

# ENERY 2022 SUSTAINABILITY REPORT



Solar SK 2, PV Asset, Enery Slovakia



## LETTER

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## LETTER FROM THE FOUNDERS

Dear Energy Stakeholders,

At the start of 2022, we knew we were in for an exciting and unpredictable year, with the green energy transition accelerating throughout Europe and regulatory uncertainty becoming a prominent topic across our industry. Russia's war against Ukraine created an even bigger demand for energy diversification and independence in our region. At the same time, the war and the post-COVID recovery impacted economics and global supply chains. In parallel, a humanitarian crisis unfolded in Ukraine, very close to our home countries.

In our last report, we wrote about the immediate actions we took at the start of the war. We estimate that our contributions to the 'Help Ukraine' project during 2022 supported close to **440 people**. We want to extend our gratitude to employees and partners who helped us make this a very personal, direct, and impactful initiative.

We concluded 2021 with 45 operational photovoltaic (PV) power plants with a total capacity of 156 MW across three countries. At the end of 2022, we operated **56 multi-technology power plants** (including solar, wind, and hydro) with a combined capacity of **275 MW**, powering around 175,000 households. While we almost doubled our green generation portfolio, we also successfully entered a new market and started constructing **our first greenfield power plants** in Austria and Estonia.

Throughout the year, we stayed true to our mission statement 'We do the right things right' and did many things **right**. Despite the challenges presented by new acquisitions and our rapid business growth, we sustained our Zero Harm performance and concluded 2022 with **zero LTIs** (Lost Time Incidents) and zero environmental pollution accidents. We continued promoting best practices to all stakeholders (internal and external) to ensure compliance with the highest ethical and operational standards.

We often say **people are our most precious resource**, as we believe different experiences and perspectives boost productivity, innovation, and help us find effective solutions to operational challenges. That is why we prioritize competency and cultural fit during our candidate selection and hiring to maintain a diverse, equitable, and motivated workforce. This commitment is reflected in the fact that while we only entered one new market in 2022, the number of **unique nationalities in our team grew by 35%**, 23 in total, compared to the end of 2021.

With the help of our dedicated employees, we introduced multiple social initiatives in 2022 aiming to protect all stakeholders. For example, we rolled out an extended **whistleblower policy** to give relevant parties a transparent, accessible, and impartial mechanism to disclose any workplace concerns, wrongdoings, or violations. We also implemented a robust safe driving initiative to give all Enery drivers the tools they need to minimize one of the main safety risks across our organization. Our teams worked incredibly hard to ensure our power plants maintained safe and reliable operation, and as a result, we saved more than **151,000 tons of CO<sub>2</sub>-equivalent emissions** (tCO<sub>2</sub>e).



From left to right: Richard König, Partner and CEO; Lukas Nemec, Partner and COO

As a growing company, it is vital to always consider the bigger picture, assess and control our business impacts, and disclose performance data transparently. Therefore, we have expanded our carbon footprint reporting to include our Scope 3 (value chain) emissions along with our Scope 1 (direct) and Scope 2 (indirect) emissions, as we believe this is where our organizational focus should be<sup>1</sup>.

Moreover, we continued striving to create a **positive overall impact** on communities and the environment. For example, we introduced a set of principles guiding ESG investments toward long-term projects that add value in three main areas: equitable, diverse, and inclusive communities; sustainability education; and biodiversity and habitat enhancement. We concluded the year with **15 ESG initiatives** and total contributions of EUR 319,000. We also enhanced our support for the 'Omama' project in Slovakia<sup>2</sup>, local beekeepers and shepherds in Austria, Bulgaria, and the Czech Republic, and educational institutions across the region. Additionally, we installed our first **PV system for community decarbonization** to support a small hospital and initiated species and habitat monitoring projects to enhance future **nature-positive goals**.

Renewable technologies such as solar and wind are the key to powering Europe with **affordable, reliable, and clean energy**. Therefore, we invested heavily in all 122 of our employees to realize utility-scale, subsidy-free projects in Central Europe within short timeframes. We are proud of what we have achieved in 2022 and the first three years of Enery's history. We know that the coming years will present their own challenges, but we remain optimistic that we can achieve many of the ambitious goals we set out at the beginning of the year and execute the substantial pipeline of green energy projects we are developing.

We hope you enjoy reading about ESG at Enery, and feel free to reach out with any comments or questions. As with everything we do in our business, we are always looking for new ways to improve!

Kind regards,  
Lukas and Richard

<sup>1</sup> Detailed information available in the **Reducing emissions associated with our business activities and operations** section.

<sup>2</sup> The Omama project, managed by the Slovak organization Cesta von, aims to overcome the challenging conditions in which children from underprivileged families grow up. It helps children born into extreme poverty develop and mature to receive suitable education, find stable employment, and become valuable members of society. The project aims to utilize the resources available in its communities to create positive long-term change.



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# ABOUT THIS REPORT

This report incorporates data and information from all of Enery's wholly owned entities, material business activities, and processes. Information associated with joint venture (JV) activities are adjusted based on Enery's ownership shares and have been included in this report where feasible and relevant, unless specifically stated otherwise.

The report primarily addresses data and information for the period between January 1<sup>st</sup> and December 31<sup>st</sup>, 2022 ("the Reporting period"). Where there are deviations from the Reporting period, we have expressly noted them in the relevant sections. As this is our second published report, where possible and relevant, we have offered comparisons with the baseline data published for 2021. We have also made necessary extensions, additions, and corrections to ensure data is easily comparable between years. Details are available in [Annex III](#) of this report.

This report was prepared in accordance with Enery's internal systems and methodology, applying where appropriate best practices from various international standards. It was reviewed and approved by Enery's highest governing body, the Management Committee.

We must consider the viewpoints of all stakeholders to develop our long-term strategy and communicate our ESG progress. Therefore, during our review process, we contacted specific partners and invited them to share their experiences and perspectives. We carefully analyzed and included relevant inputs from internal and external parties in this final report.

We intend to continuously improve the scope and transparency of the data and information we share with our stakeholders. We welcome any feedback regarding this report and its contents via email [sustainability@enery.energy](mailto:sustainability@enery.energy). We aim to answer any questions and inquiries to the best of our abilities in a timely manner.

Looking back on Enery's remarkable journey, it's truly incredible to celebrate our third birthday with such notable achievements, including our expansion into strategic markets like Romania and the successful diversification of our technology fleet with wind and hydro assets. With each milestone, our team grows stronger, embodying our purpose-driven culture and leading the way in driving the green energy transition within our region.

Cong Ta  
VP Mergers and Acquisitions (M&A)



Gleinz, PV Asset under construction, Enery Austria



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# COMPANY PRESENTATION

**E**nergy began its journey in 2019 as a privately-owned company headquartered in Vienna, Austria. We started with three employees and a mission to provide reliable and affordable clean energy using the most sustainable methods possible.

Since then, we have grown significantly, operating a portfolio of 56 multi-technology power plants across Central Europe, launching a greenfield pipeline of self-developed and constructed renewable energy projects, and employing over 120 talented individuals<sup>1</sup> who share our vision.

As a purpose-driven company, our ultimate goal is to lead the green energy transition across our targeted countries while maintaining the highest social, environmental, and ethical standards. By prioritizing purpose, we can generate long-term value for local communities and the environment while providing clean energy to our customers.

## ENERY'S 2022 HIGHLIGHTS AT A GLANCE

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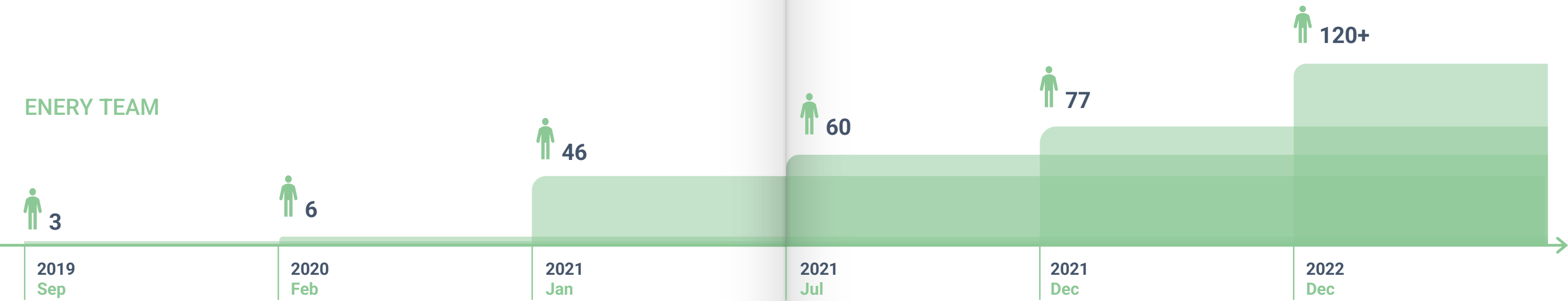
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OPERATIONAL PLANTS

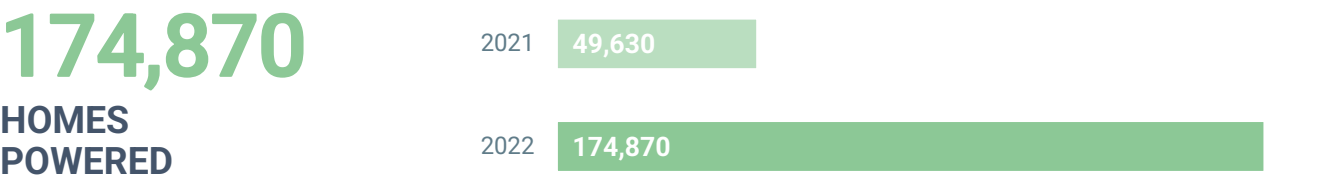
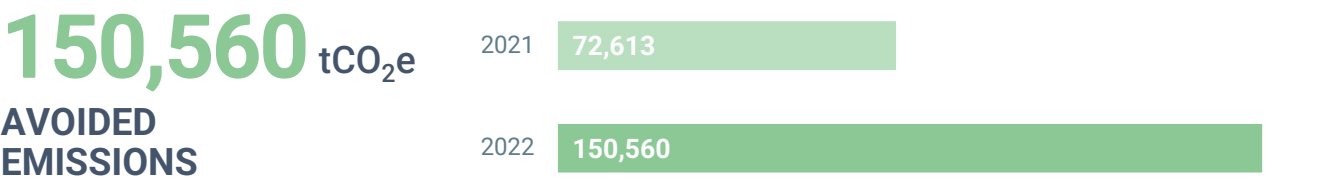
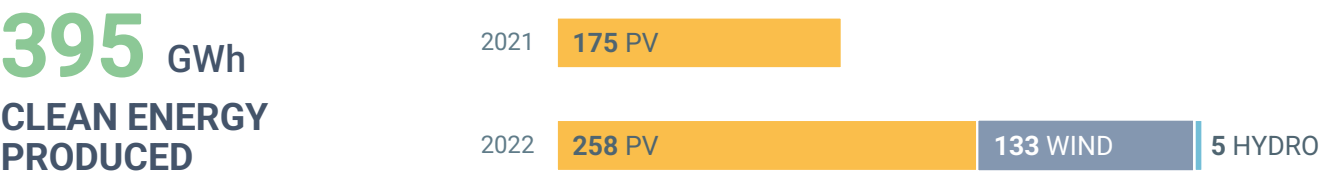
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PROJECTS UNDER CONSTRUCTION

## ENERY TEAM



<sup>1</sup> These numbers are accurate as of 31.12.2022. At the time of publishing this report, Enery had more than 150 employees across its sites and operations.





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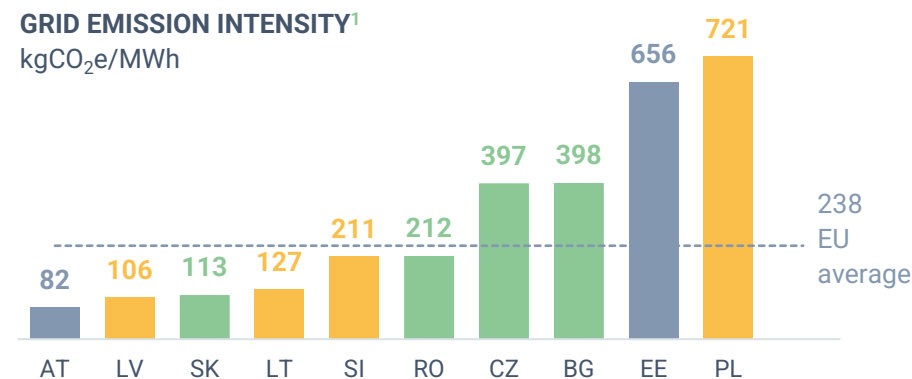
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## OUR PURPOSE AND MISSION

## Leading the green transition

As many of our target countries still rely on carbon-intensive energy sources, we prioritize developing renewable energy projects in regions with the greatest potential to reduce emissions. Through our best-in-class approach to designing, constructing, and operating large-scale renewable plants, we are actively driving the green energy transition and delivering significant benefits to people and the environment.

GRID EMISSION INTENSITY<sup>1</sup>  
kgCO<sub>2</sub>e/MWh

Despite its well-established framework for developing and implementing large-scale wind and solar projects, **Estonia's** power grid is more than twice as emission-intense as the EU average. This is primarily due to the country's reliance on carbon-based energy sources, particularly oil shale. Therefore, by investing in developing clean energy projects that utilize the country's abundant wind and solar resources, we directly reduce its national emissions and significantly contribute to the EU's decarbonization goals.

## We do the right things right

Virtually all successful companies share common qualities: being purpose-driven, operating transparently, continually learning and improving, prioritizing health and safety, and striving to improve our world. Our mission statement "We do the right things right" encompasses these values and guides us to invest our time and energy into solving the right problems. In our context, this means providing clean, reliable, and affordable electricity to our customers, which positively impacts the markets and communities where we operate as well as the broader environment. At the same time, we work to uphold the highest social, environmental, and ethical standards within our organization and across our entire value chain.

<sup>1</sup> These represent the latest grid emission intensity numbers, published by the European Environment Agency, for all Enery countries.

## ORGANIZATIONAL CONTEXT

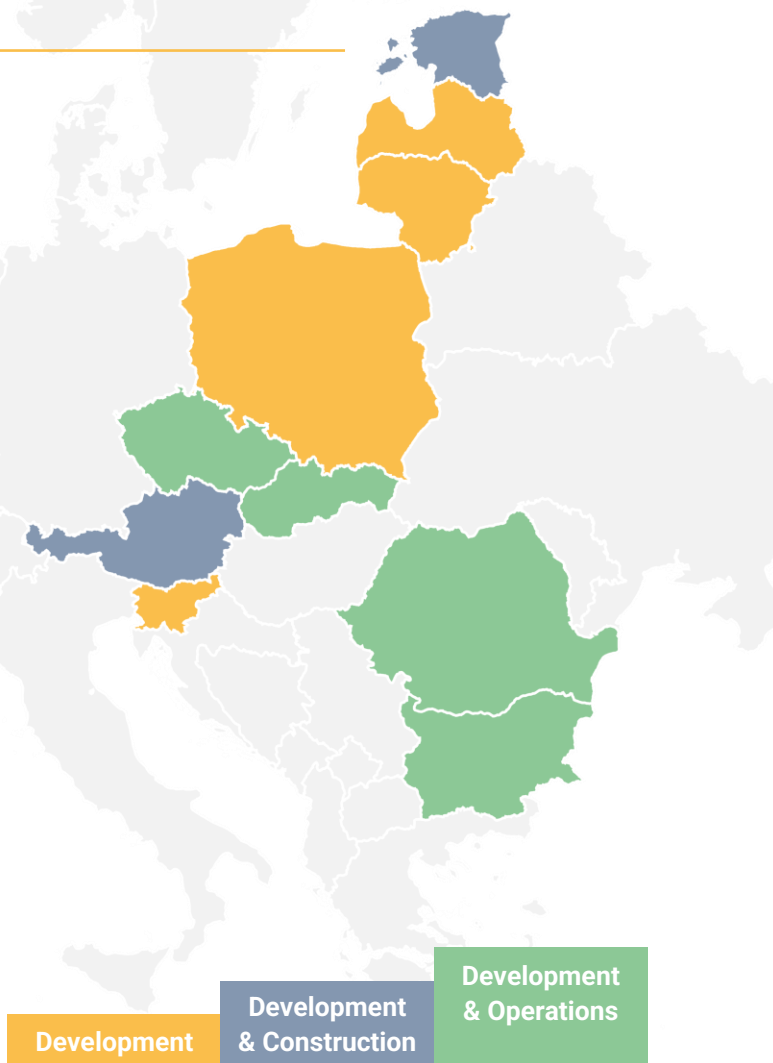
Since launching in 2019, we have entered several markets in Central Europe and become one of the region's leading renewable energy players. We currently operate solar PV, wind, and hydropower plants in Bulgaria, the Czech Republic, Slovakia, and Romania<sup>2</sup>. In addition to our operational assets, we are developing greenfield projects in selected markets across Central Europe and working to diversify the renewable technologies within our portfolio.

In recent years, Europe has taken rapid strides to reduce its reliance on carbon-intensive energy sources. This transition has been accelerated by Russia's war against Ukraine, driving the urgent need for greater energy independence, diversification, and self-sufficiency in the region. Additionally, the increasing regulatory risks in the industry have become a prominent concern, impacting regional economics and global supply chains.

Issues such as climate change and environmental degradation are gaining importance in local communities, leading to calls to impose strict environmental, social, and governance (ESG) requirements on financial institutions and other market players. As a result, the region's appetite for renewable energy is increasing, creating many new opportunities in our sector. On the other hand, factors such as resource scarcity, nature loss, inequality, energy security, regional and societal differences, corruption, and fraud – all of which have been exacerbated by the latest humanitarian crises – create unprecedented risks and challenges. We address these in more detail in the Risk Management section of this report.

Despite rising investor interest in the renewables sector and growing demands for green energy across our region, there are still challenges related to community attitudes, regulatory frameworks, and energy storage. In the short term, building more subsidy-free renewable power plants will improve public perception. In the long run, it will ensure higher political stability and guarantee that the domestic industry stays competitive and jobs remain in the communities. However, to generate clean energy at scale and within the EU's decarbonization timelines, our sector needs streamlined zoning and permitting procedures and clearer roadmaps of how transmission and distribution grids will be upgraded to accommodate new projects. These factors are crucial in shaping our business decisions and overall strategy, ensuring we remain competitive and sustainable in the future.

<sup>2</sup> This statement is correct as of 31.12.2022. In 2023, we added project Gleinz in Austria to our operational portfolio.





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WHAT ESG MEANS TO US

Our core purpose directly aligns with the global aim of transitioning to a low-carbon future. However, we understand that achieving our goals requires fostering a safe, healthy, and skilled workforce and building more resilient and sustainable communities. Additionally, as environmental, social, and governance (ESG) factors are closely interconnected and significantly impact our day-to-day operations as well as our internal and external stakeholders, we incorporate ESG principles into all of our business activities.

Working with a meaningful sense of purpose is a core element of our company culture. Our employees share genuine concerns about global ESG issues such as climate change, nature loss, and social inequality and corruption, inspiring them to make material contributions to the [UN Sustainable Development Goals \(SDGs\)](#).

We support the Sustainable Development Goals.



Sebis, PV Asset, Enery Romania



Environmental

Our holistic approach to environmental conservation gives us a competitive edge over many other renewable energy producers. When evaluating our organizational footprint, we assess carbon and climate as well as broader implications, such as our impact on land availability and use of resources and raw materials. Accordingly, we work to evaluate and manage our direct and indirect impacts, including supply chain-related factors that can be challenging to control and influence



Social

Being a responsible employer and good corporate citizen is critical to our long-term success. We aim to ensure our people are healthy, skilled, and motivated, helping us to drive ongoing improvement. We also energize our host communities by creating sustainable jobs, educating residents, and investing time and resources into projects that generate long-term value. While delivering these objectives, we insist on fair treatment and equal opportunities for all employees and business partners.



Governance

Our robust and transparent company processes and reporting, combined with defined roles and responsibilities, help us realize new opportunities while mitigating potential risks or negative impacts from our operations. To maintain good governance, we work to continuously improve our employees' knowledge and understanding of our internal policies. In turn, we empower them to promote best practices in risk management and compliance to our external stakeholders and across the supply chain.



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# ENERGY'S VALUE CHAIN

We strive to oversee the entire value chain – from development to operations – to become an end-to-end supplier of affordable and reliable clean energy for industrial clients and utilities.

The renewable energy sector is highly competitive and continuously evolving. Therefore, we actively explore opportunities beyond developing, acquiring, constructing, and operating conventional renewable power plants to create additional value through energy storage and emerging clean technologies.

## Responsible sourcing

Responsible sourcing is a key aspect of our commitment to delivering clean, reliable, and affordable energy. Throughout the product lifecycle – from design to material sourcing, construction, and waste management – we diligently evaluate and manage all impacts, opportunities, and challenges. We focus on achieving sustainability by promoting circularity, optimizing resource management, and enhancing overall efficiency. For example, our procurement team continually assesses emerging and more advanced solar modules for our newly developed projects, such as those with higher conversion efficiencies or lower degradation rates.

We also prioritize suppliers and business partners who adhere to our comprehensive Code of Conduct and comply with ethical standards. We leverage procurement decisions to drive positive ESG improvements and ensure compliance with human rights, fair labor practices, environmental protection, and anti-corruption policies throughout our supply chain.

## Project selection and evaluation

During the early stages of our project development, we identify and assess all potential ESG risks, including impacts on biodiversity or the local community. As an example, with the help of experts, we evaluate the noise and shadow flicker impacts of potential wind developments to ensure turbine layouts are suitable and effective and all necessary mitigations are in place.

Our selection criteria for newly developed projects include looking for sites that have low agricultural viability and are not located in protected or sensitive areas. Our Business Development teams also spend significant time with relevant stakeholders to ensure we understand all their requirements and concerns associated with the project's development, construction, and operation.

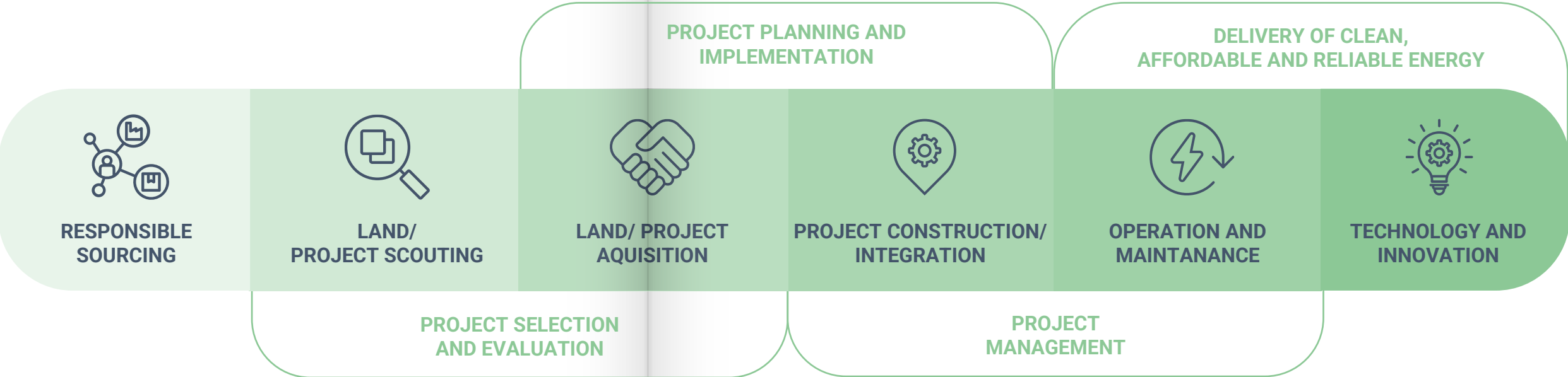
Our M&A processes for newly acquired projects include vigorous ESG due diligence, where we assess past impacts and potential risks and plan effective mitigation strategies. Our teams also conduct detailed assessments for all projects of interest and hold ESG discussions with relevant stakeholders.

## Project planning and implementation

The planning phase of our projects covers both development and acquisition. It plays a vital role in ESG management, as even minor factors during the early stages can have significant impacts throughout a project's lifecycle. Therefore, we use this phase to identify best-practice solutions, areas for improvement, and appropriate control measures to ensure positive ESG outcomes.

Our engineering, procurement, and construction (EPC) team seeks to join the development process in the initial stages of each project before the ready-to-build (RTB) stage. Its involvement ensures the final project design utilizes circular economy principles and avoids or minimizes adverse environmental and social impacts. These can include land-use conflicts, loss of access to natural resources, health and safety risks, clearing of natural habitats and vegetation, habitat fragmentation, noise, and biodiversity loss.

While integrating newly acquired projects, we aim to improve the working environment, cease any harmful vegetation control practices, and ensure that pollinator-friendly vegetation is maintained or planted. For example, since we acquired Karadzhalovo (PV asset in Bulgaria) in 2020, we have built a new office for site personnel, initiated biodiversity monitoring, planted bee gardens, and opened the site for local beekeepers and shepherds. In addition, our business partners' code of conduct and overall compliance processes ensure professional and transparent project implementation and avoid unethical practices across the value chain.





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**Project management**

The project management phase is where we have the greatest control and influence over ESG impacts. We prioritize the health, safety, and well-being of our employees, contractors, and partners by improving working conditions and providing equal opportunities for growth and development. We also positively impact communities and the environment by investing in social and biodiversity projects that deliver long-term benefits to their surrounding regions. Detailed information about ESG projects we invested in throughout 2022 is available in the [Responsible corporate citizen section](#) of this report.

Our commitment to excellence also extends beyond our operations to encompass the entire supply chain. We take great care in selecting our suppliers and contractors, ensuring their practices and values align with our commitments to human rights, labor, health and safety, anti-corruption, and environmental sustainability.

**Delivering clean, reliable, and affordable energy**

At the end of 2022, we owned and operated 56 multi-technology renewable energy plants. As part of our growth strategy, and keeping with our aim to diversify our portfolio and enhance energy security for our customers and society, we aim to maintain a 100% renewable-powered fleet.

To support the green energy transition and increase the share of renewables across Central Europe, we carefully select and implement the most advanced technical solutions throughout the lifecycle of each project. These include our initial equipment and material selections, operations and maintenance, and waste management and disposal, embracing the waste hierarchy principles of avoidance, minimization, reuse, and recycling.

We continuously work to improve plant energy yields and use natural resources more efficiently. Additionally, as part of our long-term business goals, we are refining and improving our Power Purchase Agreements (PPAs) structure to become the preferred supplier of large industrial customers in Central Europe. In 2022, together with our partner Energie Steiermark, we signed our first PPA in Austria. The energy generated from the Gleinz project will help the [Lenzing Group](#) decarbonize its energy consumption over the next 20 years.

We also aim to diversify our asset portfolio by expanding wind production and adding battery storage capacity. These measures will help us deliver maximum value to our customers, society, and the environment.



From left to right: José Carlos Valls Arenas, Intern; Umberto Castaldi, Junior Finance Analyst



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# RISK MANAGEMENT

We take a proactive, team-based approach to risk management. On a daily basis, we discuss our business activities and asset-related risks, challenges, and opportunities within small project groups. On a corporate level, we have a dedicated working group comprising internal experts and heads of functions that regularly discusses broader risks impacting our organization. Overall, the responsibility for identifying and controlling business risk lies with our Management Committee, which frequently discusses and reviews all significant risks and opportunities to ensure we implement sufficient controls. Additionally, we communicate any specific topics with existing or potentially material impacts to the relevant stakeholders via monthly business reports and other appropriate channels. We have included an overview of the main risks relevant to the business and our respective control measures in [Annex I](#) of this report.

Volatility, uncertainty, complexity, and ambiguity prevail in the energy business. We therefore structure our organization and business culture around effective risk management. We focus on key issues such as market, financial and regulatory risks and take into consideration the availability and variability of resources to safeguard the long-term viability of the business.

Armanç Ekinci  
Chief Development Officer



Armanç Ekinci, Chief Development Officer



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# MATERIAL ISSUES AND STAKEHOLDERS

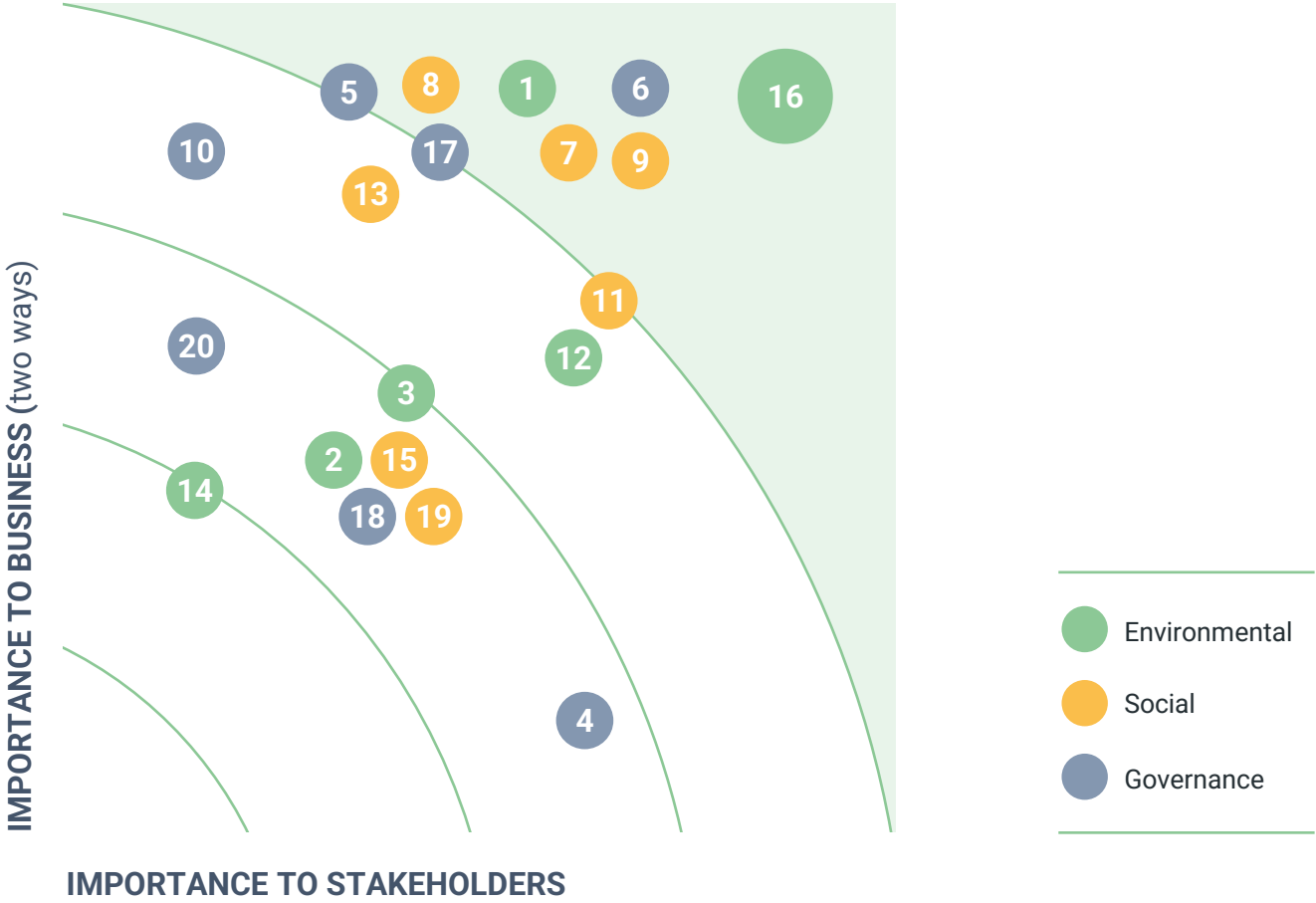
E nergy launched in 2019 as a purpose-driven renewable energy company. To create strong business foundations, we defined internal processes and conceptualized our long-term strategic ESG goals. Every year, we systematically review the issues that are material to our company, based on their importance to our business and stakeholders. While considering business impacts, we use the double materiality concept to evaluate our impacts on society and nature as well as environmental and social factors that impact our organizational performance. Throughout our reviews, we analyze the development of global risks, the context in which we operate, and the views of various prominent stakeholders.

The results are presented to the Management Committee for discussion and approval. The latest outcome of our materiality assessment is summarized in the following chart.

Maintaining productive cooperation with our internal and external stakeholders is essential for Enery as a transparent and responsible company. Therefore, to consider all of our stakeholders' views and expectations, we continuously engage with interested parties across all business activities and countries, assessing the impacts we may have on their operations and any they may have on ours. A summary of our stakeholder communication strategy is available in [Annex II](#).



Our management team in strategic discussions



- |    |  |    |                                      |
|----|--|----|--------------------------------------|
| 1  | Climate change                                   | 11 | Community issues                     |
| 2  | Waste management                                 | 12 | Biodiversity                         |
| 3  | Pollution  | 13 | Learning and development             |
| 4  | Proper processes                                 | 14 | Resource efficiency                  |
| 5  | Compliance                                       | 15 | Social investment                    |
| 6  | Responsible and transparent behavior             | 16 | Reliable and affordable clean energy |
| 7  | Healthy and safe environment                     | 17 | Fair competition and anti-corruption |
| 8  | Diversity, equity and inclusion                  | 18 | Innovation and optimization          |
| 9  | Human rights and labor conditions (supply chain) | 19 | Stakeholder engagement               |
| 10 | Employer reputation                              | 20 | Robust procurement policies          |



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# STRATEGY, GOALS, AND COMMITMENTS

The rapid growth of human civilization is directly contributing to climate change, biodiversity loss, and the declining health of natural ecosystems. Additionally, unsustainable development inevitably creates direct and indirect social, environmental, and economic impacts. For example, the risks from fires, floods, and other natural disasters are increasing, as are pressures on supply chains, which can limit the availability of resources. At the same time, humanitarian crises and geopolitical tensions intensify social and economic inequalities. These and many other factors increase uncertainty for all businesses, including ours.

Acknowledging the concept of double materiality is essential for organizations like Enery, as it reaffirms that our operations are not isolated from external factors such as climate change and social equity. By understanding and addressing our scope of influence, we can identify relevant ESG impacts, implement a robust resilience framework, and protect our business, people, and the environment.

To galvanize our efforts, we have committed to aligning our operations and business activities with the sustainability principles of the UN Global Compact (UNGC) and placing ESG principles at the heart of our business strategy. We believe committing to the UNGC corporate responsibility initiative and its principles regarding human rights, labor, the environment, and anti-corruption will not only benefit society and nature, but support our growth as a company, help us adapt to changing global circumstances, and successfully mitigate risks. We aim to submit our annual Communication on Progress (CoP) shortly and invite all stakeholders to review and provide feedback on areas of interest.

To streamline our sustainability reporting, in 2022, we initiated an EU taxonomy review and alignment assessment. The EU taxonomy is a classification system for sustainable economic activities that helps organizations align with the EU's environmental objectives. Our first EU taxonomy disclosure is available in [Annex IV](#) of this report.

## STRATEGIC GOALS

	CLIMATE CHANGE AND RESOURCE EFFICIENCY	BIODIVERSITY AND NATURE CONSERVATION	RESPONSIBLE EMPLOYER	RESPONSIBLE CITIZEN
TARGETS	<p>Increase our installed renewable generation capacity</p> <p>Reduce our share of non-renewable energy consumption</p> <p>Reduce the emissions associated with our business activities and operations</p>	<p>Promote the efficient use of land</p> <p>Maintain and restore natural ecosystems</p> <p>Divert waste from landfill</p>	<p>Safeguard the health, safety, and well-being of our employees and partners</p> <p>Retain talent and enhance employee skills and knowledge</p> <p>Promote a diverse, equitable, and inclusive workplace</p>	<p>Create rewarding opportunities for communities and stakeholders</p> <p>Conduct our business to the highest ethical standards</p> <p>Reduce negative impacts associated with supply chains</p>
RELATED SDGs	<div><div>7</div><div>RENEWABLE ENERGY</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>15</div><div>LIFE ON LAND</div></div>	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>	<div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>

As a young and ambitious company, Enery is committed to defining a systematic, long-term ESG strategy. Over the past three years, we have laid the foundation for a robust and highly impactful policy, identified our company's strategic goals and commitments, and started working toward science-based targets and initiatives.

This sustainability report serves as a progress report that stakeholders can use to compare our development throughout 2022. We will continue reviewing and updating relevant information, providing meaningful performance data, and enhancing transparency by aligning our disclosures with best practice standards and frameworks.







# CLIMATE CHANGE AND RESOURCE EFFICIENCY



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# CLIMATE CHANGE AND RESOURCE EFFICIENCY

The annual World Economic Forum (WEF) [Global Risk Report](#) continually highlights environmental risks such as climate action failure, natural resource crises, and extreme weather events as some of the most severe threats to global civilization.

Enery was founded with the fundamental mission to produce clean, affordable, and reliable energy. While we are proud to directly contribute to climate change mitigation and adaptation, we also want to maintain a view of the bigger picture. Therefore, we acknowledge that the renewable energy industry can consume scarce raw materials and intensify pressures on supply chains and ecosystems, exacerbated by Europe's decarbonization targets and the Green Deal. We have also observed the worrying increase of devastating and widespread forest fires around the world, driven in part by changing climatic conditions like rising temperatures and prolonged droughts.

These and other trends inspired our "Healing Nature" initiative – an on-going, long-term project we launched in 2021. It underscores our efforts to reduce the amount of carbon dioxide entering the atmosphere, enhance natural habitats, and give back to the communities where we live and work. While we tend to focus on mitigation, we also aim to take immediate actions to address climate change impacts, where necessary. For example, in 2022, our Bulgarian team joined local community clean-up efforts after severe floods devastated several villages across the country. These and other initiatives, such as [PV Systems for Community Decarbonization](#), are integral to our climate adaptation plans.

/// The ability to adapt to climate change is essential to ensure the resilience of renewable energy systems. Through continuous improvements in assessments and strategies, Enery can not only mitigate climate change but also withstand the potential threats it poses.

Diana Garcia  
Sustainability Assistant

## CLIMATE CHANGE ADAPTATION

### Working toward EU taxonomy alignment

The EU Taxonomy Regulation encourages large-scale investments in sustainable economic activities that align with the Paris Agreement and EU Green Deal. While EU taxonomy disclosures are not yet mandatory for Enery, they promote sustainable business practices and increase transparency across ESG reporting.

The double materiality concept has been the basis of our ESG strategy since day one. It underscores our responsibility to control and minimize our environmental footprint and invest in climate change adaptation to protect our operations. Additionally, investing in adaptation measures better prepares us for the physical impacts of climate change, such as extreme weather events like wildfires, floods, and storms. In 2022, in line with the EU taxonomy's requirements, we initiated site-specific climate risk and vulnerability assessments for each of our 56 operational power plants.

We are still working toward a more resilient business model and have yet to fully implement adaptation plans for all assets, but we have already gained valuable knowledge. The assessment results will help us safeguard our business, mitigate the negative impacts of climate change on society and the environment, and contribute to a more sustainable and equitable future for our communities.

Based on the Enery's consolidated 2022 performance, we are pleased to share our first EU taxonomy alignment results:



For more information, please refer to [Annex IV](#)



Karadzhalovo, PV Asset, Enery Bulgaria



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INCREASING OUR INSTALLED RENEWABLE  
GENERATION CAPACITY

Producing clean, reliable, and affordable energy is the core of our business.



Our investments in Central Europe help strengthen resilience and adaptive capacity to climate-related issues in countries where it matters most.

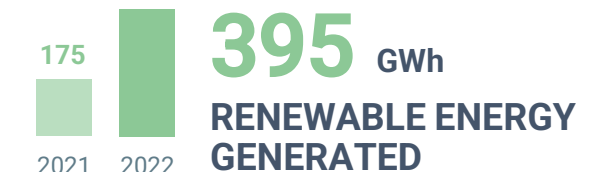
In 2022, we added 11 operational power plants to our portfolio while maintaining our renewable production capacity at 100%, a benchmark we plan to sustain as our portfolio grows. These additions boosted our owned capacity by 76% compared to 2021, bringing our total portfolio to 275 MW. Additionally, as we progress our ambitious pipeline of greenfield PV projects to the ready-to-build (RTB) stage, we aim to incorporate wind generation and energy storage. This diversification will enable our customers to benefit from an uninterrupted renewable energy supply.

The development and construction of renewable energy projects require considerable time. Therefore, with our first greenfield projects reaching RTB in 2022, it was an exciting year for everyone at Enery. This was particularly true for our EPC team, which worked incredibly hard to design, plan, and commence our first solar PV construction projects. As we are finalizing this report, we are already benefiting from the additional renewable energy capacity from project Gleinz in Austria and have made significant progress across both projects in Estonia.

An integrated approach to asset operation and maintenance (O&M) also enhances the performance of our existing portfolio. Therefore, continuing a process we started in 2021, we invested further in the centralized monitoring platform that helps us better understand the historical performance of our power plants and make calculated improvements. By the end of the year, we successfully installed the monitoring system across all 45 power plants and prepared to implement the same software across our newly acquired portfolio in Romania. These upgrades allowed our Analytics and Operations teams to enhance the performance of specific plants and our overall portfolio via improvement recommendations and faster reaction times during outages or other technical faults.

In 2022, our Analytics team began developing and implementing site-specific performance improvement reports. These include a robust and precise analysis of each plant's performance, including assessing criteria such as irradiation, ambient and module temperatures, and known losses like shadows, power clipping, and local weather impacts. The reports also provide recommendations such as rewiring cables, improving module layouts, replacing defective or underperforming modules, repairing overheating equipment, or conducting further investigations.

These monitoring and improvement campaigns had a measurable impact. Throughout the year, we achieved technical availability of 99.5% to 99.8% across our existing operational power plants<sup>1</sup> and outperformed our production budgets by 5%.



Continuously increasing the installed capacity of our renewable generation not only diversifies our risks but also makes our asset management more efficient. As the volume under our management expands, we benefit from reduced costs and time savings, which significantly increase clean energy production. I look forward to expanding Enery's installed capacity as it will enable us to achieve new milestones in asset management.

**Pavel Maleček**  
Head of Asset Management

<sup>1</sup> These numbers exclude newly acquired power plants in Romania where data granularity for accurate and detailed reporting was still not available at YE (year-end).



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REDUCING OUR SHARE OF NON-RENEWABLE ENERGY CONSUMPTION



Our efforts to replace non-renewable energy consumption help to drive community demand for a more sustainable energy supply.

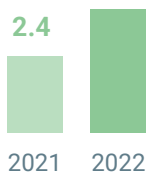


Our contributions go beyond producing green electricity for homes and businesses; as a responsible consumer, we also aim to reduce our own footprint.

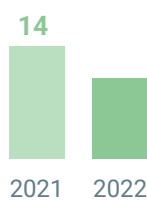
Our environmental contributions go far beyond the green energy we produce. As a responsible corporate consumer, we are also committed to minimizing the proportion of non-renewable energy we use in our operations. In 2022, we continued to source Guarantees of Origin (GOs) to cover 100% of our consumption and increased the number of electrical vehicles (EVs) in our company fleet. While most of our development teams already use EVs daily, we are working with O&M teams to increase our current share from 44% to a fully electric fleet.

With the war in Ukraine intensifying energy supply issues across our region, we worked to increase stakeholder awareness around energy efficiency. We also published tips on our [LinkedIn page](#) to help employees and business partners minimize energy consumption in their homes and offices.

An analysis of our Scope 3 emissions found that 13% are associated with fuel- and energy-related activities, including upstream emissions of purchased electricity. To address this, we will focus on minimizing energy consumption across all business operations and implementing direct measures such as installing renewable energy systems at offices and operational power plants.



**3.9** GWh  
ENERGY CONSUMPTION<sup>1</sup>



**10** MWh /GWh  
ENERGY INTENSITY



**44 %**  
ELECTRIC VEHICLE FLEET  
32% in 2021

**259,000** km  
IN ELECTRIC CARS,  
AVOIDING **44** tCO<sub>2</sub>e

<sup>1</sup> 2021 numbers have been adjusted to account for a more accurate km-to-energy conversion factor. There is a <1% difference in the historical and adjusted figures.



Dorobantu, Wind Asset, Enery Romania



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Early supplier engagement and joint improvement campaigns will help us achieve sustainable and efficient use of natural resources across the value chain.



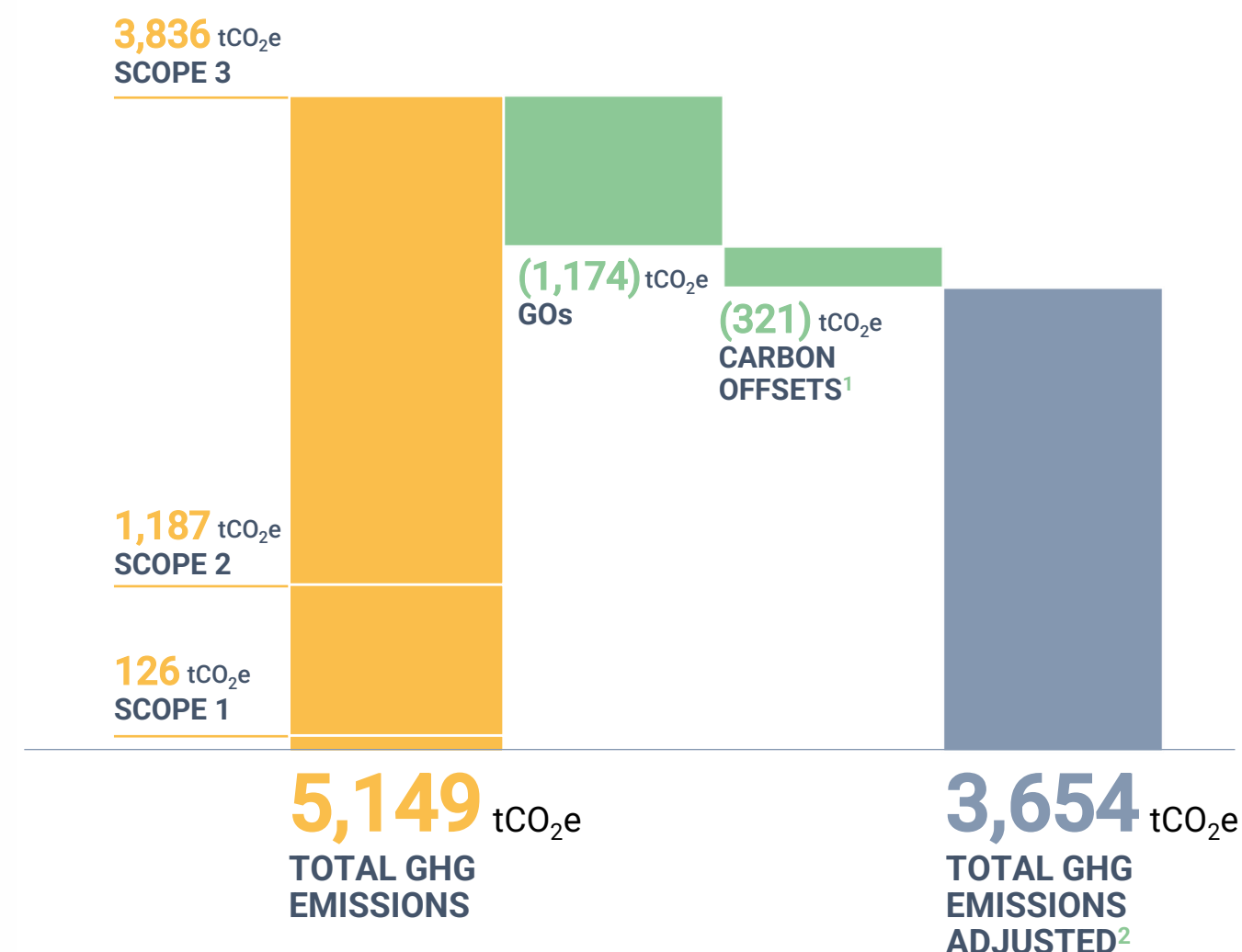
Understanding and effectively managing our organizational carbon footprint will help us achieve carbon-positive operations.

Our 2021 report detailed our carbon footprint data for our Scope 1 (direct) and Scope 2 (indirect) emissions. We also outlined our plans to identify and analyze the largest proportion of our carbon footprint: our Scope 3 (value chain) emissions. In 2022, we invested considerable time and effort into identifying our organizational boundaries and assessing all business activities to understand Enery's overall carbon footprint. As a result, we improved on our 2021 baseline data, which we explain in detail later in this report, and estimated our Scope 3 emissions. This first assessment is primarily based on spend data, although where possible, we have updated assumptions and emission factors to enhance accuracy. This base data will guide all improvements we make in the future. A detailed description of the carbon footprint data is included in the following pages.

Enery is still rapidly expanding – in terms of our workforce, market presence, and business activities – and we only recently started building our greenfield project pipeline. As a result, Enery's total carbon footprint will invariably increase in absolute numbers. To maintain transparency, we will always disclose these numbers, but we also want to go a step further to give our employees and stakeholders the complete picture. Therefore, during our analysis, we worked hard to increase data granularity and find representative emission factors for all goods and services we purchased during the year to arrive at an accurate overall number.

As detailed in our 2021 report, being a renewable energy producer means there are generally no emissions associated with electricity production at our sites. Therefore, our Scope 1 and 2 emissions are limited to fuels we use to power vehicles, equipment, and emergency diesel generators, potential accidental releases of fluorinated gases from switchgear equipment, and energy purchases for our offices and operational power plants. Our first complete carbon footprint analysis shows that while measuring Scope 1 and 2 emissions is important, they only account for around 25% of our overall impact. We understand that our carbon footprint goes beyond things we can easily control and influence and is primarily attributable to our value chain emissions (75% based on the 2022 analysis).

We continue focusing on predictive and preventative maintenance to reduce equipment failures and the risks of accidental greenhouse gas releases. We are also investing in renewable energy supplies and EVs throughout our organization. At the same time, understanding our entire carbon footprint helps us identify high-impact areas, prioritize initiatives, maximize our energy and resource efficiency, and build valuable partnerships with product suppliers to achieve the [UN's Sustainability Development Goals](#).



<sup>1</sup> Self-created carbon offset project, not belonging to a specific carbon offset certification platform, nor verified as such. The quantity of offsets has been adjusted to Enery's participation in the Joint Venture (51%) associated with the project development and implementation. More information available as part of the [PV systems for community decarbonization](#) case study.

<sup>2</sup> This number has been adjusted to account for carbon savings from GOs and self-created carbon offset initiatives.



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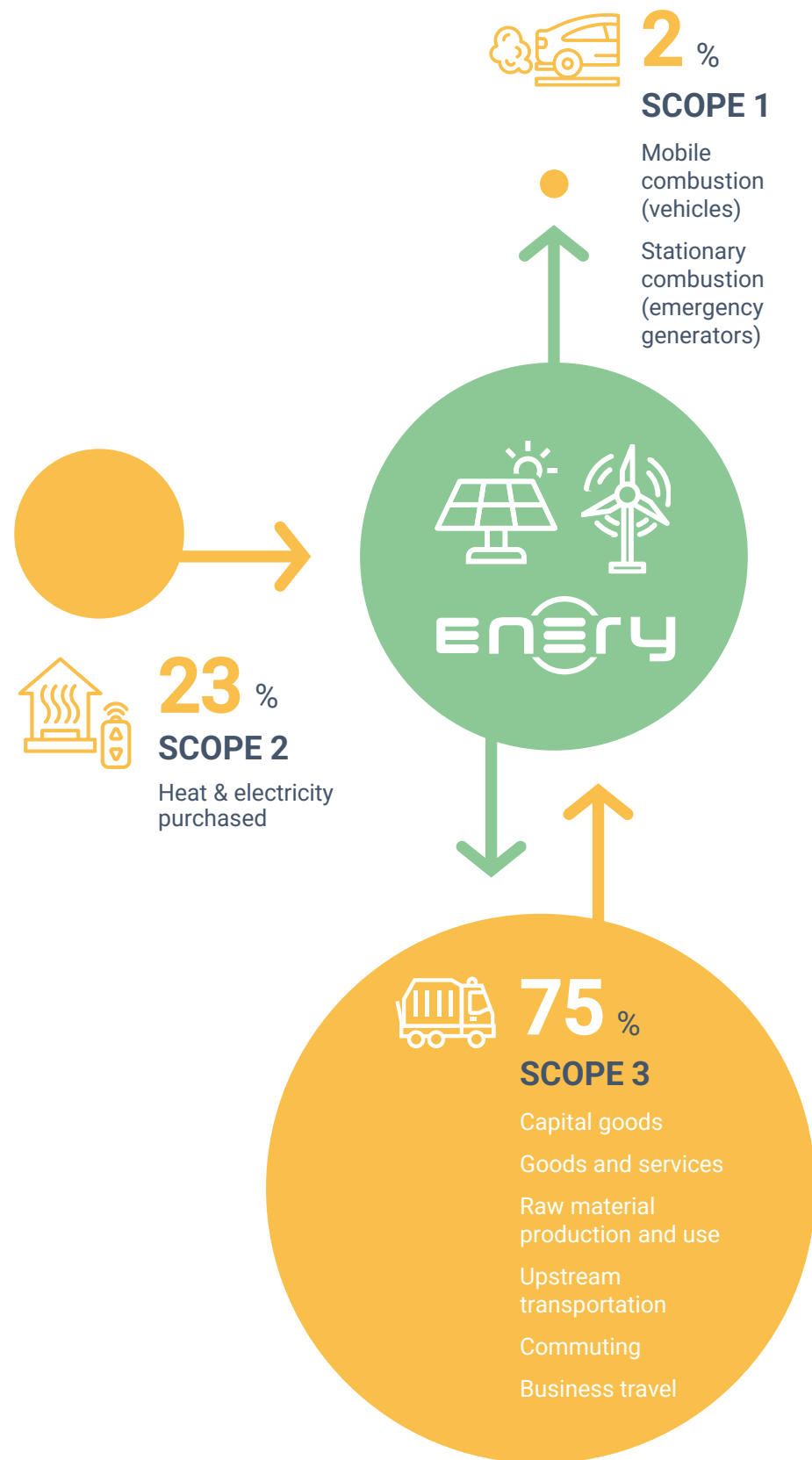
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ENERGY SPECIFIC BOUNDARIES<sup>1</sup>

<b>SCOPE 1</b> Direct	<p>Fugitive emissions associated with accidental releases of greenhouse gases from electrical switchgear equipment (zero in 2022).</p> <p>Mobile combustion emissions associated with business travel using diesel or petrol vehicles owned or controlled by Enery.</p> <p>Stationary combustion emissions associated with the irregular use of on-site emergency diesel generators.</p>
<b>SCOPE 2</b> Indirect	<p>Emissions associated with purchased electricity (excl. transmission and distribution, covered under Scope 3). These are reported using two methods:</p> <p>A. Location-based: using the average emissions intensity of grids, and</p> <p>B. Market-based: reflecting the use of GOs to cover actual consumption.</p> <p>Emissions associated with purchased heat and cooling.</p>
<b>SCOPE 3</b> Value chain <sup>2</sup>	<p>Emissions associated with purchased goods and services, i.e., emissions from extraction, production, and transportation (Category #1).</p> <p>Emissions associated with the extraction, production, and transportation of capital goods purchased (Category #2).</p> <p>Emissions associated with the extraction, production, and transportation of fuels and energy purchased, not already accounted for in Scope 1 or Scope 2 (Category #3):</p> <p>a. Upstream emissions of purchased fuels (from extraction, production, and transportation).</p> <p>b. Upstream emissions of purchased electricity (from extraction, production, and transportation of fuels consumed to generate the electricity, heating, and cooling).</p> <p>c. Transmission and distribution (T&amp;D) losses (from generation of electricity, heating, and cooling that is lost in a T&amp;D system).</p> <p>Emissions associated with upstream transportation and distribution, i.e., transportation and distribution of products purchased from tier 1 suppliers to Enery (Category #4).</p> <p>Emissions associated with the treatment and disposal of waste generated across Enery's offices and operations (Category #5).</p> <p>Emissions associated with business travel, e.g., transportation of employees for business-related activities in vehicles not owned or operated by Enery (Category #6).</p> <p>Emissions associated with commuting, i.e., transportation of employees between their homes and workplaces in vehicles not owned or operated by Enery (Category #7).</p>
<b>AVOIDED EMISSIONS</b>	<p>These refer to the avoided emissions associated with renewable energy power plants operated by Enery compared to the greenhouse gases that would have occurred under a traditional grid-powered scenario specific to each country.</p> <p>Avoided emissions are calculated based on actual production data and country-specific grid emission factors.</p>

<sup>1</sup> All Enery emissions are calculated based on GHG protocol standards and best practice guidelines.

<sup>2</sup> Scope 3 emissions include all relevant categories (1-7) as defined in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The full text of the standard is available [here](#).



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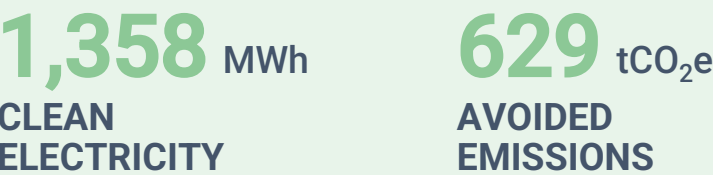
PV SYSTEMS FOR COMMUNITY DECARBONIZATION

Enery's investment in sustainable development goals

We are reducing our overall carbon footprint by minimizing our energy consumption and improving the efficiency of our operational power plants and offices. At the same time, however, we still have a long way to go to decarbonize our supply chains. Although carbon offsets are not as effective as direct measures, they significantly reduce our organizational impacts on the environment, raise awareness about sustainable development goals, and address stakeholder demands for responsible behaviors.

Our [2021 report](#) shared insights about various sustainable office and operational initiatives to reduce our Scope 1 and 2 emissions, such as electrifying our vehicle fleet (now at 44%) and sourcing Guarantees of Origin (GOs) for our electricity consumption (still at 100%). In 2022, as part of a long-term ESG investment strategy, we initiated a campaign to help decarbonize our operations while generating value for local communities. As part of this initiative, we designed and installed a 40 kWp rooftop PV system on a hospital near Gabare<sup>1</sup>, a development project in Bulgaria. The system has helped the hospital secure a proportion of its energy, reduce its electricity costs and carbon footprint, and preserve funds that it can invest back into patient care and infrastructure improvements. Over its lifetime, we project the hospital's rooftop PV system will produce 1,358 MWh of clean electricity and avoid 629 tCO<sub>2</sub>e.

While this project cannot be verified under a specific carbon offset certification platform, it generates value to our organization and the community where we operate. We plan to make these types of projects integral components of our long-term ESG investments and will continue sharing our progress in the future.



<sup>1</sup> Project developed in a joint venture where Enery owns 51%.



Our first PV system for community decarbonization, Bulgaria



# BIODIVERSITY AND NATURE CONSERVATION



Karadzhalovo, PV Asset, Enery Bulgaria



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# BIODIVERSITY AND NATURE CONSERVATION

**B**iodiversity and nature conservation are essential for human survival, as they provide clean air, water, food, medicine, and living and working spaces. However, habitat loss, degradation and fragmentation, unsustainable agriculture, and climate change are the leading causes of biodiversity and nature loss in the EU, intensified by human activities and societal expansion.

While renewable energy developments accelerate the green energy transition and positively impact climate mitigation, our industry must also manage its impacts on wildlife, land use, and biodiversity.

We know that land is a finite natural resource and want to responsibly protect, restore, and promote sustainable land use while halting or reversing degradation and biodiversity loss. To achieve these goals, we are implementing measures to reduce our land-use footprint, promote efficient use of land, enrich natural habitats around our power plants, and support pollinator populations.

**Photovoltaic power stations have the potential to become islands of biodiversity in the surrounding agricultural landscape. Appropriate management that is compatible with nature and sustainable in the long term is essential. This is exactly the level of care Enery is trying to achieve, and we are pleased to participate in the monitoring of ecosystems on solar parks.**

**Marie Kotasova Adamkova**  
Head of Research group for Environmental Management and Nature Conservation Group, Masaryk University

# PROMOTING THE EFFICIENT USE OF LAND



Our responsibility extends beyond managing selected ESG impacts to encompass the entire organizational footprint.



We integrate ecosystem and biodiversity values across all business activities through careful project planning and implementation.

We acknowledge that our operations occupy areas that could be used differently, and we are committed to finding the most efficient and beneficial use of available land. For example, although renewable energy plants are often fenced, this does not mean they cannot be used for other purposes. In fact, only a very small proportion of the area is sealed by existing buildings, structures, and access roads (5-10% in a typical solar park), leaving 90-95% that can provide a home for various plant and animal species.

Unlike traditional farming practices involving intensive agriculture, renewable energy plants support long-term land recovery and regeneration. Their extended lifespans encourage the natural build-up of nutrients, thicker fertile humus layers, and better water and nutrient retention, which improve soil resilience and prevent erosion.

Discussions around land use are becoming increasingly contentious in public and political realms, although meeting Europe's decarbonization targets will require some compromises. Large-scale renewable energy developments will be necessary to meet these targets and satisfy community energy demands. These will require larger areas than those available on rooftops and industrialized land. While we are still exploring pre-developed or industrialized areas (such as rooftops) and continue lobbying for multipurpose, long-term solutions (such as Agri-PV and Floating PV), some options are contingent on legislative changes and community perception.



Andaine, PV Asset, Enery Czech Republic



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As a result, we have started focusing on two distinct strategies: a) co-locating battery storage with existing power plants and developing hybrid projects for wind and solar energy production, and b) building partnerships with large industrial consumers to co-locate renewable energy power plants at their manufacturing facilities and help them benefit from long-term PPAs.

Meanwhile, when identifying new development locations, we prioritize areas that have low soil quality and are outside of sensitive or protected regions. We also continue replacing conventional vegetation control methods such as diesel- or gasoline-powered mowers with sheep grazing, an efficient, low-cost alternative that benefits communities and the environment. In 2021, we launched a small trial project in the Czech Republic, which we subsequently applied to our Bulgarian PV plant and two Czech sites. We plan to make this initiative a central part of our grass maintenance strategy.



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# MAINTAINING AND RESTORING NATURAL ECOSYSTEMS



Our Zero Harm policy is reflected across all business operations and activities – including our project development and operation – and our focus on biodiversity and habitat campaigns to deliver long-term environmental benefits.

Renewable energy plants are sometimes perceived to occupy land that could be used for agriculture, farming, or nature conservation. However, when managed responsibly, clean energy generation and nature can work hand-in-hand. Additionally, the minimalist design of renewable power plants makes them a perfect home for various wildlife species. Although ecosystems may be disrupted during the initial construction and ongoing maintenance activities, the overall impact on the existing natural habitat is limited.

Our first fully constructed solar PV plant in Austria features a range of nature-positive initiatives. They include riparian buffer strips along

Gleinzbach to protect the aquatic habitat and preserve ecological functionality, a hedge of native species planted alongside the fence to connect natural habitat elements, and a mix of wildflowers to support local invertebrates, small mammals, reptiles, and birds. We are committed to transforming this solar project into a thriving wildlife habitat and will continue implementing further improvements.

Our previous report outlined the initial steps taken to protect habitats and enhance biodiversity. We shared our policy to create and maintain wildlife corridors, introduce “bee gardens” at operational PV plants, and allocate areas at existing and in-development sites for beekeepers to care for their beehives. Although these initiatives began as small pilot projects, they have become integral components of our strategy to protect natural habitats and build adaptive resilience against the impacts of climate change in our host communities.

Alongside nature-positive initiatives, we have implemented simple yet effective measures to minimize the chance of environmental accidents and pollution at our operational plants. For example, we have prohibited using herbicides for vegetation control and carefully manage how we use and store chemicals such as fuels for mowing equipment. Additionally, we routinely inspect and maintain all site equipment and operational vehicles to minimize the chances of spills or any other environmental accidents and have developed simple tools to report and proactively address hazards. We are pleased to report that in 2022, our teams recorded zero accidents related to environmental pollution.

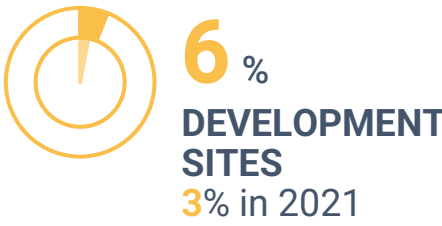
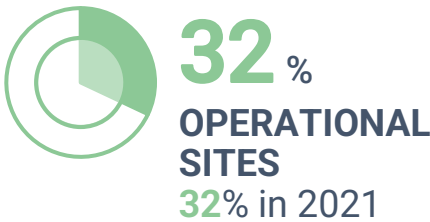
## ENVIRONMENTAL IMPACT



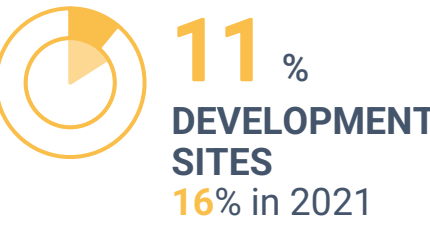
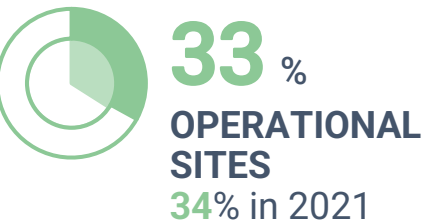
## LAND AREA



## WITHIN PROTECTED AREAS



## ADJACENT TO PROTECTED AREAS





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BIODIVERSITY BOOST

Renewable energy plants as nature conservation islands

In 2021, we outlined our intent to use partnerships between business, academia, and society to achieve long-term biodiversity and nature conservation goals. At the time, we had started a pilot project at our biggest PV plant, representing 21% of our land footprint. The project’s overall purpose was to monitor and analyze any changes in soil and wildlife development at our existing and newly established solar plants.

Since then, we have collated and reviewed historical data for a few of our existing power plants and committed to investing in long-term biodiversity programs across our countries. These measures will enhance scientific knowledge of how renewable energy plants affect wildlife, land use, soil quality, and biodiversity.

Working with several partners, we initiated or re-established monitoring campaigns at selected sites in Bulgaria, the Czech Republic, and Romania to analyze changes in soil and wildlife development at our existing plants over the next few years. While the results are not yet conclusive, the data collected so far (including historical data) shows no significant environmental changes from the construction and operation of the plants.



Some interesting facts we have discovered about the Karadzhalovo PV power plant:

The site covers an area of 110 hectares, or **less than 1% of the Natura 2000 area** it is located in.

Historical studies conducted between 2011-2013 recorded the presence of **80 bird species**.

Comparative studies in 2022 found no direct impacts on the diversity of bird species and **no threats to the species present**.

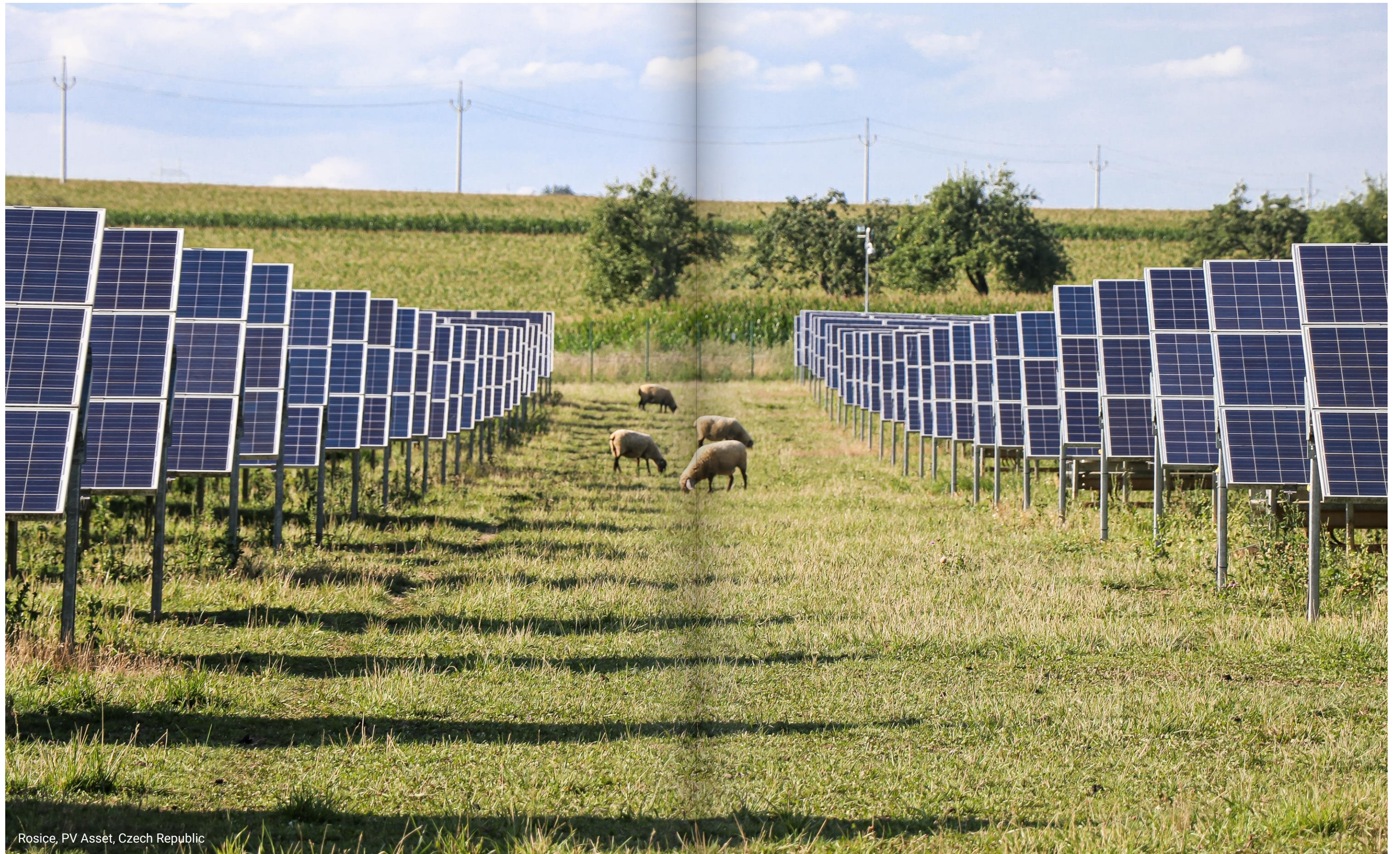
Preliminary studies in 2022 recorded **68 plant species**, including the summer snowflake (*Leucojum aestivum*), a medicinal plant listed as a species under conservation regulation and regulated use in the Bulgarian Biodiversity Protection Act.

Working with biodiversity and conservation experts creates exciting opportunities for us as an organization, as having scientific knowledge and data allows us to introduce science-based improvements. We will continue sharing our progress so that others can benefit from our findings.



Various plant and animal species observed at Enery solar PV plants, namely, Sebis, Romania; Milovice, Tasov and Andaine, Czech Republic; Karadzalovo, Bulgaria





Rosice, PV Asset, Czech Republic



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DIVERTING WASTE FROM LANDFILL



We focus on effective and efficient maintenance campaigns to extend the lifetime of our equipment and prevent unnecessary waste.



Planning and proactively implementing robust waste management processes help us prepare for emerging waste management and resource scarcity issues.

Europe’s renewable energy industry is rapidly expanding due to climate change, global warming, and environmental degradation. In addition, political tensions and the humanitarian crisis in Ukraine have accelerated the urgency to diversify and secure Europe’s energy supplies. While this growth benefits Enery as a company, it also creates challenges such as depleting natural resources and managing emerging waste streams.

In 2021, we analyzed the waste streams generated across our business, including our offices and operational power plants. Although the volume of waste we generate is negligible, this will change as our operational equipment ages and we construct new power plants. We aim to address problems in proportion to their impact, so we have focused on two central policies. First, we have adopted an O&M strategy based on insourcing operational plants, which ensures timely and reliable maintenance and increases the lifespan of each project and its equipment. Second, as part of the EU taxonomy assessments for newly developed sites, we are exploring options for durable and recyclable equipment and components that are easy to dismantle and refurbish at the end of the project.



University students visiting our largest PV asset in Bulgaria

GIVING SOLAR PANELS A SECOND LIFE

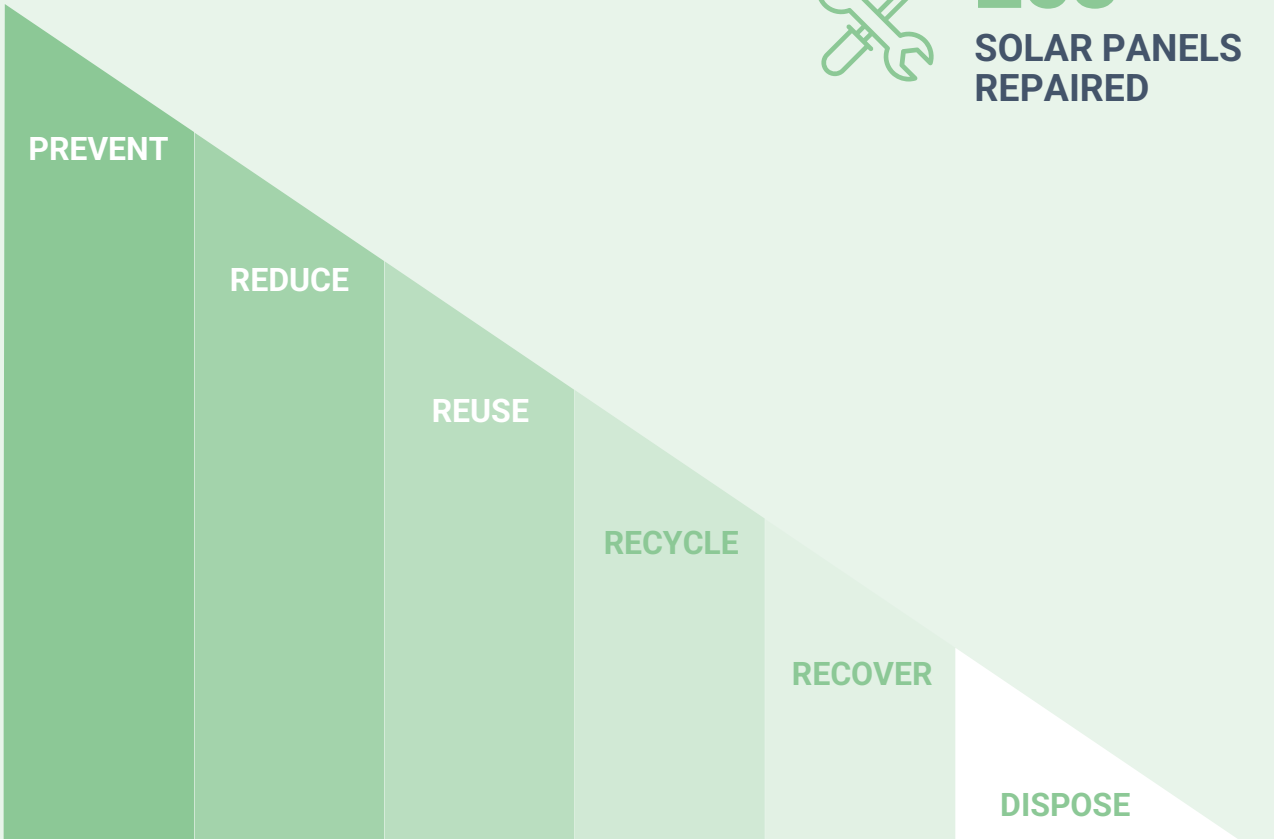
A step towards sustainable resource management

In our previous report, we shared our concerns about a looming environmental problem: the rapidly increasing number of end-of-life solar panels across Europe in the coming decades. While this is still not perceived as an immediate issue, the growth of the renewable energy industry – intensified by the war in Ukraine and the shift to energy diversification and independence – is accelerating the development of new PV power plants and the repowering of existing ones. Both aspects drive the need for long-term sustainable solutions for end-of-life solar panel management.

While we evaluate effective waste management options and partnerships, our industry can (and should) embrace the fundamental principles of the waste hierarchy: the prevention and minimization of waste. Following these will decrease the number of solar panels entering waste streams, reduce the demand for new panels and their associated virgin materials, and lessen the volume of waste generated at renewable energy sites.

Our 2021 Sustainability report shared that our skilled technicians successfully repaired 75 modules. In 2022, our Operations team learned how to fix the PV module defect of burnt busbars, which increased the number of repairable modules. Through this project, we have now brought 258 solar panels back to life. Although just the first of many steps, this initiative is an excellent learning platform for our teams and moves us toward our long-term resource efficiency goals.

WASTE HIERACHY







ENERGY AS A  
RESPONSIBLE  
EMPLOYER

Our team mastering the CPR (cardiopulmonary resuscitation) technique



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# ENERGY AS A RESPONSIBLE EMPLOYER

Maintaining the health, safety, and well-being of our employees is our highest priority. Although social and cultural norms can vary across our home countries, we apply the same high ESG standards and requirements throughout all operations. Fostering a diverse, equitable, and motivated workforce is essential to us, particularly in a world where inequality takes many forms. Despite political tensions and humanitarian crises widening existing disparities, we are committed to attracting and retaining top talent and nurturing our employees' personal and professional development. Investing in a healthy, driven, and diverse workforce will ultimately drive excellence and innovation across our organization, sustain our rapid growth, and ensure long-term collective success.

Our workforce highlights<sup>1</sup>:



“ We view health and safety as a core value – it's not about ticking boxes, it's a fundamental part of who we are at Enery and what we stand for. Our employees' well-being is critical to their success both professionally and personally, and we believe it's our responsibility to safeguard this. Demonstrating genuine concern for our employees' health and safety will empower them to unleash their full potential at work and beyond.

Lucia Hoosova  
ESG Specialist

<sup>1</sup> All data is accurate as of 31.12.2022  
<sup>2</sup> Training hours represent a weighted average figure, including all internal seminars and specific HSE training for operational staff.  
<sup>3</sup> Incidents involved only equipment or property damage and did not result in personal injury, illness, or environmental damage.

# SAFEGUARDING THE HEALTH, SAFETY, AND WELL-BEING OF OUR EMPLOYEES AND PARTNERS



Our approach to health and safety is based on strong management leadership and shared responsibility and accountability across the workforce.

Every person has a fundamental right to a safe, secure, and healthy workplace. At Enery, we are committed to our goal of Zero Harm to ensure all our employees and business partners return home safely every day. Although we are a relatively new company with evolving processes, we have prioritized health and safety from day one. As a result, our 2022 safety performance remained stable despite the rapid growth of our business and workforce, including a 76% increase in generation capacity, entering a new market, and starting construction projects in Austria and Estonia. We are proud to report that we recorded zero LTIs (Lost Time Incidents) or pollution-related accidents, and we will continue working hard to maintain this benchmark.

In 2021, after a preliminary assessment that compared risks with their perceived levels of awareness in our organization, we developed a Group hazard identification and risk assessment procedure. It aims to identify and eliminate hazards arising from our operations systematically and proactively. Throughout 2022, our ESG team worked with employees across all levels to evaluate the health and safety risks associated with our assets and activities. We then held dedicated training campaigns with various functions and teams to educate our employees about the hazards related to their daily tasks. While our workforce now understands their workplace hazards and we have suitable control measures in place, maintaining health and safety is a concerted, ongoing process. Therefore, we treat our risk assessments as live documents that we review and update as the conditions and equipment at our sites change.

To achieve exceptional health and safety performance, it must be championed by Enery's leadership team and supported by the entire workforce. Therefore, we foster a universal safety culture by actively training and empowering our employees to immediately cease any hazardous work activities. We encourage them to proactively analyze hazardous situations and near-misses as they arise, ensuring we address issues before they lead to accidents, learn from past experiences, and enhance our systems and processes. We also teach operational, construction, and office staff to use our customized hazard identification and reporting tools to inspect existing and newly developed sites to quickly detect and address health, safety, and environmental issues.



Planned inspection at Zagra, Hydropower Asset, Enery Romania



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SAFE DRIVING INITIATIVE

Changing behavior to improve performance

A preliminary risk assessment in 2021 identified driving as a significant risk area based on the severity of potential consequences and the distances traveled by our employees. Our follow-up measures included practical training and communication campaigns. In 2022, we performed a detailed risk assessment examining all aspects of the activity and conceived an ambitious safe driving initiative. It includes a detailed safe driving policy, training sessions with target groups, and a dedicated monitoring tool.

As with all our initiatives, we wanted reliable data to create a performance baseline and implement science-based improvement targets. Therefore, we decided to “measure what we treasure” and rolled out a safe driving app that monitors and analyzes driving behaviors based on five pillars: risk events, distractions, speeding, fatigue, and eco-friendliness.

The app helps drivers learn from their performance and benchmark it against the rest of their team, with measures in place that safeguard their personal data. It also allows Enery to analyze collective trends and monitor the performance of our entire team. We can use this data to guide targeted training and awareness sessions, implement corrective actions, and incentivize good team performance.

While we continue seeking further improvements, we would like to share the success story of our Czech Operations and Maintenance (O&M) team, whose driving behaviors have vastly improved since we launched the safe driving initiative. In just over six months, the team members became aware of their individual strengths and weaknesses and significantly changed their driving behaviors. At the end of 2022, the team showed stable improvement in all five pillars, particularly in speeding and distractions, which were more than 50% lower than the baseline period immediately after rolling out the application.

Our results at a glance:

**ENERY-WIDE 2022** Frontline employees drove approx. **880,000 km**  
  
We finished the year with **0 LTIs**

**CZECH O&M TEAM 2022** Speeding (%)<sup>1</sup>: reduced **from 8.5% to 4.5-5%**  
  
Distractions<sup>2</sup>: reduced **from 5 to <2** (per 100km)

<sup>1</sup> Speeding measures the percentage of driving time spent above established speed limits. It does not focus on individual events but on overall trends.  
<sup>2</sup> Distractions record individual interactions with the driver’s phone while driving. This does not include calls conducted using hands-free kits.

While many companies focus on safety alone, our holistic approach encompasses physical, mental, and emotional well-being. A safe and healthy work environment not only increases productivity, but also helps us attract and retain exceptional talent. Therefore, we offer a range of programs and initiatives to support the health of our employees, including regular health screenings and wellness activities. The Enery Health Challenge is one of our favorite initiatives, which started during the COVID-19 pandemic to raise morale and encourage our employees to get away from their devices. Due to its success, it has become a month-long campaign we run at least twice a year to promote friendly competition and motivate our staff to maintain healthier lifestyles. Recently, we have focused on rewarding team effort and results and encouraged the whole Enery team to work together to support their local communities. In October 2022, we donated money raised through various health challenges to [Cesta domu](#), a Czech NGO. It helps families care for terminally-ill relatives at home, where they receive appropriate medical attention in a comfortable and familiar setting. As palliative care is often an uncomfortable topic, we hope to raise awareness of the issue, encourage further investments, and enable more families to seek the help they need.



<sup>3</sup> LTIR (Lost Time Incident Rate) and TRIR (Total Recordable Incident Rate) are indicators commonly used to measure HSE performance per 100 full-time employees.  
<sup>4</sup> Hazards addressed disclosure is accurate as of 31.03.2023.  
<sup>5</sup> Figures weighted against sites take into consideration all Enery sites, including offices, and operational sites acquired in the last quarter of 2022; therefore, decreasing the overall numbers per site.  
<sup>6</sup> HSE training hours are only monitored and reported separately for operational staff; HSE training completed as part of internal seminars and office inductions is included in the overall numbers.



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RETAINING TALENT AND ENHANCING  
EMPLOYEE KNOWLEDGE AND SKILLS

Having educated, skilled, and highly motivated staff is the key to achieving our ambitious long-term goals.



Technological development and innovation are the next steps in our journey toward stable economic growth.

One of our core aims is to foster a culture of continual learning and development. To ensure we build organizational knowledge, we seek to hire and retain intelligent and dedicated people and provide them with sufficient training to excel at their tasks. Consequently, talent acquisition and development remains one of our key focus areas.

Providing our employees with professional growth opportunities helps unite our teams to enhance their strengths and address any weaknesses. We invest in company and functional offsites, dedicated training campaigns, and seminars that enable us to present company achievements, share knowledge and experience, discuss challenges and mistakes, and plan for future developments. In 2022, we held 28 internal seminars, including learning corners around new initiatives and processes such as construction, analyzing site production performance, whistleblowing, and ESG investment policies. These activities brought the average monthly employee training to six hours, up from four in 2021.

**Sarah Kurz**  
HR-Generalist

Investing in employee development is vital for any organization's success. Establishing a culture of continuous learning enables the retention of top talent, drives innovation, and facilitates adaptation to change. Beyond formal training programs, creating a collaborative learning environment where employees can share knowledge and experiences is equally important. Enery excels at creating a culture of prioritizing curiosity, continuous learning, and embracing mistakes, which empowers employees to take ownership of their work and propels the organization's growth and success.

## EMPOWERING GROWTH

## Nurturing talent for sustainable success

Providing our employees with opportunities to enhance their skills, explore new roles, and contribute to our collective success is the most sustainable way to grow our company organically. When we acquired Karadzhhalovo in 2020, we not only prioritized a smooth transition to protect local jobs, but we also aimed to utilize the team's capabilities across our entire portfolio while enabling them to grow within their own community. Through these efforts, we are proud to report several employees have successfully developed their skills and progressed into different roles within our company. Below, we share some of their thoughts and experiences while working at Enery.

**STOYAN PETROV, Head of O&M Bulgaria**

Stoyan started at Enery in a localized role in Bulgaria, but he now also supports a range of projects across Estonia and Romania.

“ I have always prioritized effective site operations by using my strong organizational skills and attention to detail. In my current role, I draw from my past experience to ensure the seamless implementation of our O&M insourcing strategy across different projects and countries, an opportunity that will further expand my skills and expertise.

**DIMCHO DIMOV, Head of Monitoring**

After initially managing electrical maintenance and monitoring at one solar PV farm, Dimcho now oversees Enery's entire fleet.

“ The chance to move into a group role really validated the hard work and dedication I have invested in the past. I now get to collaborate with talented and hard-working technicians across the entire O&M team, pursuing a shared goal of enhanced operational performance, which makes me feel like a valued member of the company. I am really excited about my personal and professional development opportunities that lie ahead.

**VALENTIN VALKOV, Project Manager**

Originally an asset manager for a single location, Valentin is now responsible for over 100 MW of solar PV construction projects.

“ Having been involved with one of our operational assets since its installation over ten years ago, I bring a unique perspective and deep knowledge to the table. Through my abilities and commitment to my role, I am excited to apply my expertise to new construction projects and contribute to our collective mission of creating a sustainable future.

Valentin Valkov, Project Manager



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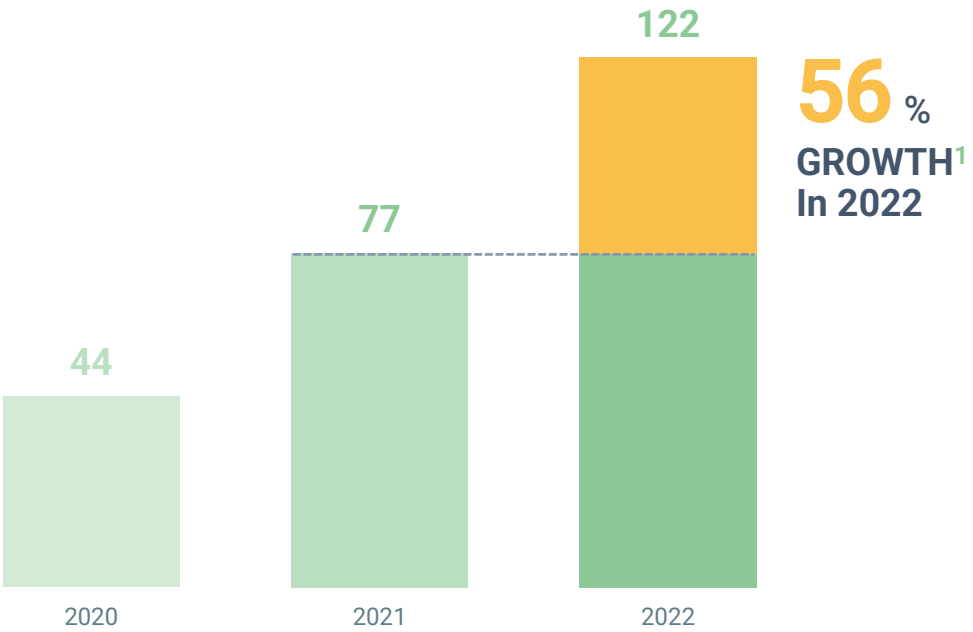
Curating teams of educated, skilled, cooperative, and highly motivated people will accelerate our company's growth and help us achieve our ambitious long-term goals. Therefore, in our ongoing efforts to avoid complacency and foster individual and organizational growth, we promote learning tools such as Root Cause Analysis (RCA) and Lessons Learned (LL). They allow us to create a valuable archive of organizational knowledge that our employees can utilize when faced with new challenges.

In addition to these initiatives, we held a project management course in 2022 to promote a team culture where employees work together to solve problems and share knowledge. We also organized an artificial intelligence (AI) workshop to help employees understand the practical application of AI across business functions and activities, including new automation possibilities. In 2023, we will focus on developing these ideas and applying what we have learned across the organization.

Every year, we also conduct an employee engagement and satisfaction survey. In 2022, we maintained a very high level of employee engagement (72% compared to 74% in 2021). We found that 90% of employees feel they can apply their talents and expertise in their job, and almost 80% are satisfied with our professional growth opportunities. Satisfaction with training and education investments also increased from 48% in 2021 to 80% in 2022.

Continuous learning is ingrained in the DNA of our people. We encourage the use of tools like Root Cause Analysis and Lessons Learned because they help employees understand what happened and prevent similar issues in the future. Fostering a learning-based environment is essential for motivating our workforce and achieving the ambitious goals we have set.

Tomas Behul  
Global O&M Coordinator



<sup>1</sup> Growth and turnover figures are based on the number of employees who joined or left the company during the reporting period.  
<sup>2</sup> Internal seminars include offsites, learning corners, company-organized courses, onboarding sessions, specific compliance, ESG and other training sessions.  
<sup>3</sup> The employee engagement index is calculated based on a specific set of questions from our annual employee engagement study, considering the % of engaged or disengaged employees.



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# INVESTING IN ORGANIZATIONAL KNOWLEDGE

## Energy's root cause analysis (RCA) initiative

Continual learning drives collaboration and improvement across our organization, but maintaining and enhancing collective knowledge in a rapidly evolving industry can be challenging. That is why we invest significant time and resources into education and development opportunities for our employees.

For example, using proven, learning-based processes such as root cause analysis (RCA), we can analyze problems, incidents, or potential issues, address their underlying causes, and prevent their reoccurrence. RCAs help us more effectively identify process improvements and prevent costly mistakes. Additionally, by completing RCAs and documenting the results, we create a valuable archive of organizational knowledge that can be accessed and shared across our company.

RCAs also help our employees, particularly those who are younger and less experienced, develop valuable problem-solving skills while learning about our business. We challenge all employees to participate in at least two RCA sessions per year, and despite a significant increase in our workforce in 2022 (56%), our RCA completion rate was almost the same as in 2021 (29% vs. 26% in 2022).

Each quarter, we also review, analyze, and challenge RCAs issued by different teams and publish the best results. This method enhances the quality of the lessons we learn over time and increases awareness of important issues and findings.

As we continue growing, building our organizational knowledge will be critical to adapting and thriving in a constantly changing business environment. The knowledge database provided by RCAs helps us prevent mistakes, make more informed decisions, and generate better outcomes for our business and customers.



Our team discovering the fundamentals of Project Management



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PROMOTING A DIVERSE, EQUITABLE, AND INCLUSIVE WORKPLACE



Our existing practices and ongoing efforts ensure women's full and effective participation and equal opportunities for various organizational roles (including management).



We work in a diverse team where everyone has the same opportunities for professional growth and development.

Accessing skilled human capital is an ongoing challenge, and our rapid growth in recent years has only exacerbated this issue: our workforce grew by 67% in 2021 and an additional 56% in 2022. To overcome this challenge, we have established a unique company structure that provides access to diverse labor markets. It enables us to attract and retain talented, experienced, and skilled individuals who become valuable additions to our team. As part of these efforts, in December 2022, we organized our first external workshop, which invited a wider audience of young people to get to know Enery, specifically our M&A team. We met many impressive and motivated individuals and hope they will fill open positions in the future.

We recognize the importance and value of a positive work culture and that equality and inclusiveness are essential to our long-term success. That is why we work to attract, develop, and retain professionals from various nationalities and age groups across all management and operational units. We do not tolerate any form of discrimination, selecting and hiring individuals based on their competency and cultural fit and evaluating and rewarding them based on performance.

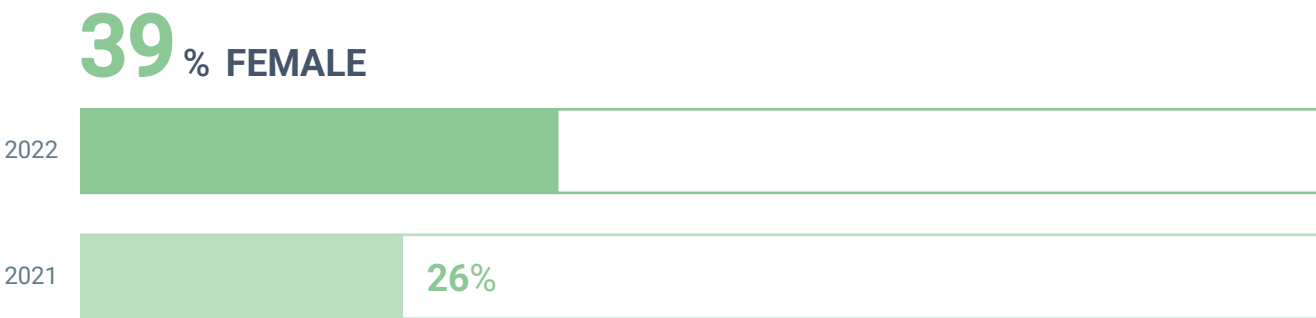
Our commitment to equality and inclusiveness is reflected in our 2022 results. Although we are present in seven countries, our workforce comprises 23 different nationalities. Additionally, our Management Committee consists of 11 members representing eight different nationalities.



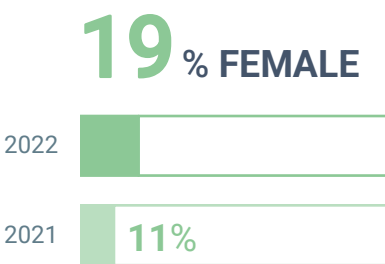
We are actively improving gender equality in the renewable energy industry by providing equal opportunities for women across all levels of our organization. At the end of 2022, almost 40% of our workforce consisted of female professionals, up from 26% at the end of 2021. At the same time, we substantially increased gender diversity across leadership roles within our organization: 19% of our managers are now women, compared to 11% in 2021. While gender diversity across our local entities' boards has decreased – primarily due to restructuring in a group of entities in the Czech Republic – gender diversity across our Management Committee, i.e., the highest governing body on a group level, remained unchanged.

To nurture young emerging talents, we work closely with our junior employees and interns to ensure they get the most out of the team experience and learn as much as possible about Enery and our industry. We are happy to announce that four out of five female interns we hired in 2022 have continued their career development with us, becoming valuable additions to our HR, ESG, and Business Development teams.

ALL EMPLOYEES



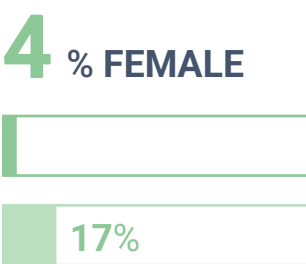
LEADERSHIP ROLE



EMC



BOARDS



The renewable energy industry still has a long way to go to address gender gaps, especially given the societal limitations facing many young women today. To bridge this gap, we actively support women to develop the technical and operational skills they need to forge exciting new careers.

In 2021, we wrote about our partnerships with universities and other academic institutions to offer training programs and create job opportunities for women. In 2022, we continued our collaboration with [TU Wien](#) and offered two partial scholarships in the MSc Renewable Energy Systems program for female students from our region. We also introduced a full-time scholarship that we awarded to a Ukrainian female student in a master's program. These initiatives help to nurture female talent and accelerate the green energy transition in Central Europe.





## ENERGY AS A RESPONSIBLE CORPORATE CITIZEN

Our Czech team making a contribution to the "Healing Nature" project



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ENERGY AS A RESPONSIBLE  
CORPORATE CITIZEN

Maintaining open and transparent communication with our stakeholders provides valuable perspectives that improve our business strategy and overall approach. To that end, we have summarized our stakeholder assessment and communication policy in the [Material issues and stakeholders](#) section of this report.

Being a good corporate citizen also goes far beyond serving shareholder interests. We understand this responsibility and extend sustainability commitments to every aspect of our business, from providing sustainable jobs and career opportunities to delivering renewable electricity to local communities.

We not only hold ourselves to the highest ethical standards, but we also work to influence and improve the practices of our partners. To do this, we have established a compliance program that ensures our employees and business partners adhere to ethical and legal business practices. The program also helps to identify and prevent corruption or unethical behavior within our company and supply chains.

As part of our ESG commitments and based on stakeholder communication initiatives, internal research, and regular materiality (re)evaluations, we have identified several long-term projects deserving of our investment. These initiatives center around improving biodiversity and habitats, promoting sustainability education, and creating equitable, diverse, and inclusive communities. While these projects require significant effort and resources and may not always meet our expectations in terms of their impact or resources required, we welcome the opportunity to learn and grow from new challenges. We will continue monitoring global contexts and ESG performance to assess the relevance and progress of our initiatives and will communicate any developments in the future.



Our Vienna office team painting the VinziRast's homeless shelter in Austria

CREATING REWARDING OPPORTUNITIES FOR  
COMMUNITIES AND STAKEHOLDERS

Quality education extends to all members of society and includes a focus on sustainable development.



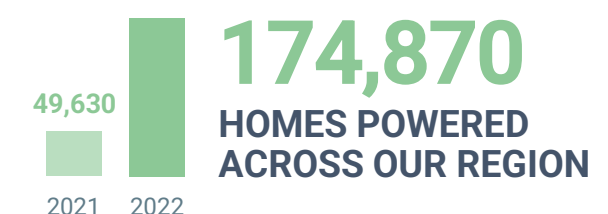
We aim to ensure an equal start and equal treatment of every member of society.



Sustainable communities need more than formal contributions; they require active and passionate engagement.

Our core business activities generate value in our operating regions by creating sustainable employment opportunities and producing renewable energy for local households. During 2022, in addition to providing 122 sustainable jobs, we supported nine interns across various teams in our organization, 56% of whom were promoted internally and are still contributing to the Enery team today.

Our community goals also extend beyond sustainable employment; we invest resources into developing and implementing ESG projects we believe will provide long-term benefits to society. Throughout 2022, we conducted 15 ESG initiatives and contributed nearly EUR 319,000 to local communities, 77% of which we allocated to ESG initiatives with direct participation by Enery employees.





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ESG INVESTMENT PRINCIPLES

A strategic framework for community development

All of our host communities have unique goals and aspirations, and we encourage them to reach out to us and ask for help if needed. At the same time, however, we have finite resources and cannot support every environmental or social project, even if we like the idea.

To deliver meaningful long-term outcomes in our communities, in 2022, we established our ESG investment principles. These internal guidelines help all employees and business functions define the minimum criteria for selecting and implementing ESG investments. They ensure projects align with Enery's business model and overall purpose, consider issues that are material to our organization (i.e., positive and negative impacts and risks), utilize our internal competencies and resources, and incorporate multistakeholder partnerships. They also help us prioritize quality over quantity to deliver maximum community value. As a result, while we completed fewer ESG projects in 2022, they were more successful and had a greater impact. We focused on three main areas: biodiversity and habitat enhancement; sustainability education; and equitable, diverse, and inclusive communities.

Our efforts involved continuing and completing projects such as Help Ukraine (Enery-wide), Omama (Slovakia), and Ole Male (Bulgaria)<sup>1</sup>. We also supported local beekeepers and shepherds (Bulgaria and the Czech Republic), whose products we used to make Christmas presents for our employees and partners. Additionally, we initiated long-term species and habitat monitoring initiatives (Bulgaria, the Czech Republic, and Romania), an online educational game (Enery-wide), installed our first PV system for community decarbonization to support a small local hospital (Bulgaria), and many more.

To create a baseline against our new objectives, we analyzed historical data from 2021. Even though some of our 2022 contributions did not completely align with the focus areas, we made significant progress compared to the baseline data (details on the next page). We plan to increase our contributions toward these three focus areas in 2023.

<sup>1</sup> The Ole Male project, managed by the Bulgarian foundation [Maiko Mila](#), helps mothers of children with disabilities to work and support themselves while allowing them the time to care for their loved ones. At Enery, we source many of our Christmas gifts for employees and partners through the Ole Male project.



Photographs from the Omama project in action. Cesta von focuses on psychosocial stimulation of children living in generational poverty at the critical early age from 0 to 4 years, with an emphasis on the first 1,000 days when their brain grows the most. Through educational activities, games and counseling carried out directly in the families' homes and as part of parent clubs, the program works to increase the number of appropriate stimuli for healthy child development, build parenting skills and improve the family environment.

Currently, the Omama program employs 43 Roma women (Omamas) who work with more than 900 children. Going forward, Cesta von's goal is to scale the program so that every child born into generational poverty has a chance to catch up before they start school.



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We also partnered with local authorities, experts, and not-for-profit organizations to launch educational campaigns for people of various ages.

Our activities included:

**Arranging school visits and open days** to operational power plants across our portfolio to teach the public about the benefits of solar energy and raise awareness across stakeholder groups.

**Renovating a school science room** near one of our development projects in Bulgaria to ensure local students have the right tools and materials for their daily tasks and inspire them to pursue a career in science.

**Working with educational centers** in Slovakia and Bulgaria to raise awareness about SDGs and living within the means of our planet.

Additionally, we participated in training and educational campaigns organized by industry associations in collaboration with local universities. For example, in 2022, our employees presented lectures in a series of courses, organized with the support of [Sofia University](#), to share best practices for developing, constructing, and operating solar PV plants. Our team also shared inspirational stories about the latest ESG projects at our sites.

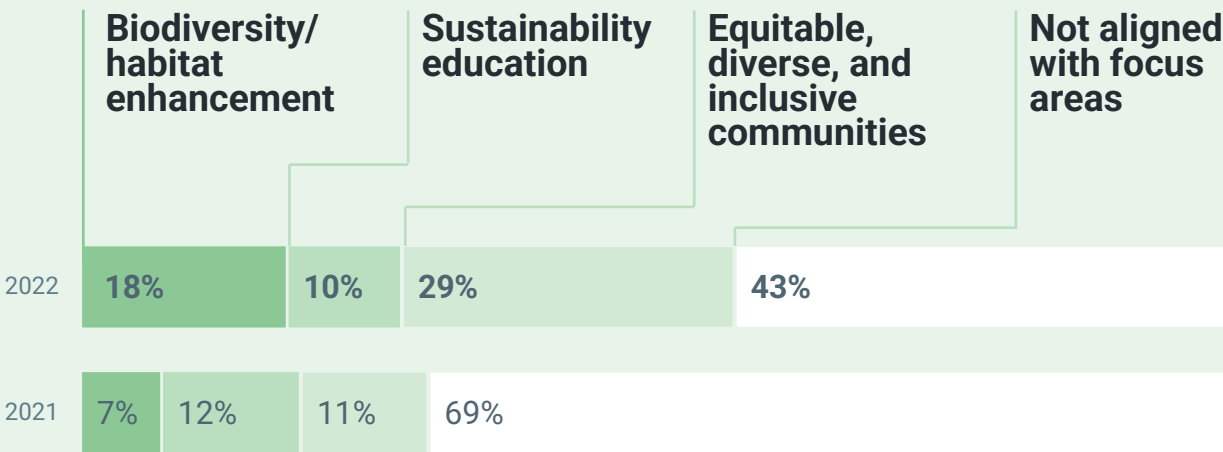
As part of our educational initiatives, we also invested in youth health projects such as installing outdoor gym equipment and helping the local municipality near our largest power plant to educate youths about environmental protection; participated in career events and job fairs to spark interest in renewables among children of various ages; and finalized the first steps in creating an online educational game for children aged 10-14 that highlights the benefits of renewable energy and sustainable living.

“ We feel fortunate to have found a partner who not only provides financial support for our development, but also shares our dedication to establishing an inclusive, diverse, and equitable environment for children from disadvantaged backgrounds. We value Enery’s hands-on approach and willingness to get personally involved in our initiatives.

Iva Boneva PhD,  
President of the Board,  
Association for Shared Learning ELA

ESG INVESTMENT PRINCIPLES

A strategic framework for community development



Contributions made to local communities in 2022 (including those made through Joint Ventures) totaled EUR 319,000. For more details and a comparison with 2021, see [Annex III](#).



Our Sofia office team assisting Bulgarian communities affected by devastating floods





Jan Horvath, Head of Czech Republic and Slovakia



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Productive multi-stakeholder partnerships are essential for Enery to achieve the United Nations' SDGs. To make our host communities more equitable and inclusive, we worked with local partners during the year to help disadvantaged groups of people integrate more easily. For example, we ensured local schools and educational centers working with Ukrainian refugees had the means to provide essential tools and materials to their expanding student populations. We funded three months' worth of lunches for 130 Ukrainian students in a Slovak school and organized a volleyball tournament where children could meet and socialize with local peers. We also organized German courses and cultural integration workshops for Ukrainians in Vienna to support their long-term integration into the community. Additionally, we partnered with an [Association for Shared Learning](#) in Bulgaria that has worked with Ukrainian children and their families since the start of the war. In 2023, we committed to helping the association build an educational solar system that will secure and diversify the energy demand of a green workshop it is constructing while providing learning opportunities for children at the center.

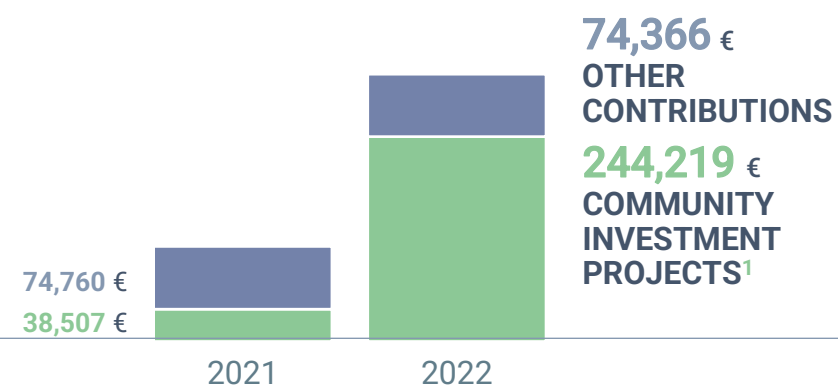
In 2022, our employees also provided hands-on support for various community projects. These included painting VinziRast's homeless shelter in Austria, planting trees in Slovakia and the Czech Republic through our ongoing "Healing Nature" project, and assisting Bulgarian communities affected by devastating floods. Over the year, our employees contributed approximately 200 volunteer hours across these projects, and we will continue supporting them to donate their time to rewarding community initiatives.



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COMMUNITY INVESTMENT PROJECTS<sup>1</sup>  
19 in 2021

318,585 €

TOTAL CONTRIBUTIONS  
113,266 € in 2021<sup>1</sup> These include contributions made through JVs.

## THE ELA PROJECT IN BULGARIA

## A partnership for sustainable development

The Association for Shared Learning ELA helps to empower underprivileged children and young individuals. It is currently transforming an old, unused building into a green educational center to foster inclusivity and support children from marginalized backgrounds, including those from lower social status, children with disabilities, and refugees. The center will utilize sustainable technologies to promote awareness and education on topics such as renewables, bio-farming, and environmental responsibility. It will also help encourage professional development in engineering.

In 2022, we supported the association with directed donations for food, materials, and social and educational events organized for Ukrainian children and their families. These contributions directly helped **26 children from 11 families**.

We believe this project truly embodies the spirit of SDG #17, "Partnership for the Goals." Therefore, in 2023, we committed to helping ELA refurbish the roof of the green center workshop and install a small PV installation that will diversify the energy supply and enable staff to utilize it for educational purposes. In the future, we will look to expand our support for this organization while investigating opportunities for similar projects in other countries.



The Association for Shared Learning in action



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CONDUCTING OUR BUSINESS TO THE HIGHEST ETHICAL STANDARDS



We promote the rule of law across Energy's entire value chain by implementing compliance policies and business partner engagement campaigns.



We understand that we cannot achieve our goals and build a sustainable future without building sustainable partnerships.

We uphold the universal rule of law across our entire value chain through compliance policies and business partner engagement campaigns. We demand fair treatment of people and animals, protection of human rights, and have zero tolerance for any form of corruption. This commitment to excellence helps us find practical and sustainable solutions while complying with applicable legislation and best practice standards.

Internally, our robust Code of Conduct enforces ethical business behavior and reminds employees of their duty to maintain honest and ethical conduct. We also invest significant time and effort into training and awareness campaigns that ensure our employees understand their roles and responsibilities, can identify and handle potential issues, and have effective systems to report unethical behavior.

Our recent internal review revealed no red flags regarding corruption, discrimination, or human rights claims, as well as zero health, safety, or environmental controversies associated with our companies and employees.

In 2022, we enlisted the services of a reputable compliance advisor to evaluate our vendor compliance systems and policies. After benchmarking against other companies and auditing our procedures across all business functions and operations, the advisor identified a few isolated gaps in policy implementation and provided recommendations for improvement going forward. Despite these minor findings, the overall assessment concluded that our internal policies are sufficient and in line with international standards. We will continue monitoring and improving our business ethics programs to maintain these exceptional standards.



100%  
COMPLIANCE  
CHECKED<sup>1</sup>



0  
SANCTIONS AND  
LITIGATIONS<sup>2</sup>

<sup>1</sup> Compliance checks include all Energy employees and entities as of 31.12.2022  
<sup>2</sup> This includes material litigations and sanctions, i.e., legal issues that could potentially have a significant impact on the company's financial or reputational standing. These could include legal disputes, lawsuits, regulatory fines, penalties, or other legal actions related to the company's operations or activities.



Lenka Adamus, Head of HR



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## MAINTAINING ETHICAL STANDARDS

## Energy's robust reporting framework

We pride ourselves on our integrity, professionalism, and character – the vital elements of always doing the right things right. To maintain the highest ethical standards throughout our operations, we implemented a robust framework of internal policies and guidelines outlining the behaviors we expect from internal and external stakeholders. While we foster an environment where employees can report unethical behaviors or suggest potential improvements without fear of retaliation or repercussions, we also want other stakeholders to report any perceived business misconduct safely and anonymously.

To make this possible, in 2022, we introduced an independent (externally managed) reporting channel through which all Energy stakeholders can report serious violations<sup>1</sup>. The [external platform](#) gives all Energy stakeholders access to an impartial, confidential, and transparent reporting system to disclose any concerns, violations, and wrongdoings.

We are pleased to announce that no reports have been filed through the platform so far, but we remain prepared to investigate and act on any future claims. We will continue promoting this tool and encouraging stakeholders to use it when required.

<sup>1</sup> Serious violations are defined as violations potentially impacting the wider public. Examples may include a criminal offense (fraud), corruption, imminent danger to the health and safety of individuals or the public, coercive or collusive practices, failure to comply with statutory or regulatory obligations (such as data protection obligations, environmental laws, corporate tax rules or arrangements, public procurement regulations, market abuse, money laundering or terrorist financing) and covering up a wrongdoing.

REDUCING THE NEGATIVE IMPACTS ASSOCIATED  
WITH SUPPLY CHAINS

Promoting human rights, fair labor practices, environmental protection, and anti-corruption policies across the supply chain is an increasing focus in our procurement procedures.



Maintaining reliable partners who share our purpose and values is a core aspect of our overall strategy for a positive community impact.

Our business partner compliance policy helps us screen and evaluate new vendors and service providers for possible regulatory, financial, or reputational risks. We also ask all business partners (excluding those with negligible risk) to formally acknowledge and comply with our Business Partners Code of Conduct. We have aligned our code with the requirements of the [Ten Principles of the UN Global Compact](#) to ensure compliance beyond our tier 1 suppliers. This pre-emptive measure also protects us from any unnecessary exposure.

At the same time, responsible companies think beyond their own four walls and examine the ESG impacts and risks associated with their entire value chain. Therefore, in 2022, we completed a high-level supply chain assessment examining the environmental and social impacts of products and services, in terms of absolute impact and potential quantities or spend. During our preliminary assessment, we also reviewed the regions from which we source goods and services to streamline our efforts and identify high-risk areas.

As it can be difficult to maintain visibility and control while working through the various tiers of a supply chain, we implemented an extended ESG questionnaire during the procurement process for some of our first construction projects. This initiative yielded constructive discussions with suppliers and enhanced our knowledge of the ESG impacts associated with specific goods and materials.

In 2022, we also participated in industry-led discussions to increase transparency and visibility across solar value chains. Although we are yet to develop a complete supply chain risk management plan, this early engagement with high-risk and high-spend suppliers creates rewarding collaborations and valuable ESG improvements that benefit both parties and broader society. We will continue influencing supply chain sustainability – particularly concerning human rights, fair labor practices, environmental protection, and anti-corruption policies – through procurement decisions that provide us with leverage and improvement opportunities.

“ Compliance is not just about avoiding penalties; it's about fostering a culture of integrity and accountability throughout the entire value chain. We consider compliance a competitive advantage rather than a burden, which enables us to proactively identify applicable changes in legislation and ensures ethical conduct and responsible practices from sourcing to production and beyond.

**Tuğba Taşçı**  
Senior Legal Counsel





From left to right: Beata Marton, Executive Assistant; Anna Tantsiura, VP Finance; Sarah Kurz, HR Generalist; Lenka Adamus, Head of HR; Tatiana Sagoyakova, Paralegal; Alisa Höllmüller, Executive Assistant; Tuğba Taşçı, Senior Legal Counsel; Andrea Káčerová, FP&A Manager; Dolores Salgueiro, Head of Tax



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BEYOND SCOPE 3 CALCULATIONS

Creating opportunities for more sustainable PV construction

While our Scope 1 and 2 emissions are within our direct control, our Scope 3 (value chain) emissions form the largest proportion of our carbon footprint. Therefore, reducing these emissions requires building sustainable partnerships with our material and equipment suppliers.

In our first step, we joined the Solar Stewardship Initiative led by [SolarPower Europe](#), which promotes sustainable and responsible practices in the solar industry. Our membership inspired us to review new suppliers more thoroughly, such as during the procurement process of our first large-scale construction projects in Estonia. We focused on ESG topics, including health and safety practices, compliance with labor and human rights, environmental performance, and adherence to anti-corruption laws.

While our purchases of capital goods were limited in 2022 due to the status of our development pipeline, we addressed an emerging portion of our Scope 3 emissions: purchasing materials to build new power plants. We started engaging with leading product suppliers and analyzed the value chain impact of the Rummu project, a 20 MWp Estonian PVP construction plant<sup>1</sup>. We examined data for all materials, services, and goods required for the project and evaluated various emission factors. Our preliminary analysis found that modules accounted for over 80% of the project's Scope 3 emissions. In response, we requested specific carbon emission factors from our PV module suppliers to improve our data accuracy and reporting.

Our assessment concluded that the Rummu project's Scope 3 emissions totaled **13,145 tCO<sub>2</sub>e**, nearly three times Enery's current carbon footprint. This discovery underscores the critical importance of building long-term partnerships with PV module suppliers to help increase the use of renewable energy and recycled materials in manufacturing, embrace automation, and invest in R&D to improve sustainability.

<sup>1</sup> Scope 3 data for this project will be included in the overall Enery carbon footprint disclosed as part of the 2023 Sustainability report.



Rummu, PV Asset under construction, Enery Estonia



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ANNEX I

BUSINESS RISK OVERVIEW

RISK CATEGORY

	Control measures
<b>REGULATORY</b> ■■■●■	<p>Close monitoring of regulatory requirements and changes; utilization of local knowledge and expertise</p> <p>Extensive due diligence (DD) prior to new market entrance</p> <p>Close relationships with energy lawyers and associations, investors, and lenders</p> <p>Robust DD processes and early stakeholder engagement for new projects</p> <p>Stringent compliance and governance processes for existing projects and operations</p>
<b>POLITICAL/ GEO-POLITICAL</b> ■■■●■	<p>Portfolio diversification and a targeted market approach</p> <p>Exploration of and investment in energy storage and innovative renewable technologies</p> <p>Supply chain analysis and contracts management; continuous counterparty monitoring</p>
<b>FINANCIAL</b> ■■■●■	<p>Use of hedging and insurance instruments, e.g., cross-currency swaps</p> <p>Production market and financing diversification</p> <p>Power price market analysis</p> <p>Counterparty limits, monitoring of</p>

<p>Currency risks, e.g., cash flow fluctuations due to investments in non-EUR countries</p> <p>Power price fluctuations</p> <p>Changes in the tax environment, e.g., higher RES taxes</p> <p>Failure to comply with the rapidly expanding ESG requirements impacting financing conditions</p> <p>Failure to properly manage contracts (e.g., failure to set up appropriate approvals) leading to loss of revenue, litigation, or loss of trust in stakeholders</p> <p>Price volatility leading to cash flow uncertainties</p>	<p>merchant exposure and utilization of financial instruments, such as futures, options, or forward contracts</p> <p>Robust internal cost control systems and audits (internal and external)</p> <p>Close monitoring of the tax environment and optimization of the company's tax structure</p> <p>Robust tax due diligence for new projects/markets</p> <p>Close monitoring of upcoming ESG regulations</p> <p>Implementation and maintenance of robust contract management systems and processes, incl. whistleblower policy/tool implementation</p> <p>Long-term PPAs with industrial customers and utilities</p>
<b>TECHNOLOGICAL/ OPERATIONAL</b> ■■■●■	<p>O&amp;M strategies focused on preventive and predictive maintenance</p> <p>Investment in the latest and most efficient technologies</p> <p>Implementation and maintenance of suitable and sufficient management systems, and continuous monitoring and updating of internal policies and measures</p> <p>Core services identification and planning against worse-case scenarios</p> <p>Robust DD and early stakeholder engagement for new projects and contract management</p> <p>Robust project planning, incl. construction timelines; grace periods and replacement project conditions included in PPAs</p> <p>Business insurance policies, including cyber security</p>
<b>GROWTH AND DEVELOPMENT</b> ■■■●■	<p>Defined minimum DD standards</p> <p>Early asset integration strategies and plans</p> <p>Transaction and project assumptions signed-off by the relevant experts and regularly reviewed</p> <p>Regular review and updates to the long-term business strategy</p> <p>Diversification of revenue streams and technologies across countries; long-term PPAs and hedging strategies</p>



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SUPPLY CHAIN



Business disruptions associated with inability to procure equipment and materials (e.g., single source supply risks, essential equipment such as photovoltaic panels)

Increased costs associated with trade restrictions, limited supply, raw materials shortages, global pandemics, etc.

Failure to identify and control or influence poor practices across the supply chain impacting the company's operations and reputation

Construction delays due to procurement or transportation issues

Inventory and minimum quantity of critical spares

Supply chain analysis and diversification; contract management and continuous counterparty monitoring

Supplier and subcontractor selection and (re)evaluation criteria

Long-term partnerships with suppliers and subcontractors with emphasis on continuous performance improvement

Business insurance policies

PEOPLE



Emerging talent shortages associated with the rapid growth of the sector across Europe

Low employee engagement

Departure of key people impacting the organization's ability to achieve strategic objectives

Failure to properly integrate new employees, including those hired through M&A transactions, leading to cultural and performance issues

Negative employer reputation associated with high turnover rates

Robust onboarding and integration processes and systems

Proactive anticipation of the organization's future needs

Suitable and sufficient handover protocols ensuring the effective transfer of organizational knowledge

Retention policy aimed at enhancing employee satisfaction and motivation and reinforcing their commitment to the company

Development and mentoring strategies; enabling training and development opportunities within the organization

Maintaining long-term partnerships with educational facilities



Cong Ta, VP M&A



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# ANNEX II

## STAKEHOLDER COMMUNICATION STRATEGY

STAKEHOLDER GROUPS & MATERIAL ISSUES

	Communication methods
<b>EMPLOYEES</b> Healthy and safe environment Learning and development Diversity, equality and inclusion Social investment Community issues Employer reputation	Internal communication channels; Engagement surveys; Training and awareness; Team building and offsite events; Manager-employee meetings; All company/ team meetings; Performance reviews; Internal process implementation
<b>CUSTOMERS</b> Responsible and transparent behavior Reliable and affordable clean energy Climate change Social investment Innovation and optimization	Business meetings; engagement sessions; External communication channels (emails, social media, company website); Contractual agreements; Tender process and criteria; Partnerships and collaboration groups
<b>SUPPLIERS AND CONTRACTORS</b> Fair procurement policies Fair competition, anti-corruption, human and labor rights Compliance Resource efficiency and waste management Diversity, equality and inclusion Innovation and optimization	Business meetings; External communication channels (emails, social media, company website); Contractual agreements; Tender process and criteria; Site HSE induction and awareness training
<b>CIVIL SOCIETY AND LOCAL COMMUNITIES</b> Social investment Community issues Stakeholder engagement and employer reputation Diversity, equality and inclusion Reliable and affordable clean energy	Business development discussions; External communication channels (emails, social media, company website); Engagement initiatives; Workshops and educational campaigns; ESG projects selection and implementation

### REGULATORS, AUTHORITIES, AND GOVERNMENTS EXTERNAL AUDITORS

Responsible and transparent behavior  
Employer reputation and compliance  
Pollution and waste management  
Healthy and safe environment  
Fair procurement policies  
Climate change and biodiversity

Business meetings; External communication channels (emails, social media, company website); Reporting platforms and tools; Site visits

### SHAREHOLDERS, BUSINESS PARTNERS AND CAPITAL LENDERS

Responsible and transparent behavior  
Climate change  
Social investment and stakeholder engagement  
Compliance  
Fair competition and anti-corruption  
Proper processes and fair procurement policies  
Human rights and labor conditions (supply chain)

Business meetings; External communication channels (emails, social media, company website); Regular business and other reports

### MEDIA

Responsible and transparent behavior  
Employer reputation  
Compliance  
Community issues  
Climate change and pollution  
Human rights and labor conditions (supply chain)

Social media accounts; Company website; Press releases

### RESEARCH AND ACADEMIC INSTITUTIONS

Resource efficiency and climate change, biodiversity and waste management  
Learning and development  
Social investment  
Innovation and optimization

Business meetings; engagement sessions; External communication channels (emails, social media, company website); Learning and awareness initiatives; other engagement initiatives

### NGOs AND INDUSTRY ASSOCIATIONS

Biodiversity and climate change  
Reliable and affordable clean energy  
Community issues and social investment  
Stakeholder engagement  
Diversity, equality and inclusion  
Learning and development

Business meetings; engagement sessions; External communication channels (emails, social media, company website); Partnerships and collaboration groups



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ENVIRONMENTAL

BIODIVERSITY AND NATURE CONSERVATION

Key Performance Indicator (KPI)	Unit	2021	2022
Land area (operational sites)	ha	378.78	522.84
Operational land within protected areas	%	31.73	31.69
Operational land adjacent to protected areas	%	33.74	33.15
Land area (development sites)	ha	3,954.74	5,921.50
Development land within protected areas	%	3.29	6.03
Development land adjacent to protected areas	%	16.23	10.96
Environmental accidents	#	0	0



From left to right: Krasimira Petkova, Head of ESG; Jorge Melero, EPC Deputy

CLIMATE CHANGE AND RESOURCE EFFICIENCY

Key Performance Indicator (KPI)	Unit	2021	2022
Renewable capacity in operation (total)	MW	156.49	274.72
PV	MW	156.49	210.34
Wind	MW	0	62.00
Hydro	MW	0	2.38
Renewable capacity (share)	%	100	100
Renewable energy generated (total)	GWh	174.56	395.25
PV	GWh	174.56	257.52
Wind	GWh	0	133.09
Hydro	GWh	0	4.64
Avoided emissions (from production)	tCO <sub>2</sub> e	72,613	150,560
Energy consumption	MWh	2,366.35	3,879.45
Energy consumption intensity (normalized against production)	kWh/MWh	13.56	9.82
Electric vehicle fleet (owned/ leased)	%	32.00	43.75
Scope 1 GHG emissions <sup>2</sup>	tCO <sub>2</sub> e	86.92	125.8
Scope 2 GHG emissions <sup>3</sup> Location-based	tCO <sub>2</sub> e	810.68	1,187.04
Scope 2 GHG emissions <sup>4</sup> Market-based	tCO <sub>2</sub> e	3.33	12.87
Scope 3	tCO <sub>2</sub> e	2,416.44	3,836.37
Total GHG emissions	tCO <sub>2</sub> e	3,314.05	5,149.20
Carbon offsets	tCO <sub>2</sub> e	0.00	320.75
Total GHG emissions Adjusted	tCO <sub>2</sub> e	2,506.70	3,654.27
Total GHG emissions intensity	tCO <sub>2</sub> e/MWh	0.014	0.009

<sup>1</sup> Full year (2022) data has been used where possible and relevant for the eleven operational assets in Romania acquired in Q3 2022.

<sup>2</sup> 2021 numbers have been adjusted to account for changes in EF (emission factors) used and transferring heat consumption from Scope 1 (where it was originally reported) to Scope 2, where it should be accounted for. There is a 3% difference in the historical and adjusted figures.

<sup>3</sup> 2021 numbers have been adjusted to account for changes in EF (emission factors) used and transferring heat consumption from Scope 1 (where it was originally reported) to Scope 2, where it should be accounted for. There is a <1% difference in the historical and adjusted figures.

<sup>4</sup> 2021 numbers have been adjusted to account for transferring heat consumption from Scope 1 (where it was originally reported) to Scope 2, where it should be accounted for.



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SOCIAL

RESPONSIBLE EMPLOYER

Key Performance Indicator (KPI)	Unit	2021	2022
LTIR	#	0	0
TRIR	#	0	0
Incidents	#	7	12
Hazards reported	#	309	288
Hazards reported	#/site	6	5
Hazards addressed	%	96.11	96.53
HSE inspections	#	778	820
HSE inspections	#/site	16	13
HSE training hours	employee/month	2.76	2.32
Growth	%	67.39	56.41
Turnover	%	18.09	10.95
Employee engagement index	%	73.82	72.18
Employee net promoter score <sup>1</sup>	%	19	11
Internal seminars	#	12	28
Training hours	employee/month	4.11	6.10
RCA target completion	Employee %	28.57	26.23



Our management team building a foundation of trust and fostering collaboration

RESPONSIBLE CITIZEN

Key Performance Indicator (KPI)	Unit	2021	2022
Sustainable jobs provided	#	77	122
Internships supported	#	10	9
Homes powered	#	49,630	174,870
Community investment projects	#	19	15
Community investment projects contributions	€	38,506.76	244,218.62
Other community contributions	€	74,759.62	74,366.25
Total contributions to local communities	€	113,266.37	318,584.87

GOVERNANCE

RESPONSIBLE CITIZEN

Key Performance Indicator (KPI)	Unit	2021	2022
Employees' compliance check	%	100	100
Enery entities compliance check	%	100	100
Corruption and/or fair competition convictions	#	0	0
Material tax sanctions and litigations	#	0	0
Human rights and/or labor convictions	#	0	0
Discrimination claims against company	#	0	0
Material HSE sanctions and litigations	#	0	0

<sup>1</sup> Employee Net Promoter Score is a matrix commonly used to measure and track promoters and detractors within the company.



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RESPONSIBLE EMPLOYER

Key Performance Indicator (KPI)	Unit	2021	2022
GENDER DIVERSITY			
All employees			
Female	%	25.97	38.52
Male	%	74.03	61.48
Leadership role			
Female	%	10.53	18.75
Male	%	89.47	81.25
EMC			
Female	%	27.27	27.27
Male	%	72.73	72.73
Boards			
Female	%	17.13	3.60
Male	%	82.87	96.40
NUMBER OF NATIONALITIES			
All employees	#	17	23
Leadership role	#	8	12
EMC	#	6	8
UNIQUE NATIONALITIES			
All employees	%	22.08	18.85
Leadership role	%	42.11	37.50
EMC	%	54.55	72.73
AGE DISTRIBUTION			
All employees			
Below 30	%	20.78	23.77
30-50	%	64.94	63.11
Above 50	%	14.29	13.11
Leadership role			
Below 30	%	5.26	12.50
30-50	%	78.95	78.13
Above 50	%	15.79	9.38
EMC			
Below 30	%	0	0
30-50	%	81.82	81.82
Above 50	%	18.18	18.18



Theresa Raymond, Project Developer



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# ANNEX IV EU TAXONOMY DISCLOSURE

## INTRODUCTION

The [Corporate Sustainability Reporting Directive](#) (CSRD), which entered into force in January 2023, strengthens the rules concerning social and environmental disclosures. In addition to extending the scope of companies affected, the new directive mandates that reporting organizations consider the double materiality concept and align public disclosures with the EU Taxonomy and the European Sustainability Reporting Standards (ESRS). The new directive also mandates that sustainability information is digitalized and externally audited.

While we only need to align our reporting with the new requirements for our 2025 disclosures, we have already started preparing by incorporating the double materiality concept, assessing alignment with the taxonomy objectives, and researching external auditing to ensure we have time to adjust our internal processes and procedures and issue compliant reports within the official deadlines.

The [Taxonomy Regulation](#) is a key component of the European Commission's action plan to redirect capital flows toward a more sustainable economy. It provides a classification system for environmentally sustainable economic activities and presents an important step toward achieving carbon neutrality by 2050 in line with EU climate goals.

More specifically, the Taxonomy regulation requires non-financial undertakings within its scope to disclose the following key performance indicators (KPIs): (i) the proportion of their turnover derived from products or services associated with taxonomy eligible/aligned economic activities; (ii) the proportion of their capital expenditure (CapEx) and operating expenditure (OpEx) related to assets or processes associated with taxonomy eligible/aligned economic activities.

## DEFINITIONS

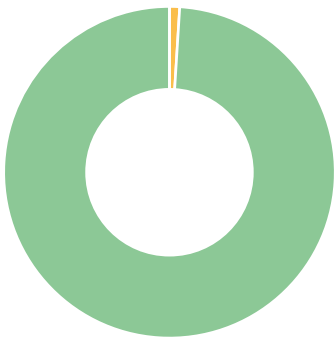
**Taxonomy-eligible economic activities** are those described in the delegated acts supplementing the Taxonomy Regulation<sup>1</sup>, irrespective of whether they meet any or all the technical screening criteria laid out in the delegated acts.

**Taxonomy-aligned economic activities** are those compliant with the technical screening criteria for substantial contribution to one or more of the environmental objectives described in the Taxonomy, the minimum social safeguards (human and labor rights, anti-corruption and bribery, taxation, and fair competition), while also ensuring no significant harm to any of the other environmental objectives<sup>2</sup>.

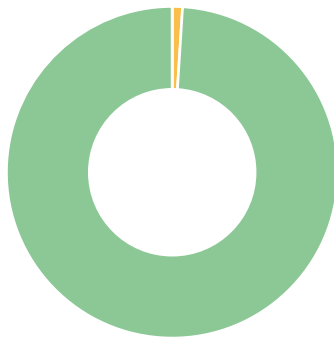
<sup>1</sup> This refers to the Climate Delegated Act (already adopted and available [here](#)).  
<sup>2</sup> These are still under development and discussion and contain terms and criteria that could be subject to interpretation. Enery has reported against these on a best effort basis and will continue to address changes through gradual adjustments.

## OVERVIEW

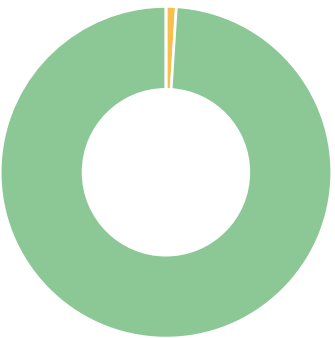
### TURNOVER



### CAPEX



### OPEX



#### Taxonomy-eligible (non-aligned) economic activities<sup>3</sup>

0.08 %                      0.00 %                      0.41 %

#### Taxonomy-aligned economic activities

99.92 %                      100.0 %                      99.59 %

#### Taxonomy-non-eligible economic activities

0.0 %                      0.0 %                      0.0 %

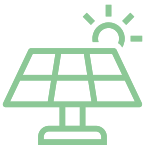



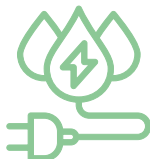

<sup>3</sup> All Enery activities are associated with the generation of electricity from renewable energy sources and can therefore broadly be considered Taxonomy-eligible. However, activities associated with the electricity generation from hydropower have not yet been assessed against the DNSH criteria and are reported at this stage as Taxonomy-eligible (non-aligned).



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TAXONOMY-ELIGIBILITY

We have examined all economic activities carried out by Enery to assess Taxonomy-eligibility. An overview is available below

Energy economic activities	Taxonomy-eligible
<div></div> <div><b>4.1 ELECTRICITY GENERATION USING SOLAR PHOTOVOLTAIC TECHNOLOGY</b> D35.11; F42.22 Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.</div>	<div></div>
<div></div> <div><b>4.3 ELECTRICITY GENERATION FROM WIND POWER</b> D35.11; F42.22 Operation of electricity generation facilities that produce electricity from wind power.</div>	<div></div>
<div></div> <div><b>4.5 ELECTRICITY GENERATION FROM HYDROPOWER</b> D35.11; F42.22 Operation of electricity generation facilities that produce electricity from hydropower.</div>	<div></div>

While our activities contribute to both climate change mitigation and climate change adaptation, we have chosen to assess alignment against the climate mitigation objective.

During 2022, we did not record and monitor investments aimed at climate change adaptation solutions separately. However, we invested in campaigns like the "Healing Nature" project (more information available in the [Climate change and resource efficiency](#) section of this report) and will continue updating and adjusting our reporting after the full implementation of the location-specific climate change adaptation plans.

TAXONOMY-ALIGNMENT

EU Taxonomy alignment is assessed and determined based on a set of three requirements:

- A. Substantial contribution to one of the EU Taxonomy Environmental Objectives
- B. Compliance with the Do No Significant Harm ("DNSH") Criteria for the rest of the applicable Environmental Objectives.
- C. Compliance with the Minimum Social Safeguards.

In 2022, we developed an internal alignment assessment methodology for all business activities and sites. So far, we evaluated the activities associated with electricity generation from solar photovoltaic and wind technologies against all three criteria detailed above (A-C). The activities associated with electricity generation from hydropower have been assessed against two of the criteria above, namely A and C, but have not yet been assessed against the DNSH criteria and are therefore only reported as eligible.

A detailed description of the steps taken during the assessment is available in the next sections.

Substantial contribution (SC) to climate change mitigation

According to the Climate Delegated Act, both electricity generation using solar photovoltaic technology (4.1) and electricity generation from wind power (4.3) are listed as significantly contributing to climate change mitigation by default; therefore, all Enery wind and solar facilities were assessed as compliant with the technical screening criteria.

According to the Climate Delegated Act, electricity generation from hydropower (4.5) is considered to significantly contribute to climate change mitigation where the activity complies with specific criteria. Both Enery owned hydro electricity generation facilities are run-of-river plants and do not have artificial reservoirs and are, therefore, considered compliant with the technical screening criteria for SC as described in the act.

Do No Significant Harm (DNSH) Criteria

A taxonomy alignment template was developed and implemented across Enery operations to assess the DNSH criteria for the five remaining objectives.

**Climate adaptation:** A two-step risk assessment methodology for assessing physical climate risks was developed and implemented on a project level:

- A. Each Enery asset was in the first instance screened against all physical climate risks identified in Appendix A; all applicable risks were rated based on the severity of the potential impacts and the likelihood of occurrence.
- B. All medium and high risks identified during the initial screening were then further examined on an asset level to assess the current risk level and estimate and evaluate short-, medium-, and long-term risks and impacts. This detailed evaluation was based on the latest climate projections (across three scenarios: RCP 2.6, RCP 4.5, and RCP 8.5) published by the IPCC (Intergovernmental Panel on Climate Change), peer-reviewed scientific publications, and open-source models.

The conclusions of the climate risk and vulnerability assessments were then used to establish suitable climate adaptation plans for the specific locations<sup>1</sup> and relevant hazards. More specifically, the adaptation plans focus on addressing and minimizing the most significant hazards, such as floods and extreme weather conditions or events, e.g., windstorms and wildfires.

<sup>1</sup> While we are still finalizing the climate adaptation plans for some of our assets, we believe the adaptation measures we are planning to implement across the next five years will lower these risks as much as reasonably possible.



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Our climate adaptation plans are drawn up in alignment with national adaptation strategies and plans, consider the use of nature-based solutions to the extent possible, and ensure the adaptation solutions planned do not adversely affect the level of resilience to physical climate risks of other people, cultural heritage, nature, other assets, or economic activities.

**Circular economy:** Based on industry-wide and equipment-specific literature (including technical data sheets and equipment manuals and warranties), both electricity generation from wind power and solar photovoltaic technology are considered aligned with the criteria for durability (facility lifetime >20 years) and recyclability (>80% across different technologies).

Additionally, we continue working toward selecting highly durable materials and equipment for newly developed sites and establishing long-term partnerships with producer responsibility and waste recycling companies to ensure equipment and materials are reused and recycled at the end of their lifecycle. More information is available in the [Climate change and resource efficiency](#) section of this report.

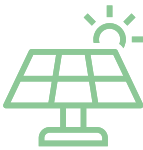
**Biodiversity:** Environmental impact assessments (EIA) have been completed for all Enery facilities where required by local and international requirements. Where relevant, mitigation and/or compensation measures have been implemented and are closely monitored to ensure compliance. As a rule, we refrain from developing projects within protected or sensitive areas and introduce operational controls across sites including restrictions on vegetation management (i.e., no harmful chemicals used), planting wildflower gardens, and leaving animal corridors to minimize habitat fragmentation.

Additionally, we have initiated long-term biodiversity monitoring campaigns across many sites in our operating countries to ensure we enhance the scientific knowledge of nature impacts associated with renewable energy power plants. We have also committed to implementing good practice recommendations and publishing our findings so that others can also benefit from our research. More information is available in the [Biodiversity and nature conservation](#) section of this report.

**Minimum social safeguards**

In a final step, we assessed and verified our overall processes and procedures against the minimum social safeguards described in the EU Taxonomy.

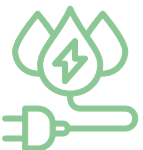
The EU Taxonomy recommends companies align their internal policies with international and regional guidelines and regulations pertaining to human rights, labor rights, and combating bribery and corruption. Specifically, activities must align with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the International Labor Organization's Declaration on Fundamental Rights and Principles at Work.



**4.1 SOLAR PHOTOVOLTAIC TECHNOLOGY**



**4.3 WIND POWER (ONSHORE)**



**4.5 HYDROPOWER**

Climate adaptation	Assessment against the criteria set out in <a href="#">Appendix A</a> concluded	Not assessed
Water	Not applicable	Not assessed
Circular economy	Assessment against durability and recyclability concluded	Not applicable
Pollution prevention	Not applicable	Not applicable
Biodiversity	Assessment against the criteria set out in <a href="#">Appendix D</a> concluded	Not assessed

In 2020, we joined the UN Global Compact and committed to the Ten Principles on upholding human rights, eliminating unfair labor practices, and anti-corruption. Since then, we have implemented policies and procedures outlining our commitment to transparency and compliance with regulatory requirements across all operations.

Our processes seek to prevent any violations of basic human rights; the use of forced, involuntary, or child labor; and ensure compliance with all applicable laws and regulations, including tax, anti-corruption, or anti-bribery legislation.

We also invest in training and awareness campaigns to ensure our employees understand their roles and responsibilities and feel empowered to encourage and monitor compliance across the entire value chain. In 2022, we published a dedicated whistleblower policy to ensure all Enery stakeholders can report serious violations or suspicions of unethical or illegal conduct safely and anonymously.

On a regular basis, we also check all Enery entities and employees to ensure there are no red flags related to human and labor rights, corruption, or discrimination. We are pleased to report our 2022 review did not find any claims, issues, or controversies. More detailed information is available in the [Responsible corporate citizen](#) section of this report.



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OUR KPIS AND ACCOUNTING POLICIES

The financial information used for this first EU Taxonomy disclosure report is based on the Enery Consolidated Financial Statements as of 31 December 2022 prepared under IFRS.

Calculation of the proportion of Taxonomy-aligned turnover

The proportion of taxonomy-aligned turnover was calculated in accordance with Annex I of the Article 8 Delegated Act<sup>1</sup>. All calculations are for the financial year ending 31.12.2022.

	The proportion of the net turnover associated with taxonomy-aligned activities. In the case of 2022, the activities associated with 4.5 electricity generation from hydropower have been excluded and considered as eligible but not aligned.
NUMERATOR	
DENOMINATOR	Net turnover was calculated and consolidated for the entire Enery organization as per the requirements of the International Financial Reporting Standards (IFRS).

Calculation of the proportion of Taxonomy-aligned CapEx

The proportion of taxonomy-aligned CapEx was calculated in accordance with Annex I of the Article 8 Delegated Act. All calculations are for the financial year ending 31.12.2022.

	We consider that assets and processes are associated with Taxonomy-eligible economic activities when they are essential components necessary to execute the economic activity. Consequently, all CapEx invested into the following areas are considered in the numerator of the CapEx KPI: investments in intangible assets, property, plant and equipment, and rights-of-use assets.
NUMERATOR	
DENOMINATOR	CapEx calculated and consolidated for the whole Enery organization as per the requirements of the International Financial Reporting Standards (IFRS).

<sup>1</sup> The text of the Delegated act is available [here](#).

Calculation of the proportion of Taxonomy-aligned OpEx

The proportion of taxonomy-aligned OpEx was calculated in accordance with Annex I of the Article 8 Delegated Act and the specific guidance provided in the associated Commission notice for interpretation<sup>2</sup>. All calculations are for the financial year ending 31.12.2022.

	The numerator consists of OpEx related to assets or processes that are associated with Taxonomy-aligned economic activities. In the case of 2022, the activities associated with 4.5 electricity generation from hydropower have been excluded and considered as eligible but not aligned.
NUMERATOR	
DENOMINATOR	The total OpEx consists of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets, property, and plant and equipment.  The specific number includes maintenance materials, cost of employees repairing and/or cleaning machinery and equipment, and IT costs dedicated to maintenance. It excludes overheads, raw materials, cost of employees operating machinery and/or equipment, and utilities required for the operation of plant, equipment, and properties, as specified under Question 12 of the Interpretation notice issued by the Commission.

<sup>2</sup> The text of the interpretation notice is available [here](#).





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