal – the first project of this kind in Central and Eastern Europe – were managed by Polskie LNG, a company of the GAZ-SYSTEM Group.

[GRI 102-10]

On 31 March 2021 GAZ-SYSTEM and Polskie LNG merged in accordance with Article 492(1) of the Commercial Companies Code through the transfer of all assets of Polskie LNG to GAZ-SYSTEM. This led to the emergence of a single strong business entity that will develop and manage both the transmission infrastructure and LNG assets in Poland.

The current technical regasification capacity of the LNG Terminal of 6.2 bcm stisfies

1/3

of the Polish economy's needs

OPERATION

The gas transmission system consists of the key elements, which are gas pipelines and other facilities such as distribution points, metering stations and compressor stations.

A compressor station is a facility comprising gas compression units together with supply and auxiliary systems. Its functions include pumping of natural gas, increasing its pressure and injecting the fuel to storage facilities.

The transmission infrastructure also consists of 34 system points and 864 metering stations, which provide the capabilities required for pressure reduction, treatment, measurements and distribution of gas.

The transmission system operated by GAZ-SYSTEM includes

14

gas compress

In operating the transmission network, GAZ-SYSTEM employees take care of the proper functioning of gas pipelines and gas facilities through regular inspections, surveys and maintenance activities.

In 2021, 356 maintenance tasks, including 196 short-term (up to one year) tasks, were carried out. The actual spend on the maintenance plan, excluding provisions,

64,8

PLN million

The transmission network is continuously monitored and supervised both in the field and remotely with the aid of modern IT tools. The scope of maintenance activities and their frequency are defined in the Transmission Network Operation System (SESP).

In addition, the company is responsible for the operation of the Transit Gas Pipeline System in Poland where the section of the Yamal pipeline is approximately 680 km long.

1.5 INVESTMENT ACTIVITY

GAZ-SYSTEM is pursuing an ambitious investment plan. The expansion of the transmission network is aimed at securing gas deliveries necessary for the Polish economy and individual consumers. The company's priority is to strengthen the domestic transmission system, to build capabilities for efficient distribution of gas acquired from new sources and supply routes throughout Poland.

Currently, the company is implementing one of the most important infrastructural projects in Poland – the Baltic Pipe, which consists of the construction of a bidirectional offshore gas pipeline connecting Poland and Denmark as well as the expansion of the domestic transmission network and three gas compressor stations. The construction of gas interconnections with Lithuania and Slovakia and the engineering of onshore gas pipelines that will connect the planned FSRU terminal in the Gulf of Gdańsk with the national transmission system are also underway. as is the expansion of the LNG Terminal in Świnoujście.

Further development projects are in prospect, such as the Damasławek Underground Gas Storage Facility, which will provide additional hydrocarbon storage capacity and improve the operating flexibility of the Polish transmission system.

1.6 R&D AND LABORATORY ACTIVITIES

[GRI 103-1] [GRI 103-2] [GRI 103-3]

The company carries out research and development projects relying on its own resources and laboratories, but also in cooperation with external academic and research institutions. In 2021, GAZ-SYSTEM was involved in 4 R&D projects as part of the INGA Programme. In addition to funding from GAZ-SYSTEM, these projects are co-financed by the National Centre for Research and Development.

Hydrogen

Work on assessing the feasibility of hydrogen injection to the gas transmission network continued and included, among other things, participation in international projects. As part of the project "Suitability of natural gas flow meters for renewable gases" a study of the impact of hydrogen and carbon dioxide admixtures in natural gas on gas meter performance was conducted.

Methane

As a result of the ongoing methane mitigation work studies were carried out to update the methane emission factors for the measuring stations. New solutions for detecting and measuring methane emissions from transmission infrastructure were also tested.

GAZ-SYSTEM'S LABORATORIES

The services offered by the Gas Meter Calibration Laboratory in Hołowczyce, the Gas Quality Measurement Laboratory and the Material Testing Laboratory in Pogórska Wola are provided with state-of-the-art equipment, competent personnel and the highest quality standards confirmed with appropriate certificates and accreditations. Testing of welded joints, gas sampling, calibration of gas meters, testing of natural gas composition – these are just some of the services offered by our laboratories.

MATERIALS TESTING LABORATORY

In 2021, the Materials Testing Laboratory was recognised by the Office of Technical Inspection (UDT) as a NDT provider authorised to test equipment covered by the Technical Supervision Act. In addition, the range of services provided was expanded to include magnetic particle testing.

GAS QUALITY MEASUREMENT LABORATORY

In 2021, the Gas Quality Measurement Laboratory carried out metrological inspections of process equipment used in the measurement of natural gas quality, both in-house and for external customers. In addition, the laboratory expanded the scope of testing to include hydrogen and helium content in natural gas. There were also activities aimed at the building competence in methane emissions measurement. As a result of the merger of GAZ- SYSTEM and Polskie LNG, the laboratory located at the LNG Terminal in Świnoujście, which is responsible for testing LNG, water, effluents and auxiliary utilities for the internal needs of the Terminal, was incorporated into the organisation of the Gas Quality Measurement Laboratory.

GAS-METER CALIBRATION LABORATORY

The only laboratory services provider in Poland to perform calibration of gas meters under high pressure. In 2021, the unit calibrated over 200 turbine and ultrasonic gas meters both for the internal needs of GAZ-SYSTEM and for external customers.

In 2021, the Gas Meter Calibration Laboratory was awarded the 2021 Quality International award

HYDROGEN TECHNOLOGIES

GAZ-SYSTEM is extensively engaged in activities and discussions on the development of hydrogen-based technology.

Among other things, the company's current activities are focused on investigating the feasibility of natural gas-hydrogen mixture being safely transported through the existing transmission system. Research and development work is being carried out and company representatives are actively involved in national and international hydrogen initiatives. Regarding to the development of the hydrogen market, questions concerning the construction of a network for the transmission of hydrogen and the conversion of the existing natural gas network are being examined.

At the stage of new developments, the issues of infrastructure development and the use of suitable materials for gas pipelines that can handle a gas-hydrogen mixture in the future are being analysed.

However, until new technologies based on hydrogen developed, natural gas – because of much lower emissions – is going to play a transitional role in the decarbonisation of the Polish energy sector

1.7 CORPORATE GOVERNANCE

[GRI 102-23] [GRI 102-24] [GRI 102-26] [GRI 102-45] [GRI 103-2] [GRI 103-3]

MANAGEMENT BOARD

The day-to-day activities Gas Transmission Operator GAZ-SYSTEM S.A. are led by the Management Board, which sets out the objectives and guidelines for the company's operations, represents the company in external relations and ensures the efficiency and transparency of management.

The members of the Management Board are appointed for a joint 3-year term by the Supervisory Board. The President of the governing body does not simultaneously serve as an executive director.

REPORTING OF ORGANISATIONAL UNITS

[GRI 102-18] [GRI 102-22] AS AT 7.10.2021

TOMASZ STĘPIEŃ
President of the Management Board

- Audit Division
- Finance
- Division
- Corporate Communication and Marketing Division
- National Gas Dispatch Division
- Human Resources Division Independent Positions

KRZYSZTOF JACKOWSKI
Vice-President of the Management Board

- Market Information Office
- Legal Division
- Strategic Investments Division
- Branch in Gdańsk
- Branch in Poznań

ARTUR ZAWARTKO
Vice-President of the Management Board

- Safety and Security Division
- Cyber Security Division
- Operation Division
- IT and Management Systems Division
- LNG Terminal Division
- Świerklany Branch
- Wrocław Branch

MARCIN KAPKOWSKI
Vice-President of the Management Board

- Administration Division
- Research and Development Division
- Investment Division
- Gas Market Development Division
- International Cooperation Division
- Procurement Division
- Branch in Rembelszczyzna
- Branch in Tarnów

SUPERVISORY BOARD

The Supervisory Board is composed of 3 to 9 members appointed and dismissed by the General Meeting. The members of the Supervisory Board are appointed for a joint term of office of 3 years. The Supervisory Board exercises ongoing supervision over all the aspects of the company's activities.

Composition of the Supervisory Board

- **Andrzej Maria Herman** – Chairman
- **Wojciech Arkuszewski** – Deputy Chairman
- **Paweł Pikus** – Secretary
- **Dariusz Kocuń** – Member
- **Krzysztof Ogonowski** – Member
- **Jakub Trojgo** – Member
- **Izabella Łyś-Gorzkowska** – Member

GENERAL MEETING

[GRI 102-28]

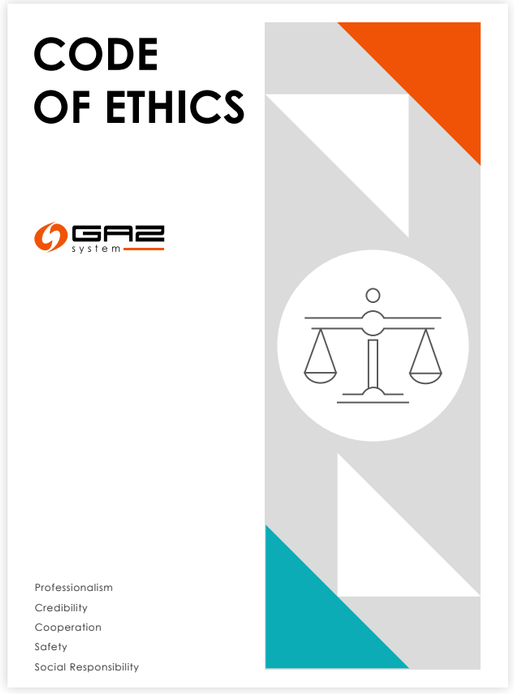
The General Meeting of the Gas Transmission Operator GAZ-SYSTEM S.A. represents the shareholder in the company. It decides on the composition of the Management Board and Supervisory Board and on the distribution of the company's profits. The scope of authority of the General Meeting includes, as a form of evaluation of the management body, inter alia, review and approval of the company's financial statements for the previous financial year, review and approval of the report on the company's activities and the discharge of duties of the members sitting on the company's bodies. The General Meeting approves resolutions of the Supervisory Board as regards the evaluation of the performance of and achievement of objectives by the members of the Management Board.

ETHICS PROGRAMME IN GAZ-SYSTEM

[GRI 102-16] [GRI 102-17]

This was conceived as coherent system that includes a range of activities aimed at raising employees' ethical awareness and fostering an organisational culture based on integrity and transparency.

The programme is based on the values that underpin the functioning of any organisation. They are not just declarations, but deeply rooted principles that serve as guideposts for the decisions and actions of the employees and, as a result, shape the identity of the entire organisation. As a socially responsible company performing multiple tasks supporting the country's energy security, we need the agility to adapt our activities to current needs.



GAZ-SYSTEM'S **values**

PROFESSIONALISM

We care about the highest management standards and operational efficiency of our performance, constantly improving the processes, systems and technologies used. We continuously strive to develop our competence and skills while looking for new solutions.

CREDIBILITY

We are a reliable and stable partner – we keep our commitments. To us, credibility means an ongoing long-term effort pursued by all employees, aimed at building and sustaining genuine relationships and trust.

COOPERATION

We build good relationships with our stakeholders, establishing clear principles of cooperation based on respect, trust and open communication. We nurture a friendly working atmosphere by supporting and inspiring each other.

SAFETY

We ensure energy security through uninterrupted gas transmission. We care about the reliability and safety of the infrastructure. At the same time, safe working conditions for our employees and colleagues are our top priority.

SOCIAL RESPONSIBILITY

We pursue our business objectives in a sustainable way working with different stakeholder groups and with due respect for the social and natural environment.

CODE OF ETHICS

> **The company has a Code of Ethics in place. It is a set of written rules which is interrelated with our stated values and serves as an ethical roadmap for the organisation. It helps employees interpret the adopted value system and standards of conduct in their relations with each other and externally.**

The Code of Ethics indicates what behaviours are acceptable in the company and what are unacceptable. The Code of Ethics also gives specific indications of how to report violations of ethical principles or standards. This applies to both the employees and third parties. Each employee of GAZ-SYSTEM is obliged to apply the Code.

ETHICS TEAM AND ETHICS OFFICER

In accordance with the Ethics Programme, the company set up an Ethics Team. It is composed of the representatives of the key divisions relevant for this area who are appointed by the competent Vice-President. In 2021, the company also appointed an Ethics Officer who is selected according to the relevant procedure applicable to the appointment and duties of the Ethics Officer and the Ethics Team. In accordance with its provisions, a call for candidates was announced and the President of the Management Board appointed Anna Zawadzka-Gawlas to the position.

The Ethics Officer upholds the values and principles of the Ethics Programme at GAZ- SYSTEM, provides support to employees and ensures that they can confidentially report any violations of the Code of Ethics. The duties also include training and communication activities aimed at promoting the company's corporate culture and employee attitudes based on the Code of Ethics.

ANTI-CORRUPTION PROCEDURE

[GRI 205-2] [GRI 205-3]

An anti-corruption procedure has been in place in the company since March 2018. It complements the existing mechanisms of the management and control system designed to minimise the risk of irregularities. The document sets out the rules of conduct with respect to the notification of irregularities or fraud, and the related reporting. Each employee of the company has access to the anti-corruption procedure on the intranet.

[OWN INDICATOR]

> **In 2021, there were no notifications under the anticorruption procedure.**

In addition, the Regulations for undertaking and carrying out additional activities and engaging in additional work by the employees of the Gas Transmission Operator GAZ-SYSTEM S.A. have been in force in the company since 2015.

1.8 EMPLOYEES

People come first for GAZ-SYSTEM. We know very well that our objectives can only be achieved through the conscious, joint action of all employees.

Working at GAZ-SYSTEM presents the opportunity to participate in strategic projects that transform the energy market both in Poland and in the region. It is also a chance to gain experience and expertise, as well as real prospects for growth in a unique and friendly atmosphere based on knowledge sharing.

3276
employees

have stable jobs at over 50 locations in Poland.

TRAINING, DEVELOPMENT AND BENEFITS

[GRI 404-2]

The company provides extensive in-house training to improve professional competence as well as to increase motivation and efficiency.

ONBOARDING PROGRAMME

In 2021, the company implemented an onboarding programme for newly hired employees. The adaptation process was designed to help new employees settle into their professional responsibilities and get to know the organisation. It features a comprehensive training programme including modules on formal employment issues, safety and job instruction, protection of the company's information assets, systems use, cybersecurity, staff matters and welfare, professional development, environmental issues and information on the company's key business areas. The training under the programme was provided by company employees in cooperation with the new employee's supervisor.

DEVELOPMENT INTERVIEWS

[GRI 404-3]

All GAZ-SYSTEM employees regularly undergo performance assessments and career development reviews. In 2021, the company conducted another edition of the Development Interview as a tool for conscious planning of the career development path, which drives competence building and boosts employee motivation and commitment. The launch of the process was preceded by the definition of a report on company-wide development initiatives and a series of training sessions for employees, including those in managerial positions. The training covered both technical issues i.e. the use of IT systems as well as content-related issues and interview skills.

DEVELOPMENT PROJECTS

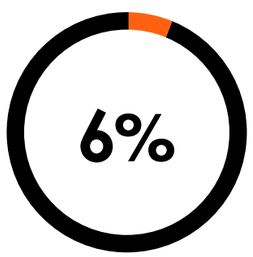
The "Efficient Communication" project was aimed at improving communication within the company. As one of its elements, regular training for managers was provided. The pilot edition of Steven Covey's 'The 7 Habits of Highly Effective People', a world-renowned programme for raising competence in harmonious and effective work-life management, launched in 2021, was also of great interest to the employees.

REMUNERATION

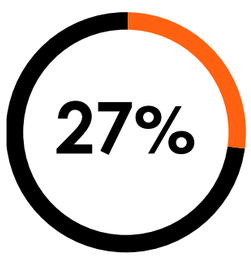
[GRI 102-36]

The remuneration rules for the top management are governed by generally applicable laws, while for all employees of the company they are additionally subject to the company's collective agreement and remuneration policy.

Base salary of women employed in the company is on average higher than men's by



In middle management positions, women earn more by



Ratio of remuneration of women to men
in individual employee groups

[GRI 405-2]

	2019	2020	2021
Senior management	100.77%	101.96%	**102.29%**
Middle management	125.05%	124.99%	**122.39%**
Other employees	108.08%	105.06%	**106.06%**
TOTAL:	**106.87%**	**105.58%**	**106.05%**

EMPLOYEE SHARES AND BENEFITS

[GRI 401-2]

Our employees are provided with professional working tools and development opportunities. We also look after their health and help them with keeping the work-life balance.

Benefits are offered to all employees, both full- or part- time, irrespective of contract type or location.

FAMILY

All employees are eligible to extra 4 hours off on their children's birthday (up to the age of 18). Also with children in mind, we organise competitions and sporting events (e.g. family bike rides). To celebrate Children's Day in 2021, we organised a picnic for employees' children. Due to the epidemic situation, it was held as an online event. It featured artistic performances, themed workshops and competitions with prizes.

HEALTH

[GRI 403-6]

All company employees are provided with private medical care (including their family members). We organise regular health promotion events. Just as in previous years, the company organised a campaign offering a preventive health check-up free of charge and without referral.

In addition, we organised four sporting events in 2021, which attracted over 500 participants.

Life insurance is another benefit offered to all employees. Moreover, during the pandemic, voluntary anti-Covid insurance was available to employees.

WELFARE

[GRI 102-35]

The personnel are eligible for a guaranteed welfare package, which covers partial reimbursement of the costs of holidays, sports and leisure activities, cultural and educational events as well as support in case of misfortune. In 2021, financial support was also provided to employees in hardship, particularly those with health problems.

RETIREMENT BENEFITS

According to the provisions of the Company Collective Agreement, upon retirement each employee of the company is entitled to retirement severance pay. An employee who has worked for the company for at least 15 years and now wishes to retire or receive a pre-retirement benefit is entitled to an extra severance pay on top of the one provided for under the Labour Code. Until termination of employment, the employee continues to enjoy the right to benefit from all forms of training available in the company, even though the acquired or consolidated knowledge may be used elsewhere.

In addition to this, all employees of the company with at least three months' tenure may choose to join a pension scheme with the employer's contribution of 7% of salary, i.e. above the level required by law.

TRADE UNIONS

[GRI 102-41]

Trade union organisations are active in the company and regularly take part in meetings and discussions with the management board. Working meetings are also organised on staff issues. Due to the epidemic situation, most of the meetings in were held by video conference.

Employees have access to information on current arrangements between the employer and the trade unions via a dedicated "Social Dialogue" section in the intranet. It contains complete information on employer-employee cooperation, including updates on all projects involving company trade union organisations, correspondence between the two sides and information on the activities of the working groups.

100% **employees are covered by the collective**

BUSINESS ENVIRONMENT

Working with business partners and customers we build lasting relationships based on trust and mutual benefit. Our partners are openly informed about the principles GAZ-SYSTEM adheres to in its business. We expect that our internal regulations will be observed and are ready to respect the rules of the other party. We treat all parties with respect and guarantee equal access to information.

2.1 GAZ-SYSTEM'S STAKEHOLDERS

[GRI 102-42]

GAZ-SYSTEM is a company of strategic economic importance and its operations bear on Poland's energy security. For this reason, identifying key stakeholders and maintaining ongoing relations with them are crucial to our business, including such areas as operations, implemented strategic investments and the provided transmission services.

GAZ-SYSTEM's key stakeholders include communities, NGOs, public administration and companies we work with on a daily basis in all areas of our operations.

By remaining in constant contact and maintaining a regular dialogue with our stakeholders we are able to define priorities and obtain feedback on issues that have a direct impact on our business environment.

Building long-term relationships with business partners, based on the principles of corporate social responsibility, is essential for the development of the company.

STAKEHOLDER MAP

[GRI 102-40] [GRI 102-43]

	Daily meetings	Working groups	Intranet	Internal magazines and newsletters	Employee engagement	Customer satisfaction survey	Stakeholder panel	Industry and economic conferences	Website	Social media	Programme boards	Briefings	Reports	Regular communication
Employees	+	+	+	+	+	+							+	+
Clients	+					+	+	+			+	+		+
Local governments						+	+	+			+		+	+
Trade unions		+	+	+	+									+
Local Communities	+	+							+	+			+	+
Environmental organisations	+	+					+	+						+
Suppliers and subcontractors	+	+			+	+	+	+					+	+
Governmental administration		+					+	+			+		+	+
Central government		+					+	+			+		+	+
Trade associations		+					+	+			+			+
Transmission operators		+						+			+			+
Competitors								+			+		+	+
Media	+	+					+	+	+	+	+	+	+	+
Market environment	+	+	+	+			+	+	+	+	+		+	+
Universities and schools		+					+	+			+		+	+
Social organisations							+	+			+	+	+	+
Expert organisations								+			+	+	+	+

2.2 COOPERATION WITH SUPPLIERS

[GRI 102-2] [GRI 102-9] [GRI 102-10] [GRI 103-1] [GRI 103-2] [GRI 103-3]

GAZ-SYSTEM selects its suppliers with great care. To foster professional and trust-based relationships with our contractors, we have created appropriate operational and communication tools.

The company has implemented the Supplier Code of Conduct. The document sets out the basic principles guiding GAZ-SYSTEM's business activities and provides a basis for credibility and transparency building. The Code unifies standards of conduct, identifies good practices, contributes to quality improvement of products and services, reduces the likelihood of ethical, social and environmental risks and implements the company's social responsibility throughout the supply chain. The compliance with the Code is a fundamental condition of cooperation – this principle applies to the supplier's employees and its subcontractors or suppliers involved in the delivery of contracts for GAZ-SYSTEM. Relevant declarations make part of the documents the suppliers are required to present in the course of procurement procedures.

We engage in a regular dialogue with suppliers, informing them in advance of our project plans.

In 2021, despite the ongoing pandemic and the fact that open tender procedures were carried out under the new provisions of the Public Procurement Law, GAZ-SYSTEM proceeded with its procurement projects without any disruption. Compared to the previous year, the number of contracts executed using a qualified electronic signature increased by 30%. At the same time, the standardisation of contracts, which led to the introduction of 10 new contract models, e.g. for single and repeated delivery, was undertaken with a view to streamlining the procurement processes.

In 2021, the value of pipe supply contracts for key investment projects totalled

864 million PLN

The value of fittings supply contracts in 2021 totalled

29 million PLN

In 2021, we continued efforts to develop the supply chain in the area of materials procurement. In the area of non-public procurement, a dynamic procurement procedure was implemented, which involves the pre-qualification of suppliers, signing of agreements setting out the general terms and conditions with qualified suppliers, and the subsequent execution of individual orders based on RFQs sent electronically to qualified suppliers.

[OWN INDICATOR]

In 2021, procurement strategies were defined and implemented for key categories. In order to secure ongoing operational needs, the warehousing capacity was increased to include basic materials which are in regular demand.

The number reference letters issued to GAZ-SYSTEM's suppliers to confirm proper contract performance totalled 317. The List of Reliable Suppliers (LWD) was maintained in 24 procurement categories.

Key information on suppliers

[GRI 204-1]

	2019*	2020*	2021
Number of contracts concluded	1,905	2,009	**2,307**
Total number of company's suppliers by year	1,140	1,086	**1,358**
Total value of contracts concluded, translated into PLN	6,187,102,326	8,606,103,957	**2,617,171,705**
Percentage of foreign suppliers in overall supplier base, by year	4%	4%	**5%**

* correction of 2019 and 2020 figures due to change in calculation methodology

2.3 COOPERATION WITH CLIENTS

All activities related to the services we provide and transactions we enter into with our clients are performed on the basis of national legislation, European Union regulations and GAZ-SYSTEM's internal regulations. The prices, capacities and service conditions are defined in accordance with these regulations.

We achieved the highest ever indicator of clients' satisfaction with the quality of cooperation with GAZ-SYSTEM

4,58

(year 2020 – 4.44)

INFORMATION EXCHANGE SYSTEM

The Information Exchange System is the primary tool for cooperation and data exchange between GAZ-SYSTEM and clients. For many years, it has contributed to the improvement of the quality of services provided and the implementation of best practices and operating standards. Relying on the experience and feedback from system users, we are constantly modifying and expanding the system with new functionalities.

CLIENT SATISFACTION SURVEY

[OWN INDICATOR]

We are committed to lasting relationships with our business partners and gas consumers, and ensuring high quality customer service. Any activities that may require improvement are identified through regular diagnosis. A dedicated training programme is in place for employees in customer service roles.

The Client Satisfaction Survey is a tool that has been in use for 15 years to foster dialogue with our clients. It provides insight to the expectations of our business partners and their level of satisfaction with the relationship. In 2021, the survey was carried out in an online format.

The resulting indicator is the arithmetical average of the scores given for the quality of customer service, employee attitudes and competence level as well as the quality of services provided by GAZ-SYSTEM. To our great satisfaction, the indicator has consistently remained at a very high level since 2010.

GSA PLATFORM

The GSA Platform is an independent, proprietary tool for offering capacity in natural gas transmission systems. It allows users to purchase yearly, quarterly, monthly, daily and intra-day products through auctions. By participating in the auctions, they can book the capacity made available at interconnection points by GAZ-SYSTEM. The GSA Platform is also used to provide access to capacity offered by the Czech operator NET4GAS s.r.o. as part of the bundled product offered at the Cieszyn IP, as well as the capacity offered by the Ukrainian operator Gas TSO of Ukraine LLC at the GAZ-SYSTEM/UA TSO GCP point.

Good practices

Meetings with clients

We maintain a regular dialogue with market participants and communicate relevant information to existing and potential clients. On 30 September, another meeting was held in Warsaw in the GAZ-SYSTEM FORUM format where we presented the status of key projects and discussed tariffs for 2022. The workshop were also an opportunity for discussion and exchange of opinions.

Client's calendar

The calendar is prepared to ensure full overview of key dates and information relevant for system users. It is sent at the beginning of each gas year to all contact persons indicated in transmission contracts.

Webinar for clients

In 2021, we launched a series of online workshops for clients and other parties interested in the natural gas market. The webinars were devoted to issues such as connections to the transmission network, agreements with end customers, commissioning, the tariff, the TNC, the GIIP platform, the functionalities of the Information Exchange System and the GSA Platform, among others. The format of the meetings involves the presentation of selected issues and the opportunity to ask questions and have discussions with GAZ-SYSTEM staff. The schedule and materials from the workshops are posted on the company's website.

The stability, efficiency and security of the GSA Platform is ensured by round-the-clock technical support and confirmed by six international standards of security and data protection. The GSA platform fulfils all the requirements of EU regulations, including the provisions of network codes applicable to the natural gas market, is an Organised Trading Facility within the meaning of REMIT regulations, which ensure the transparency of the wholesale energy market.

The GSA Platform gives system users the opportunity to participate in the secondary market, i.e. make and accept offers in the secondary market for capacity trading. In 2021, the users made 223 offers for capacity resale, of which 82 led to the conclusion of a resale transaction.

Number of primary market auctions held in 2021

[OWN INDICATOR]

Product	Number of auctions
Within-day	70,363
Daily	5,699
Monthly	156
Quarterly	129
Yearly	114
TOTAL	76,461

INCREMENTAL PROCEDURE

GAZ-SYSTEM is engaged in regular discussions with market participants with regard the need for the expansion of the transmission network, including interconnections. Commission Regulation (EU) 2017/459 (NC CAM) requires transmission system operators in the EU to prepare, at least in every odd-numbered year, joint incremental capacity demand assessment reports at points of interconnection with neighbouring transmission systems.

INCREMENTAL 2019-2021

In July 2021, we held incremental capacity auctions for:

- an ncremental capacity project at the Mallnow interconnection point between Poland (Polish section of the SGT) and the Trading Hub Europe (THE) market area,
- an incremental capacity project for the border between the market areas Poland – Germany Trading Hub Europe,
- an incremental capacity project for the border between the Poland and Czech Republic market areas.

There were no bookings of incremental capacity made by any market participant and therefore the procedure to allocate incremental capacity was concluded.

INCREMENTAL 2021-2023

In August 2021, GAZ-SYSTEM concluded another non-binding assessment of market demand for incremental capacity between the Polish and neighbouring transmission systems. For the first time, the procedure also provided for testing interest in incremental capacity between the transmission systems of Poland and Ukraine.

In October 2021, GAZ-SYSTEM and neighbouring operators published a joint market demand assessment report for the respective entry-exit zones. The submissions received indicated an existing need for incremental (continuous) capacity between the entry-exit system of Poland and Ukraine in the direction from Poland to Ukraine and between the entry-exit system of Poland and the Czech Republic in both directions. Based on the applications, incremental capacity projects will be initiated.

2.4 COOPERATION WITH OTHER STAKEHOLDERS

The development of sustainable stakeholder relations through efficient dialogue on multiple communication platforms is a priority for GAZ-SYSTEM. The cooperation with stakeholders such as the Energy Regulatory Office, the State Treasury or government administration results from applicable laws and internal company regulations. GAZ-SYSTEM is also actively engaged in cooperation with technical, scientific, business and analytical organisations, both international and domestic.

International industry organisations

- European Network of Transmission System Operators for Gas (ENTSOG)
- International Group of Liquefied Natural Gas Importers (GIIGNL)
- European Association for the Streamlining of Energy Exchange (EASEE-gas)
- Marcogaz Technical Association of the European Natural Gas Industry
- European Gas Research Group (GERG)
- Industry Advisory Panel przy Karcie Energetycznej
- European Committee for Standardization CEN
- International Gas Union (IGU)
- Baltic Ports Organization
- Gas Infrastructure Europe (GIE)
- Hydrogen Europe
- CEDIGAZ

National industry organisations

- Scientific and Technical Society of Oil and Gas Industry Engineers and Technicians, as a supporting member
- Chamber of Natural Gas Industry
- Polish Economic Society
- Club of Polish Research Laboratories POLLAB
- Polish Association of Sanitary Engineers and Technicians
- Union of Entrepreneurs and Employers
- Working Group for Oil and Gas Industry established as part of the 'Alliance for the Improvement of Work Safety, Fire Protection and Environmental Protection in Oil and Gas Industry', established by the National Labour Inspectorate

Regional industry organisations

- Scandinavian-Polish Chamber of Commerce
- Norwegian-Polish Chamber of Commerce

MEMBERSHIP IN ASSOCIATIONS

[GRI 102-12] [GRI 102-13]

ENTSOG

GAZ-SYSTEM has continued its membership in ENTSOG, the association of European gas transmission system operators.

In 2021, Piotr Kuś, a representative of GAZ-SYSTEM, was appointed as Director General of ENTSOG for a 3-year term. Meanwhile, Tomasz Stępień, President of GAZ-SYSTEM's Management Board, served as a member of the ENTSOG Board already for third consecutive year.

Other company representatives were also involved in ENTSOG's projects concerning the expected shape of the energy market, the future of gas infrastructure, investments, market regime, regulatory rules and technical issues.

GIE

GAZ-SYSTEM also continued to be actively engaged in Gas Infrastructure Europe (GIE), an organisation which is the voice of European gas infrastructure operators in Brussels.

In 2021, a GAZ-SYSTEM's representative remained a member of the GIE Board and the Board of the Gas Transmission Europe division, which brings together gas transmission operators, and of the Gas LNG Europe (GLE) division. Representatives of the company participated in most of the GIE's working groups and initiatives.

IGU

In 2021, as part of its international activities, the company's experts were involved in a number of key committees of the International Gas Union (IGU). During the current triennium (three- year period), a GAZ-SYSTEM representative leads the working group 'Long term strategy in environment-conscious markets' within the IGU Strategy Committee.

Cooperation on energy transition

As a member of the European Union, Poland committed itself to common climate goals, including achieving climate neutrality in 2050. This poses a huge civilisational challenge. In 2021, GAZ-SYSTEM was involved in a number energy transition initiatives – both internationally and domestically.

European Hydrogen Backbone (EHB)

Working together with other EU operations on the European Hydrogen Backbone (EHB) study, an initiative to present the assumptions of a future hydrogen transmission network in the EU and potential supply routes. GAZ-SYSTEM is involved in the preparation of 3rd edition of the study to be published in 2022.

Cooperation with Transgaz

The conclusion of a cooperation agreement between GAZ-SYSTEM and TRANSGAZ in June 2021 to develop a common approach to achieving the EU's strategic objectives in terms of security of natural gas supply, market integration and sustainable development, in particular with regard to the European Green Deal.

Coal Regions in Transition

The participation in meetings of the Coal Regions in Transition platform established by the European Commission, which concerned proposals for energy transformation of coal regions in the European Union.

GIE decarbonisation report

The preparation and publication of a report on the Decarbonisation in Central, Eastern and South-Eastern Europe, within the framework of Gas Infrastructure Europe (GIE) on the initiative and in cooperation with GAZ-SYSTEM.

Sectoral agreements

Working out and signing, together with the major companies of the energy and transport sectors, the "Sectoral Agreement for the Development of the Hydrogen Economy in Poland" (October 2021) and the "Cooperation Agreement for the Development of the Biogas and Biomethane Sector" (December 2021).

Conference in Lucerne

Preparation and moderation of a panel on the role of gas in the energy transition in Central and Eastern Europe at the GIE Annual Conference in Lucerne in October 2021.

2.5 INFORMATION OBLIGATIONS IN THE ENERGY MARKET

As a participant in the wholesale energy market, GAZ-SYSTEM fulfils reporting obligations under REMIT with a view to increasing market integrity and transparency.

As part of its reporting and disclosure obligationsin respect of the energy market, GAZ-SYSTEM:

- ensures the public disclosure, on the Gas Inside Information Platform (GIIP), of information concerning, inter alia, the capacity and utilisation of natural gas transmission facilities, including any planned and unplanned unavailability,
- monitors market participants' activity related to transmission capacity allocation through the GSA Platform, as well as in the balancing segment, to identify any instances of manipulation and misuse of inside information.
- reports fundamental and trading data to the Agency for the Cooperation of Energy Regulators (ACER).

Gas Inside Information Platform

Starting from 1 January 2021, as required by the ACER Guidance, inside information Urgent Market Messages (UMM) may only be published by market participants on platforms included in the ACER's official list.

The GAZ-SYSTEM's Gas Inside Information Platform (GIIP) serves for the publication of REMIT inside information on natural gas has been on the list of Inside Information Platforms maintained by ACER (www.acer-remit.eu/portal/list-inside-platforms) since 2020.

In 2021, recognising increased market interest in UMM publication services, GAZ-SYSTEM decided to expand its services to include the publication of UMMs for electricity. In December 2021, the relevant communication regarding the expanded scope of publication services was submitted to ACER.

Market monitoring under REMIT obligations

As the operator of the national gas transmission system, of the Polish section of the Yamal pipeline and of the GSA Platform, GAZ-SYSTEM is required to monitor the trading activities of market participants with regard to the execution of transmission capacity allocations as a result of auctions on the GSA Platform, and their market behaviour.

In the case of discovering any potential market manipulation or misuse of insider information, GAZ-SYSTEM is obliged to report such event to the President of the Energy Regulatory Office.

Reporting to ACER

[OWN INDICATOR]

	2019	2020	2021
Total number of reports sent to ACER	28,362	38,345	**47,515**
Number of reports sent by year	8,601	9,983	**9,170**

2.6 AREAS RELEVANT FOR STAKEHOLDERS

[GRI 102-44] [GRI 102-46] [GRI 103-1]

In February 2022, we organised a panel discussion for our stakeholders based on the AA1000SES standard guidelines. The meeting was attended by representatives of clients, local and public administration, suppliers and subcontractors.

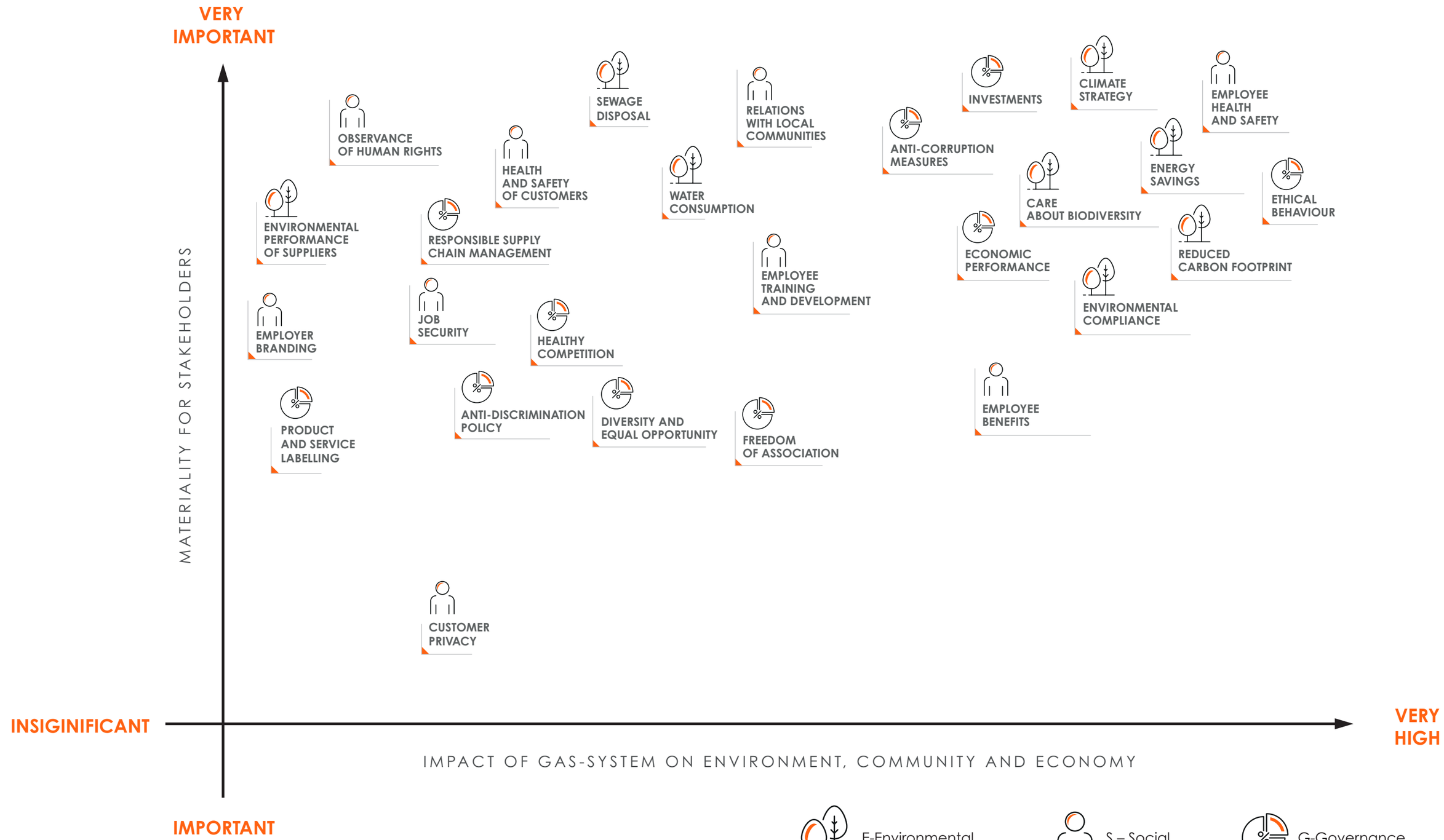
The goal was to get to know the opinions and expectations towards GAZ-SYSTEM, as well as to gather good practices and inspiration for the purposes of the Sustainability Report 2021. This led to the update of the materiality matrix which sets the framework for this report and also serves as a signpost for the company's sustainability strategy.

They also expressed appreciation for GAZ-SYSTEM in recognising the role of good communication in the company's investment activities. The projects and campaigns carried out by the company, especially the Natural Energy Fund grant programme and the Supplier Days organised in previous years, were highly appreciated. It was noted that regular satisfaction surveys translate into company actions and make the stakeholders feel that they truly matter to the company. During the panel, it was also highlighted that GAZ-SYSTEM has demonstrated major improvement in reporting and collecting stakeholder feedback.

> **Participants in the stakeholder panel emphasised that, with its proactive and comprehensive approach to sustainability, the company works effectively in the areas of habitat protection and CSR, skilfully reaching out to all target groups.**

MATERIALITY MATRIX

[GRI 102-47]



SAFETY AND SECURITY

Safety and security are an absolute priority in the activities of GAZ-SYSTEM. We understand these notions very broadly: Poland's strategic energy security in terms of gas supply, technical safety of the transmission network, compressor stations and the LNG terminal, safety of our employees, safety during implementation of our investments, and finally risk management.

3.1 PROTECTION OF GAS INFRASTRUCTURE

As a company of strategic importance to the economy, GAZ-SYSTEM plays a key role in ensuring national energy security. First and foremost, this means the comprehensive protection of the infrastructure used for gas transmission and regasification services.

GAZ-SYSTEM fulfils the statutory duties applicable to an entity acting as an entrepreneur of particular importance for the economy and defence, operator of critical infrastructure, owner of facilities that are subject to mandatory protection and of particular importance for the security and defence of the state, as well as the owner of a port facility. In this respect, GAZ-SYSTEM fulfils the obligations arising directly from the law.

How do we keep the transmission network safe?

- We regularly monitor gas pipelines and the surrounding area –from the ground and from the air using helicopters and drones.
- Pipeline locations are carefully inspected – especially at points where they cross various facilities.
- The areas along pipeline routes are looked after to keep them in good order.
- The gas pipelines undergo regular cleaning and checks of their technical condition to ensure safe gas transmission.
- Systematic maintenance of all equipment and cathodic protection of gas pipelines is also ensured.
- We carry out regular inspections of facilities and gas pipelines.

3.2 SAFETY OF GAS PIPELINES AND FACILITIES

GAS EMERGENCY UNIT

The objective of the 24/7 Gas Emergency Unit (GEU) is to respond to any signals concerning network failure incidents within the facilities operated by the company and reported by monitoring systems, the public, local administration, the Police and/or Fire Service. Within the scope of its primary tasks the GEU is responsible for handling of any failures or disasters and subsequent recovery, as well as for the supervision and protection of any maintenance, construction and operation works undertaken within the transmission system.

The necessary O&M activities related to network safety are usually carried out by our in-house crews with appropriate qualifications. This ensures that the technical condition of gas pipelines is always at the highest level.

MARKING OF GAS PIPELINE ROUTES

The layout of our transmission network can be easily traced in the field thanks to the marking posts. They are an important part of the transmission infrastructure, enabling the identification of gas pipeline routes during inspections, whether terrestrial or aerial. Marking posts are also an important piece of information for property users indicating that a gas pipeline is located on the site.

3.3 SAFETY AND SECURITY LNG TERMINAL IN ŚWINOUJŚCIE

The LNG terminal is operated according to the highest safety standards. GAZ-SYSTEM uses multi-layered technical protection systems, as well as procedural and organisational safety management frameworks. A multi-stage protection system ensures that even when the first stage of protection fails at a specific point of the process, the next stage is triggered to stop the escalation of a potential failure risk.

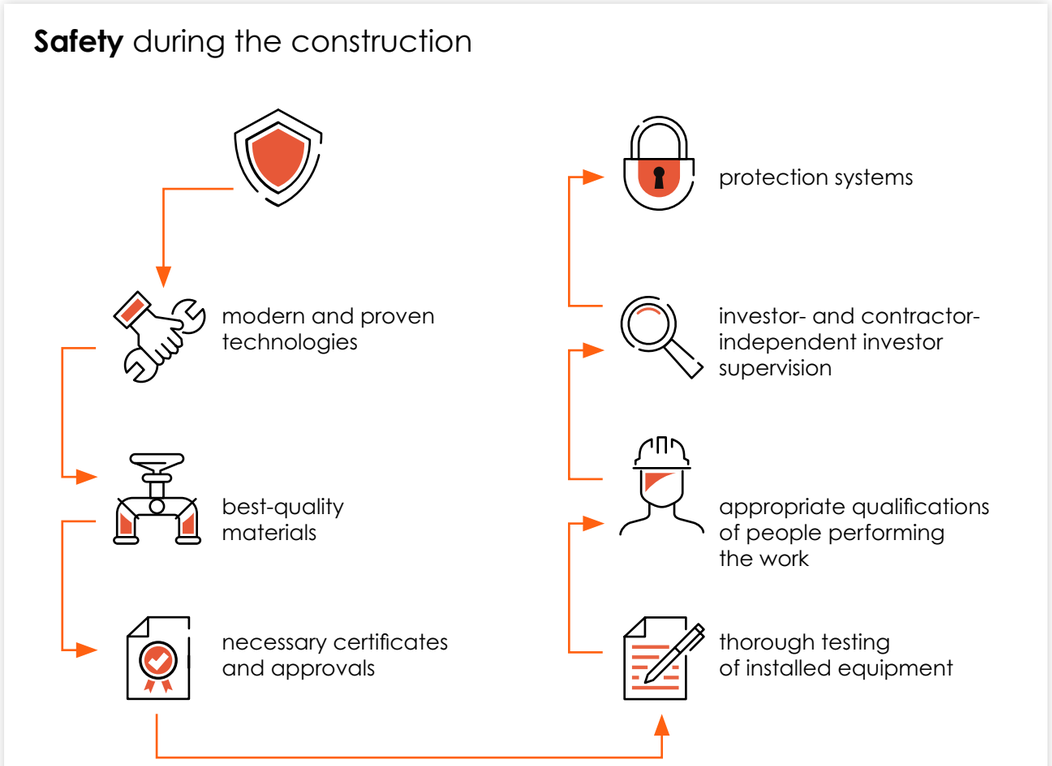
In the operation and expansion of the Terminal, we attach great attention to a safe system of work, which is primarily based on the principle of selecting employees and contractors with adequate skills.

To ensure the safety of the LNG Terminal in Świnoujście a comprehensive set of documents was developed and implemented, including: the Emergency Prevention Programme, Safety Report and Internal Emergency Plan, which includes emergency procedures to ensure preparedness in the event of an emergency or disaster.

Thanks to top-class safety standards, in 2021 the company maintained its clean safety record without any Major Industrial Accident for another consecutive year.

In December 2021, there was an emergency incident involving a gas leak from the pipeline. However, thanks to the prompt response and effort of the Terminal's highly skilled crews and the involvement of the Company Rescue Team, it was possible to avoid escalation and to carry out immediate repair on the pipeline. The incident did not affect the operation of the installation or the continuity of the day-to-day functions of the Terminal, i.e. vessel unloading, regasification and LNG tanker loading.

3.4 SAFETY OF INFRASTRUCTURE INVESTMENTS



3.5 RISK MANAGEMENT AND MANAGEMENT SYSTEMS

GAZ-SYSTEM operates a corporate risk management system based on the ISO 31000 standard. The key risks that may affect the Company are closely related to its mission and development plans. The pursuit of those goals is supported by risk analysis that accompany the making of vital decisions, and by ongoing processrisk management, including:

- Transmission continuity assurance.
- Operation of the transmission system.
- Project management.
- Information security.
- Safe working conditions.

Key systems ensuring safety

[GRI 102-30]

Business Continuity Management System – BCMS (ISO/IEC 22301)*

The purpose is to prepare the company for a possible disruption in the continuity of key services, i.e. gas transmission and operation of the LNG Terminal. In such case, the BCMS ensures a rapid and coordinated response. Tests and drills carried out in 2021 for various processes demonstrated high level of readiness to maintain business continuity be it in case of breakdowns or crisis situations.

CERTIFICATION BODY MARK - BSI - BCMS CERTIFICATION

Information Security Management System – ISMS (ISO/IEC 27001)*

The objective is to protect information and prevent unauthorised leakage. The system provides internal protection mechanisms in such areas as information classification, cybersecurity, personal data, formal and legal security.

BUREAU VERITAS – ISMS CERTIFICATION

AC 081

Risk management through Enterprise Risk Management

Systemic risk management takes place at corporate level and through processes designed to ensure the delivery of services. In GAZ-SYSTEM, risk management is an inherent component of the management process and is subject to continuous modification in response to changes in the business environment and within the organisation itself.

Risk management through Enterprise Project Management

The Enterprise Project Management (EPM) system, which integrates risk, schedule, scope and budget management, is also used to mitigate risks in the implementation of strategic investment projects.

* to confirm compliance with ISO 22301:2019 and ISO 27001:2017, the company underwent a recertification audit in August 2021. The right to use the certificate and the certification body mark was extended until October 2024. As part of the recertification audit, the scope of certification was also extended to include the services provided at the LNG Terminal in Świnoujście.

3.6 OCCUPATIONAL HEALTH AND SAFETY

[GRI 103-1] [GRI 103-2] [GRI 103-3] [GRI 403-1] [GRI 403-3] [GRI 403-4] [GRI 403-8]

The safety of our employees is our top priority. We do everything possible to prevent accidents at work and mitigate their potential consequences. To this end, we have developed a Health and Safety Management System based on European OHS standards. The company has an OHS Committee which includes representatives of the employer and employees. The Chairperson of the OHS Committee is appointed by the employer, and the Deputy Chairman by the Company's Social Labour Inspector. The Committee's activities include the evaluation of working conditions, periodic assessment of the OHS standard, expressing opinions on measures introduced by the employer to prevent accidents at work and occupational diseases, and putting forward proposals concerning the improvement of working conditions. Questions related to the protection of working conditions and medical care are addressed in the Collective Labour Agreement, work regulations and internal regulations applicable to all the employees of GAZ-SYSTEM.

OCCUPATIONAL RISK ASSESSMENT

[GRI 403-10]

The company has procedures in place to minimise risks to the health and life of its employees. Each position is subject to an extensive occupational risk assessment undergoes an extensive occupational risk assessment, which is carried out with the involvement of employee representatives, the Social Labour Inspectorate and an occupational physician. In 2021, a comprehensive occupational risk assessment was carried out for all job positions, which led to appropriate actions and measures to minimise the potential impact of the assessed risks.

Gathering information related to accident hazards allows for appropriate response prior to their occurrence, while their analysis supports the design of effective accident prevention measures. As a result, additional organisational and technical mechanisms are being developed to prevent the recurrence of accidents. These are targeted at both employees and subcontractors.

SAFETY TRAINING FOR EMPLOYEES

[GRI 103-1] [GRI 103-2] [GRI 103-3] [GRI 403-5]

Together with our employees who receive training in workplace safety rules, we are building a culture of safety at work.

In 2021, introductory training on occupational health and safety was provided to

138

newly hired staff members

REINFORCEMENT OF SAFETY CULTURE

[GRI 403-7]

Preventive measures targeting both the company's employees and subcontractors are seen as the key elements in safety management. The way to further improvement of the company's safety culture leads through building awareness of safe work performance and strengthening proactive attitudes among employees and contractors.

3.7 SAFETY DURING THE PANDEMIC

During the pandemic and exposure to risks associated with the SARS-CoV-2 virus, the highest possible level of awareness in the area of safe work practices, among all employees and contractors, became particularly important.

The commitment of our employees at all levels of the organisation ensured the continuity of services during this difficult period, as well as a high standard of safety and mitigation of the transmission of the SARS-CoV-2 coronavirus among the employees. The Crisis Management Team was set up and continuously monitored the situation in the company and in the country. Predefined scenarios were implemented as needed and rules were applied to minimise the infection risk. Remote work and minimum or standby staffing with rotating attendance continued to be the practice. Tests for SARS-CoV-2 virus infection were also carried out under a contract procured by the company.

For the purposes of countering the COVID-19 threat, the "Guidelines for the transmission system operation during the coronavirus threat" continued to apply in 2021 as a set of measures to maintain the continuity of the operation of the transmission system infrastructure.

[GRI 403-6]

The coronavirus pandemic also changed the way infrastructure investments were carried out. For those involved in their implementation, this meant additional responsibilities and restrictions due to sanitary rules. GAZ-SYSTEM quickly adapted the investment process to the requirements of COVID-19. Above all, the company monitored the supplier situation on an ongoing basis. Despite the difficulties associated with the pandemic, there were no delays and key investment projects proceeded according to schedule.

In 2021, an information campaign for staff on good safety practices during the pandemic was also organised. As a preventive measure, pulse oximeters were purchased for all company employees. For the sake of the health and mental well-being of our employees, we provided them with the opportunity to take part in online sports classes (aerobics, yoga, Pilates, exercises for a healthy spine).

During the pandemic, special guidelines were introduced for construction work. All those involved were informed of the safety rules and direct contact was kept to a minimum.

INVESTMENTS AND DEVELOPMENT

GAZ-SYSTEM ensures the safe and reliable gas transmission in Poland. The company is responsible for the operation of gas transmission pipelines and the LNG Terminal in Świnoujście. Its role goes beyond that of a TSO and involves shaping the Polish gas market and and having a real impact on the economy of the whole country. It also makes a significant contribution to regional development, supports the subcontractor market and creates new jobs. Through strategic projects implemented together with its partners from Denmark, Lithuania and Slovakia, GAZ-SYSTEM is also developing the gas market at the European level.

4.1 TRANSMISSION NETWORK DEVELOPMENT

In 2021, the length of the gas network increased by

433
km

Through the construction of gas infrastructure and the expansion of the transmission network, GAZ-SYSTEM is implementing the guidelines of Poland's energy policy. Thanks to our investments, it is possible to satisfy the growing domestic demand for natural gas and diversify the sources and directions of supply.

DEVELOPMENT STRATEGY

In 2021, GAZ-SYSTEM developed the Ten-Year Transmission Network Development Plan (TYNDP) for 2022-2031, which identifies the future needs of the Polish economy related to gas fuels, and defines a comprehensive action plan for the next decade.

The TYNDP also presented new forecasts of gas consumption in Poland. They show that over a 10-year horizon, market demand for natural gas on an annual basis could increase by as much as 50%. Such large increases are driven by the transformation process, increasingly evident in the energy and heating sector. In addition to the domestic perspective, GAZ-SYSTEM is actively involved in shaping transmission network development plans at the European and regional levels. This is includes the participation in drafting of the following documents: TYNDP - Ten Year Network Development Plan, CEE GRIP - Central Eastern Europe Gas Regional Investment Plan and BEMIP GRIP - BEMIP Gas Regional Investment Plan.

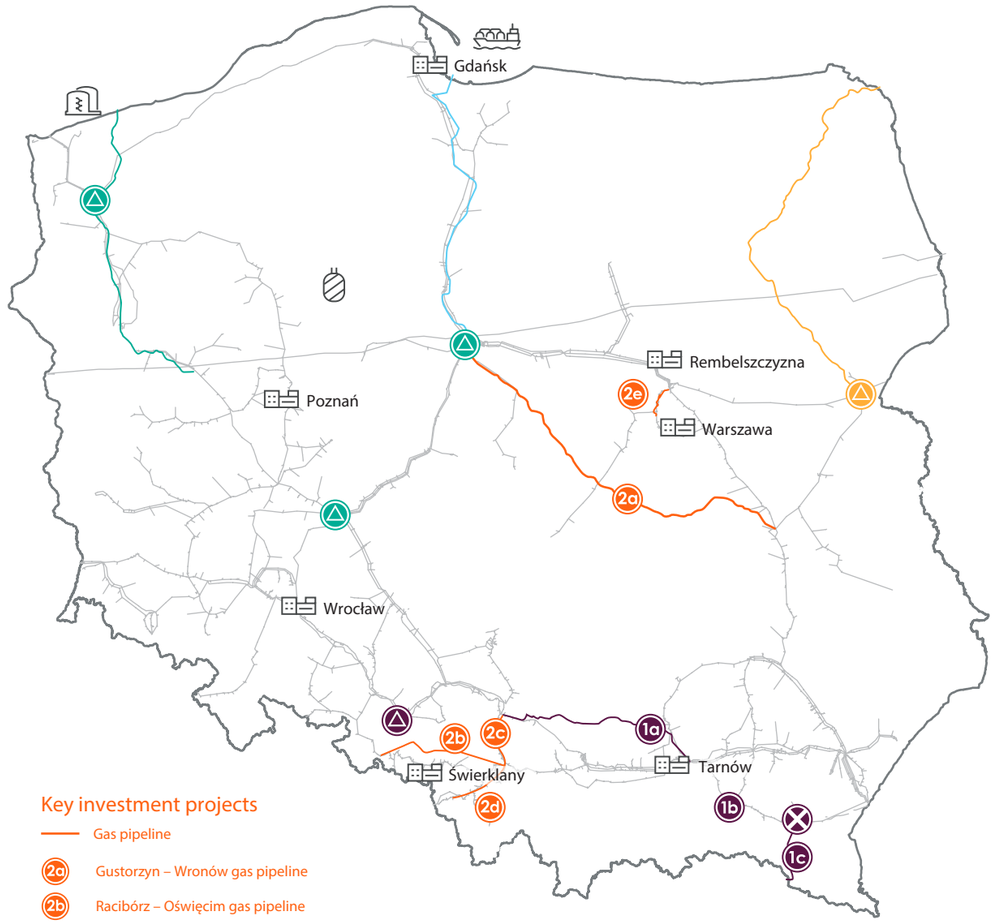
INVESTMENT PLAN IN 2021

Capital expenditure for 2021 included in the GAZ- SYSTEM Investment Plan for 2021-2023 amounts to PLN 6,039.2 million.

Completion of investment tasks in 2021 corresponded to PLN 5,428.6 million,

90%
of the plan

Map of key investments (as at 2021)



Key investment projects

Gas pipeline

- 2a Gustorzyn – Wronów gas pipeline
- 2b Racibórz – Oświęcim gas pipeline
- 2c Oświęcim – Tworzeń gas pipeline
- 2d Skoczów – Komorowice – Oświęcim gas pipeline
- 2e Rembelszczyzna – Mory gas pipeline

Interconnection Poland – Lithuania

Gas pipeline

Gazu Hołowczyce II Gas Compressor Station

North-South Gas Corridor

Gas pipeline

- 1a Pogórska Wola – Tworzeń gas pipeline
- 1b Strachocina – Pogórska Wola gas pipeline
- 1c Interconnection Poland- Slovakia
- Kędzierzyn Compressor Station
- Strachocina system point

FSRU Terminal

FSRU terminal in the Gulf of Gdańsk

Gas pipeline

Baltic Pipe – onshore part

Gas pipeline

Compressor Station

LNG Terminal in Świnoujście

Cavern Underground Gas Storage Facility in Damasławek

Branches/Head Office

Existing pipelines

Branch borders

INVESTMENT CO-FINANCING IN 2021

Dofinansowane przez Unię Europejską

Fundusze Europejskie Infrastruktura i Środowisko

GAZ-SYSTEM is developing its transmission network with the support from the European Union and is actively benefiting from the EU programmes for the development of energy infrastructure.

Most of the strategic investment projects implemented by GAZ-SYSTEM have been recognised by the European Commission as Projects of Common Interest (PCI). The PCIs are key infrastructure projects designed to improve the level of security on the European energy market. Their implementation is in line with Poland's energy policy and the climate objectives of the European Union.

The EU support helped in the completion of numerous investment projects that will contribute to the improvement of energy security is not only in Poland but also in the entire region of Central and Eastern Europe.

The EU funds are obtained by GAZ-SYSTEM primarily from programmes such as: CEF – the Connecting Europe Facility and OPI&E – the Operational Programme Infrastructure and Environment 2014-2020.

In 2021, GAZ-SYSTEM received a record amount of co- financing of its investment projects from the European Union. It totalled over PLN 398.9 million and approximately EUR 143.1 million, meaning that for the first time in the company's history, the total amount of obtained funds exceeded

1

billion PLN per year

4.2 KEY INVESTMENT PROJECTS

[GRI 203-1] [OWN INDICATORS]

Key projects

2021 was a pivotal year in the implementation of the largest investment programme ever in the Polish gas industry, which will make it fully independent of gas supplies from Russia.

Baltic Pipe

In November, GAZ-SYSTEM completed pipe laying for the offshore section of the Baltic Pipe, which was the most important and difficult part of the project.

North-South Corridor

We completed the construction phase of the gas interconnection between northern and southern Europe. GAZ-SYSTEM completed the majority of the Polish section of the North-South Corridor development.

LNG Terminal Expansion

In 2021, the so-called small expansion programme, i.e. the installation of 2 more SCVs, was underway at the LNG Terminal in Świnoujście.

We also carried out intensive work on the construction of the third tank.

Interconnections

At the border with Slovakia, we completed a symbolic golden weld which joins the two parts of the interconnection between Poland and Slovakia. In October, at the Lithuanian border, we performed another 'golden weld' on the Poland-Lithuania interconnection which integrated the two countries' gas systems.

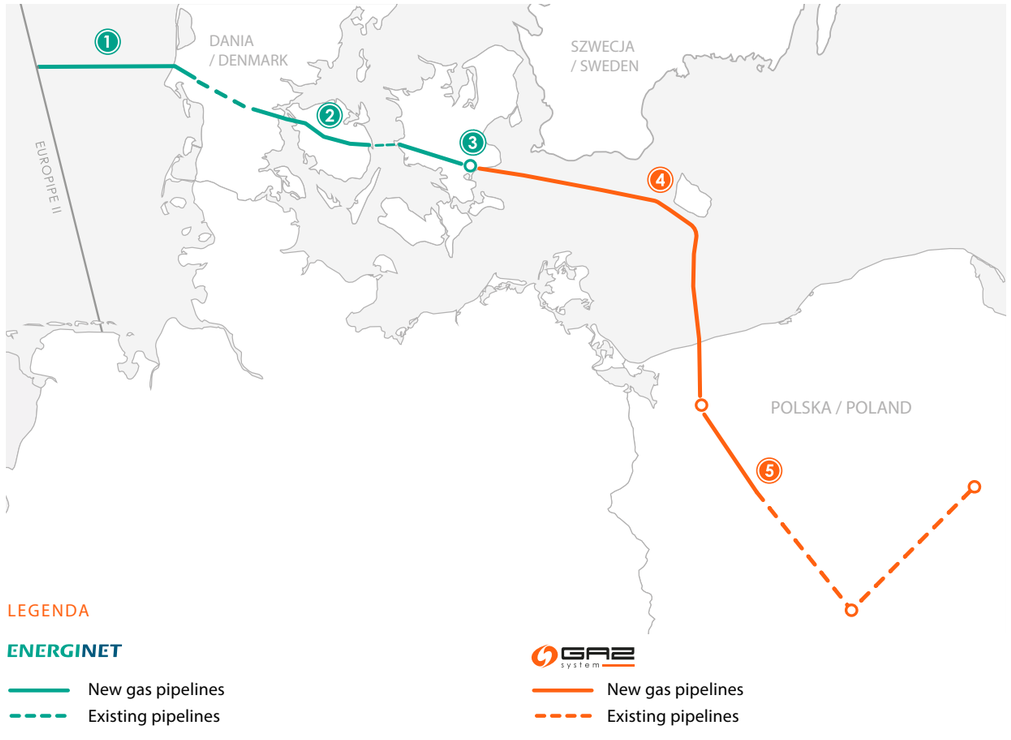
FSRU Terminal

In 2021, design and administrative decisions for 3 onshore gas pipelines continued, and the first phase of the Open Season procedure was carried out.

4.2.1 BALTIC PIPE

[GRI 203-1]

Map of the Baltic Pipe



LEGENDA

ENERGINET

- New gas pipelines
- Existing pipelines

1. Offshore gas pipeline through the North Sea
2. Expansion of the Danish gas transmission system
3. Gas compressor station in Denmark

GAZ-SYSTEM

- New gas pipelines
- Existing pipelines

4. Offshore pipeline through the Baltic Sea
5. Expansion of the Polish gas transmission system
- Gas compressor stations

The Baltic Pipe project received co-financing funding from the European Union (under the CEF - Connecting Europe Facility programme)

The EU funding granted to date totals EUR 266.8 million, of which GAZ-SYSTEM received nearly

243.5
EUR million

The Baltic Pipe is a strategic infrastructure project aimed at creating a new gas supply corridor on the European market. Combined with the expansion of the LNG Terminal in Świnoujście, it represents a vital project that puts an end to Poland's dependence on natural gas supplies from Russia. The investment will enable the transport of gas from Norway to the Danish and Polish markets, as well as to end users in neighbouring countries. At the same time, Baltic Pipe will enable the transmission of gas from Poland to Denmark. The project is implemented in close cooperation between GAZ-SYSTEM and Energinet – the Danish gas and electricity TSO.

PROGRESS IN 2021

GAZ-SYSTEM and Energinet carried out construction works both onshore and offshore.

BALTIC PIPE – OFFSHORE PART

In the offshore gas pipeline project, the key stages of this part of the project have been completed, including the landfall construction in Poland and Denmark and pipe laying in the Baltic Sea over a total distance of about 275 km. The offshore gas pipeline was laid by three pipe-laying vessels: the Castorone, the Castoro Sei and the Castoro 10.

01.2021

- The manufacturing of all the pipes for the offshore gas pipeline was completed.

03.2021

- The body of the TBM unit for excavating the tunnel under the beach for the offshore gas pipeline arrived to Rewal.

04.2021

- Underground tunnel on the Polish coast started to be excavated using the Pola TBM unit.

06.2021

- The Pola completed the tunnel at the landfall of the offshore gas pipeline in Poland.
- The excavation of an underground tunnel with the Danka TBM unit started on Danish Faxe coast.
- The Castorone began pipe laying on the Baltic Sea bed.

07.2021

- The Castoro Sei begun laying the offshore pipeline.
- The Danka completed the approximately 1000-meter-long tunnel passing under the Danish coast.
- The Castorone completed its work. 09.2021
- The offshore gas pipeline was laid in the underground tunnel and landed in Poland.
- The Castoro Sei connected the two offshore sections at sea: one running from Denmark and the other in the tunnel approaching the landing point in Poland.

10.2021

- The offshore gas pipeline was laid in an underground tunnel and landed in Denmark.

11.2021

- GAZ-SYSTEM completed the laying of the Baltic Pipe offshore section. The largest vessel, Castorone, laid about 150 km in deep waters, and the other – about 125 km in the shallower waters of Poland and Denmark. The pipeline runs through the territorial waters of 3 countries – Denmark, Sweden and Poland. The scope of works included all necessary crossings with third-party subsea infrastructure.

BALTIC PIPE – ONSHORE PART

In 2021, investor deliveries (pipes and fittings) were completed for all onshore projects (compressor stations and pipelines) and infrastructure construction was underway. The gas pipeline construction works concerned both the pipelines themselves (welding, laying, backfilling) and on process facilities. Most of the trenchless crossings were completed and leak-proof tests of the gas pipelines began. As for gas compressor stations, all compressor units were placed on foundations, the construction of key buildings was completed and the installation of equipment began.

01.2021

- First delivery of pipes for the construction of the Niechorze – Płoty gas pipeline link.
- Start of pipe welding of the Goleniów – Ciecierzyce gas pipeline.
- Construction site set-up, start of earthworks and foundation works at the Goleniów Gas Compressor Station.
- Beginning of ground reinforcement works at the Odolanów Gas Compressor Station.

02.2021

- Start of pipe laying on the Goleniów – Ciecierzyce gas pipeline.

03.2021

- Start of pipe deployment on the Niechorze – Płoty gas pipeline and beginning of pipe welding.
- Start of pipe welding on the Ciecierzyce – Lwówek gas pipeline.
- Completion of the supply of compressor units for the Goleniów Gas Compressor Station.

04.2021

- Pipe welding on the Niechorze – Płoty gas pipeline.
- Completion of the first direct pipe crossing of the Goleniów – Ciecierzyce gas pipeline under the Pełcz River.
- Start of the laying of the Ciecierzyce – Lwówek gas pipeline.
- Completion of the supply of compressor units for the Gustorzyn Gas Compressor Station and the Odolanów Gas Compressor Station.

05.2021

- Completion of the supply of fittings for the Niechorze – Płoty gas pipeline.
- Completion of investor deliveries for the Goleniów – Lwówek gas pipeline and all gas compressor stations.

06.2021

- Completion of the HDD crossing of the Ciecierzyce - Lwówek gas pipeline under the Obra River.
- Completion of investor deliveries for the Niechorze – Płoty gas pipeline and start of pipe welding.

07.2021

- Completion of the direct pipe crossing of the Goleniów – Ciecierzyce gas pipeline under the Ina River.
- Completion of foundation work for the compressor unit buildings for the Goleniów Gas Compressor Station.
- Setting of all compressor units at three gas compressor stations.
- Start of civil works at the Konarzewo Receiving Terminal and the Ploty Gas Transmission Point.
- 08.2021
- Completion of steel structure supply for major components at the Goleniów Gas Compressor Station.
- Completion of the assembly of the major steel structures of the key components at the Odolanów Gas Compressor Station.

09.2021

- Start of valve assembly and installation of the steel structures of the compressor unit buildings for the Goleniów Gas Compressor Station.

10.2021

- Start of construction of the longest crossing of the Warta River on the Goleniów – Ciecierzyce gas pipeline.
- Completion of the direct pipe crossing of the Goleniów – Ciecierzyce gas pipeline under the Krąpiel River .

11.2021

- Completion of pipe welding on the Goleniów – Ciecierzyce gas pipeline.
- Start of hydraulic testing on the Goleniów – Ciecierzyce gas pipeline.
- Start of the installation of electric systems and building furnishings as well as the assembly of fittings and gas pipelines at the Gustorzyn Gas Compressor Station.

12.2021

- Completion of drilling, pipe jacking and open trench crossings under roads and third-party infrastructure on the Goleniów – Lwówek gas pipeline.
- Submission of applications for integrated permits for the Goleniów Gas Compressor Station and the Odolanów Gas Compressor Station.

Activities planned in 2022

- Pre-commissioning operations for the offshore section.
- Completion of the onshore gas pipeline laying.
- Completion of the construction and expansion of the compressor stations.
- Technical acceptance.
- Commissioning of transmission infrastructure.

4.2.2 NORTH-SOUTH GAS CORRIDOR

[GRI 203-1]

The North-South Corridor will connect the Świnoujście LNG Terminal and Baltic Pipe via central and southern Poland with infrastructure in the CEE region. The project comprises both domestic gas pipelines and a bidirectional gas interconnection between Poland and Slovakia.

The most important benefits of the investment project include strengthened integration of regional gas markets, improved security of supply, access to new sources of supply and implementation of regional prevention and emergency procedures in the event of crisis situations.

The North-South Corridor comprises 17 major infrastructure investments with total length of over

860
km

The European Commission has granted the PCI (Project of Common Interest) status to the project.

The projects making part of the in the Corridor received EU funding. Support was provided for the engineering and construction of individual sections.

PROGRESS IN 2021

In 2021, investor deliveries (pipes and fittings) were completed for all onshore projects (compressor stations and pipelines) and infrastructure construction was underway. The gas pipeline construction works concerned both the pipelines themselves (welding, laying, backfilling) and process facilities. Most of the trenchless crossings were completed and leak-proof tests of the gas pipelines begun. As for gas compressor stations, all compressor units were placed on foundations, the construction of key buildings was completed and the installation of equipment begun.

The total amount of EU funds (from various aid programmes) for investments in the North-South Corridor exceeded

2,6
PLN billion

4.2.3 INTERCONNECTIONS

[GRI 203-1]

Two strategic interconnections that will integrate the Polish transmission system with the networks of neighbouring countries are nearing completion.

POLAND – SLOVAKIA

The Poland-Slovakia interconnection is under construction as part of the North-South Corridor programme. This interconnection between the two countries establishes a new route for the transport of gas to the south-east of Poland while securing the supply in crisis situations.

In 2021, GAZ-SYSTEM completed the construction work on the pipeline, which means that the Polish section including the Strachocina station is now ready to transport gas. In 2022, the project will be put into operation.

It received funding from the European Union under the Connecting Europe Facility (CEF).

Maximum amount of co-financing exceeded

33

EUR million

POLAND – LITHUANIA

The Gas Interconnection Poland-Lithuania will create opportunities for gas transmission to the Baltic States (Lithuania, Latvia and Estonia). It will improve Poland's energy security by providing a bidirectional international interconnection for gas imports and exports between Poland and Lithuania. The gas pipeline will also play a significant regional role by improving access to gas supply in north-eastern Poland.

In October 2021, the symbolic 'golden weld' was made. As a result, the Poland-Lithuania gas pipeline successfully passed all the required pressure tests and received technical acceptance. The transmission will start in 2022.

The project received funding from the European Union under the Connecting Europe Facility (CEF).

Maximum amount of co financing exceeded

176,5

EUR million

4.2.4 LNG TERMINAL EXPANSION

[GRI 203-1]

Thanks to the expansion of the LNG Terminal in Świnoujście, GAZ-SYSTEM will strengthen its position in the liquefied natural gas market. The company will gain additional regasification, transmission and reloading capacity, which will make the Polish Terminal more competitive while improving national energy security. The expansion programme is being implemented in two phases.

The SCV Project is the first to be implemented and will involve the expansion of the existing installation by adding two SCVs (Submerged Combustion Vaporisers) which convert natural gas from a liquid to a gaseous state so that it can be sent into the gas transmission network.

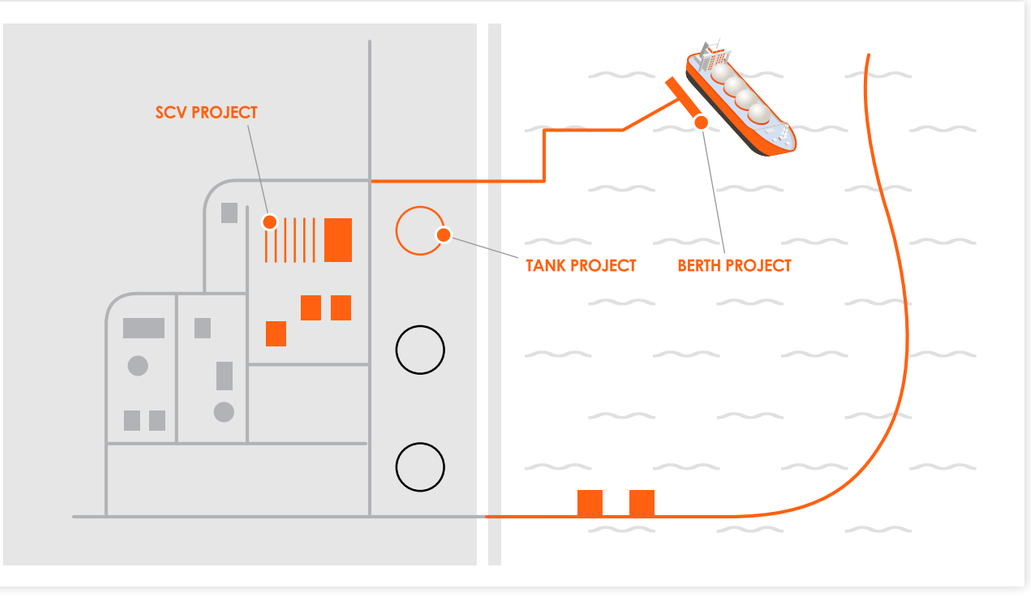
Stage 2: the Tank Project (a new LNG tank with a gross capacity of approximately 180,000 m^3 along with associated installations) and the Berth Project, which will include the construction of a new ship berth for LNG unloading, loading and bunkering together with an overpassing transmission pipeline.

[OWN INDICATOR]]

Following the completion of Stage 2, starting from 1 January 2024, the regasification capacity of the LNG Terminal in Świnoujście will increase to

8.3

bcm



The LNG Terminal Expansion Project received funding from the Infrastructure and Environment Operational Programme (OPI&E) 2014-2020. Maximum co- financing amount was

461
PLN million

PROGRESS IN 2021

In 2021, once the construction permits were complete, construction works started on all the sub-projects of the Świnoujście LNG Terminal Expansion Programme.

SCV PROJECT

The supply of SCVs and and low- and high-pressure pumps have been completed. In December, GAZ-SYSTEM obtained the permit to operate the civil structures making part of the SCV Project. As of 1 January 2022, the company's regasification capacity increased to 6.2 bcm of gas per year (until the remaining projects are completed).

TANK PROJECT

Following the completion of the foundation slab, the sliding of the concrete tank wall was started. In September, the concrete construction of the tank wall was completed and reached a height of 41.05 m including part of the eaves beam. The prefabrication of steel roof elements and the compressor ring were undertaken. Once all the roof segments had been relocated inside the tank, the welding of the components began.

BERTH PROJECT

Site preparation work was completed. The full scope of pile-driving works was completed, both offshore and onshore. Orders were placed for the supply of equipment, including, among others, the unloading arms.

Activities planned in 2022

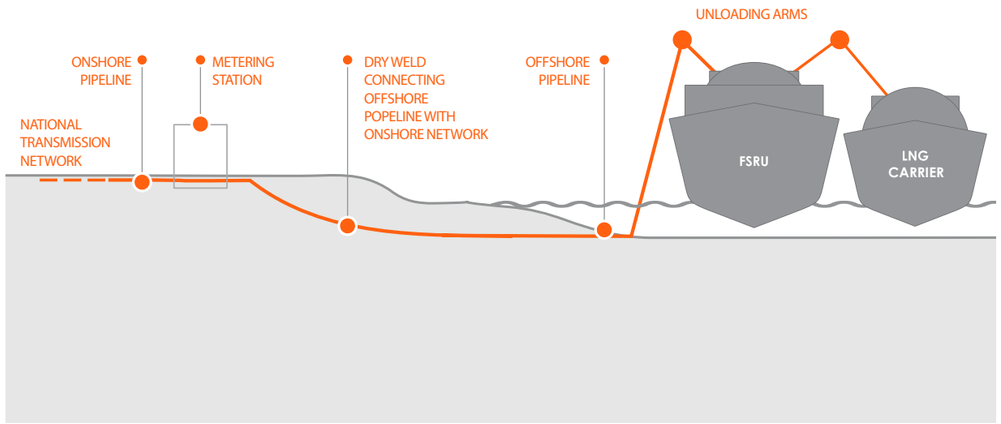
- Continued work on all projects with the aim of completing the project and achieving the Terminal's annual regasification capacity of 8.3 bcm starting from 1 January 2024 .
- Execution of the work while ensuring continuous operation of the Terminal and adhering to the planned schedule of liquefied gas deliveries.
- Finalising and settling the SCV Project.

4.2.5 LNG FSRU PROJECT IN THE PORT OF GDAŃSK

A new LNG Terminal is to be located in the Gdańsk area. The Floating Storage Regasification Unit with the capabilities required will be for unloading LNG, in-process storage and regasification of LNG as well as providing additional services. The project also includes the planned expansion of the national transmission system, which will enable the efficient distribution of gas from the Gdańsk area to customers both in Poland and in the region.

The FSRU terminal is designed to receive 6.1 billion Nm^3 of gas per annum, and allow for the potential increase of the regasification capacity depending on market developments and growth in demand for natural gas in Poland and the region.

LNG terminal schematic
FSRU



The FSRU project has been included in the 4th list of EU's Projects of Common Interest (PCI list) published in March 2020.

PROGRESS IN 2021

In 2021, GAZ-SYSTEM continued the engineering and permitting process for three future onshore gas pipelines which are to distribute gas from the Gdańsk area to customers in Poland.

Further analyses to determine the technical parameters and the location of the FSRU are underway. The first phase of the binding FSRU Open Season procedure was also conducted to verify the interest of market participants in the regasification capacity of the FSRU Terminal. Procurement procedures were established with a view to awarding contracts for and engineering consulting and design services together with the performance of surveys and permitting including the building permit for the marine part.

Activities planned
in 2022

- Obtaining the first building permit for the onshore part, and other administrative decisions for individual sub-projects.
- Start of engineering and field surveys for the purposes of administrative decisions required in respect of the marine part.

4.2.6 OTHER INVESTMENT PROJECTS

[GRI 203-1]

GUSTORZYN – WRONÓW GAS PIPELINE

The Gustorzyn – Wronów pipeline will strengthen gas supply in central Poland, improve the flexibility of gas transmission control and ensure security of gas supply to consumers in the Warsaw, Łódź and Radom conurbations.

The gas pipeline will connect the system point and compressor station being currently under construction in Gustorzyn with the system point and compressor station in Wronów. The execution is divided into three stages: Stage 1: Gustorzyn – Leśniewice, 54 km; Stage 2: Leśniewice – Rawa Mazowiecka, 100 km; Stage 3: Rawa Mazowiecka – Wronów, 154 km.

In 2021, a building permit was obtained for the Gustorzyn – Wronów gas pipeline, and tender procedures were finalised and contracts with EPC contractors signed for two stages of the project. In December 2021, GAZ-SYSTEM signed an agreement on co-financing of Stage 1 of the investment project under the OPI&E 2014-2020 programme.

Maximum level of project co-financing will be

137,2
PLN million

DAMASŁAWEK GAS STORAGE FACILITY

GAZ-SYSTEM is currently carrying out analyses, studies and engineering work aimed at determining the feasibility of the development of the UGS facility the Damasławek salt dome. The company focuses on technical, geological, environmental, engineering and economic aspects. The definition of the functionality and design concepts for the storage facility including the necessary water and brine pipelines is also underway.

In 2021, GAZ-SYSTEM awarded a contract for the preliminary engineering for the Damalawek – Mogilno gas pipeline as well as brine and water pipelines, and the preliminary design for the construction of the Underground Gas Storage Facility (SITE). After carrying out all the studies and surveys as well as legal, technical, environmental and financial analyses, the company will take a business decision as to further implementation of the project.

4.3 CONNECTIONS TO THE TRANSMISSION NETWORK

Gas installations with a connection capacity of at least 45,000 m^3/h which are not connected to the gas distribution network may be connected directly to the transmission network. The exemption from the above requirement applies solely to installations for vehicle refuelling with gas.

In 2021, GAZ-SYSTEM S.A. received 131 applications for the definition of conditions/feasibility of connection to the transmission network. The conditions for connection to the transmission network were defined in 73 cases and information on the feasibility of connection was presented for 24 projects.

In 2021, the company refused to define the conditions for connection to the transmission system in 11 cases and concluded 27 connection agreements. At the same time 64 connections were in progress and 16 connection agreements had been completed.

Key connection agreements in 2021

August

- Conclusion of an agreement for the connection of the distribution network of Polska Spółka Gazownictwa supplying customers in the area of the Łódź agglomeration, Meszcze–Radomsko, Meszcze – Sworzyce.

September

- Conclusion of an agreement for the connection of planned gas equipment and installations at the Rzeszów CHP Plant.

December

- Issuance of conditions for connection to the Polish section of Yamal–Europe TGPS which is operated by GAZ-SYSTEM.
- Conclusion of an agreement for the connection of gas equipment and installations at the CHP Plant of Cleveren Holding Sp. z o.o. Sp. k. located in Warsaw.

Activities planned in 2022

- Connection of the Dolna Odra power station–start of construction.
- Connection of the Czechnica CHP plant–continuation of construction works.

4.4 BENEFITS FOR POLAND

[GRI 203-1]

ENERGY SECURITY

In recent years, GAZ-SYSTEM has implemented a number of projects aimed at the diversification of the directions and sources of natural gas supplies, seeking to eliminate the dependence of Poland on Russia as the historically dominant exporter, while strengthening integration with other Member States of the European Union.

DEVELOPMENT OF MUNICIPALITIES

Through the implementation of numerous infrastructure projects across the country, GAZ-SYSTEM contributes to local development. After the completion of each investment project, GAZ-SYSTEM contributes 2% of the value of the transmission assets located in the territory of the municipality as property tax payable each year to the local budget. The municipalities may use this revenue for any purpose they consider important to the local community.

[OWN INDICATOR]

Total property tax for 2021 was

253

PLN million

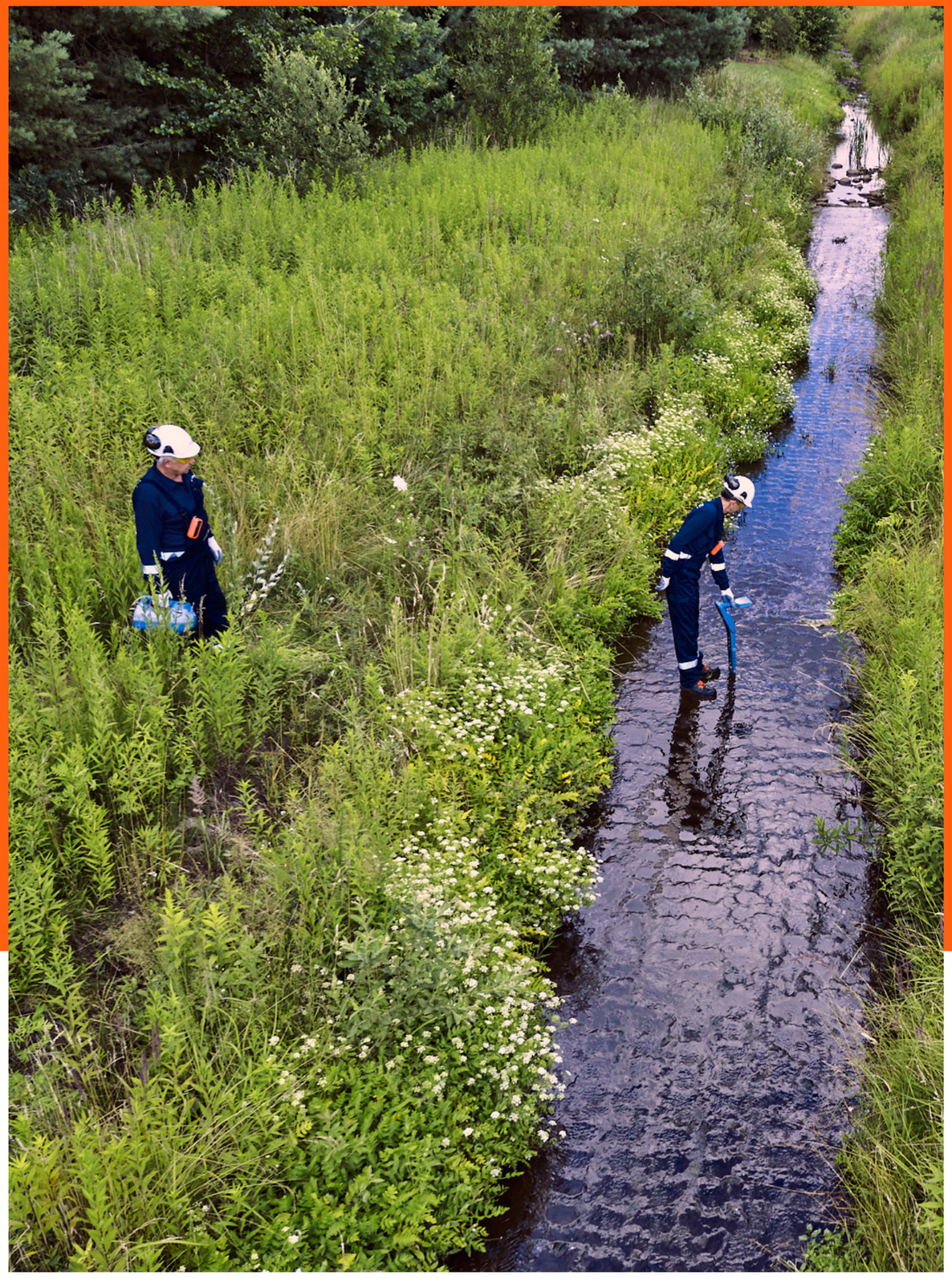
GAS SUPPLY DEVELOPMENT AND ECONOMIC GROWTH OF REGIONS

The projects implemented by GAZ-SYSTEM increase the capacity of the transmission system, which means that a larger volume of gas may be supplied to distribution customers and direct customers in the electricity and heating sectors. Gas market development also improves the investment attractiveness of municipalities and regions.

MARKET DEVELOPMENT AND NEW TECHNOLOGIES

By pursuing an extensive investment programme, GAZ-SYSTEM is drives the development of the contractor and supplier market and the development of new technologies in the natural gas sector. Infrastructure investments in 2021 were carried out in every voivodeship presenting a huge growth opportunity for pipe and fitting suppliers as well as engineering and construction companies. GAZ-SYSTEM's use of trenchless methods such as HDD and Direct Pipe crossings also contributed to the technology advancement of the Polish contractor market.

ENVIRONMENTAL IMPACT



In carrying out its tasks according to the principles of sustainable development, and guided by them in its daily activities, the company carefully examines their impact on the natural environment.
Our fundamental conviction is that modern, socially responsible companies must take into account the environmental conditions in which they operate. For this reason, we strive to ensure that our investments are carried out in harmony with their surroundings and in compliance with all environmental legal requirements.

5.1 ENVIRONMENTAL INITIATIVES

The company has an Environmental Management System procedure in place, which defines environmental objectives and indicates the framework for the operation of the proprietary Environmental Management System in terms of ensuring compliance with legal requirements, monitoring the impact of the undertaken activity on the environment and maintaining high standards of environmental protection. The environmental objectives of GAZ- SYSTEM are to improve effective environmental management and to continuously and effectively mitigate the environmental impact of the processes (construction, maintenance, operation) carried out in the company.

In accordance with the applicable regulations, GAZ- SYSTEM monitors its activities with regard to energy consumption, water and sewage management, waste management and gas or dust emissions to the atmosphere.

5.2 ENVIRONMENTAL PROTECTION DURING CONSTRUCTION

ENVIRONMENTAL STUDIES

GAZ-SYSTEM, as a conscious investor, makes every effort to ensure that project planning and implementation are carried out in a sustainable manner. One of the solutions that enable the development of the transmission network while preserving natural assets is to collect high-quality environmental data about the site where infrastructure is planned. Detailed understanding of the environmental constraints in the area designated for the location of gas transmission infrastructure is one of the key factors determining the final location of an investment.

In 2021, all-year-round environmental studies and surveys were completed for the three strategic pipeline projects with a total length of approximately 234 km, which are planned for construction:

- Goleniów – Police gas pipeline in the area of the Olszanka Reserve and the Roztoka Odrzańska
- Szczecin – Gdańsk gas pipeline section V Goleniów – Płoty
- expansion of the LNG Terminal in Świnoujście

An area of approximately 435 km2 was surveyed, where among other things, sites of natural habitats and protected species of animals, plants and fungi were identified.

Conservation measures for habitats and species

In the planning and implementation of investment projects, GAZ-SYSTEM applies the legally required conservation measures and additional measures recommended by naturalists:

For natural habitats and protected plant and fungal species:

- removal the topsoil layer outside the growing season,
- reducing the width of the assembly strip,
- transplantation of habitat patches and protected plant sites,
- control of the development humus stratum
- with invasive plant species,
- locating construction sites, warehouses, depots and transport bases outside of natural habitats,
- collecting the topsoil layer with undamaged vegetation and spore forms of the main plant species that make up the habitat phytocenosis, controlling the moisture level, and reapplying the topsoil after construction,
- restoring natural functions within habitats by seeding or planting the area with native species,
- protecting species and habitats in the vicinity of the assembly strip from accidental damage,
- protecting or fencing off tree trunks that provide a substrate for lichens,
- use of trenchless methods to preserve the surface of the assembly strip,
- maintaining existing hydrographic conditions within and adjacent to the assembly strip by carrying out the works in winter, using trenchless methods, using sheet piling or without trench drainage.

For protected animal species:

- mowing meadows and removing rushes in early spring or late autumn,
- inspection of biotopes prior to undertaking the works,
- carrying out preparatory works outside the breeding season,
- carrying out tree and shrub felling under the supervision of an ornithologist, chiropterologist or entomologist,
- locating construction sites at a considerable distance from rivers and bodies of water,
- crossing watercourses with the use of trenchless methods or open excavation with uninhibited water flow and minimum turbidity, outside the fish spawning and egg incubation period, during the period of minimum water flow, and subsequent restoration of the watercourses by shaping the banks and bed as close to the original as possible, scour protection with the use of local and natural materials,
- using sodium lighting with warm light spectrum and closed lamp housings,
- locating access roads and temporary technical infrastructure outside of protected species sites and habitats,
- carrying out the works during daytime,
- securing the assembly strip with protective fences.

ENVIRONMENTAL DECISIONS

[GRI 102-11]

The measures mitigating the project's impact on the environment are precisely defined in environmental decisions which are the first administrative approvals GAZ-SYSTEM obtains for its investment projects.

In 2021, environmental decisions preceded by EIA studies were obtained for the company's key projects, i.e. the gas pipelines Oświecim – Tworzeń, Racibórz - Oświecim and Płońsk – Olsztyn – Gdańsk.

The participation of the public was ensured through consultations held as part of administrative proceedings. This gave everyone the right to submit comments and requests. The public was provided with information about the ongoing proceedings, the right to access to the related documents and on the decisions made to date.

In 2021, in order to monitor the environmental impact on an ongoing basis, the company engaged experienced naturalists to take part in and supervise the performance of project works. The goal was to reduce potential adverse environmental impacts. The mitigation of the negative impacts of project implementation was also achieved through the development of internal environmental standards. These were additional measures beyond those described in the environmental decision

NOISE EMISSIONS

During construction works, GAZ-SYSTEM makes sure that the equipment used for construction meets the conditions specified in the Regulation of the Minister of Economy on the essential noise emission requirements for outdoor equipment.

WATER PERMIT

Water permits are required during the construction and operation of gas pipelines and are obtained prior to undertaking works on individual projects. The works contractor is obliged to provide the relevant documentation to GAZ-SYSTEM. Surveys of water management conditions and decisions, before becoming final, are reviewed by GAZ-SYSTEM's specialists.

TRENCHLESS METHODS

GAZ-SYSTEM strives to use environmentally friendly technologies. Thanks to trenchless methods, we can lay underground gas pipelines under rivers, railways, roads – without the need for trenching. This modern earthwork technology preserves nature conservation areas while being economic and safe for the nearby local infrastructure.

The trenchless methods we use include HDD drilling, micro-tunnelling and Direct Pipe drilling. The Direct Pipe technology is most advanced of the trenchless methods, where the hole is drilled using a cutting wheel with simultaneous pipe jacking and the ability to control the direction of drilling.

In 2021 in the Lubuskie Voivodeship, GAZ-SYSTEM set out to drill a crossing under the Warta River. It is the longest trenchless crossing in Poland carried out using the Direct Pipe technology – the total length is as much as 1,400 m.

Over the last 6 years, GAZ-SYSTEM has completed 32 HDD crossings with a length of over 24 km and 25 Direct Pipe crossings totalling over 14 km in length.

There were a total of 910 crossings up to 100-meter-long under roads and other obstacles. This means approximately additional 36 km of trenchless gas pipeline construction.

In the vast majority of cases, GAZ-SYSTEM's investment projects have had a temporary impact on the environment, which is reversible impact and usually does not affect biodiversity.

The impact on the environment may take different forms. Sometimes, due to the technical requirements of laying the gas pipeline in a dry trench, particularly in areas with high groundwater levels, trench drainage is required, resulting in a periodic lowering of the groundwater level and the formation of a depression funnel in the impacted area. In some cases natural habitats are affected. Trees and shrubs need to be removed within the assembly strip of the gas pipeline crossing private land.

The company makes sure that this is in each case compensated for immediately upon completion of the construction works. At that moment, in accordance with environmental decisions, GAZ-SYSTEM takes steps to restore the affected habitats, rebuild broken drainage lines, carry out replacement planting and restore the site to its original condition.

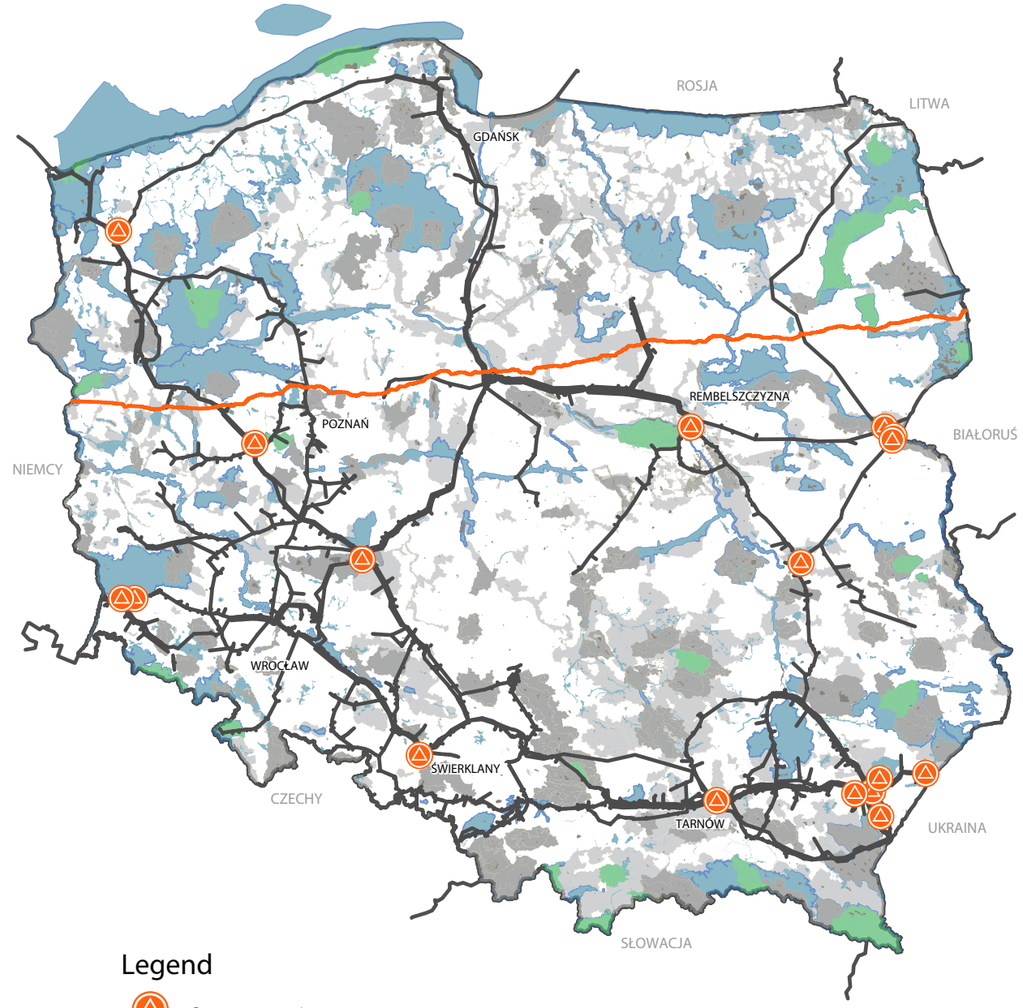
5.3 PROTECTION OF BIODIVERSITY

[GRI 103-1] [GRI 103-2] [GRI 103-3] [GRI 304-1] [GRI 304-2] [GRI 304-3] [GRI 304-4]

In 2021, the total length of the gas pipeline sections running through protected areas was 3,339 km, accounting for nearly 30% of the entire transmission network.

Stołowe Mountains National Park – buffer zone	**17.1** km
Kampinoski National Park – buffer zone	**14.1** km
Wielkopolski National Park – buffer zone	**12.2** km
Ojców National Park – buffer zone	**11.2** km
Wielkopolski National Park	**8.3** km
Woliński National Park	**5.8** km
Woliński National Park – buffer zone	**5.4** km
Drawienski National Park – buffer zone	**3.2** km
Ojców National Park	**0.2** km

Location of **key investment projects of GAZ-SYSTEM**



LOCATION OF KEY INVESTMENT PROJECTS OF GAS-SYSTEM AND PROTECTED AREAS

[GRI 304-1,2,3,4]

ONSHORE SECTION OF THE BALTIC PIPE

The Baltic Pipe is an interconnection between the transmission systems of the Republic of Poland and the Kingdom of Denmark.

Location in relation to protected areas

Niechorze – Płoty gas pipeline link

- Natural habitats subject to protection: Trzebiatowsko-Kołobrzeski Pas Nadmorski Natura 2000 site; Wybrzeże Trzebiatowskie Natura 2000 site; Landscape-Nature Protected Complex – the Pilesza River Valley; Landscape- Nature Protected Complex – the Sąpólna River Valley; "Potuliniec II" ecological site.

Goleniów – Lwówek gas pipeline

- Natura 2000 sites: Dolina Krąpieli, Puszcza Barlinecka, Ostoja Barlinecka, Dolina Dolnej Noteci, Ujście Noteci.

Odolanów Compressor Station

- Protected Landscape Area – Wzgórza Ostrzeszowskie i Kotlina Odolanowska.

Significant impact on biodiversity

Due to the need to lay the gas pipeline, particularly in areas with high groundwater levels, trench drainage was required, which led to temporary lowering of the groundwater level and formation of a depression funnel in the area affected by the above works.

The above impacts, due to their temporary nature, are reversible and do not affect biodiversity. Habitat restoration following the construction works will be carried out upon completion. No species from the IUCN Red List were found in the area of the onshore part of the Baltic Pipe project.

Type of area	Conservation status / assessment
Natura 2000 site Trzebiatowsko--Kołobrzeski Pas Nadmorski	U1/U2
Natura 2000 site Wybrzeże Trzebiatowskie	FV
Dolina Krąpieli	B/C
Puszcza Barlinecka	B/C
Ostoja Barlinecka	A/B/C
Dolina Dolnej Noteci	B/C
Ujście Noteci	A/B

* scale: FV - Favourable, U1 - Unfavourable- Inadequate, U2 - Unfavourable-Bad; A - excellent, B - good, C - average or reduced

[GRI 304-1,2,3,4]

OFFSHORE PART OF THE BALTIC PIPE PROJECT

The offshore gas pipeline connecting the east coast of Denmark with the north coast of Poland.

Location in relation to protected areas

- The offshore construction works on the Baltic Pipe in 2021 included rock placement in the coastal zone, near the landfall of the microtunnel. The location of these works may have affected marine mammals in the region. There are four species of marine mammals in the Polish part of the Baltic Sea: the harbour porpoise (Phocoena phocoena) and seals – the harbour seal (Phoca vitulina), the grey seal (Halichoerus grypus) and the ringed seal (Pusa hispida).

Significant impact on biodiversity

In the performance of construction works GAZ-SYSTEM sought to minimise the negative impact of noise on these animal species. The sensitivity of marine mammals to noise emissions during rock dumping was carefully examined prior to the commencement of the works, and mitigation and monitoring measures were applied throughout their duration. In daytime, marine mammal observers equipped with binoculars conducted observations of the presence of marine mammals within the protection zone. Passive acoustic monitoring was used at night. The observers were also equipped with infrared thermal imaging equipment. An acoustic deterrent device (pinger) was also used, which was activated in the period before the start of rock-placement works and continued to operate for up to an hour after they had finished.

No marine mammals were observed during the rock placement works and therefore it was concluded that the potential negative impact was negligible. Most probably, this was either due to the absence of marine mammals within the protection zone or a pinger-induced avoidance response by the seals.

5.4 WASTE MANAGEMENT AND ENERGY CONSUMPTION

WASTE MANAGEMENT

[GRI 306-1] [GRI 306-2]

As part of its waste management policies, GAZ- SYSTEM has implemented a "Waste Management Manual". It sets out the rules for handling hazardous and non-hazardous waste generated in the company. The company also has guidelines and regulations in place that set out specific waste handling requirements for our contractors. These guidelines are incorporatedto documents and contracts executed with our contractors.

Gas Transmission Operator GAZ-SYSTEM is registered in the public database concerning waste (BDO) under registration number: 000002233 and keeps qualitative and quantitative records of the waste generated in the company.

As part of its waste management policies, the company holds integrated permits, waste generation permits and a waste collection permit. Waste generated in the course of operations is stored only in designated and marked areas in proper conditions which do not pose a risk to human health or the environment.

The waste storage sites and containers for each type of waste are appropriately labelled and protected against any escape of contaminants into the environment or third- party access.

Every employee of the company is required to observe internal waste management regulations applicable to waste generated in the course of its activities, including municipal waste.

[GRI 306-3,4 A,B,C,D]

Total weight of waste by type*

Hazardous and non-hazardous waste	**Mg**
Concrete scraps and debris from demolition and renovation	**551.9**
Iron and steel	**240.3**
Sludge containing hazardous substances from biological treatment of industrial effluents	**138.4**
Antifreeze fluids containing dangerous substances	**57.2**
Mixtures of concrete, bricks, tiles and ceramics other than those mentioned elsewhere	**25.0**
Mineral-based non-chlorinated engine, gear and lubricating oils	**23.7**
Mixed waste from construction, renovation and demolition	**19.1**
Waste containing sulphur	**14.9**
Absorbent media, filter materials, wiping cloths and protective clothing	**11.7**

* 100% of this waste volume, instead of being sent to landfill sites, were transferred to recyclers and other authorised entities for processing.

ENERGY CONSUMPTION

[GRI 302-1]

Energy consumption in the organisation (total)

Natural gas, in liquid or gaseous state, high-methane quality	**69,258.4 dam^3**
Natural gas, in liquid or gaseous state, low-methane grade	**964.8 dam^3**
Motor gasoline, unleaded	**352.9 t**
Motor diesel fuel	**968.1 t**
Electricity consumption	**116.459 MWh**
Heat consumption	**421 775.6 GJ**

Energy consumption in the organisation in 2021

[GRI 302-1]

Head office/ branches	Natural gas, in liquid or gaseous state, high-methane quality (dam³)	Natural gas, in liquid or gaseous state, low-methane quality (dam³)	Motor gasoline, unleaded (t)	Motor diesel fuel (t)	Electricity consumption (MWh)	Heat consumption (GJ)
Head Office	52,363	964.8	122.5	53	63,746.2	16,337.7
Gdańsk	147.9	0	19.6	80.4	1,456.5	39,197
Poznań	165.8	0	43.2	172.2	31,72.5	76,045.9
Rembelszczyzna	16,145	0	39.2	153	33,891	70,128
Świerklany	202.8	0	41.2	135.8	1,649	80,867
Tarnów	102.7	0	60.8	231.5	9,760	89,994
Wrocław	131.2	0	26.4	142.2	2,783.8	49,206

5.5 REDUCTION OF GREENHOUSE GAS EMISSIONS AND PREVENTION OF METHANE LEAKS

[GRI 103-1] [GRI 103-2] [GRI 103-3]

METHANE EMISSIONS

Methane is considered to be the second major gas, after carbon dioxide (CO_2), whose emissions contribute to climate change. The European Commission believes that methane emissions in the gas sector can be rapidly reduced. For many years, GAZ-SYSTEM has been involved in numerous initiatives related to methane emissions. In Marcogaz we take part in the working group on the "Methods for determining methane emissions from gas networks". We have also introduced a uniform methodology for tracking and documenting own consumption and gas losses in the transmission network. Another important initiative consist in the implementation of the LDAR (Leak Detection and Repair) programme, which is one of the key measures aimed at methane abatement in the gas sector. GAZ-SYSTEM has also joined the OGMP 2.0 (Oil and Gas Methane Partnership) initiative to establish a consistent emissions reporting system, led by the UN Environment Programme.

CO_2 EMISSION

A CO_2 emission permit and a decision approving the monitoring methodology plan are required for combustion plants with a total rated thermal input exceeding 20 MW. The obligation arises from the Act on Emissions Trading Scheme. The monitoring methodology plan is developed using the digital solution provided by the National Centre for Emissions Management (KOBiZE).

Total direct emissions of greenhouse gases and substances released into the air (in Mg eCO_2e)

[GRI 305-1]

Total emission	2019	2020	2021
CO_2*	65.545	-	**159,491**
CH_4	137.425	-	**4,300**
NOx	9	-	**138.5**
SOx	0	-	**3.32**
POP	74	-	**-**
LZO	-	-	**111**
HAP	-	-	**74.8**
PM	-	-	**2.2**
HFC	155		

* in the case of CO_2 figures,GAZ-SYSTEM accounted for 5 plants that are subject to the CO_2 Emissions Trading Act (LNG Terminal, Hołowczyce NGCS, Jeleniów NGCS, Jarosław NGCS, Maćkowice NGCS). The emission figures increased significantly following the acquisition of the LNG Terminal as a result of the merger of GAZ-SYSTEM and Polskie LNG.

COMMUNITY RELATIONS

When implementing projects of national significance, the company does not lose sight of its immediate environment and attaches great importance to building good relations with local communities. For years, GAZ-SYSTEM has been supporting the communities along pipeline routes, both during and after construction. The initiatives we pursued in 2021 and intend to continue in the following years include classes for young people, funding for projects that promote ecology and helping the socially excluded and children during remote learning in the pandemic.

6.1 SOCIAL AND EDUCATIONAL PROJECTS

[GRI 103-1] [GRI 103-2] [GRI 103-3]

Through cyclical programmes addressed to the municipalities where the company's projects are carried out and the infrastructure is sited, we reach out to multiple social groups in an effort to compensate, at least to some extent, for the inconvenience caused by pipeline construction. On many occasions our social activities have had an additional positive aspect – they integrate and animate the local community, which gives us enormous satisfaction.

Natural Energy Fund

Some of the activities undertaken by GAZ-SYSTEM have a long tradition. In 2021, the call for applications for the Natural Energy Fund was announced for the 12th time. It is an opportunity for local governments, educational institutions and NGOs to submit projects promoting energy conservation, use of alternative energy sources, accumulation and rational use of water and slowdown of climate change. The projects promoted by the Fund not only provide environmental support for the regions but also strengthen the integration of local communities engaging together in environmental protection. The programme was announced in six provinces: Kujawsko-Pomorskie, Łódzkie, Małopolskie, Mazowieckie, Śląskie and Zachodniopomorskie. The number of applications received during the 12th edition of the competition – 327 – were a record, and the Jury awarded grants to 42 projects. In addition, the top 3, in recognition of their innovative solutions and creativity, received extra funding for the development of the initiatives and purchase of teaching aids.

The 12th edition of the Natural Energy Fund was held under the honorary patronage of the Minister of Climate and Environment and the National Fund for Environmental Protection and Water Management. The "Nasza Ziemia" (Our Earth) became the social partner of the competition.

The total value of grants in 2021 exceeded PLN 400,000. In all the editions of the Natural Energy Fund to date, the winners have collectively implemented 270 projects, for which they have received support of more than PLN 2 million.

- **First place for Kindergarten No. 8 in Piaseczno** for the implementation and development of a project called "The elemental garden – a natural health, learning and relaxation centre"
- **Second place for the Edyta Stein "Szkoła z Charakterem" Foundation in Gliwice** for the implementation and development of a project called "Electricity from wind and water"

Thanks to the grant we will be able to fulfil the children's dreams about a sensory beach and mud kitchen. In planning the activities, we not only considered the needs of the youngest participants such as multi-sensory learning the need for activity or practical learning through independent action, but also the needs of the local environment in terms of climate protection. As teachers, we do not forget that environmental awareness should be awakened and shaped from an early age. We hope that the promotion of our initiatives will inspire others, not only in the local community, to take on similar challenges. Thanks to initiatives such as the Natural Energy Fund, teachers have the opportunity to demonstrate their creativity, entrepreneurship, and to implement innovative ideas and meet the challenges posed not only by modern education, but also by the natural environment.

Krystyna Bernacka, Manager of Kindergarten No. 8 in Piaseczno

Educational Workshop

GAZ-SYSTEM holds classes where educators tell children and young people about the formation and applications of gaseous fuels, as well as the safe operation of gas pipelines. The schools which participate in the project are not selected at random as they are located in the areas of some of the municipalities where the company carries out investment projects.

The Educational Workshop consisted of 2 stages. In the first one, the schools had to prepare popular science posters on natural gas. The competition jury selected the 104 best entries. In the second phase, the winning schools were given access to online materials specially developed for them. Thanks to them, teachers were able to carry out a workshop full of attractive and varied experiments that the exploration of the mysteries of science.

The schools also received professional chemical compound model building kits and educational materials from GAZ-SYSTEM.

The ambassador for this project was Monika Koperska, holder of a Ph.D. degree in chemistry, and a science promoter who is exceptionally popular and highly regarded as a scientific authority among young people and the teaching community. She specialises in conservation chemistry – a field of chemistry dedicated to the preservation of cultural heritage, from the most precious works of art to library resources.

GAZ-SYSTEM for Education

For the second year we saw children and young people spend a great deal of time in remote or hybrid learning. This was a difficult period for them because, being cut off from social interaction, having the world reduced to the size of one's bedroom and being uprooted from daily routines, are far from conducive to the proper development of a young person's personality. Feelings of alienation and loneliness are not the only problems that many students faced. In fact, not every family was prepared to provide their children with the tools to learn from home. For this reason, GAZ-SYSTEM made donations of PLN 30,000 to each of 17 municipalities from six provinces, i.e. of PLN 510,000 in total. The beneficiaries used the funds to purchase equipment and supplies for distance learning, and for psychological support for children affected by the pandemic.

> *Performing science experiments is an integral part of chemistry and physics lessons. It is also a way to answering many of the questions of everyday life. Planning an experiment, recording observations and drawing conclusions from them are essential skills that not only help the pupils become young science apprentices but also train logical thinking. In my opinion, a smart society is one that is focused on, among other things, making the young people learn to experiment, to question and to awaken their curiosity about the world. This is why the GAZ- SYSTEM Educational Workshop is a step towards building an ambitious and knowledge-hungry society in which our children will want to live.*
>
> **dr Monika Koperska**

Dual studies

In 2021, in cooperation with GAZ-SYSTEM, the AGH University of Science and Technology in Kraków launched a dual degree programme in Petroleum and Gas Engineering. Their aim is to develop graduates with specialised professional qualifications. Through an extensive apprenticeship training programme, graduates have the opportunity to gain first-hand knowledge and operation-related skills at gas transmission network facilities. The best students will be offered employment and internships at GAZ-SYSTEM.

School with Energy

The company continued to support the cooperation with four other trade schools under the School with Energy programme also continued in 2021. The programme prepares graduates in gas industry professions for entering the labour market, and creates a positive image of vocational education. Affiliated institutions are supported by the company in educational activities, organisation of excursions to gas infrastructure facilities, vocational traineeships, equipment donations for laboratories and workstations, and organisation of workshops.

GAZ-SYSTEM for Senior Citizens

In 2021, the company catered also for the elderly by starting a dedicated programme named GAZ-SYSTEM for Senior Citizens. In cooperation with Caritas Poland, Life Essentials kits were prepared for 800 senior citizens. They included: shopping vouchers worth PLN 100, Vial of Life kits (designed to store information needed by paramedics), masks and antiviral gels for hand disinfection. In addition, a further 800 received hot meals delivered to their homes, at least twice a week, for three months.

The support was addressed to people aged 60+, at risk of social exclusion due to poverty, dependency or disability. The distribution of meals and parcels was carried out through 10 Caritas units and through parishes.

The programme was implemented in 64 municipalities where GAZ-SYSTEM operates an existing gas network or is carrying out investment projects.

This joint project was aimed at people over 60 at risk of social exclusion due to poverty, dependency or disability. The distribution of meals and parcels was carried out through diocesan Caritas units and through parishes. It was a significant contribution to our outreach efforts addressed to senior citizens at this particularly difficult time of the pandemic. We are grateful to Gas Transmission Operator GAZ-SYSTEM S.A. for supporting our activities for senior citizens. This is an extremely important area of activity for Caritas and we are really glad that it was possible to support so many thanks to our cooperation.

Małgorzata Jarosz-Jarszewska
Deputy Director of Caritas Polska

Internship programmes and placements

GAZ-SYSTEM organises cyclical internships and placements enabling students and trainees to gain unique experience in an energy company.

Energy Academy Internships

- The Energy Academy is an educational initiative organised by the Lesław Paga Foundation, addressed to students and graduates under 26 years of age who are planning to pursue their professional career in the energy sector.
- GAZ-SYSTEM is the strategic partner of the programme and each year provides 2-month paid internships for the best students of the Academy, who have the opportunity to gain experience related to transmission system and gas market development, and to apply the knowledge gained during their studies in practice.

Internships for Graduates of the AGH University of Science and Technology

- Under the cooperation agreement with the AGH University of Science and Technology concerning a long-term project to support education activities, GAZ-SYSTEM organises. A 12-month employment contract is signed with the best candidates.

6.2 COMMUNICATION OF THE INVESTMENT PROCESS

GAZ-SYSTEM, guided by the principles of corporate responsibility, carries out its investment projects not only with respect for the environment but also with due regard for the rights and needs of local communities. The role of effective communication is extremely important to us. In 2021, we were carrying out projects in all voivodeships across the country and therefore so the scope of our communication activities was very broad.

Where necessary, working groups composed of stakeholder and investor representatives are created for some projects to improve the exchange of information and take into account the specific needs of landowners. The company also regularly sets up information and promotional stands.

Communication materials such as leaflets and brochures are produced for each investment project. In addition, comprehensive information is posted on the company's website www.gaz- system.pl. In many cases, information campaigns in the local press are also organised.

During the engineering and construction stages, residents, landowners and all stakeholders are provided with key information about the undertaken investment projects. Information meetings and public consultations are held.

[OWN INDICATOR]

Number of consultation meetings with local community representatives (meetings with residents)	48
Number of participants in consultations	920
Number of complaints concerning insufficient information	0
Number of meetings with local authorities	66
Workshops for contractors and subcontractors – engineering services and construction works	19
Number of information and promotion stands	88

6.3 CHARITABLE ACTIVITIES

[OWN INDICATOR]

GAZ-SYSTEM listens to the needs of local communities and institutions catering to the common good. The charitable activities of a socially responsible company focus on supporting organisations working for the benefit of those in need, and on strengthening stakeholder relations. The donation process is carried out in accordance with the company's charity policies. Those interested in obtaining support for their activities send an application for a donation, which is then assessed by the Charity Team, made up of the company's management team.

The company mainly supported volunteer fire brigades and institutions concerned with public health safety.

The donations were used to purchase specialised fire and rescue equipment, protective clothing for firefighters and rescuers, as well as for co-funding of fire and rescue vehicles.

Thanks to GAZ-SYSTEM's support, oxygen concentrates and specialised beds for one of Warsaw's hospices and personal protective equipment for a hospital in Rybnik were purchased.

In 2021, the company concluded 38 donation agreements and gave away

1,5
PLN million

Areas of charitable activities in 2021

Charitable initiatives
Support for non-governmental organisations and institutions providing assistance to families and individuals in difficult life situation or with disabilities (5 projects).

Education
Support for non-governmental organisations and institutions acting for the benefit of science, education, culture, art, protection and preservation of cultural goods and national tradition, Polish community abroad (20 projects).

Local initiatives
Support for the activities of social groups and organisations for the benefit of local communities (1 project).

Safety
Support for activities and institutions responsible for safety and security in the broadest sense (12 projects).

6.4 SPONSORSHIP ACTIVITIES

GAZ-SYSTEM is involved in local, regional, national and international projects. The sponsorship supports the company's business objectives and is a direct tool for communication with the local community in the areas where investment and operation processes are carried out. The procedure for implementing a sponsorship project is transparent and based on internal regulations, according to which the project must undergo internal evaluation.

In 2021, the company concluded 78 agreements for a total value of nearly

1,2
PLN million

Areas supported in sponsorship activities in 2021

17 projects
Social activities
Events strengthening local communities.

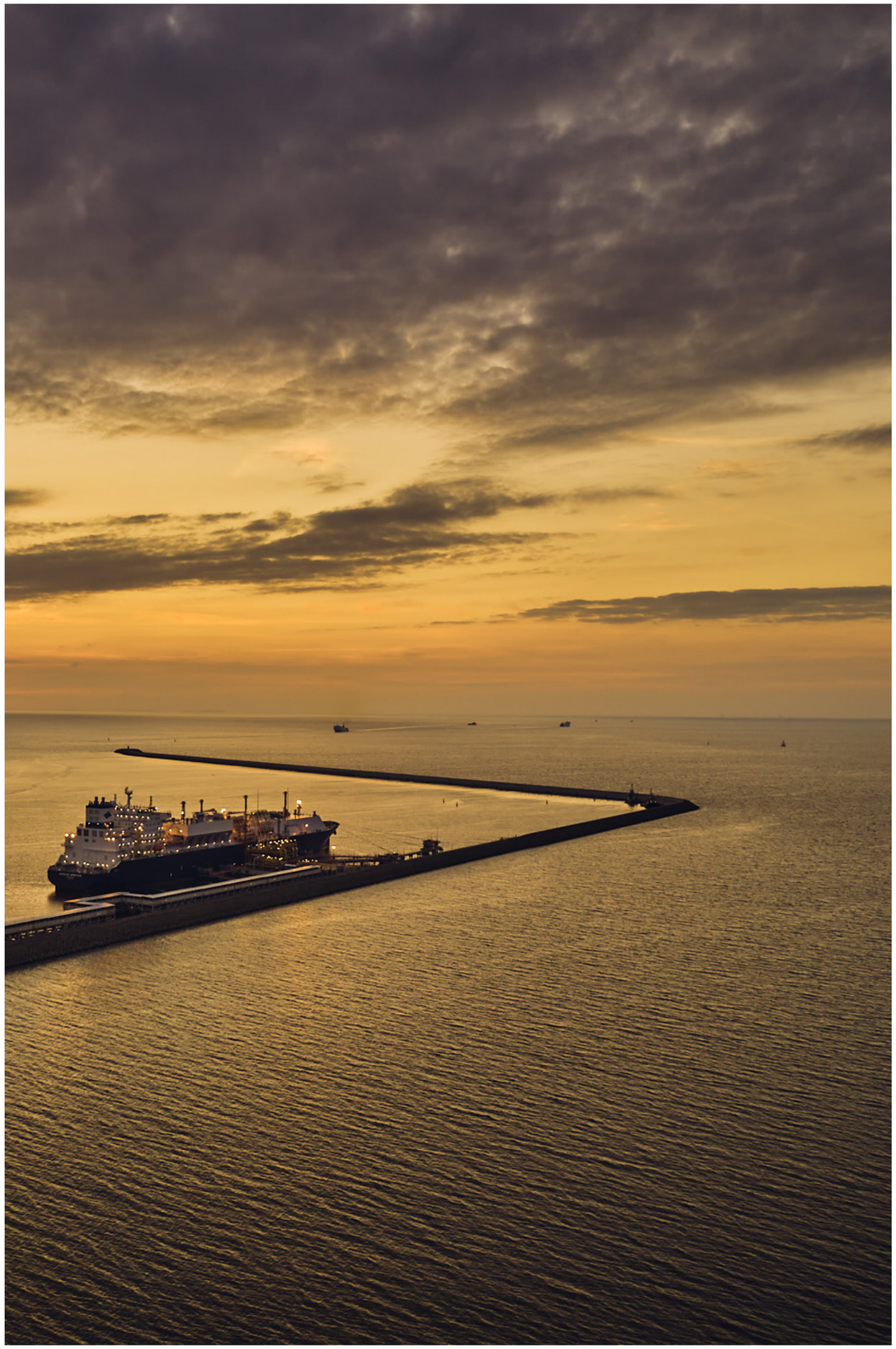
1 project
Environmental initiatives
Environmental education, including local nature conservation projects.

6 projects
Science and education
Scientific undertakings, conferences, symposia, educational competitions for children and young people.

20 projects
Business and industry events
Conferences and congresses, economic forums and projects bringing together representatives of the energy industry.

18 projects
Culture and arts
Cultural and artistic undertakings.

16 projects
Sports and physical culture
Physical activity for children and young people and local communities, as well as support for amateur.



ABOUT THE REPORT

[GRI 102-46] [GRI 102-47] [GRI 102-48] [GRI 102-49] [GRI 102-50] [GRI 102-51] [GRI 102-52] [GRI 102-54] [GRI 102-56]

This sustainability report covers the period from 1 January to 31 December 2021. The HR figures reflect the status as at 31 December 2021. The report is published annually. It has been prepared in accordance the GRI Standards: Core option. The previous sustainability report was published in June 2021.

The report was reviewed by the GRI Content Index Service. The publication covers all key topics in the context of GAZ-SYSTEM's sustainable development. The definition of the content, as well as the content of the report, was based on the identification of topics relevant to the organisation in terms of the impact the company has on the business, social and natural environment, and on stakeholder feedback collected during a dedicated meeting. In defining the issues for the report, the four principles of the GRI standard for content were applied, namely the sustainability context, stakeholder inclusiveness, materiality and completeness. The document has been prepared in accordance with the following GRI principles: 101 102, 203, 204, 304, 401, 403, 404, 406, 205, 302, 303, 305.306, 405.

For selected data, a comparative analysis was made between the reported year and 2019 and 2020.

Our sincere thanks go to everyone who contributed to this report. We look forward to any suggestions or questions from all the readers.

[GRI 102-53]

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Corporate Communication and Marketing Division, Social Sponsorship and CSR Department

This report is the product of the involvement of representatives of all GAZ-SYSTEM divisions who participated in the entire process of preparing the publication.

HR AND FINANCIAL FIGURES

HR FIGURES

[GRI 102-8]

Total number of employees

	2019	2020	2021
Women	801	811	**831**
Men	2 300	2 350	**2 445**
TOTAL*	**3 101**	**3 161**	**3 276**

* as at 31 December of the reporting year

[GRI 102-8]

Total number of employees working full-time by gender

	2019	2020	2021
Women	793	806	**826**
Men	2 296	2 347	**2 440**
TOTAL*	**3 089**	**3 153**	**3 266**

* as at 31 December of the reporting year

[GRI 102-8]

Total number of employees working part-time by gender

	2019	2020	2021
Women	8	5	**5**
Men	4	3	**5**
TOTAL*	**12**	**8**	**10**

* as at 31 December of the reporting year

[GRI 102-8]

Total number of employees with indefinite-term contracts by gender

	2019	2020	2021
Women	732	756	**787**
Men	2 138	2 204	**2 294**
TOTAL*	**2 870**	**2 960**	**3 081**

* as at 31 December of the reporting year

[GRI 102-8]

Total number of employees with definite-term contracts by gender

	2019	2020	2021
Women	69	55	**44**
Men	162	146	**151**
TOTAL*	**231**	**201**	**195**

* as at 31 December of the reporting year

[GRI 401-1]

Hiring rate

	2019	2020	2021
Women	8%	7%	**7%**
Men	7%	7%	**9%**
TOTAL	**7%**	**7%**	**9%**

[GRI 102-8]

Total number of employees by branch

	2019	2020	2021
Head Office	1,100	1,147	**1,275**
Branch in Gdańsk	154	158	**165**
Branch in Poznań	338	339	**340**
Branch in Rembelszczyzna	365	374	**370**
Branch in Świerklany	278	294	**299**
Branch in Tarnów	605	592	**577**
Branch in Wrocław	261	257	**250**
TOTAL*	**3,101**	**3,161**	**3,276**

* as at 31 December of the reporting year

[GRI 401-1]

Total number of employees leaving by gender and age

	2019	2020	2021
Women	46	43	**51**
Men	90	109	**147**
RAZEM	**136**	**152**	**198**
Aged below 30	17	13	**24**
Aged 30-50	49	44	**85**
Aged above 50	70	95	**89**

[GRI 401-1]

Total number from new employees by age and gender

	2019	2020	2021
Women	63	53	**62**
Men	169	159	**227**
TOTAL	**232**	**212**	**289**
Aged below 30	72	54	**40**
Aged 30-50	145	135	**216**
Aged above 50	15	23	**33**

[GRI 403-5]

New employees who participated in introductory OHS training, by GAZ-SYSTEM organisational unit

Breakdown by structure	TOTAL
Head Office	**56**
Gdańsk	**12**
Poznań	**17**
Rembelszczyzna	**16**
Świerklany	**17**
Tarnów	**4**
Wrocław	**16**
TOTAL	**138**

[GRI 404-1]

Average number of training hours per employee per year

Number of training hours (1 hour = 60 min) broken down by gender and job category in 2021

Podział ze względu na strukturę:	**Women**	**Men**	**TOTAL**
senior management	1,284	2,302	**3,586**
middle management	3,018	7,109	**10,127**
other employees	17,685	35,361	**53,046**
TOTAL training hours	21,987	44,771	**66,758**
Breakdown by region:	**Women**	**Men**	**TOTAL**
Head Office	15,980	18,930	**34,909**
Branch in Gdańsk	736	3,354	**4,089**
Branch in Poznań	1,179	3,595	**4,773**
Branch in Rembelszczyzna	969	3,662	**4,630**
Branch in Świerklany	811	4,430	**5,241**
Branch in Tarnów	813	7,665	**8,478**
Branch in Wrocław	1,501	3,138	**4,638**
TOTAL training hours	21,987	44,772	**66,758**
Total number of employees			**3,276**
Total hours of training per employee			**20**
Number of women			**831**
Average number of training hours per woman			**26**
Number of men			**2,445**
Average number of training hours per man			**18**

[GRI 404-1]

Breakdown by structure	**Women**	**Men**	**TOTAL**
Number of persons employed at senior management level	22	47	**69**
Number of persons employed at middle management level	70	409	**479**
Number of persons – other employees	739	1 989	**2,728**

[GRI 403-5]

Employees who participated in periodic OHS training in GAZ-SYSTEM by job category

Tariff	TOTAL
Administrative and clerical staff	**53**
Engineering and technical staff	**43**
Employees in operational positions	**1,048**
Managerial positions	**166**
TOTAL TOTAL	**1,310**

Average number of training hours (1 hour = 60 min) by gender and job category in 2021

Breakdown by organisational level:	**Women**	**Men**	**TOTAL**
Senior management	58	49	**52**
Middle management	43	17	**21**
Other employees	24	18	**19**

[GRI 401-1]

Turnover ratio

	2019	2020	2021
Women	6%	5%	6%
Men	4%	5%	6%
RAZEM	**4%**	**5%**	**6%**

[GRI 405-1]

Employee mix
by gender, age and minority in 2021

Women	25%
Men	75%
Up to 30	6%
Aged 30-50	64%
Aged above 50	31%
National minorities	n/a

[GRI 403-9]

Information on accidents at work at GAZ-SYSTEM
in 2021

Total number of accidents at work	19
Women	4
Men	15
Number of fatal, group and severe accidents	
Fatal	1
Group	2
Severe	-
Total days of incapacity for work due to accidents at work	545
Women	50
Men	495
Accident frequency rate	5.79
Women	4.81
Men	6.13
Accident severity rate	28,68
Women	12.5
Men	33

FINANCIAL RESULTS 2021

Balance Sheet (PLN million)

[GRI 201-1]

No.	Item	At 31.12.2019	At 31.12.2020	At 31.12.2021
A	**Non-current assets**	**12,564**	**17,066**	**20,136**
1	Intangible assets	246	266	**283**
2	Plant and equipment	12,155	14,881	**19,433**
3	Long-term receivables	0	0	**0**
4	Long-term investments	0	1,671	**0**
5	Long-term accruals	163	248	**420**
B	**Current assets**	**1,427**	**1,629**	**1,435**
1	Inventories	125	129	**168**
2	Short-term receivables	332	548	**806**
3	Short-term investments	959	913	**432**
4	Short-term accruals	11	37	**28**
TOTAL ASSETS		**13,991**	**18,695**	**21,571**
A	**Equity**	**7,683**	**9,753**	**8,615**
1	Share capital	3,772	5,440	**3,772**
2	Other capital	3,472	3,899	**4,300**
3	Accumulated profit (loss)	-3	0	**0**
4	Net profit/loss	502	464	**642**
5	Write-off of net profit during the financial	-60	-49	**-99**
B	**Liabilities and provisions for liabilities**	**6,308**	**8,941**	**12,955**
1	Provisions for liabilities	683	847	**845**
2	Long-term liabilities	1,256	2,439	**4,782**
3	Short-term liabilities	772	1,474	**2,142**
4	Accruals	3,597	4,182	**5,186**
TOTAL EQUITY		**13,991**	**18,695**	**21,571**

Financial indicators:

	Calculation method	2019	2020	2021
Profitability ratios				
- return on assets (ROA)		4%	2%	**3%**
- return on equity (ROE)		7%	5%	**7%**
- return on sales (ROS)		22%	21%	**22%**
Liquidity/debt ratios				
- debt ratio		45%	48%	**60%**
- current ratio		1.8	1.1	**0.7**
- quick ratio		1.7	1.0	**0.6**
- cash ratio		1.2	0.6	**0.2**
- EBIT (PLN million)	operating profit/loss	633	601	**778**
- EBITDA (PLN million)	operating profit/loss + depreciation	969	965	**1,202**

Income statement

No.	Item	for 1–12.2019	for 1–12.2020	for 1–12.2021
1	Income from sales and equivalent income	2,325	2,265	**2,921**
2	Costs of operating activities	1,752	1,698	**2,287**
2.1	Depreciation	335	363	**424**
2.2	Consumption of other materials and energy	309	237	**742**
2.3	External service charges	256	232	**234**
2.4	Taxes and charges	227	246	**265**
2.5	Salaries and wages	436	442	**390**
2.6	Social insurance and other benefits	126	128	**124**
2.7	Other allocated costs	63	51	**106**
2.8	Value of goods and materials sold	0	0	**1**
3	Profit (loss) on sales (1-2)	573	566	**634**
4	Other operating income	106	213	**222**
5	Other operating expenses	46	177	**78**
6	Operating profit (loss) (3+4-5)	633	601	**778**
7	Financial income	32	11	**15**
8	Financial expenses	33	34	**32**
9	Profit (loss) on ordinary activities (6+7-8)	632	578	**761**
10	Extraordinary profits (losses)	0	0	**0**
11	Profit/loss before taxation (9+10)	632	578	**761**
12	Income tax and deferred taxes	130	114	**119**
13	Net profit/loss	502	464	**642**

Cash Flow Statement

(PLN million)

No.	Item	1–12.2019	1–12.2020	1–12.2021
A	**Cash flow from operating activities**			
1	Net profit/loss, taking into account 442 profit-sharing payment	442	464	**642**
2	Total adjustments	479	682	**-84**
3	Net cash from operating activities (1+2)	921	1,146	**558**
B	**Cash flow from investment activities**			
1	Receipts	2	1	**51**
2	Capital expenditures	2,015	3,297	**4,763**
3	Net cash flows from investment activities -2,013 (1-2)	-2,013	-3,296	**-4,712**
C	**Cash flow from financing activities**			
1	Receipts	814	2,071	**4,060**
2	Outflows	149	165	**183**
3	Net cash flows from financing activities 665 (1-2)	665	1 906	**3 877**
D	**Total net cash flow (A.3 ± -428 B.3 ± C.3)**	**-428**	**-244**	**-277**
E	**Balance-sheet increase/decrease in cash and cash equivalents**	**-428**	**-245**	**-282**
F	**Cash and cash equivalents at beginning of period**	**1 387**	**959**	**715**
G	**Cash and cash equivalents at end of period (F±D)**	**959**	**715**	**438**

GRI CONTENT INDEX

GRI CONTENT INDEX

[GRI 102-55]

GRI CONTENT INDEX SERVICE 2022

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

Indicators	Reporting level	Page
GRI 101: Foundation 2016		
GRI 102: Organizational profile (General Disclosures 2016)		
GRI 102-1 Name of the organisation	Full	11
GRI 102-2 Primary brands, products, and/or services	Full	38
GRI 102-3 Location of headquarters	Full	11
GRI 102-4 Number of countries where the organisation operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Full	11
GRI 102-5 Nature of ownership and legal form	Full	11
GRI 102-6 Markets served by the organisation (including geographic locations, sectors served Full and types of customers and beneficiaries)	Full	14
GRI 102-7 Scale of organisation	Full	11
GRI 102-8 Total number of employees by the type of employment contract, position, region and gender	Full	120-122
GRI 102-9 Description of the organisation's supply chain	Full	38
GRI 102-10 Significant changes during the reporting period regarding the organisation's size, structure, ownership, value chain	Full	17, 38
GRI 102-11 Explanation of whether and how the organisation applies the precautionary principle or approach	Full	90
GRI 102-12 A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses	Full	44
GRI 102-13 A list of the main memberships of industry or other associations, and national or international advocacy organisations	Full	44
GRI 102-14 A statement from the most senior decision-maker of the organization about the relevance of sustainability to the organisation and its strategy	Full	4
GRI 102-16 A description of the organisation's values, principles, standards, and norms of behavior	Full	10, 24
GRI 102-17 Mechanisms for advice and concerns about ethics	Full	24
GRI 102-18 Governance structure of the organisation, including committees of the highest governance body, with the identification of any committees responsible for decision-making on economic, environmental and social impacts	Full	23
GRI 102-22 Composition (number and gender) of the highest governance body and its committees	Full	23
GRI 102-23 Chair of the highest governance body	Full	22
GRI 102-24 Nomination and selection of the highest governance body	Full	22
GRI 102-26 Role of the highest governance body in setting purpose, values, and strategy	Full	22
GRI 102-28 Evaluation of the performance of the highest governance body	Full	23
GRI 102-30 Effectiveness of risk management processes	Full	58
GRI 102-32 Role of the highest governance body in sustainability reporting	Full	4
GRI 102-35 Remuneration policies	Full	30
GRI 102-36 Process for determining remuneration policies	Full	28

Indicators	Reporting level	Page
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GRI 102-41 Percentage of total employees covered by collective bargaining agreements	Full	31
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GRI 102-43 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Full	36
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GRI 102-46 The process for defining the report content and the topic boundaries	Full	50, 117
GRI 102-47 Material aspects identified in the process for defining report content	Full	117
GRI 102-48 The effect of any restatements of information given in previous reports, and the reasons for such restatements	Full	117
GRI 102-49 Significant changes from previous reporting periods in the list of material topics and topic boundaries	Full	117
GRI 102-50 Reporting period	Full	117
GRI 102-51 Date of most recent report	Full	117
GRI 102-52 Reporting cycle	Full	117
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Indicators	Reporting level	Page
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GRI 103: Management Approach 2016		
GRI 103-1 Explanation of the material topic and its boundary	Partial	19, 38, 40, 41, 94, 103
GRI 103-2 The management approach and its components	Partial	19, 38, 40, 41, 94, 103
GRI 103-3 Evaluation of the management approach for each material topic	Partial	19, 38, 40, 41, 94, 103
GRI 201: Economic performance 2016		
GRI 201-1 Direct economic value generated (revenues) and distributed (operating costs, wages, salaries, payments to investors and the government, social investment)	Full	128-131
GRI 203: Indirect economic impacts 2016		
GRI 203-1 Infrastructure investments and services supported	Partial	69-84
GRI 204: Procurement practices 2016		
GRI 204-1 Proportion of spending on local suppliers	Full	39
GRI 205: Anti-corruption		

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GRI 304-2 Significant impacts of activities, products, and services on biodiversity	Full	94, 96-97
GRI 304-3 Protected or restored habitats	Full	94, 96-97
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GRI 306-3 Total weight of waste generated by type	Partial	101
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GRI 401: Employment 2016		
GRI 401-1 New employees (by age under 30, 30-50, 50+, gender, region) - number and indicator, number and turnover rate	Full	121-123
GRI 401-2 Benefits provided to full-time employees	Full	30
GRI 403: Occupational Health and Safety 2018		
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GRI 404-1 Average hours of training per year per employee, by gender and job category	Full	124-125
GRI 404-2 Programs for upgrading employee skills and transition	Full	26
GRI 404-3 Percentage of employees receiving regular performance and career development reviews (by gender and by job category) see: 2018: groups of employees who completed a full competency assessment process	Full	26
GRI 405: Diversity and equal opportunity 2016		
GRI 405-1 Diversity of governance bodies and employees with breakdown by gender, age group, minority group membership, and other indicators of diversity	Full	28
GRI 405-2 Ratio of basic salary and remuneration of women to men	Full	29

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