



Energa

**Our
responsibility
2014**

”

We are traveling a bumpy road, but in the right direction.”

Interview with Mirostaw Bieliński, CEO



What role do you see for sustainable development and corporate social responsibility to play in the ENERGA Group's strategy?

In my opinion, sustainable development and corporate social responsibility are as obvious as the principle of being decent and honest. Above all, it is a matter of making conscious choices and rational decisions, not of describing strategic objectives.

Indeed, we have an ever greater awareness of our civilization's long-term adverse environmental impact. That is why today it would be difficult to say that we do not care about that or that we do not have to be concerned with sustainable development. Everybody has to do it.

For a utility like ENERGA, this mindset should translate into honesty in relations with clients, business partners and neighbors. It is therefore obvious that our development cannot be accomplished at the expense of the natural environment or communities among whom we operate. It would be ideal if we were to maintain as little visibility as possible for the surrounding world. It will suffice that there is electricity in every home's electrical socket. That is how I perceive our social responsibility - to be as unnoticeable as possible while maintaining a constant presence in everyday life.

Environmental impact, energy security and economic efficiency are issues you deem to be of importance for sustainable development. How does ENERGA achieve these goals?

It is evident that in the common interest we should take pains to ensure that the power sector's natural environment impact is invasive to the least possible degree. For this reason our group endeavors to minimize its adverse environmental impact by implementing only those investments that are well considered and pro-environmental. We are also recording an ever lower level of network losses meaning that we are losing less electricity during its distribution. And the best thing for the environment is unused power.

In turn, responsibility for the level of energy security stems from concern for upholding our standards of power supply reliability. In our strategy we focus on enhancing them. That refers mainly to the Distribution Segment. Higher indices such as SAIDI and SAIFI signify fewer interruptions and faster repairs, which is aligned to what our clients expect. When speaking of economic efficiency I have in mind the reasonable and thrifty spending of money, especially on power-related investments.



I think that every day we prove how important that is to us. That is the outcome of our entire organization's hard work

Which Group projects in 2014 do you consider to be the most important?

Every Group segment has delivered something of importance from the vantage point of sustainable development and corporate social responsibility. In the Generation Segment we have commissioned several new and environmentally clean installations, for example a biomass power unit in Elbląg and a photovoltaic farm in Gdańsk. We have significantly improved our generation indicators in the Ostrołęka Power Plant and our power generation efficiency in our wind farms.

In the Distribution Segment we have curtailed network losses, we invested to enhance our supply reliability indices and we have made progress in implementing smart grid management, chiefly smart metering.

In the Sales Segment Enspirion launched routine demand reduction in the peak hours of electricity demand by shifting it to other times of the day. The innovativeness of this activity is that reduction has been commissioned by the company ENERGA Obrót, instead of ENERGA-OPERATOR or the Polish Power Grid, meaning that economic factors, not technical ones related to the power grid's load are the driving force.

How do you assess the ENERGA Group's capabilities in terms of conducting its operations in a responsible manner giving consideration to sustainable development?

I am concerned that not just as a Group but also as a society we are forfeiting opportunities for sustainable development linked to power investments. One of these opportunities is to develop the lower section of the Vistula River. Naturally, a cascade would entail extensive intervention in the environment but the ensuing benefits would be considerably greater. We would avoid numerous threats whose repercussions are highly costly.

I perceive another opportunity in demand management which should complement electricity supply management. That is an opportunity to avoid large-scale, costly and unnecessary investments. Each one of them does in fact involve extensive interference with the natural environment.

Another opportunity is to manage the quality of electricity supply. We could probably be tempted to have lower consumption if the supply parameters were better. The right regulations are needed. For now, the Energy Regulatory Office has not embraced such qualitative requirements.

That means that not everything is falling into place according to our liking ...

Yes, there are several cases like that. I already mentioned the construction of a dam on the Vistula River. Even though we believe that this investment is well considered and will produce a host of benefits, unfortunately, on account of the dearth of financial involvement from public partners, we have not taken the next steps to carry out this investment.

Another matter is the off-taker of last resort function. Discharging this obligation adversely affects our operations, we are incurring high expenses related to the necessity of off-taking electricity from renewable energy sources. We buy it at high prices even when we can buy it less expensively elsewhere. This regulation also requires amendment.

I also am less than satisfied in the area of demand management. To date we have implemented only one tool; I am thinking about negawatts. It is a shame that other instruments could not be implemented.

That means there are many challenges we will have to face. In that case what will mark the Group's ongoing efforts in corporate social responsibility and sustainable development?

I can say with conviction that we have selected a bumpy path albeit the right direction in the area of corporate social responsibility and sustainable development. We will endeavor to be a friendly seller and a reliable supplier of electricity in power grid management while generating energy as cleanly as possible while observing economic efficiency.

We have joined the UN Global Compact initiative. Why? Do you think that we have a greater responsibility than others?

We were invited to join the Global Compact organization. I think that it is a noble initiative with membership signifying acceptance of certain values which we consider to be equitable and worthy of being promulgated. The responsibility of a group like ours must be greater. Not just because a larger entity is capable of doing more but also because we are in every electrical socket in nearly one-fourth of Poland's landmass.

On the ENERGA Group

We are one of the top four national utility groups and one of the top three electricity distributors in Poland. Our core business consists of the distribution, generation and sales of electricity and heat.

Our mission is to enhance our clients' comfort in their daily lives and at work. We are striving to create an effective and tight Group that adapts nimbly to market conditions. Energa SA, our parent company belongs to the Respect Index consisting of domestic and international companies espousing corporate social responsibility, listed on the Warsaw Stock Exchange's Main Market and operating in accordance with the highest standards of corporate governance, information governance and investor relations while incorporating environmental, social and economic factors.



1. Information on the ENERGA Group

1.1. Company profile



ENERGA Group

We are a group that integrates generation, sales and service activity chiefly linked to electrical and thermal energy under the single brand of ENERGA. Functional companies with equity and business ties form the Group.

We build our market position by converting weaknesses into strengths. We are third in Poland in terms of the volume of distributed electricity. We are the leader in electricity generation in hydro power plants. The percentage of energy we generate from renewable sources in our total production volume and the percentage of our green energy in its distribution make us the leader in these areas on the Polish market. We also play a crucial role on the domestic trading market of property rights to certificates of origin of energy from renewable sources.

We are steadily building our brand, we are expanding our client base, our grid assets and generation fleet. We have significant capital and human potential enabling us to develop our distribution and generation infrastructure in renewable energy sources and to build a competitive advantage in customer service.

Our operating area covers 77 thousand square kilometers in northern and central Poland where we employ more than 8.5 thousand employees, making us one of the largest employers in this area.

We are a stable business organization with a brand with a clearly defined identity that is well-rooted in the awareness of local communities and business partners.

Who We Are

We belong to the largest business organizations in the Polish utility sector. Our business model is predicated on operating in three highly specialized segments accompanied by companies supporting their core activity. Organizing various business areas in this manner translates into the maximum synergy effect while simultaneously facilitating unification of processes and management of a given area. By doing this we can concentrate on measures contributing to development and building the value of each one of them.

In each segment there is a company playing the role of leader. In the Distribution Segment this role is played by ENERGA-OPERATOR SA, in the Generation Segment this role is played by ENERGA Wytwarzanie SA and in the Sales Segment this role is played by ENERGA-OBRÓT SA. ENERGA SA, the parent company manages efficiency and controls the Group's segments and companies.



DISTRIBUTION

GENERATION

SALES



Area of **75 thous. km²**
24% of Poland's landmass



1.36 GW of total
generation capacity



2.9 million
clients



Distribution grid's
total length exceeds
184 thous. km



47 hydro
power plants



Extensive telephone
Customer Service Department
tBOK



Distributed energy in
excess of **20.9 TWh**
per annum



5.1 TWh
of energy generated
in 2014



Modern
electronic channels
eBOK, mBOK



67% of EBITDA earnings
comes from distribution



36% of the energy
generated comes from RES



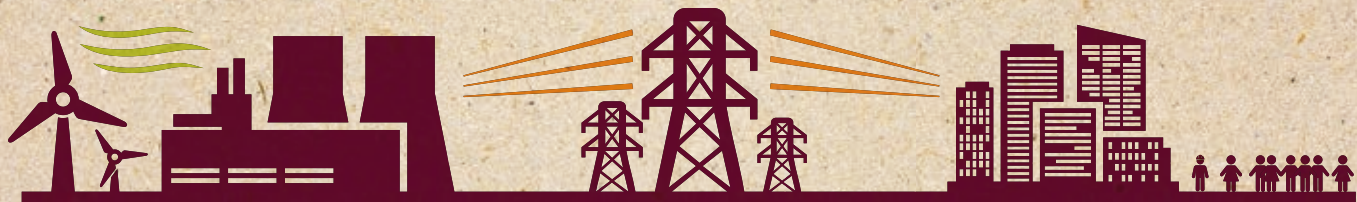
4 wind farms
99 turbines

Main products and services

We provide power to
2.9 million
individual
and business end-users

We have
57 power generation
plants
including **47** hydro
power plants

We employ about
8.5 thous.
people



We operate on an area of	75 thous. km²	We distribute more than	20.9 TWh	of energy per annum
through our grid with more than				
184 thous. km				
of power lines				

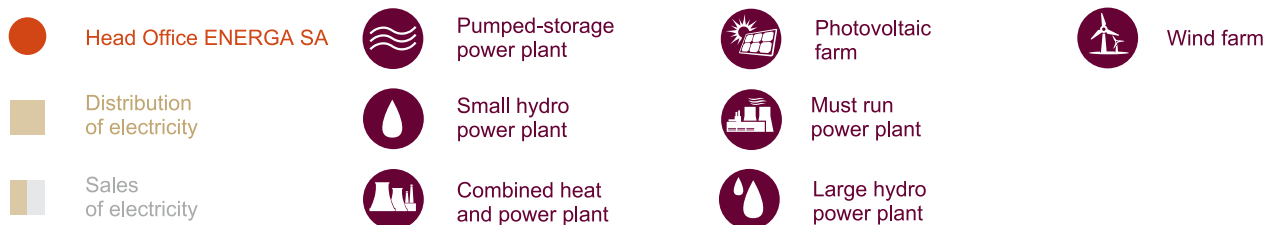
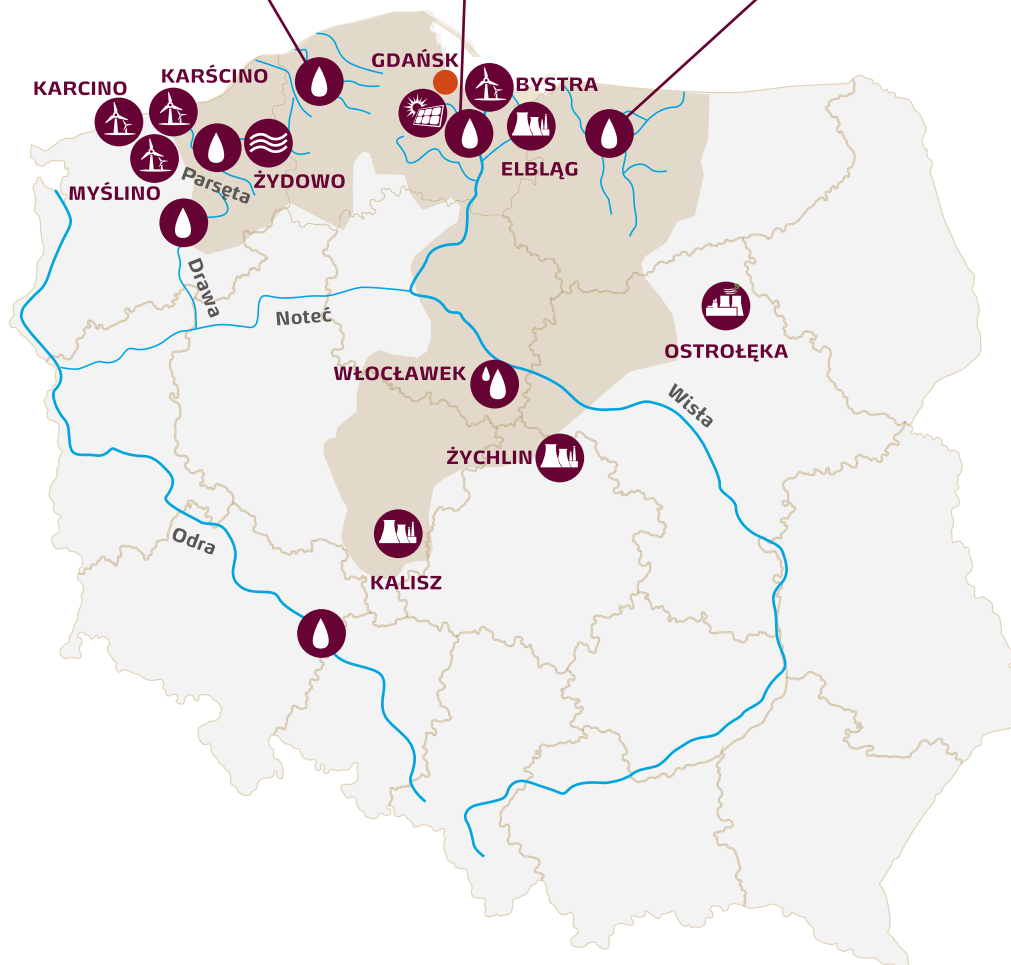
16%
of the energy supplied
to our clients comes
from renewable sources

Location

18 on rivers: Radew, Wieprza, Studnica, Grabowa, Słupia, Skotawa, Łupawa

14 on rivers: Wierzyca, Nogat, Radunia

10 on rivers: Pasłęka, Łyna, Wadąg, Wąsza



Organizational vision and mission statement

EFFECTIVE AND INNOVATIVE
GROUP THAT NIMBLY ADAPTS
TO MARKET CONDITIONS

WE ENHANCE OUR CLIENTS' COMFORT
IN THEIR DAILY LIVES AND AT WORK

OUR VISION

OUR MISSION

ENERGA Group's consolidated financials (in PLN million)

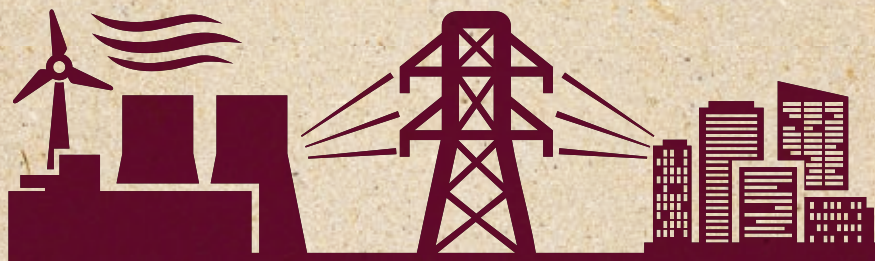
	2013	2014
Revenue	12,024.5	11,071.5
Operating expenses	9,190.4	8,001.4
Payroll and employee benefits	921.0	947
Payments to investors	738.5	698
Payments to the state	948.4	799.1
Investments in communities in the form of donations	3.0	3.1
Economic value retained	223.2	622.9

17%

EBITDA growth

PLN 1,006 million

consolidated net profit



ENERGA Group

in 2014

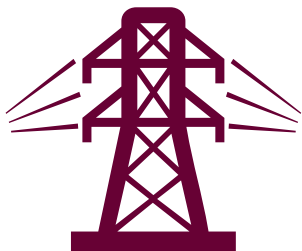
22%

EBITDA margin

PLN 1.5 billion

capital expenditures

Operational structure

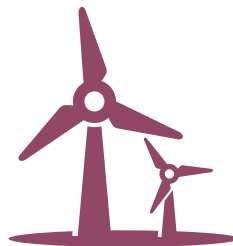


DISTRIBUTION SEGMENT

The Distribution Segment is a business unit established by ENERGIA-OPERATOR, the segment leader and its specialized subsidiaries. They are jointly responsible for performing the tasks of the Distribution System Operator.

The segment's organizational model defines a clear split of roles and responsibilities for performing tasks, separating the role of the budget and network asset manager from those functions that work on the grid. Pursuant to the decision made by the President of the Energy Regulatory Office, the segment leader is the Distribution System Operator. According to the requirements for the distribution activity concession, this segment is responsible for developing, operating and modernizing the distribution infrastructure in the area where it operates and for ensuring the supply of energy with the correct quality parameters to end-users connected to its power grid. The company's assets consist of more than 184 thousand kilometers of power lines, 279 main supply points and high voltage switchyards, roughly 59 thousand medium/low voltage stations and medium voltage switchyards and roughly one million connections. The Company distributes more than 20.9 TWh of energy per annum to its end-users.

13 subsidiaries conducting ancillary activity operate in this segment. This CSR Report includes 7 companies directly affiliated with the segment leader in terms of the processes. They are responsible for operations and conducting investments and are as follows: EOP Eksploatacja Elbląg, Gdańsk, Kalisz, Płock, Słupsk and Toruń. EOP Techniczna Obsługa Odbiorców in Koszalin handles tasks associated with technical customer service.



GENERATION SEGMENT

The Generation Segment is a business unit established by the segment leader doing business as ENERGIA Wytwarzanie SA and 15 generation and ancillary companies. This segment consolidates operations in four key areas:

- renewable energy sources
- must run power plants
- co-generation of heat and electricity
- ancillary services.

ENERGIA Wytwarzanie SA manages Poland's largest run-of-river Hydro Power Plant in Włocławek, Pumped-Storage Power Plant in Żydowo and 45 small-scale hydro power plants located mainly in northern Poland. Their total generation ranges from 700 to 800 GWh per annum with installed capacity of 353.23 MW.

The company also manages the generation capacity of 3 wind farms with a capacity of 165 MW in northwestern Poland. The Karcino and Karścino wind farms with a total installed capacity of 51 MW and 90 MW, respectively are situated in the Western Pomeranian Voivodship. The wind farm in Bystra in the Pomeranian Voivodship has an installed capacity of 24 MW. In 2014 the volume of energy generated in the wind farms was roughly 308 thousand GWh.

In addition to the generation of electricity ENERGIA Wytwarzanie also conducts flood prevention activities and handles waste management. Elektrownia Szczytowo-Pompowa Żydowo (pumped-storage power plant) and ENERGIA Elektrownie Ostrołęka (consisting of Elektrociepłownia Ostrołęka A (CHP plant) and Elektrownia B with three



SALES SEGMENT

power units with a capacity of 647 MW) are must run power plants that ensure the safe operation of the National Electrical Power System. Elektrownia Ostrołęka B co-generates electrical energy and thermal energy, which is supplied to the heating system of the city of Ostrołęka as well as technological steam for industrial off-takers. Total heat generation in Elektrociepłownia Ostrołęka A and Elektrownia Ostrołęka B in 2014 was 1.451683 GJ.

The following five companies make up the combined heat and power area: ENERGA Kogeneracja in Elbląg (including the Kalisz CHP Plant), ENERGA OPEC in Ostrołęka, Zakład Energetyki Ciepłej in Żychlin and Ciepło Kaliskie. These companies co-generate electricity and heat and distribute them on local markets, i.e. in Elbląg and Kalisz as well as the distribution and sales of heat in Ostrołęka, Kalisz and Żychlin. They have a total capacity in excess of 540 MWt and 82 MWe. The total length of their heat distribution grid is roughly 182 km.

In the Generation Segment there are also companies that support generation processes: ENERGA Serwis that does repairs and maintenance; ENERGA Invest that acts as a replacement investor to build natural gas, hydro, co-generation power plants, wind farms, photovoltaic installations and Environmental Heating Materials. The last company processes biomass, in particular the manufacturing of fuel granulate and its distribution and the implementing of new heating technologies employing inexpensive and environmentally friendly renewable energy.

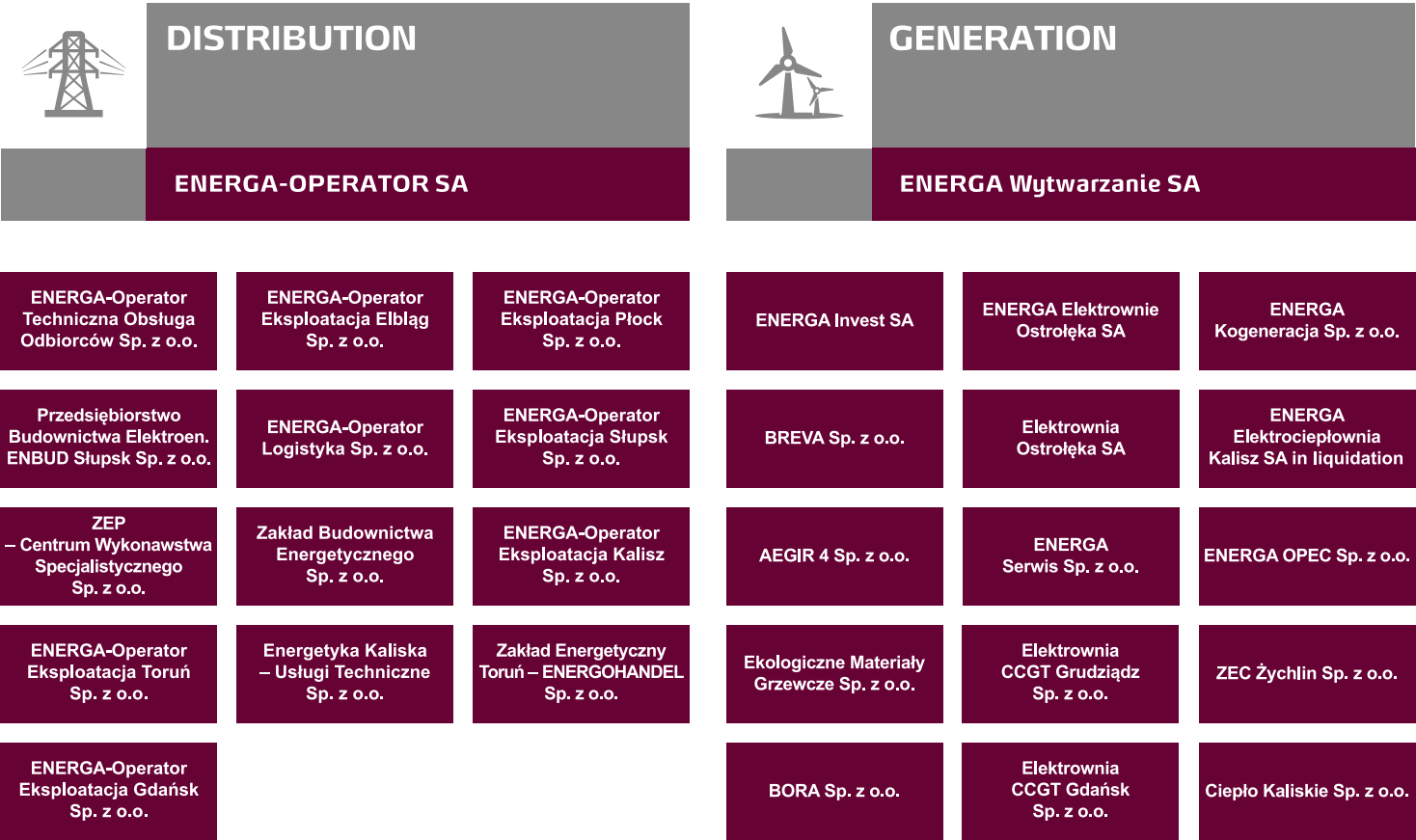
The Sales Segment is a business unit established with the segment leader - ENERGA Obrót SA and its subsidiaries, i.e. ENERGA Obsługa i Sprzedaż, ENERGA Oświetlenie, ENERGA Slovakia, Enspirion (formerly ENERGA Innowacje).

In its operating activity ENERGA Obrót focuses on trading on the domestic and international wholesale power market and on selling power to individual and business clients. It offers them innovative and pro-environmental technologies and services. This company sells electricity to 2.9 million clients with more than 2.6 million of them being households. Additionally, it trades property rights referred to as certificates.

ENERGA Obsługa i Sprzedaż is responsible for catering to individual, mass and institutional clients. It focuses its operations on developing modern contact channels with clients such as electronic channels (eBOK, meBOK), telephone Customer Service Department (tBOK) as well as traditional channels such as shops and partnership outlets.

Street lighting services are the domain of ENERGA Oświetlenie. Enspirion renders services in aggregating and managing demand response, which lends support to the stability of the National Power System whereby it maintains the continuity of electricity supply on the market. In turn, ENERGA Slovakia is expanding retail sales on international markets, primarily in Slovakia.

Structure of the ENERGA Group



Direct subsidiary of ENERGA SA

Indirect subsidiary of ENERGA SA



SALES

ENERGA-OBRÓT SA

ENERGA
Obsługa i Sprzedaż
Sp. z o.o.

EOB PGK1
Sp. z o.o.
in organization

ENERGA
Oświetlenie Sp. z o.o.

EOB PGK2
Sp. z o.o.
in organization

Enspirion
Sp. z o.o.

ENERGA
Slovakia s.r.o.



OTHER

ENERGA Informatyka
i Technologie Sp. z o.o.

ENSA PGK1
Sp. z o.o.
in organization

ENSA PGK5
Sp. z o.o.
in organization

RGK Sp. z o.o.

ENSA PGK2
Sp. z o.o.
in organization

ENSA PGK6
Sp. z o.o.
in organization

ENERGA Centrum
Usług Wspólnych
Sp. z o.o.

ENSA PGK3
Sp. z o.o.
in organization

ENSA PGK7
Sp. z o.o.
in organization

ENERGA Finance AB

ENSA PGK4
Sp. z o.o.
in organization

ENSA PGK8
Sp. z o.o.
in organization

Other companies

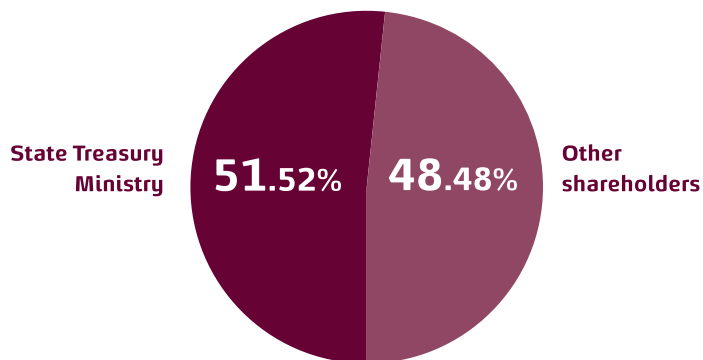
Support activity has been consolidated in specialized entities that render high quality services to the segments.

ENERGA Centrum Usług Wspólnych (ENERGA Shared Services Center) was established to optimize the accounting, HR and payroll area throughout the Group. This company caters to the accounting needs of the group's entities, it handles HR and payroll for more than half of the companies (meaning it handles HR and payroll for roughly 8.5 thousand employees) and additionally it renders administrative services to 7 companies.

ENERGA Informatyka i Technologie is an entity that provides infrastructure, e-workplace, access and maintenance services for strategic IT systems and shared systems for three competence centers (Gdańsk, Płock, Kalisz) and in five venues (Toruń, Elbląg, Koszalin, Słupsk i Olsztyn).

Shareholder structure

As at 31 December 2014, the State Treasury Ministry was the entity with the largest equity stake controlling ENERGA SA.



Changes during the reporting period

Our activities in 2014 focused on the steady execution of the assumptions for the "ENERGA Group's Strategy for 2013-2020". We worked on the more effective usage of our own resources and effective asset management. We tidied up and simplified organizational and equity linkages, we integrated key areas and business functions and we divested entities conducting non-core business.

As a result of these processes involving the merger, divestment and winding up of companies we shaved down the number of entities in the Group from 56 to 40. Internal streamlining enabled us to grow economic benefits and enhance management safety. The major changes to the Group's structure and business have been described in greater detail in the publicly available 2014 Annual Report.

ENERGA on the Stock Exchange

We recorded considerable success from our presence on the Warsaw Stock Exchange in 2014. ENERGA's stock price surged upward by 56% compared to its first listing price on 11 December 2013. In this period we advanced to the group of companies included in the Warsaw trading floor's most important indices: initially to WIG40 followed by the blue chips in the WIG30 Index including the companies with the largest capitalization on the Warsaw Stock Exchange. We were also included in international indices: MSCI Poland and FTSE All World.

The ratings of BBB and Baa1 awarded by the Fitch and Moody's rating agencies, respectively also confirmed our stable financial position. We also received an award for the largest initial public offering in 2013. In the 15th edition of the contest entitled Public Company of the Year we were distinguished by the editorial board of "Puls Biznesu". We also took a leading position in an investor relations panel among the WIG30 companies run by "Gazeta Giełdy Parkiet". We also obtained the logo "Responds to investors" - a title conferred by the editorial board of "Puls Biznesu" to companies that regularly communicate with individual investors through the "Investor Campaign" conducted by this daily.

We found recognition not just among stock analysts but also investors. They appreciate not just how we manage assets, our high level of profitability reported in recent quarters but also the improvement in our business efficiency, dividend policy, low business risk and safe capital structure.

Since 22 December 2014 ENERGA also belongs to the RESPECT Index including Polish and international companies following corporate social responsibility principles from the Main Market of the Warsaw Stock Exchange that operate in accordance with the highest management standards of corporate governance, information governance and investor relations while taking into account environmental, social and economic factors. Companies in the RESPECT index have passed a review conducted by the Warsaw Stock Exchange, the Association of Stock Exchange Issuers (SEG) and an independent auditor in the areas mentioned above.

Membership in organizations

Our Group companies participate in the work of many industrial, economic and social organizations. We enumerate the most important of them in the GRI table.

In 2014 we enrolled in Global Compact, the world's largest UN initiative for corporate social responsibility and sustaining sustainable development. By doing so we committed to adhering to ten principles of human rights, labor standards, environmental protection and prevention of corruption.

Most important prizes and distinctions received in 2014

15 February 2014 Mayor of Toruń awarded Energa SA the title of the Sponsor of the Year in 2013 for its contribution to the development of sports in Toruń	17 February 2014 Distinction awarded by WSE to Energa SA for the largest public offering in 2013	1 April 2014 Energa SA took 3rd place in the "Investor Relations" category in the "Public Company of the Year Ranking" awarded by Puls Biznesu	3 May 2014 Biały Listek CSR for the Energa Group for implementing major solutions to manage an organization's impact effectively and continual operational improvement in this area awarded by "Polityka"
21 May 2014 Energa-Operator SA winner of the Contest for Leaders in the World of Energy in the Distributor of the Year in 2013 category organized by EuroPower	28 May 2014 Brązowe Szpalty 2014 prize in the "Single Publication" category for the Report entitled "Our Responsibility in 2013" for the interesting form of the graphic layout	25 June 2014 PremiumBrand 2014 following brand reputation research among consumers and companies in the business community organized by MMT Management	7 November 2014 Pearl of the Polish Economy prize in the Grand Pearl category awarded to Energa SA by the Polish Market economic magazine
13 November 2014 "Symbol of Social Responsibility in 2014" prize received in the Social Responsibility category in the contest organized by Monitor Biznesu	9 December 2014 Journalists' award in the competition for the best Corporate Social Responsibility reports for the structure and method of presenting information in the report entitled "Our Responsibility 2013"		

All the prizes and distinctions which the Group received in 2014 are enumerated on our website

grupa.energa.pl/nagrody.xml

1.2. Management in the ENERGA Group

Corporate Governance

We described the methods of the group's organization and management in the internal regulation called "Organizational Governance", which replaced the previously prevailing "Holding Agreement".

We have assigned to the various segments responsibility for effectiveness and operating efficiency as well as for financial results, while preserving their independence in pursuing their business objectives and market activity. The segment leaders conduct their operating activities, they define the goals of and square accounts with the companies charged with these tasks while taking full responsibility for performance and the ability to generate a dividend.

Only strategic functions have been assigned to ENERGA's parent company, inter alia: strategic planning and defining strategic and operational objectives for the leaders, risk management and other functions such as oversight over segment leaders, financial policy, investments, HR policy, IT, legal service, market and regulatory environment and investor relations.

We attach great importance to developing the Group's management team and its skills as well as for its members to respect our values.

The management boards and supervisory boards (where they are required by the legal regulations) are the managing and supervising bodies in the ENERGA Group's companies. The 2014 Annual Report contains the details.

Our objective is to build a business organism functioning according to market rules and a competitive strategy. This will enable us to be better prepared to face the challenges of the ever-changing market and regulatory environment.

Ethics in business

It is our ambition to mold a corporate culture based on ethical rules strongly rooted in Group companies. In December 2014 the ENERGA SA Management Board adopted the "ENERGA SA Code of Ethics". This document forms a set of principles, rules and procedures which we employ in our contacts with associates and business partners and when we use the firm's material resources. It is the obligation of every employee to show care for the good name of the ENERGA Group and protect its reputation, and to refrain from engaging in unsuitable conduct.

The Code of Ethics is an important tool in molding the Group's corporate social responsibility. Our intention is for all the companies to adopt it.



”

ENERGA SA's Code of Ethics” is aligned to our vision of building a modern firm capable of handling challenges. Our intention is for this code to set the framework. However, it is equally important for it to inspire us - even by defining values - to think openly, to search for new solutions and, ultimately, to act boldly. However, it is equally important for the principles and rules condoned by society not to be left outside the company's doors but also for them to be respected in employer - employee relationships. That is also why the code sets the framework for conduct which we want to follow in internal and external relations.

Artur Chmura
ENERGA SA Management Board's
HR Plenipotentiary



Counteracting corruption

The Company takes a highly accountable view to the risk of abuse associated with the internal and external operation of the business. Since 2010 we have pursued the Group's safety policy according to which persons managing Group companies are subject to review with the following factors, among others, in mind:

- ruling out circumstances precipitating a risk of vulnerability to blackmail or the exertion of pressure
- observing constitutional order
- ruling out participation, cooperation or support for operations directed against the Republic of Poland.

One of the elements of our security policy is to hold an up-to-date certificate of industrial safety.

Just as in previous years we have organized training for our Group companies' employees on counteracting phenomena and mechanisms of corruption delivered by officers from the Internal Security Agency and the Central Anticorruption Office.

Every employee is duty-bound to report without delay any doubts or problems related to corruption to ENERGA SA's Systems Department or directly to the director of that organizational cell. From 2015 work is slated to be launched on implementing a breach reporting system.

The "Best Practices of WSE-Listed Companies", which we adopted at the time we went public regulate conflicts of interest between management board and supervisory board members. The pertinent clauses are also to be found in management agreements and contracts, the management board's bylaws and in the articles of association of individual companies.

Training on the organization's anti-corruption policy and procedures

	SUPERVISORY BOARD				EMPLOYEES IN SUB-MANAGERIAL POSITIONS				EMPLOYEES IN MANAGERIAL AND SENIOR POSITIONS				TOTAL NUMBER OF EMPLOYEES (EXCLUDING SUPERVISORY BOARD MEMBERS)				
	2013		2014		2013		2014		2013		2014		2013		2014		
Total number and percentage of all employees and supervisory board members of companies who completed training on fighting corruption	TOTAL NUMBER OF SUPERVISORY BOARD MEMBERS TRAINED																
	PERCENTAGE OF SUPERVISORY BOARD MEMBERS TRAINED																
	TOTAL NUMBER OF SUPERVISORY BOARD MEMBERS TRAINED																
	PERCENTAGE OF SUPERVISORY BOARD MEMBERS TRAINED																
	NUMBER OF EMPLOYEES TRAINED																
	PERCENTAGE OF EMPLOYEES TRAINED																
	NUMBER OF EMPLOYEES TRAINED																
	PERCENTAGE OF EMPLOYEES TRAINED																
	NUMBER OF EMPLOYEES TRAINED																
	PERCENTAGE OF EMPLOYEES TRAINED																
	NUMBER OF EMPLOYEES TRAINED																
	PERCENTAGE OF EMPLOYEES TRAINED																
	NUMBER OF EMPLOYEES TRAINED																
	PERCENTAGE OF EMPLOYEES TRAINED																
	ENERGA SA	0	0%	0	0%	15	14%	81	100%	3	9%	27	100%	18	13%	108	100%
	GENERATION Segment	4	24%	8	35%	204	16%	56	4%	72	34%	25	13%	276	18%	81	5%
ENERGA GROUP	4	8%	8	23%	219	3%	137	2%	75	6%	52	5%	294	3%	189	2%	

Risk management

In risk management we have ensured that the Group's actions are coherent. A tool we use to identify potential events that may exert an impact on the organization and to keep risk in certain bounds and to ensure the execution of business objectives is the Integrated Risk Management System developed on the basis of the generally applied risk management standards such as COSO II and FERMA and described in the document entitled "ENERGA Group's Risk Management Policy".

The key risks are identified and managed in a comprehensive and coherent manner at the level of individual companies, segments and the overall Group. The ENERGA SA Management Board oversees the overall risk management process in the Group. It determines the risk appetite, accepts the levels of tolerance for various types of risk, defines the risk management strategy, accepts the plans to respond to risk and accepts the findings of risk identification and assessment.

Every risk has an owner who is responsible for oversight and coordination of activities. Allocating responsibility for risk according to the business model makes it possible to manage them at multiple levels linked to competences and to employ the same techniques and tools at all levels of the organization.

1.3. CSR strategy

The "Strategy of sustainable development and corporate social responsibility" adopted in June 2013 stated the overall directions for the Group's activity in the area of corporate social responsibility. This document was revamped in September 2014 to include the Group's priorities in this area and to be aligned to the "ENERGA Group's Strategy for 2013-2020". At present, this strategy combines business goals and objectives with social measures in three areas: responsibly shaping customer relations, curtailing the environmental impact and developing the distribution business.

Process of construing strategy

The process of defining the assumptions for the "Strategy of sustainable development and corporate social responsibility" involved the following stages:

1

Choosing the topics and issues of importance to the company based on market benchmarking and global trends

2

Meeting with stakeholders and gathering their opinions concerning issues of importance to the company

3

Conducting a SWOT analysis (strengths, weaknesses, opportunities and threats) on the company's CSR activity

4

Selecting the most important topics and devising the structure of the strategy.

”

Strategic management of corporate social responsibility fosters the attainment of long-term benefits. By interlinking our CSR strategy with our business strategy and setting long-term goals we will be able to assess to what extent the actions taken are producing the expected results, which areas require special attention and to what extent CSR measures are supporting the company's overall growth objectives. CSR, if implemented steadfastly and 'embedded in a company's DNA', is treated by investors as added value. Investors want to have access to the company's overall performance and plans to the extent offered by the CSR report. The investment in pursuing our CSR strategy and regularly reporting non-financial data are very vital to us.”

Jacek Szubstarski
Director of the Organizational and Legal Services
Division ENERGA Centrum Usług Wspólnych



ENERGA Group's CSR strategy as an extension of the Group's business strategy

We have defined the new revamped CSR strategy at two strategic levels:

- at the level of business pillars encompassing the objectives defined for 2013-2020 in the Group's strategy
- at the level of support pillars encompassing employee issues and social actions undertaken by the Group and its various companies.

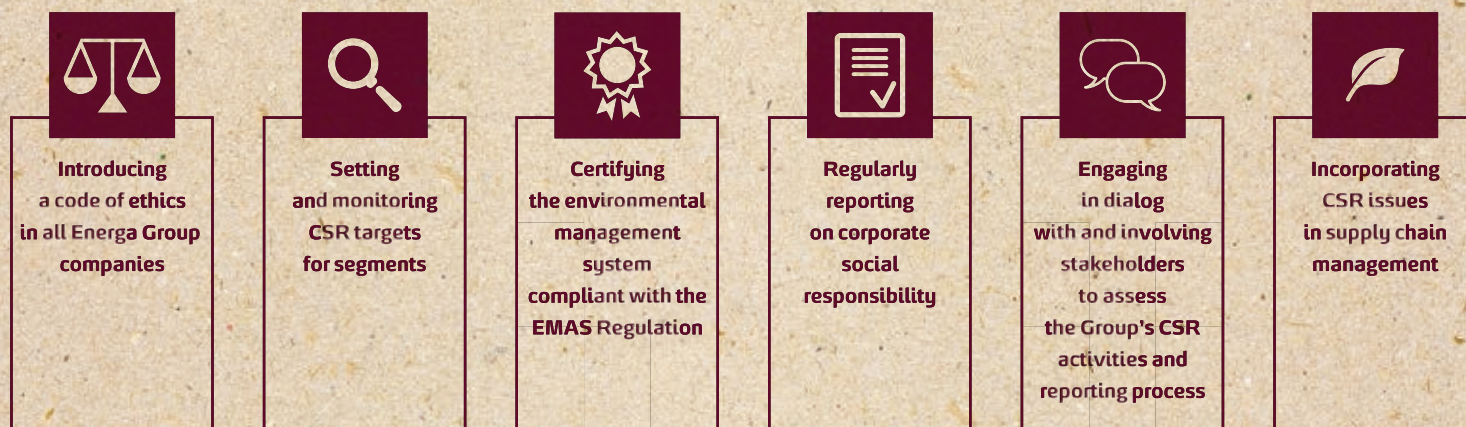
The overall strategic approach brings together the umbrella of managing the company's operations in an ethical and responsible manner.



Responsible management

Management based on ethical assumptions and commitments to transparency and openness to dialog is the plane that combines all the organization's business pillars.

Management objectives entail the following:



1.4. Supply chain

Each one of the ENERGA Group segments manages its supply chain suited to the operations it conducts. All deliveries, services and construction work performed by companies in the segments take place based on formally approved procedures. The Group cooperates with roughly 3 thousand vendors in Poland. Depending on the location of the operations conducted, Group entities use to a varying degree the services of local vendors (for example, roughly 76% in the Pomeranian Voivodship, roughly 45% in the Kujaw Pomeranian Voivodship and roughly 31% in the Greater Poland Voivodship).

Our ambition is for our vendors and business partners to share values that are also important to us. That is why we have included CSR issues in supply chain management as a management objective in the „ENERGA Group's sustainable development and corporate social responsibility strategy for 2013-2020”.

Since 2013 we have employed clauses in contracts with contractors pertaining to non-economic requirements (concern for ethics, respecting human rights and the natural environment). We would like to bring about a situation in which CSR principles would be applied and observed by our vendors and cooperating entities in upcoming years within the framework of our supply chain.

Register of Qualified Contractors

We have completed work on a single register of contractors shared by the distribution segment.

The objective was to enhance the market competitiveness of new businesses, mostly smaller and local in nature. As a result, formal purchase order processes were simplified and accelerated, we have made it possible to receive ongoing information about planned investments and participation in transparent and competitive tender procedures has been procured.

ENERGA-OPERATOR undertook efforts that contributed to establishing cooperation with contractors rendering services for other Distribution System Operators. The key element of building a competitive marketplace of contractors was to strengthen the competences of its branches in building direct relations with contractors. This facilitated monitoring of market trends and rapid identification of problems.

We want to be open to the external market. That is why ENERGA-OPERATOR offers assistance in obtaining references to new companies that do not have extensive experience in conducting the jobs we commission but whose employees hold the relevant certificates and skills. All this is being done to curtail bureaucracy and enable cooperating firms to focus on quality, timeliness and the safety of the jobs they do.

Open house events organized for contractors have enabled the company to establish cooperation with more than 800 firms that have been assessed in terms of meeting employee criteria. ENERGA-OPERATOR intends to cooperate with entities demonstrating the relevant experience, qualifications and quality of work performed. It plans to introduce an incentive system that will serve to encourage contractors to enhance the quality of the services they provide.

Percentage of suppliers assessed using employment criteria

DISTRIBUTION SEGMENT

2013

2014



0%

100%



1.5. About this Report

This report is the ENERGA Group's fourth publication in its history summarizing its activities in corporate social responsibility in 2014. To facilitate data comparison, in each subsequent report we will also provide information about the various ratios from the previous year.

During our work on this document we utilized internal information collection systems and a specially construed tool to present ratios describing the Group's non-financial performance.

This report was prepared based on new guidelines from Global Reporting Initiative G4.0 at the Core level (giving consideration to ratios in the supplement for utility sector companies) and has been reviewed by an independent audit firm.

By incorporating additional Group companies in reporting non-financial data we would like to show an ever more complete picture of the impact the electricity distribution, generation and sales segments exert on the environment and social surroundings.

We strengthened the "ENERGA Group's Strategy for 2013-2020" with the "Sustainable development and corporate social responsibility strategy". We have specified the most important directions of action in this area and how they are to support the attainment of defined business objectives. This approach allowed us to bring order and develop methods of reporting non-financial data. As a result, our report covers 21 companies in the main value chain. In the future, we intend to include all the group companies in the reporting framework

”

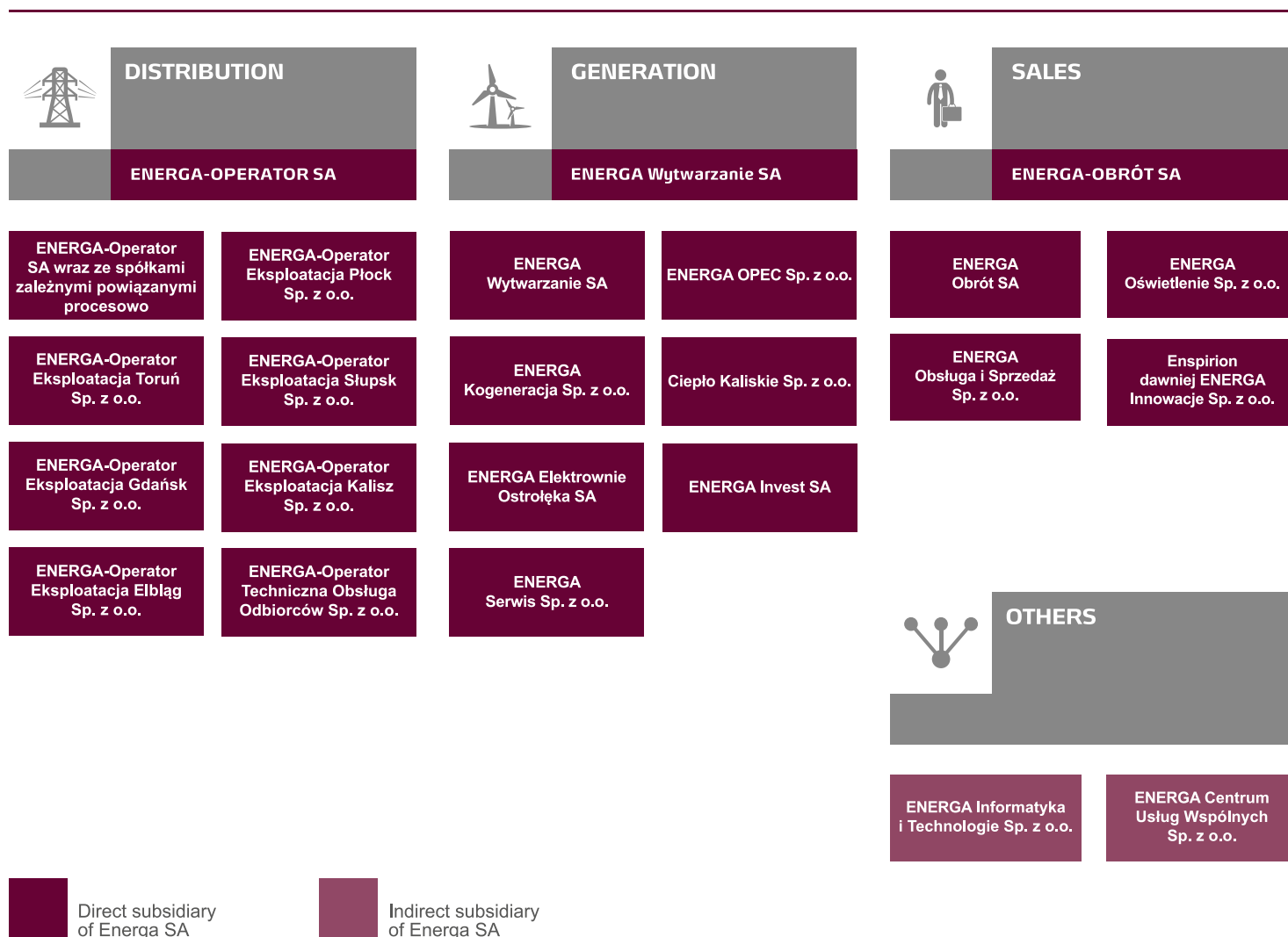
“Preparing a new CSR report according to the newest GRI G4.0 guidelines was a challenge for us. To define the important topics well, we incorporated the stakeholders in the process of devising this report as their opinion is very helpful and forms an enormous contribution to the content of the report, making it transparent and credible.”

Anna Mańkowska
Chief Sustainable Development Specialist
ENERGA Centrum Usług Wspólnych



Process for defining report content

Companies covered by the CSR report in 2014:



Companies covered by the CSR report in 2014:

During the period covered by this report entities in the generation segment underwent consolidation, as a consequence of which ENERGA Elektrociepłownia Kalisz SA was dissolved on 1 July 2014 and its production assets and real properties were sold in their entirety to ENERGA

Kogeneracja, and an organized part of the business was transferred to Ciepło Kaliskie Sp. z o.o. This company is included in CSR reporting in 2014 instead of Elektrociepłownia Kalisz SA, which was included in the “2013 Corporate Social Responsibility and Sustainable Development Report”.



Stakeholders

Dialog with stakeholders is an important aspect of our operations. We respect and incorporate their opinions and expectations in the actions taken. We attempt to tailor our forms of communication to the needs of the interested parties.

Selected examples of communicating with stakeholders:

- dedicated tab on our website where they can pose questions and report comments in connection with selected investment tasks (ENERGA OPERATOR)
- consultations with industrial off-takers of heat and the electricity transmission system operator (ENERGA Elektrownie Ostrołęka)
- consultations and information campaigns on investments for which it is necessary to prepare an environmental impact report.

We also involved stakeholders in the process of preparing the „ENERGA Group's 2014 corporate social responsibility report”. We utilized three tools in this process: polls among employees, a discussion panel with stakeholders and individual telephone interviews conducted with persons who could not participate in the panel.

We employed the conclusions from the discussion panel conducted in August in Warsaw in the process of defining the strategy's pillars. 13 representatives of different institutions were in attendance at the meeting: Association of Securities Issuers, Ministry of the Economy, Federation of Consumers, Our Earth Foundation, Corporate Social Responsibility Forum, Employers in the Republic of Poland, Center of Volunteerism, Polish Press Agency, “No one's kids” Foundation, “Pro Natura” Natural Foundation, Polish Power Grid and the Energy Regulatory Office. This meeting proceeded in two stages: first the participants worked in groups stating the topics they consider to be the most important to discuss in ENERGA's next report and then selected topics were discussed on this forum while limiting their number to the stakeholders' 20 most important topics.

Most important issues for stakeholders

After comparing the issues of importance to stakeholders with the issues of importance to us, we derived a list of 15 important topics that have been incorporated in this report.

**STAKEHOLDER
PANEL**



DIALOG

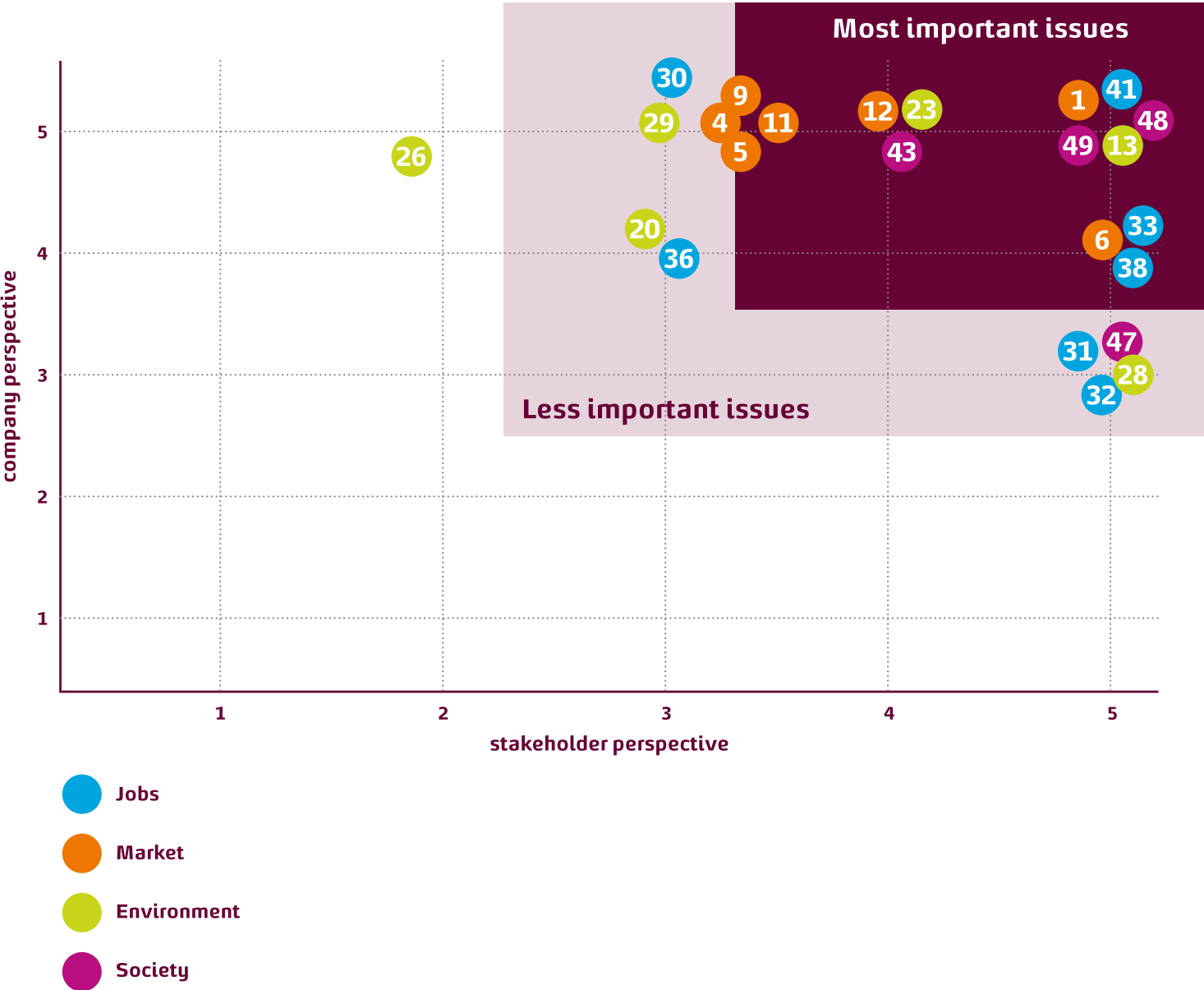
**EMPLOYEE
SURVEY**



**INDIVIDUAL
INTERVIEWS**



Subject matter importance matrix



The numbers represent the numbers of issues in the form used throughout the process

Material issues included in the report in connection with the findings reached during dialog with stakeholders:



Market

- 1 Standards for ensuring the quality and security of power supplies and projects that exert an impact on energy efficiency in distribution
- 4 Transparency of the offer and a responsible sales process
- 5 Accessibility of products to vulnerable groups
- 6 Customer service standards, complaints handling system, consumer service
- 9 Client education (with special emphasis on safely using and conserving energy)
- 11 Projects that exert an impact on energy efficiency in distribution
- 12 Balanced supply chain (consideration of CSR issues when selecting vendors, length of payment periods, cooperation with vendors based on dialog, commitment to initiatives)



Environment

- 13 Environmental management strategy and risk management - the company's total integrated approach to the environmental impact at every stage of the company's operations (adopted policies, objectives and metrics)
- 23 Biodiversity and the impact on protected and valuable nature areas



Workplace

- 33 Occupational safety and health
- 38 Internal communication with employees, its forms and employee opinion and satisfaction research
- 41 Family-friendly company and work life balance



Society

- 43 Social commitment strategy
- 48 Financial support for initiatives that are important from the company's viewpoint: philanthropy, sponsoring, patronage and procedures for responding to requests to provide support to social organizations
- 49 Evaluation of the effects of the company's short and long-term social efforts

Credibility of the report

This report has been reviewed by an independent certifying entity and it was previously reviewed by the CSR Team consisting of the segments' CSR plenipotentiaries and the directors of the key areas in ENERGA SA.

Contact information

We would like to invite you to convey your remarks and opinions on our report and the actions we have taken to the following address:

csr@energa.pl

Client relations

Clients and building long-term valuable relations with them are at the Energa Group's center of attention. We care about enhancing contact channels and aligning them to client needs. We go the extra mile to meet client needs by rolling out innovative products and services. We attach great significance to clear and honest communication. We opt for simplicity in the information we convey to clients. We place great importance on educating clients so that they can use the modern and pro-environmental solutions we propose with ever more satisfaction.



2. Our customers

2.1. Introduction

The most important thing for us to grasp and fulfill our clients' current and future needs. We focus our development on them. They are a source of knowledge that inspires us to find new ways of operating. Thanks to them, we can think perspectively and utilize the opportunities that appear on the market. We believe that what we are doing is building the greatest value for our individual and business clients.

Our development strategy is the result of years of experience, market research and a flexible approach to individual and business clients. We operate in alignment with trends and according to our values. We launch innovative products, services and client contact channels betting on integrity and the highest level of quality.

We use simple and clear messages and functional channels in our communication with clients. Our clients have access to modern and convenient forms of settlement while the products and services we offer give them the ability to control their expenses.

Our products and services enable clients to participate actively in protecting the natural environment as we are poised to develop environmentally friendly energy sources and we support effective generation and energy utilization.

Number of registered individual, industrial, institutional and commercial users

TYPE OF OFFTAKER	NUMBER OF USERS	
	2013	2014
Individual	2,638,170	2,660,526
Industrial	6,345	6,612
Institutional	10,512	10,646
Commercial	290,981	288,544
TOTAL	2,946,008	2,966,328

2.2. Goals to date and their execution

When defining the fundamental assumptions for the Sales Segment’s strategy, we relied on the 2014 priorities defined in the 2013 CSR Report. The relevant projects were aligned to each one of the four areas defined in them.

PRIORITIES FOR 2014	EXECUTION
Striving to enhance client satisfaction from products and services	Accomplished
Creating top-in-class standards of service	Accomplished
Promoting environmental awareness	Accomplished
Providing clients greater accessibility	Accomplished

Our endeavor to enhance client satisfaction with products and services was embodied among others by the following:

- introducing new functionalities in the Q5 Master system to enhance the Contact Center’s efficiency
- launching a tool to handle telephone calls and letters
- increasing the throughput of the eBOK system
- improving the quality of self-service processes
- implementing client-driven changes to optimize eBOK functions.

In addition, this segment’s companies implemented the NPS Measurement System whose purpose is to gather and analyze important data facilitating client relations based on the level of loyalty and a client’s value for the company. They also continued the implementation of the SMILE system (Sales Support System).

Companies in the Sales Segment also reorganized and improved the effectiveness of their own client contact channels. They devised uniform

model documents used in the sales process. They opened 20 partnership outlets run by external companies.

To ensure the same form of contact regardless of venue, companies in the Sales Segment devised model principles, best practices and precise procedures described in the “Book of Customer Service Standards for Sales Shops, Sales Outlets, Partnership Outlets and an Authorized Partner”. This document sets forth the best solutions in sales and client service. They continued the e-invoice project. They launched new eBok functionalities and optimized costs related to the production and time of distributing invoices. This project will enable us to augment clients’ environmental awareness effectively as clients more and more willingly opt for an electronic invoice for the sale of electricity.

Number of e-invoice activations



”

We are changing for our clients. On one hand we are learning about their expectations to prepare an attractive offer and provide a satisfying level of service. On the other hand, we are streamlining the organization so that it will be capable of flexibly adapting to the constant changes taking place on the market. We have conducted a host of activities that have considerably contributed to greater effectiveness in the contact channels offered by the Sales Segment and augment the level of comfort in our company's client relations. We have rolled out remote self-service and provided the technical infrastructure to take over cases from 16 disbanded customer service departments”.

Janusz Wjitiwiak
Director of the Strategic
and Market Analysis Department
ENERGA-OBRÓT SA



PRIORITIES

for 2015



**Implementing
the NPS system**



**Enhancing
the effectiveness
of sales processes**



**Building
client loyalty**

2.3. Priorities for 2015

The Sales Segment's new strategy for 2014-2020 has defined the mission statement, key values, strategic and operating priorities and a coherent product and service offering.

The Sales Segment chose to continue to enhance the effectiveness of sales efforts and improve the quality of client service. Its ambition is to gain a precise understanding of client needs and present simple solutions and an attractive offering - not perceived by clients just from a price standpoint but above all from a standpoint of innovativeness and pro-client and pro-environmental solutions.

The innovative project entitled "Interactive Touch Windows" is one of the actions contemplated for execution in 2015. This is a new self-service

solution giving clients through an online platform the ability to buy electricity from any venue at any time depending on the current price.

The company's segments will focus their efforts on the following:

- gaining knowledge of clients, understanding their expectations and reasons for possibly changing sellers
- providing a high level of client service to ensure that their main needs are met
- building the brand based on positive emotions
- implementing actions fostering greater loyalty and a strong bond between our company and clients
- implementing and perfecting simple processes meeting client expectations and tools used in sales or switching sellers and handling newly-acquired clients.

2.4. Clear and transparent communication

Introduction

Our marketing activities are aligned to industrial regulations (e.g. the ICC/ESOMAR Code on Market and Social Research) and internal guidelines, which gives us the certainty that we communicate with our end-users in a responsible and accurate fashion.

To maintain a coherent message in the communication conducted by all Group companies targeting clients, business partners, local gov-

ernments, media and employees we have introduced "Corporate Communication principles and other marketing efforts in the ENERGA Group". These are guidelines defining the rules and procedure for conducting coherent corporate marketing activity and activity to support the operations of the Group's segment leaders.

We guarantee clear and honest rules of electricity sales. We committed to observing the declaration "Best Practices of Electricity Sellers" signed under the auspices of the TOE Association of Energy Trading.

A portrait of Kamil Pluskwa-Dąbrowski, a man with short brown hair and a slight smile, wearing a dark blue suit, white shirt, and a red patterned tie. He is standing with his hands clasped in front of him. The background is a textured, light brown surface.

The efforts of the ENERGA Group to replace metering equipment with smart meters are an example of a robust diagnosis of the needs of a large group of stakeholders made up of consumers. Pilot activities went hand-in-hand with dialog with the Federation of Consumers and educational activities targeting end-users. During the year representatives of the Group's companies participated in many meetings with consumers, the local government and representatives of the consumer movement organized by our organization. They listened to the end-users' needs and shared their technical knowledge, information regarding the possibilities afforded by smart meters and the companies' plans. The replacement of meters in Kalisz is a prime example of a responsible approach to social partners. The customer-friendly model of cooperation that was developed has already translated into activities taken by these companies in other cities and counties.

Kamil Pluskwa-Dąbrowski
President of the National Council
of the Consumer Federation



Check who is selling power to you

We signed (along with the six other main sellers of electricity in Poland) a declaration called “Best Practices of Electricity Sellers - or What a Client Can Expect from an Honest Seller”, also referred to as the Code of Best Practices. This initiative also kicked off the educational and information campaign entitled “Check who is selling power to you!” organized by the TOE Association of Energy Trading under the patronage of the Energy Regulatory Office.

Our involvement in the campaign was our response to the ever more numerous dishonest practices employed by representatives of some firms selling electricity. This is the first campaign of its type in Poland - to date primarily state institutions were involved in making clients aware and fighting dishonest practices.

The Sales Segment underwent an audit to verify that it lives up to the Code of Best Practices. TÜV Rheinland Polska conducted the audit. Its purpose was to check the internal procedures of customer service and selling electricity to households and adherence by the employees of direct customer service to the Association of Energy Trading's standards.

This audit entailed among others:

- customer service - regulations pertaining to sales and customer service by telephone, e-mail and during direct sales
- marketing - website content, accuracy of advertising materials
- contracts - content and form, method of execution, change of terms and conditions, termination of a contract
- settlements – invoice appearance and content, methods of settlement
- disputes and complaints - method of notification, deadlines for examination and providing responses

The audit of the ENERGA Group will be summarized after completing the audits conducted on all the other sellers who signed the declaration and acceded to the campaign conducted by the Association of Energy Trading.



www.energa.pl

www.ebok.energa.pl

Infolinia: 555 555 555

Contact channel

Invoice number

Amount to be paid

Customer ID

Form of payment

FAKTURA VAT nr 00000000/00000/0000/D/0000

Rozliczenie sprzedaży energii elektrycznej i świadczenia usługi dystrybucji

ul. Grunwaldzka 472
80-309 Gdańsk
NIP 957-096-83-70

Gdańsk
IK 11902830
Nr klienta: 0000000000
Nadano w UP Brodnica 1, dnia: 01.10.2014

NABYWCZA
Nazwisko Imię
UL. PRZYKŁADOWA 1
00-000 MIASTO

Nazwisko Imię
UL. PRZYKŁADOWA 1
00-000 MIASTO

NR KLIENIA: 000000000



09.2014-12.12.2014	
zuzycie energii elektrycznej:	116 kWh
wartość usługi	96,06 zł
odsetki za nieterminową wpłatę	2,04 zł
nadpłata	2,00 zł
opłata za wezwanie do zapłaty	0,00 zł
zadłużenie*	25,00 zł

Wartość do zapłaty**

121,10 zł

Słownie: sto dwadzieścia jeden złotych
dziesięć groszy

Termin płatności: 27.12.2014

Zapłać w terminie i zdobądź
20 punktów PAYBACK.
Więcej na www.payback.energa.pl

Szczegółowe rozliczenie

*Zapłać w terminie, aby uniknąć odsetek i opłat za wezwanie.
**W wyliczeniach uwzględniono wszystkie Faktury VAT uwzględniające na dzień wystawienia dokumentów zadłużenie, odsetki oraz opłatę za wezwanie.

NUMER INDYWIDUALNEGO KONTA BANKOWEGO: 00 0000 0000 0000 0000 0000

Formy płatności

Zeskanuj kod i zapłać online



Płatność przez kod QR

Możesz szybko i wygodnie zapłacić fakturę za prąd - przy użyciu smartfona z aparatem fotograficznym oraz specjalną aplikację. Zaloguj się do swojego banku poprzez aplikację mobilną i zeskanuj QR kod z faktury. Pojawi się gotowy formularz przelewu z uzupełnionymi danymi. Sprawdź dane z fakturą i wykonaj przelew.

Możesz zapłacić w wybranych sklepach lub na poczcie



Płatność w sklepie lub na poczcie

Zabierz ze sobą fakturę i zapłać za prąd na poczcie lub podczas codziennych zakupów - w wybranych sklepach, stacjach benzynowych i punktach usługowych - wszędzie tam, gdzie znajdziesz logo Moje Rachunki.

Dane do przelewu

Nr faktury VAT:
00000000/00000/0000/1F
Termin płatności: 27.12.2014
Kwota płatności: 121,10 zł
Słownie: sto dwadzieścia jeden złotych
10/100
Nr rachunku odbiorcy:
00 0000 0000 0000 0000 0000
ENERGA - OBRÓT SA
Al. Grunwaldzka 472, 80-309 Gdańsk
NIP 957-096-83-70
Złociodawca:
IMIĘ NAZWISKO

Wpłata przelewem

Wykorzystując dane zamieszczone na fakturze, możesz samodzielnie zapłacić przelewem online w swoim banku internetowym. Możesz także zlecić wykonanie przelewu w sposób tradycyjny - na poczcie lub w banku.

Invoice's new look

We were the first ones in Poland to introduce improved and more readable invoices. Our new settlement documents enable clients to become conscious end-users of electricity.

Enhancing communication with end-users in the distribution area

Analysis of information gleaned from information systems (including the number of visits to the company's website) and directly from clients as well as data we gather during atypical weather circumstances such as the Xavery Hurricane in December 2013 form the basis for our efforts to enhance communication with clients. We launched many facilities to contact the company on the basis of this information in 2014.

ENERGA-OPERATOR is the first Distribution system operator in Poland to provide clients the SMS OUTAGE system making it possible to report information about the lack of power by sending an SMS to no. 3991. A client may also report an interruption in the power supply by filling our a form on the company's website.

The company has also launched a telephone IVR system whereby clients may learn among other things that the outage in their area is already being handled and they can hear the approximate time of repair. The Telephone Notification System has also been expanded by replacing 600 analog lines with two thousand digital lines. Information on electricity bills has been extended to include alarm numbers and the SMS alarm number.

The company also modified its "outage map" on its website - by making information available online on the time of repair and the number of households affected during mass outages. Communication techniques with the local governments responsible for crisis management associated with sudden weather events have also been improved. ENERGA-OPERATOR has provided them with a dedicated communication channel. Mayors and local community leaders received an information booklet containing procedures in the event of an outage, the rules of cooperation with the Voivodship Management Center and special telephone communication numbers.

"The principles of how to proceed in a crisis situation caused by mass failures" in operation in the company since 2010 have been updated and expanded to include the conclusions drawn from the outage during the

Xavery Hurricane. To provide clients with access to current information in an outage, the company is taking the following actions:

- it launches additional dispatcher positions to coordinate the work done by power rescue teams
- it launches additional positions to register and handle notifications to the Power Rescue Teams in the distribution regions
- it launches additional Power Rescue brigades
- it has entered into agreements with external firms to support our intervention measures
- it introduced a principle according to which every employee of ENERGA-OPERATOR and its subsidiaries to whom a client reports a lack of voltage or a threat to damaging power infrastructure is obligated to accept it.

Reduction Program

We have achieved our first successes in implementing a service of aggregating and managing electricity demand reduction (demand response). The involvement of Enspirion (formerly ENERGA Innowacje Sp. z o.o.) in cooperation with end-users has translated into the following:

- an attractive offer entailing the shift of energy consumption during major manufacturing processes to other times of the day
- a change of the time of work of ancillary elements of the process that do not have a direct impact on manufacturing
- buffering the manufacturing process - by accumulating energy in facilities or using warehouse inventories
- a reduction in grid consumption by commissioning current generation aggregates.

40 companies took up cooperation - to date, for the first time in Poland, deferrals for more than 600 megawatt hours were obtained.

The outcome of our efforts is the curtailment of losses in electricity supplies to final end-users in peak hours. Indirectly, there is also a reduction in the adverse emission of industrial gases into the atmosphere. Demand response also contributes to market price stabilization since lower consumption in peak hours means that power is bought and sold at the same time at lower prices.

The innovativeness of this offer on the Polish market and the nature of the service clearly set us apart from the competition. For clients in turn it signifies stabilization, security and additional income.

Total number of incidents of non-compliance with regulations and voluntary codes of conduct concerning product and service marking and information, by type of outcome

	2013	2014
Incidents of non-compliance with regulations leading to the imposition of a fine or penalty	0	3
Incidents of non-compliance with regulations leading to a warning	0	0
Incidents of non-compliance with voluntary codes of conduct	0	0
TOTAL NUMBER OF INCIDENTS	0	3

Total number of incidents of non-compliance with regulations and voluntary codes of conduct regulating marketing communications, including advertising, promotion, and sponsorship, by type of outcome

	2013	2014
Incidents of non-compliance with regulations leading to the imposition of a fine or penalty	6	0
Number of incidents of non-compliance with regulations leading to a warning	0	0
Number of incidents of non-compliance with voluntary codes of conduct	0	0
TOTAL NUMBER OF INCIDENTS	6	0

Monetary value of major penalties for non-compliance with the law and regulations concerning the supply and usage of products and services

	2013	2014
Total value of penalties (PLN) imposed on the organization for non-compliance with the law and regulations concerning the supply and usage of products and services	20,000	370,000*

*PLN 300 thousand - penalty imposed by the Energy Regulatory Office on ENERGA-OBRÓT SA in connection with incorrectly notifying end-users of eliminating tariff groups G11e, G12e and G12p, PLN 70 thousand - penalties imposed by the Energy Regulatory Office for breach of the Instructions for the Operation and Maintenance of the Distribution Grid

2.5. High standards and customer service quality

Open to responding to customer needs

BEST PRACTICE

We introduced a guide entitled “Customer Service Standards in ENERGA Oświetlenie”. It entails descriptions of the standards for all the most important actions in the lighting services area performed by a customer advisor and practical hints facilitating their implementation.

SMILE (Sales Support System)

We changed the name from SOS (Sales Handling System) to SMILE because we want to be faster, more mobile and better.

Rolling out the SMILE system entails sales and service, profitability of distribution, renewable energy sources and cooperation with clients.

SMILE will augment the flexibility and truncate the time to market new products. It will also elevate the ENERGA Group’s sales efficiency and competitiveness on the power market. This system will improve the ef-

fectiveness of settlements, raise the level of customer service and reduce its costs.

SMILE will contribute to the following:

- maximizing the magnitude of the margin
- creation of shareholder value
- building the DSO’s proprietary billing system
- enhance the image of the Sales Segment.

Number of disconnected customers

	ENERGA GROUP	
	2013	2014
1. Number of clients by length of time between disconnections and remission of payment to be reconnected:		
up to 48 hours	0	0
48 hours to 1 week	0	0
1 week to 1 month	228,282	65,056
1 year and more	0	0
2. Number of clients by length of time between remission of payment and reconnection:		
up to 48 hours	0	0
48 hours to 1 week	101,958	88,360
1 week to 1 month	2	5
1 year and more	0	0

Customer service quality improvement program

BEST PRACTICE

In recent years ENERGA-OPERATOR Techniczna Obsługa Odbiorców has focused chiefly on efficiency and labor productivity. Quality was added as one of the most important ratios last year. All employees - installers and back office employees in the field and in the head office toiled on this process of improvement. This work bore fruit in devising the "Quality improvement program".

Under the program the company:

- ran regular inspections in its field of operation
 - conducted regular analyses of deviations and errors; this enabled it to react more quickly and eventually correct erroneous readings
 - expanded the topic of regular meetings with subcontractors to include elements of co-monitoring the quality of job orders performed
 - improved the timeliness of job order fulfillment (including bad debt collection) and recording them in the system.
- It achieved better results by doing the following among others:
- ongoing monitoring of the timely issuance and recording of packets, routes and booklets with readings
 - combining job orders with a short and long-term of execution in a single area
 - increasing the number of preventive debt collection shut downs using high voltage work technology.

It also initiated a skills improvement program under which a laboratory will be created in Toruń in cooperation with the firm ATTENDE to test and run diagnostics on TAN C communication. It also launched a program to improve meter management - audits were conducted to balance warehouse stock levels with their records in the IT systems.

Advanced metering infrastructure (AMI)

BEST PRACTICE

We continued work to implement an advanced metering system focusing on ENERGA-OPERATOR and ENERGA Obrót extracting such benefits as follows:

- remote readings without having meter readers pay a visit
- reduction of the balance difference by 10% (curtailing illegal power consumption)
- reduction of the number of clients with overdue payments
- reduction of the number of summons for payments and subsequently the number of people in debt
- ability to turn clients on and off.

The tests conducted confirm that users have positively received smart meters:

- 68% of our clients are happy with the lower subscriber fee on the bill for reading the meter
- 62% of our clients find it to be an important fact that it is no longer necessary to receive visits from meter readers.

Cooperation with Microsoft – best practice description

BEST PRACTICE

At ENERGA Obrót we were the first in Poland to market a combined offer of electricity and Office 365 addressed to households. This is an outcome of partnership cooperation with Microsoft, the global leader in the new technology industry. Under the offering entitled "ENERGA 365" a client receives a guaranteed fixed price for electricity for up to three years and the opportunity to buy one of two scenarios to subscribe Office 365 for PLN 1 with a subscription license valid for 12 months from the date of activation. 5 thousand customers took advantage of this offer up to November 2014.

Customer contact channels

We have expanded alternative contact channels to save customers time. That way our clients can handle many matters without leaving home - by telephone or via the web and e-mail. We are constantly expanding the scope of matters handled this way. We have also made available the possibility of entering into contracts - contracts are transmitted to clients by messenger.

We have modified our company sales shops to be able to serve customers on wheelchairs. We have expanded our fixed sales network to include more partnership outlets and points of sale in shopping malls across Poland.

Complaints handling

The most important thing for us is to take an individual approach to every reported case. Our Odys system allows us to make a comprehensive check of correspondence - both the incoming correspondence from a client as well as the responses we have given and to consult with other departments and employees.

This system allows ENERGA Obsługa i Sprzedaż to take a broader look at our client's situation and find a solution that will contribute to providing a factual, substantive and timely response. Closer cooperation with ENERGA-OPERATOR by integrating information management sys-

tems in handling notifications makes it possible to enhance the quality of service while shortening response times. The company is guided by the Notification Handling Standards in force. In 2014 a "Book of service standards for eBOK and the Notification Handling Department" was created. It took force on 1 January 2015. It also uses short messaging services (SMS) to notify clients of the current progress in a case being handled.

Data Security

We observe Information Security Policy and personal data protection regulations in the ENERGA Group companies that process customers' personal data. In 2014 we did not have any cases of security breaches or personal data compromises.

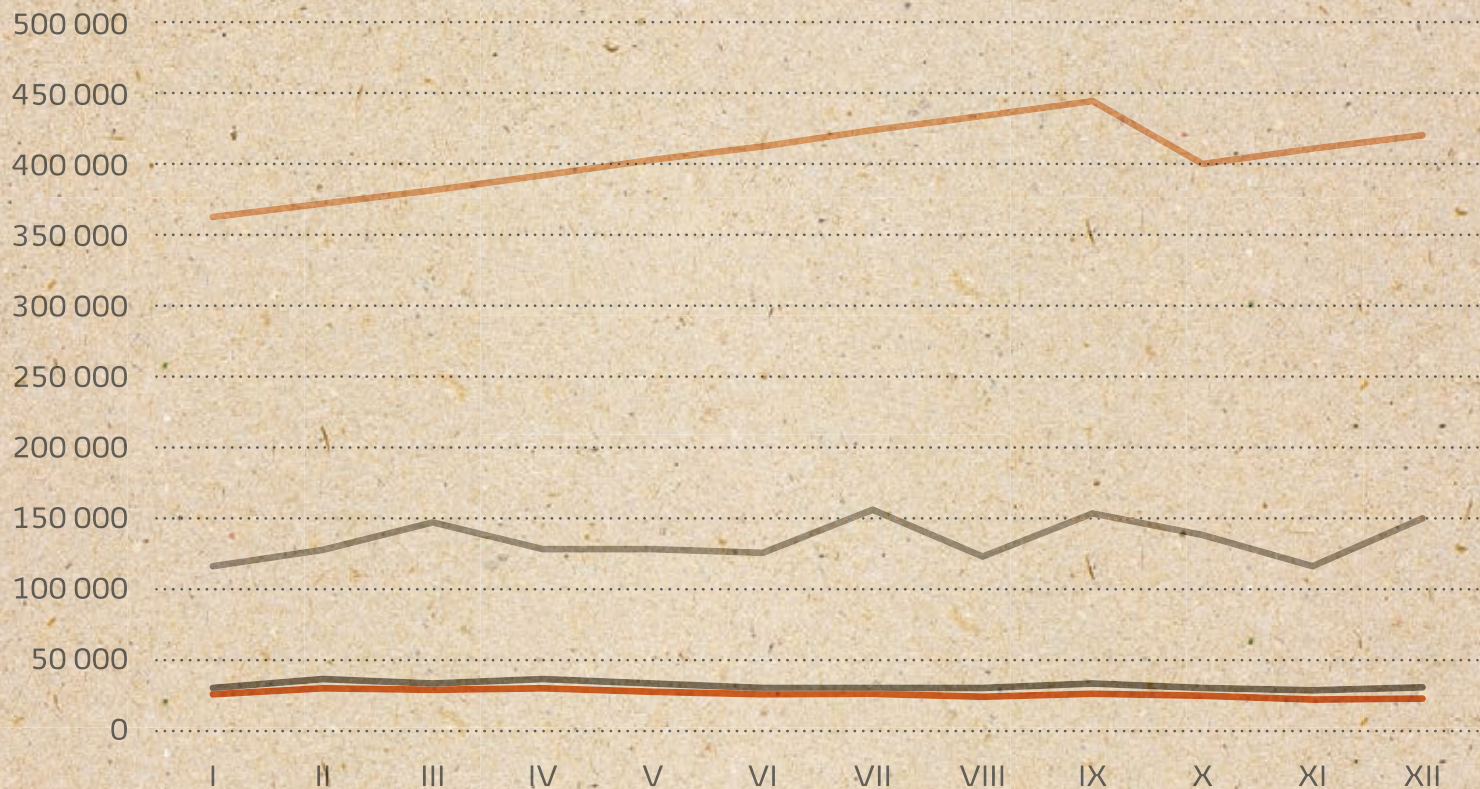
Rate of change in customers' usage of various contact channels, 2013 to 2014

	RATE OF CHANGE
Notification Handling Department - incoming correspondence	45%
Notification Handling Department - responses given	46%
e-BOK - incoming correspondence	20%
e-BOK - responses given	43%

Customer contact channels

	energa.pl	eBOK	tBOK	Showrooms	Partner Outlets
EXECUTING A CONTRACT					
Information on how to become our client (methods of executing a contract and required documents)	✓	✓	✓	✓	✓
Preparing / signing an annex to a contract	✓	✓	✓	✓	✓
PRODUCTS AND SERVICES					
Information on prices, tariff groups	✓	✓	✓	✓	✓
Information on modern products and current promotions	✓	✓	✓	✓	✓
Actual Usage service activation		✓		✓	✓
Signing a contract for the Pre-paid Billing service	✓	✓	✓	✓	✓
Purchasing a power code for a pre-paid meter	✓	✓			
Activating an eInvoice – a fast and convenient form of delivering energy bills		✓		✓	
Rebate offering for companies	✓	✓	✓	✓	✓
BILLING AND PAYMENTS					
Information on modern billing and payment methods	✓	✓	✓	✓	✓
Information of current balance and payment terms, confirmation of payment due.		✓	✓		
Accepting consent for Direct Debit	✓			✓	
Contact form on billing issues	✓	✓			
Information on the procedure for submitting billing complaints	✓	✓	✓	✓	✓
Paying an energy bill		✓			
Free of charge SMS and e-mail payment notifications		✓			
COMPLAINTS					
Information on the procedure for submitting billing complaints	✓	✓	✓	✓	✓
Submitting a complaint	✓	✓	✓	✓	✓
UPDATING DATA					
Updating telephone and address data	✓	✓	✓	✓	
METER					
Electricity meter notification	✓	✓	✓		
Assigning a meter to someone else		✓	✓	✓	✓
CLIENT SERVICE (other)					
Registering an account in the Electronic Customer Service Department (eBOK)		✓	✓	✓	
PAYBACK points for paying electricity bills		✓			
Electricity consumption statistics		✓			
Service contact form	✓	✓			
DOWNLOADABLE DOCUMENTS					
Pricelist and downloadable forms	✓	✓			

Frequency of using various contact channels



- Shops (number of visitors)
- eBOK (number of users)
- TBOK MM+SOHO (number of inbound calls)
- DOZ MM+SOHO+eBOK (number of notifications)

2.6. Client satisfaction

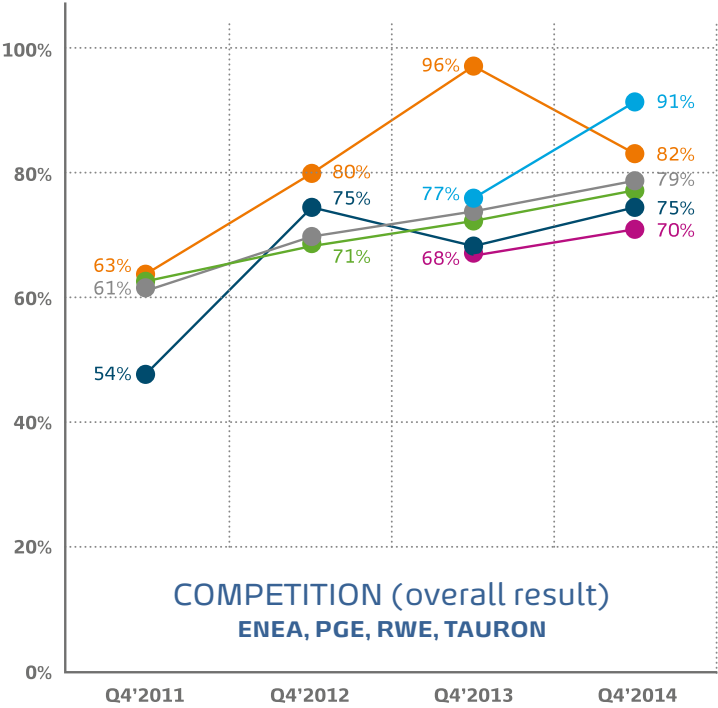
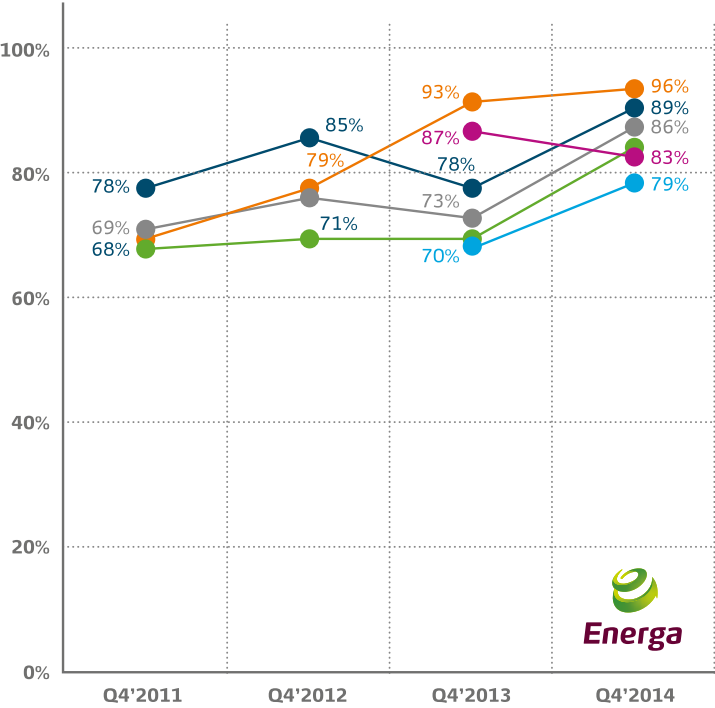
Client satisfaction among utility sector clients is steadily on the rise. ENERGA looks great against this backdrop. Satisfaction with our services among individual clients and micro firms reached roughly 83% in

the third quarter of 2014, while the result for business clients at the end of the third quarter of 2014 equal to 93% was above the market average (according to research conducted by PBS Sp. z o.o.).

The graph below illustrates the detailed findings of satisfaction research split into the various market segments and research periods.

To what extent are you satisfied with the services rendered by company X?

Graphs depict the % of "satisfied" responses (4+5)



ENERGA

% MASS

% SOHO

% SME

% KB

% KS

% IP

COMPETITION

% MASS

% SOHO

% SME

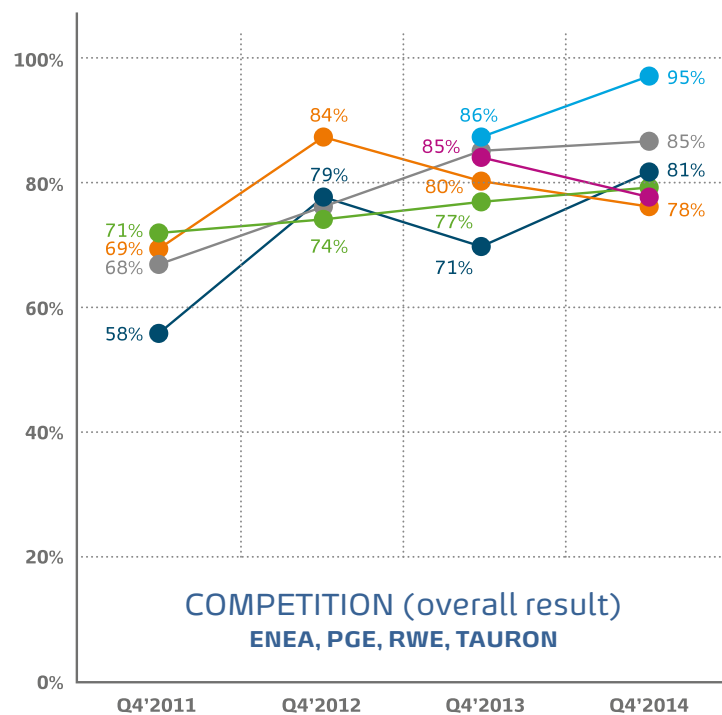
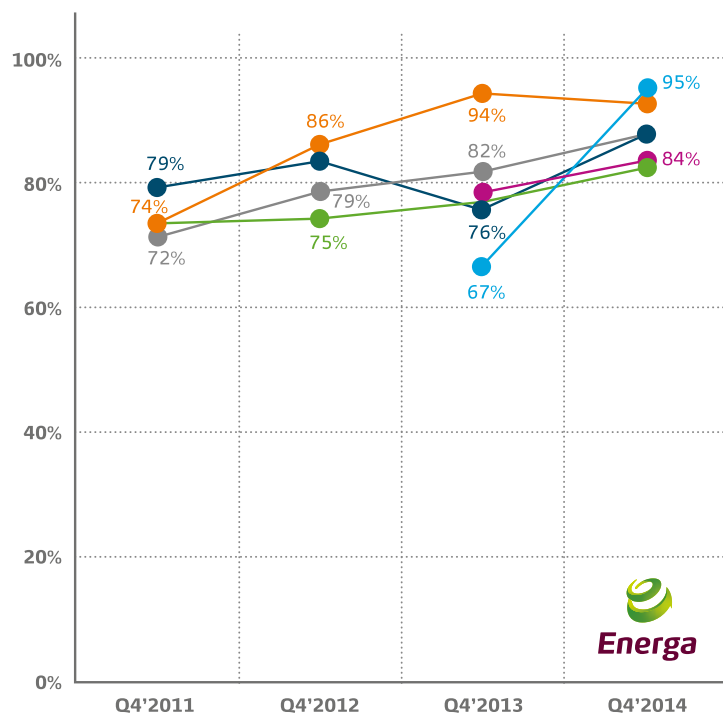
% KB

% KS

% IP

Would you recommend the services of company X to someone who is just thinking about selecting an energy supplier?

Graphs depict the % of “satisfied” responses (4+5)



- MASS- households, SOHO-companies with energy use up to 200 MWh annually, • SME-companies with energy use from 200 MWh-400 MWh annually,
- KB-Business Customers with energy use 400 Mwh-5GWh annually, • KS-Strategic Customers with energy use above 5 GWh

2.7. Customer education

Introduction

We place great emphasis on popularizing knowledge on rational and more conscious use of electricity as well as security when interacting with power infrastructure and electrical devices. We have dedicated to this subject a special program entitled ENERGA Edukacja - more on this subject may be found in chapter 6.2.

BEST PRACTICE

In the autumn of 2013 and the spring of 2014 we conducted tests concerning consumer attitudes, their familiarity with smart meters and using household appliances in two demonstration buildings in which we installed remote energy reading meters, known as smart meters. During the first stage we tested 425 households and 386 in the second stage.

We directed an information campaign to one half of the participants in the household project over the period from October 2013 to March 2014.

ENERGA-OPERATOR's installation of remote reading meters was insufficient for clients to be able to tap into the full range of possibilities afforded by this solution. Our ambition is for them to grasp the purpose of their application well and to learn how to derive benefits from them.

We launched a subpage on the website www.cersanit.com dedicated to smart metering. On this subpage we explain how these meters operate and what the purpose of replacing them is and we field the most frequently asked questions.

We have also prepared some short clips to describe in an accessible manner to clients how smart meters work. We conduct information campaigns in the sites where meters are replaced. We provide information materials, e.g. posters providing information on the installation procedure, notifications that no one was home when the installer came and leaflets describing the efforts we are taking. We launched an infoline for clients for our consultants to help them understand what the new meters are and how to use them.



Research findings

INDICATOR	STAGE 1	STAGE 2
Increased awareness of energy used	7%	56%
Respondents who admitted to using too much electricity	7%	24%
Respondents who are capable of reducing their energy costs	84%	87%
Respondents who would be inclined to modify their habits of using electricity	44%	50%
Respondents who believe they have a direct impact on their energy bill	71%	77%
Respondents who are conscious of having an AMI smart meter	75%	88%
Respondents who use the web portal to control energy usage	6%	15%
Respondents who intend to use the web portal to control energy usage	7%	15%
Respondents who were unaware of this portal's existence	23%	1%

The results of the first stage of research indicate that some of the respondents were totally unaware that they have a smart energy meter (7% of the persons polled) or were uncertain about that (4%). The results of the second stage of research indicate that consumer education is still needed in fairly fundamental aspects such as using the remote reading meter or the ability to control energy use via the web.

Natural environment

Sustainable development is aligned to the Group's business, which among other things translates into a responsible approach to environmental policy. Environmental protection is one of the pillars of the "Energa Group's Sustainable Development Strategy for 2014-2020" adopted in 2014.



”

In our assessment, preserving the balance of the natural environment creates unique socio-economic value. The use of resources in a manner which allows maintenance of the ecosystem functions in the long-term offers the possibility of fulfilling basic social needs of both the present generation and the future generations. Therefore, we want to meet the environmental requirements set for us by continuous reduction of our negative impact. The identified environmental aspects constitute for us the basis for setting specific goals, developing programs to achieve these goals, and assigning tasks intended to fulfil the adopted environmental policy.”

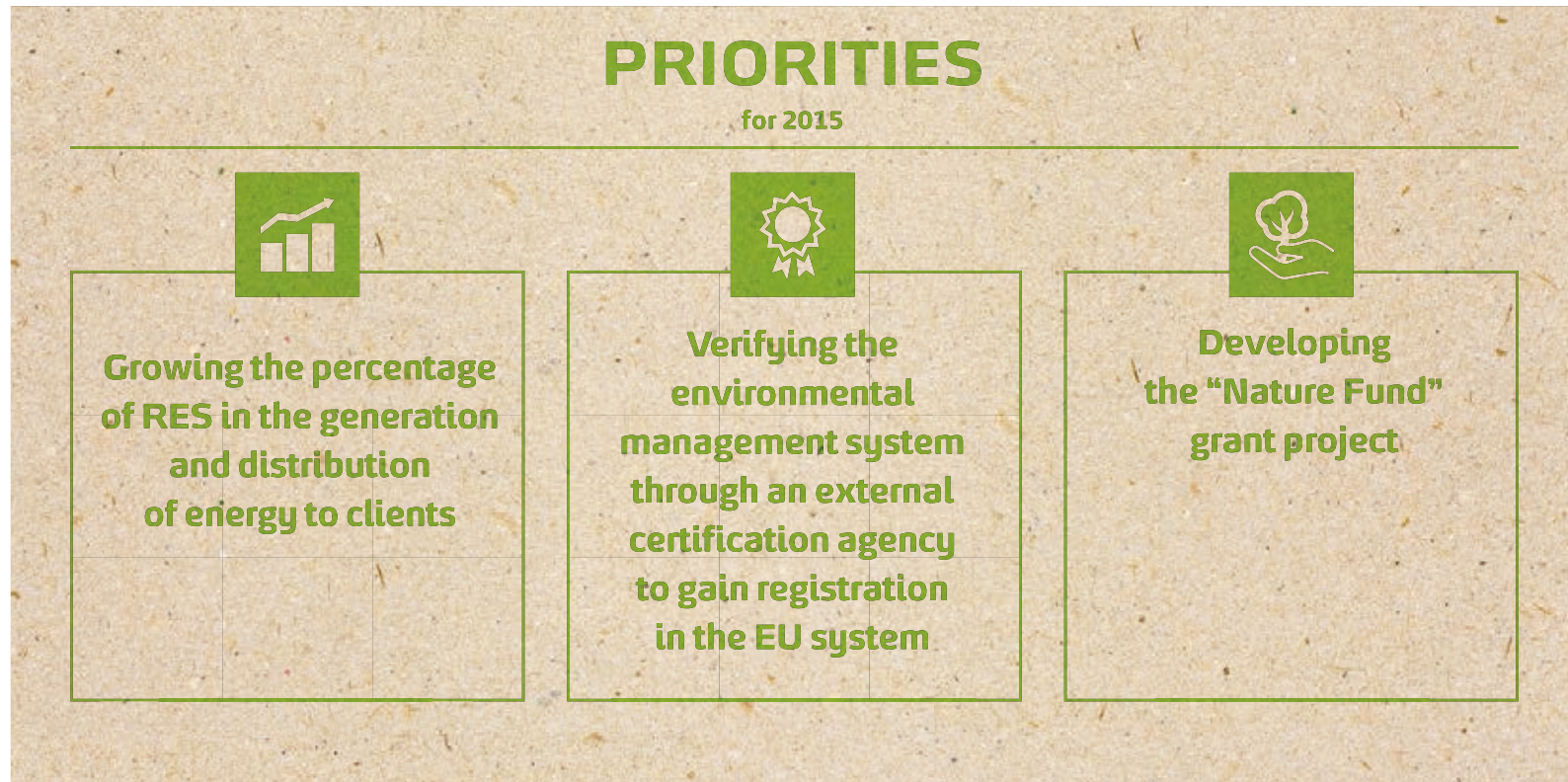
Katarzyna Karolak
CSR Coordinator
ENERGA SA



Environmental goals in 2014 and their achievement

PRIORITIES FOR 2014	EXECUTION
Implementing EMAS according to the intended assumptions and devising a plan for further development	We delivered the project on time in compliance with the project documentation's assumptions
Growing the percentage of renewable energy sources in the energy generated and distributed to clients	<p>We have completed the following investments:</p> <ol style="list-style-type: none"> 1. modernization of the Rościno hydro power plant (increasing energy production by 1800 MWh per annum) 2. construction of a biomass power unit in Elektrociepłownia Elbląg (reducing CO₂ emissions by 150 thousand Mg per annum) 3. construction of the Gdańsk-Przejazdowo photovoltaic farm (planned production of 1.5 GWh of energy per annum)
Continuing and developing the grant program entitled "Nature Fund"	We launched the "Nature Fund" to be used for grants for nature projects. We increased the fund's net assets from PLN 30 thousand in 2014 to PLN 35 thousand in 2015.

Priorities for 2015



3. We take care of the natural environment

3.1. We manage environmental protection in a systemic manner

As a result of two years of project work, in July 2014 we completed the implementation of a system compliant with the EMAS Regulation guidelines in the Group's key companies.

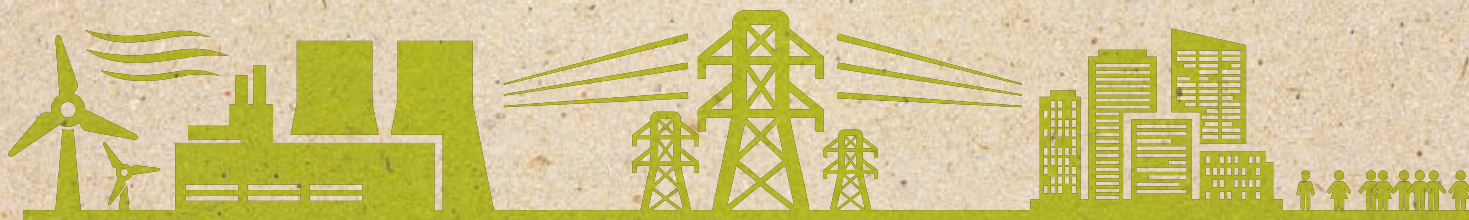
Group companies in which we implemented the environmental management program

An important element of the environment management system is the "Environmental Policy of the ENERGA Group" adopted by the Management Board by its resolution of 16 March 2014. This document sets the general directions for our development with respect to environmental activity. It obliges us to maintain compliance with all legal regulations, continuously improve the effects of our operations and limit the adverse effect on the environment. It creates a framework for the organization, functioning and setting environment-related goals and tasks.

In each company we appointed an environment coordinator and in ENERGA we appointed a program coordinator responsible for correct functioning of the system throughout the Group. We updated the procedures and instructions in force in the companies by adding environmental criteria.

Auditors conducted environmental audits in Group companies to determine the degree of compliance with the requirements of the implemented Environmental Management Program.





Group companies in which we implemented the environmental management program

ENERGA SA

ENERGA
-OPERATOR SA

ENERGA
Wytwarzanie SA

ENERGA
Obsługa i Sprzedaż

Energia-Obrót SA

ENERGA Elektrownie
Ostrołęka

ENERGA Kogeneracja

Ciepło Kaliskie

ENERGA Oświetlenie

ENERGA OPEC

The system indicators are included in the EMAS Regulation

INDICATOR	A: ANNUAL IMPACT IN THE AREA	R=A/B*	A: ANNUAL IMPACT IN THE AREA	R=A/B*
	2013		2014	
Energy efficiency (MWh)				
Energy consumption for own purposes	2,897,235.70	16,420.80	1,555,362.93	6,588.59
Water (m3)				
Water consumption (from own and other sources)	35,940,947,682.74	203,704,141.90	33,949,407,477.07	143,811,374.96
Consumption of underground water	315,239	1,786.70	295,765.8	1,252.87
Consumption of surface water	35,940,480,045	203,701,491.45	33,948,972,165	143,809,530.96
Fuel (Mg)				
Hard coal	1,544,925	8,756.25	1,572,689.79	6,661.99
Heating oil	2,175.97	12.34	1,779.78	7.53
Biomass	454,723	2,577.25	436,066.18	1,847.19
Biodiversity (m2)				
Developed land	753,540.98	4,270.87	855,366.48	3,623.37
Emissions (Mg)				
CO2	4,178,667.71	23,683.63	3,316,753.47	14,049.93
SO2	14,430	81.78	11,396.97	48.27
Nox	8,062,002	45.70	6,494,767	27.51
Particulate matter (dust)	704,175	3.99	559,346	2.36
Volatile organic compounds	10.81	0.06	3.01	0.01
HCl	297	1.68	303	1.28
Waste (Mg)				
Ash-slag	384,172.49	2,177.40	229,321,638	971.41
Other non-hazardous	48,004.49	272.07	217,845.22	922.80
Hazardous	1,280.86	7.25	1,603.92	6.79

*B: organization's annual result in 2013 = EUR 176,437 m, organization's result in 2014 = EUR 236,069 m

3.2. We generate energy from renewable sources

Introduction

Generation Segment companies are responsible for generating electrical energy and heat in the Group. The Segement mainly focuses on sourcing them in renewable sources such as hydro power plants, wind and photovoltaic power plants and biomass power units. We source approximately 35% of the power generated by the Group from renewable sources.

Maximum achievable generation capacity by main commodity type (and regulatory requirements)

		2013		2014	
		ELECTRICAL ENERGY [MWH]	HEAT [MWH]	ELECTRICAL ENERGY [MWH]	HEAT [MWH]
Ciepło Kaliskie Sp. z o.o.	coal			0	58
ENERGA Elektrownie Ostrołęka SA	coal	577	275	581	539
	biomass	140	23	141	75
ENERGA Wytwarzanie SA	hydro	352	0	352	0
	wind	51	0	165	0
ENERGA Kogeneracja Sp. z o.o.	coal	42	247	49	247
	biomass			25	30
TOTAL		1,162.23	544.80	1,313.23	948.60

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

The total attainable capacity from renewable sources

exceeds **534 MWe**
and **58.5 MW**

Quantity of net power generated by main energy sources (and regulator's requirements)

	2013		2014	
	ELECTRICAL ENERGY [MWH]	HEAT [MWH]	ELECTRICAL ENERGY [MWH]	HEAT [MWH]
coal	2,793,900	986,900	2,956,100	947,030
biomass	632,300	47,687	606,600	52,485
hydro	1,019,500	0	855,100	0
wind	149,900	0	306,100	0
natural gas	0	803	0	3,818
TOTAL	4,595,600.00	1,035,390.10	4,723,900.00	1,003,333.10

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

BEST PRACTICE

In Ciepłownikow we began construction of a new photovoltaic farm with a capacity of 3.77 MW. The investment's expected completion date is April 2015. Another wind farm in Myślino with a capacity of 20 MW will start to generate green energy at the same time.

We manage natural resources prudently

We took steps to minimize the use of non-renewable raw materials and improve equipment's technical efficiency:

- we renovated and modernized equipment to improve power generation capacity in hydro power plants; among others we conducted a dozen or so renovations to maintain the full dispatchability and good technical working order of hydro units
- in ENERGA Kogeneracja we adopted a program to minimize the use of raw materials for power generation
- we overhauled, renovated and modernized power and heat generation installations on an ongoing basis.

For power and heat generation in 2014 we used raw materials totaling to more than

2 m Mg

As a result of activities conducted in 2014, even though Ciepłownia Kalisz was added to the segment, we increased the use of coal only by 1.8% compared with the previous year. Biomass consumption fell by 4.1%.

Commodities / materials used by weight and volume

	2013	2014
NON-RENEWABLE		
coal [Mg]	1,544,925	1,572,690
natural gas [m3]	145,684	1,032,039
heating oil [Mg]	2,176	1,780
use of other non-renewable commodities and resources [Mg]	50	31,864
TOTAL USE OF NON-RENEWABLE COMMODITIES [M3]	145,684	1,032,039
TOTAL USE OF NON-RENEWABLE COMMODITIES [MG]	1,547,151	1,606,333
RENEWABLE		
biomass [Mg]	454,723	436,066
TOTAL CONSUMPTION OF RENEWABLE COMMODITIES [Mg]	454,723	436,066
consumption of direct materials (eg. steel) [Mg]	389	403
TOTAL CONSUMPTION OF COMMODITIES (M3)	145,684	1,032,039
TOTAL CONSUMPTION OF COMMODITIES [MG]	2,002,262	2,042,803

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

Energy consumption in the organization

	TOTAL POWER CONSUMED/FROM RENEWABLE AND NON-RENEWABLE FUEL RESOURCES [GJ]		TOTAL POWER CONSUMED/FROM NON-RENEWABLE FUEL RESOURCES [GJ]		TOTAL POWER CONSUMED/FROM RENEWABLE FUEL RESOURCES [GJ]		TOTAL POWER CONSUMED/ CONSUMED PURCHASED POWER [GJ]	
	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	0	0	0	0	0	0	884	1 111
DISTRIBUTION Segment	0	336,912	0	336,912	0	0	5,574,444	156,473
SALES Segment	0	0	0	0	0	0	27,864	477,168
GENERATION Segment	44,710,937	45,401,497	33,912,502	34,786,140	10,798,435	10,615,357	1,110,756	1,274,191
ENERGA Elekrownie Ostrołęka SA	37,843,970	37,597,840	30,814,783	31,335,710	7,029,187	6,262,130	0	0
ENERGA Kogeneracja Sp. z o.o.	3,103,085	3,520,360	3,096,831	3,286,763	6,254	233,597	2,157	4,396
Ciepło Kaliskie Sp. z o.o.	not available*	162,892	not available*	162,892	not available*	0	not available*	295,041
ENERGA Wytwarzanie SA	3,763,882	4,120,405	888	775	3,762,994	4,119,630	96,659	5,036
ENERGA OPEC Sp. z o.o.	0	0	0	0	0	0	1,011,724	969,553
ENERGA Serwis Sp. z o.o.	0	0	0	0	0	0	0	0
ENERGA Invest SA	0	0	0	0	0	0	216	166
SAHRED Services	0	0	0	0	0	0	7,099	7,299
ENERGA GROUP SEGMENTS	44,710,937	45,738,409	33,912,502	35,123,051	10,798,435	10,615,357	6,721,046	1,916,242

* Ciepło Kaliskie started business activity in 2014

	ENERGY SOLD BY THE ORGANIZATION		ORGANIZATION'S TOTAL ENERGY CONSUMPTION	
	[GJ]		[GJ]	
	2013	884	2013	2014
ENERGA SA	0	0	884	1,111
DISTRIBUTION Segment	0	0	5,574,444	493,386
SALES Segment	0	470,678	27,864	6,490
GENERATION Segment	41,001,938	41,584,666	4,819,755	5,091,022
ENERGA Elektrownie Ostrołęka SA	34,512,667	34,243,447	3,331,303	3,354,393
ENERGA Kogeneracja Sp. z o.o.	1,902,674	2,085,470	1,202,568	1,439,286
Ciepło Kaliskie Sp. z o.o.	not available*	353,570	not available*	104,363
ENERGA Wytwarzanie SA	3,699,881	4,060,348	160,660	65,092
ENERGA OPEC Sp. z o.o.	886,716	841,831	125,008	127,722
ENERGA Serwis Sp. z o.o.	0	0	0	0
ENERGA Invest SA	0	0	216	166
SAHRED Services	0	0	7,099	7,299
ENERGA GROUP	41,001,938	42,055,344	10,430,045	5,599,308

*Ciepło Kaliskie started business activity in 2014

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

BEST PRACTICE

In 2014 we launched a new biomass power unit in ENERGA Kogeneracja. We co-generate power and heat there, that is in the most efficient manner. The installation was equipped, among other things, with a turbogenerator with an electrical capacity of 25 MWe and a steam boiler and a grate with a capacity of 90 tons of steam per hour. We additionally reduced CO₂ emissions by using agro biomass as a fuel. Its annual consumption is approximately 135 000 tons, yielding a zero balance of carbon dioxide emissions. We estimate that the new biomass power unit will decrease the balance of CO₂ emissions by over 150,000 tons per annum as compared with an installation of a similar capacity fired with hard coal. The use of agro biomass as a fuel tapped into natural energy resources that otherwise would have remained unused. Therefore, we created a natural demand for this raw material.

The biomass power unit construction project in Elbląg was partially financed by the European Union's Cohesion Fund in program 9.4 Power generation using renewable sources, priority IX Environmentally-friendly power infrastructure and energy efficiency, Operational Program Infrastructure and Environment 2007-2013



3.3. We control emissions

Introduction

In the Group's business strategy we declared the use of technologies to reduce greenhouse gas emissions considerably in power generation and distribution. We consistently acted in line with this declaration by building and connecting new renewable sources to the grid.

In 2014 more than 86% of direct emissions were related to power generation while 13% resulted from heat generation. In total, in 2014 we emitted 3 316 882 tons of CO₂ equivalent.

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

Direct greenhouse gas emissions

	TOTAL DIRECT EMISSIONS OF GREENHOUSE GASES [TCO ₂]		EMISSION RELATED TO POWER GENERATION [TCO ₂]		EMISSION RELATED TO HEAT GENERATION [TCO ₂]		EMISSION RELATED TO TRANSPORT OF MATERIALS/ EMPLOYEES [TCO ₂]	
	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	0	146	0	0	0	0	0	146
DISTRIBUTION Segment	9,710	9,527	0	0	1,623	1,265	8,087	8,262
SALES Segment	549	1,744	0	0	0	9	549	1,735
GENERATION Segment	3,137,774	3,305,323	2,724,319	2,876,552	413,234	427,413	221	1,358
ENERGA Elektrownie Ostrołęka	2,838,925	2,950,057	2,638,051	2,787,233	200,874	162,337	0	487
ENERGA Kogeneracja Sp. z o.o.	298,628	325,362	86,268	89,319	212,360	235,996	0	47
Ciepło Kaliskie Sp. z o.o.	not available*	28,697	not available*	0	not available*	28,633	not available*	64
ENERGA Wytwórnia SA	0	419	0	0	0	0	0	419
ENERGA OPEC Sp. z o.o.	0	447	0	0	0	447	0	0
ENERGA Serwis Sp. z o.o.	221	256	0	0	0	0	221	256
ENERGA Invest SA	0	85	0	0	0	0	0	85
SAHRED Services	0	141	0	0	0	0	0	141
ENERGA GROUP	3,148,033	3,316,882	2,724,319	2,876,552	414,857	428,688	8,857	11,642

*Ciepło Kaliskie started business activity in 2014

We undertook numerous actions to curtail emissions of greenhouse gases. In order to increase the efficiency of heat and power generation and enable the installation to operate after 2015, we gradually modernized equipment or replaced it with new equipment.

In ENERGA-OPERATOR we exchanged transformers and modernized grid infrastructure, thereby contributing to lower network losses. We gradually replaced the company car fleet with vehicles meeting the standards for exhaust emissions.

	2012	2013	2014
Distribution losses – quantity of power [MWh]	1,532,574	1,497,110	1,539,602
CO ₂ quantity reduction from last year [Mg]	1,244,450	1,215,653	1,250,157

BEST PRACTICE

ENERGA Oświetlenie replaced almost 900 old lighting fittings in Koszalin with modern and energy efficient LED fittings offer superior illumination parameters. As a result, we reduced power consumption by more than 50% in the modernized area. The town reduced its annual demand for power by 600 MWh, which corresponds to a reduction of CO₂ emissions into the atmosphere by 550 tons annually.

New lighting in Koszalin is not only energy efficient, but also more friendly for residents than yellow sodium light. The white light generated by LED diodes makes the illuminated area brighter and more natural. Using LED lighting we enable inhabitants of Koszalin to recognize objects, colors and shapes after dark more easily. New lighting will also provide better roadside visibility.

In previous years we completed similar investments in Trzebielino, Słupsk and the Postomino municipality. In total we modernized over 1500 lighting fittings.

Emission of pollutants into the air

We met emission standards and complied with all the conditions of permits and regulations on emission of air pollutants, including sulphur dioxide (SO₂), nitride oxides (NO_x), dust and other substances (e.g. volatile organic compounds and mercury). While the quantity of power generation rose, air pollutant emissions were 19.8% lower in 2014 than in the previous year.

Emissions of NO_x, SO_x and other air pollutants

	TOTAL EMISSIONS OF AIR POLLUTANTS		NO _x		SO _x		VOLATILE ORGANIC COMPOUNDS		HCL		DUST		OTHERS	
	[MG]		[MG]		[MG]		[MG]		[MG]		[MG]		[MG]	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION Segment	5,923	4.60	1,794	1.37	3,970	0.96	9	2.02	0	0	150	0.25	0	0
SALES Segment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERATION Segment	19,013	20,002	6,268	6,493.40	10,460	11,396	1.81	0.99	297	303	554	559	1,432	1,249
ENERGA Elekrownie Ostrołęka SA	17,350	17,852	5,725	5,856	9,438	10,132	0	0	297	290	460	421	1,430	1,153
ENERGA Kogeneracja Sp. z o.o.	1,659	2,053	543	612	1,022	1,213	0	0	0	13	94	125	0	90
Ciepło Kaliskie Sp. z o.o.		95	not available*	25	not available*	51	not available*	0	not available*	0	not available*	13	not available*	6
ENERGA Wytwarzanie SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENERGA OPEC Sp. z o.o.	0	0.40	0	0.39	0	0.01	0	0	0	0	0	0	0	0
ENERGA Serwis Sp. z o.o.	3.82	1.12	0	0.01	0	0	2	1	0	0	0.18	0.10	1.84	0.02
ENERGA Invest SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SAHRED Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENERGA GROUP	24,936	20,006	8,062	6,495	14,430	11,397	10.81	3	297	303	704.18	559.35	1,432	1,249

*Ciepło Kaliskie started business activity in 2014. In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component. The Group's remaining Companies included in the report do not conduct activity resulting in emissions of the above mentioned compounds into the air.

**BEST
PRACTICE**

In ENERGA Elektrownie Ostrołęka we launched a new installation which enables Elektrownia Ostrołęka B to supply heat to end-users in Ostrołęka. It also enabled disconnection of the depleted Elektrociepłownia Ostrołęka A. This installation co-generates heat and power, which is the most efficient way. It uses a heat accumulator to store higher heat generation during off-peak demand periods for power and thereby ensures continuity of supply. It is one of few solutions of this type in Poland. Its use allowed us to supply the city with heat and to generate electrical energy for the National Power System.

At Elektrownia Ostrołęka B we also started:

- to build an installation for denitrifying exhaust fumes to reduce emissions of nitric oxides from modernised boilers to the standards to be in force as of 1 January 2016
- to modernise electrofilters to reduce dust emissions to the standards to be in force as of 1 January 2016
- to modernise one of the turbogenerators to reduce fuel consumption and emissions of pollutants and increase the available capacity of the power plant by approximately 25 MW.

CO₂ emission allowances

Since 2013 we have acquired a portion of the CO₂ emission allowances free of charge under the derogation granted by the EU ETS Directive, while we purchase the other required allowances at auctions.

Number of free CO₂ emission allowances awarded**

	2013	2014
ENERGA Elektrownie Ostrołęka SA	1,507,590	74,443
ENERGA Kogeneracja Sp. z o.o.	256,395	160107
Ciepło Kaliskie Sp. z o.o.	Not available*	25,714
GENERATION SEGMENT	1,763,985	260,264

*Ciepło Kaliskie started business activity in 2014
** The allowances for 2013 were granted in 2014. The rights to CO₂ emissions granted for 2014 concern power generation.

3.4. We protect water resources

Introduction

Water is one of the main natural resources we use. We obtained it from surface intakes and deep wells, among others, to cool power generation installations, to generate power in hydro power plants and to provide it to employees.

In 2014 we drew a total of approximately 33 949 407 477 m³ of water, of which directly for production and supply to employees approximately 33 368 754 751 m³, while nearly 580 652 726 m³ for cooling purposes.

Total water consumption by source

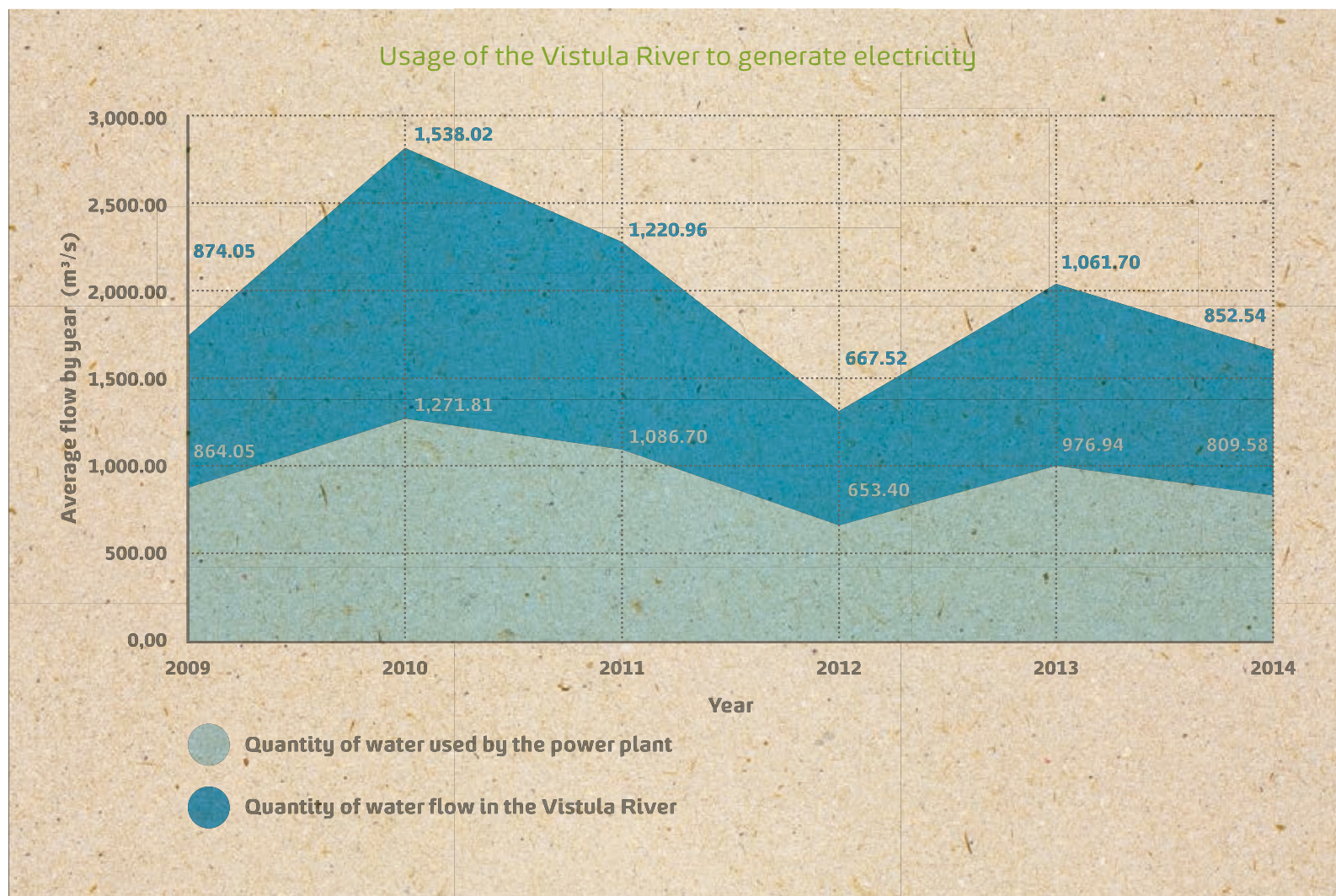
	TOTAL VOLUME OF WATER DRAWN FROM ALL SOURCES TAKEN INTO CONSIDERATION		RIVERS (FOR COOLING PURPOSES)		RIVERS (FOR PURPOSES OTHER THAN COOLING)		LAKES (FOR COOLING PURPOSES)		UNDERGROUND WATER FOR PURPOSES OTHER THAN COOLING)		WATER FROM THE MUNICIPAL UTILITY NETWORK	
	[M3/YEAR]		[M3/YEAR]		[M3/YEAR]		[M3/YEAR]		[M3/YEAR]		[M3/YEAR]	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	978	849	0	0	0	0	0	0	0	0	978	849
DISTRIBUTION Segment	86,672	81,642	0	0	0	0	0	0	0	505	86,672	81,137
SALES Segment	1,811	2,076	0	0	0	0	0	0	0	0	1,811	2,076
GENERATION Segment	35,940,856,144	33,949,321,737	570,135,793	578,696,226	35,368,387,752	33,368,319,439	1,956,500	1,956,500	315,239	295,261	60,860	54,311
ENERGA Elekrownie Ostrołęka SA	552,022,390	555,834,422	548,078,469	551,090,190	3,631,931	4,452,210	0	0	311,990	292,022	0	0
ENERGA Kogeneracja Sp. z o.o.	11,340,768	17,722,576	11,137,134	17,473,826	147,231	205,436	0	0	0	0	56,403	43,314
Ciepło Kaliskie Sp. z o.o.	not available*	5,431	not available*	0	not available*	0	not available*	0	not available*	0	not available*	5,431
ENERGA Wytwarzanie SA	35,377,492,280	33,375,758,693	10,920,190	10,132,210	35,364,608,590	33,363,661,793	1,956,500	1,956,500	3,249	3,239	3,751	4,952
ENERGA OPEC Sp. z o.o.	646	568	0	0	0	0	0	0	0	0	646	568
ENERGA Serwis Sp. z o.o.	not available*	not available*	not available*	not available*	not available*	not available*	not available*	not available*	not available*	not available*	not available*	not available*
ENERGA Invest SA	60	46	0	0	0	0	0	0	0	0	60	46
SAHRED Services	2,077	1,173	0	0	0	0	0	0	0	0	2,077	1,173
ENERGA GROUP	35,940,947,683	33,949,407,477	570,135,793	578,696,226	35,368,387,752	33,368,319,439	1,956,500	1,956,500	315,239	295,766	152,399	139,546

*Ciepło Kaliskie started business activity in 2014. **The Company does not have information on water consumption in leased spaces

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

We recorded the greatest water consumption in ENERGA Wytwarzanie. Surface water is used to generate electricity in hydro power plants. Its quantity (determined in the water law permit) does not decline after

passing through a turbine. Changes in consumption are related above all to the water levels in rivers, especially in the Vistula. More on the protection of water resources in chapter 3.7.1



Total volume of sewage by quality and destination

	TOTAL VOLUME OF SEWAGE [M3]		SEWAGE DISCHARGED TO THE SEWAGE SYSTEM [M3]		SEWAGE TRANSPORTED TO A SEWAGE TREATMENT PLANT [M3]		SEWAGE DISCHARGED INTO SURFACE WATER (LAKE, RIVER, ETC.) [M3]		SEWAGE DISCHARGED INTO THE SOIL [M3]	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	978	849	978	849	0	0	0	0	0	0
DISTRIBUTION Segment	80,091	75,490	80,091	75,490	0	0	0	0	0	0
SALES Segment	1,811	2,076	1,811	2,076	0	0	0	0	0	0
GENERATION Segment	1,950,220	19,650,515	90,363	80,103	1,320	1,249	1,858,034	19,568,708	503	455
ENERGA Elek równie Ostrołęka SA	1,720,970	1,875,956	56,504	52,645	0	0	1,664,466	1,823,311	0	0
ENERGA Kogeneracja Sp. z o.o.	155,759	17,657,995	31,431	24,372	0	0	124,328	17,633,623	0	0
Ciepło Kaliskie Sp. z o.o.		633	not available*	633	not available*	0	not available*	0	not available*	0
ENERGA Wytwarzanie SA	72,845	115,354	1,782	1,876	1,320	1,249	69,240	111,774	503	455
ENERGA OPEC Sp. z o.o.	646	531	646	531	0	0	0	0	0	0
ENERGA Serwis Sp. z o.o.	not available**	not available**	not available**	not available**	not available**	not available**	not available**	not available**	not available**	not available**
ENERGA Invest SA		46	0	46	0	0	0	0	0	0
SAHRED Services	1,059	1,160	1,053	1,160	6	0	0	0	0	0
ENERGA GROUP	2,034,159	19,730,089	174,296	159,678	1,326	1,249	1,858,034	19,568,708	503	455

*Ciepło Kaliskie started business activity in 2014. **The Company does not have information on sewage discharged from leased spaces

In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

3.5. We segregate waste

Introduction

The total amount of waste produced in the Group in 2014 was 448 771 Mg. All waste was segregated, stored or recycled in conformity with the binding regulations and delivered to companies authorized to pick it up.

Firing by-products (fly-ash, ash and slag mix and gypsum) had the greatest share in the produced waste, which is typical for power plants and combined heat and power plants. Their share of all waste was 51% in 2014, some 37% below the previous year, while the greatest amount, i.e. approximately 196 181 Mg was produced by ENERGA Elektrownie Ostrołęka.

In an effort to comply with the requirements of the REACH regulation, since 2008 we have been registering firing by-products generated by two Group companies with the European Chemicals Agency.

Our goal is to reduce the quantity of firing by-products in storage yards. ENERGA Elektrownie Ostrołęka passed on a significant portion of its ash-and-slag (about 63%) to third parties which use it as an additive to produce construction materials. The company also passed on its ash and slag mix, which is used to produce construction ceramics, for example bricks, and to recultivate post-mining areas of former gravel pits. Almost all the gypsum produced by the company was supplied to a manufacturer of construction materials and was used to manufacture plaster, adhesive mortar and masonry mortar.



The quantity of hazardous waste generated in the Group in the reported period was

1,604 Mg

that is approx. 20% more than in the previous year.

Total weight of waste by type and treatment method

	TOTAL WEIGHT OF WASTE [MG]		WEIGHT OF HAZARDOUS WASTE [MG]		WEIGHT OF NON-HAZARDOUS WASTE [MG]		WEIGHT OF ASH-AND-SLAG [MG]	
	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	0.13	0.19	0	0	0.13	0.19	0	0
DISTRIBUTION Segment	4,140	4,499.39	1,193	1,555	2,947	2,945	0	0
SALES Segment	99.7	142	0	9	99.7	133	0	0
GENERATION Segment	429,215.92	444,127	88	40	44,955.56	214,765.33	384,172.49	229,321.64
ENERGA Elektrownie Ostrołęka SA	398,276	409,785	18	7	43,206	213,597	355,052	196,181
ENERGA Kogeneracja Sp. z o.o.	29,478.11	31,891	9.87	4.85	347.75	205.07	29,120.49	31,680.64
Ciepło Kaliskie Sp. z o.o.	not available*	1,435	not available*	1.61	not available*	1.26	not available*	1,432.2
ENERGA Wytwarzanie SA	304.57	459.31	58.32	22.10	246.24	437.20	0	0
ENERGA OPEC Sp. z o.o.	15	0.44	0.07	0.02	14.88	0.42	0	0
ENERGA Serwis Sp. z o.o.	1,142	557	1.60	4.37	1,140.69	524.38	0	27.8
ENERGA Invest SA	0	0	0	0	0	0	0	0
SAHRED Services	2	2	0	0.1	2	2	0	0
ENERGA GROUP	433,458	448,771	1,281	1,604	48,004.49	217,845.22	384,172.49	229,321.64

*Ciepło Kaliskie started business activity in 2014

Other methods of waste handling

	TOTAL WEIGHT OF WASTE [MG]		RECYCLING		RECOVERY (INCL. ENERGY RECOVERY)		STORAGE AT WASTE DUMPS		STORAGE ON PLANT PREMISES		OTHER METHODS OF WASTE HANDLING	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
ENERGA SA	0.13	0.19	0	0	0	0	0	0	0	0	0.13	0.19
DISTRIBUTION Segment	4,140	4,499.39	0	0	4140	0	0	0	0	0	0	44,99.39
SALES Segment	99.7	142	14.2	0	0	0	84	0	0	0	1.5	141.91
-GENERATION segment	429,215.92	444,126.92	937.98	1,801.16	343,989	282,494.69	83,526.75	2,276.79	8.98	1,075.19	753.32	156,479.09
ENERGA Elektrownie Ostrołęka SA	398,276	409,785	0	0	314,626	251,759	83,425	2,189	7	21	218	155,816
ENERGA Kogeneracja Sp. z o.o.	29,478.11	31,891.56	0	0	29,362.89	30,735.69	90.49	87.79	1.76	1,054.19	22.97	12.89
Ciepło Kaliskie Sp. z o.o.	not available*	1435.07	not available*	1432.2	not available*	not available*	0	0	not available*	0	not available*	2.87
ENERGA Wytwarzanie SA	304.57	459.31	0	0	0	0	0	0	0	0	304.57	459.31
ENERGA OPEC Sp. z o.o.	14.95	0.44	0	0	0	0	11.26	0	0.22	0	3.47	0.44
ENERGA Serwis Sp. z o.o.	1,142.29	556.55	938	368.96	0	0	0	0	0	0	204.31	187.59
ENERGA Invest SA	0	0	0	0	0	0	0	0	0	0	0	0
SAHRED Services	2.1	2.38	0	0	0	0	0	0	0	0	2.1	2.38
ENERGA GROUP	433,457.85	448,770.79	952.18	1,801.16	348,128.89	282,494.69	83,610.75	2,276.79	8.98	1,075.19	757.05	161,122.96

**Ciepło Kaliskie started business activity in 2014. In the case of the indicators reported in the chapter the data collected for 2013 according to GRI G4 guidelines do not include ENERGA Elektrociepłownia Kalisz, which in July 2014 was sold as an installation to ENERGA Kogeneracja and is currently reported as its component.

3.6. We respect protected and valuable natural areas

Introduction

We are aware of the impact which our operations may have on protected areas. Environmental interference mainly concerns two segments: The Distribution Segment in which the location of power equipment is the driver and the Generation Segment in which power generation sources operate.

All our new investments, including ENERGA-OPERATOR's investments to build power lines situated near to, or in, protected areas are subject to environmental impact study procedures. We publish the relevant reports on our website

energa-operator.pl/25231.xml

To minimise the environmental impact exerted by a flue gas waste dump situated in an area of special bird protection – the Lower Narew River Valley (PLB 140014), in Natura 2000, and owned by our company ENERGA Elektrownie Ostrołęka, we irrigated the area regularly and successively reclaimed depleted plots. For many years now we have been monitoring the water and soil environment, dust pollution and avifauna on a constant basis since 2009. The monitoring results indicate that the flue-gas waste dump is a place where birds gather in the post-breeding period. In order to secure bird nesting sites on the waste dump, we deployed nesting boxes.

We supported natural biodiversity of water routes where power plants are situated. We equipped our facilities with hydro engineering structures to allow water organisms to cross a water step safely. We consider the need for water organism to migrate from the time of designing new power plants. We minimise the impact of functioning power plants on river ecosystems through regular participation in fish planting costs (in the Radunia, Wierzyca, Łyna, Pasłęka, Walsza, Łupawa and Słupia Rivers to name a few). In 2013 the fish planting costs incurred by ENERGA Wytwarzanie totaled PLN 83,355.00, in 2014 they climbed to PLN 88,861.34.

We cooperated with research institutions involved in nature monitoring, including the Inland Fishing Institute in Olsztyn (Migratory Fish Department in Gdańsk), which monitors eel around the hydro power plant in Smoldzin. Together with the Technical University in Koszalin we will monitor anadromous and potanadromous fish in their migration periods at the hydro power plant in Rościn. We will use modern measuring and monitoring equipment for that purpose.

The site of the Karcino Wind Farm in the special bird protection area called Natura 2000 Wybrzeże Trzebiatowskie (PLB320010) compelled us to monitor the wind farm's impact on local avifauna. We also regularly observed ornithofauna and chiropteroфаuna in the Bystra Wind Farm's impact area. We extended monitoring around the Karścino Wind Farm to cover a 110kV power line.

ENERGA Wytwarzanie's generation fleet is situated in the following:

⊕ **10** Natura 2000 special habitat protection areas

⊕ **5** Natura 2000 special bird protection areas

⊕ **10** protected nature landscapes

⊕ in the Słupia River Valley Nature Park, the area surrounding the Słowiński National Park and the Beaver Reserve on the Pasłęka River

ENERGA-OPERATOR's 110kV lines run through the following:

⊕ **6** nature reserves

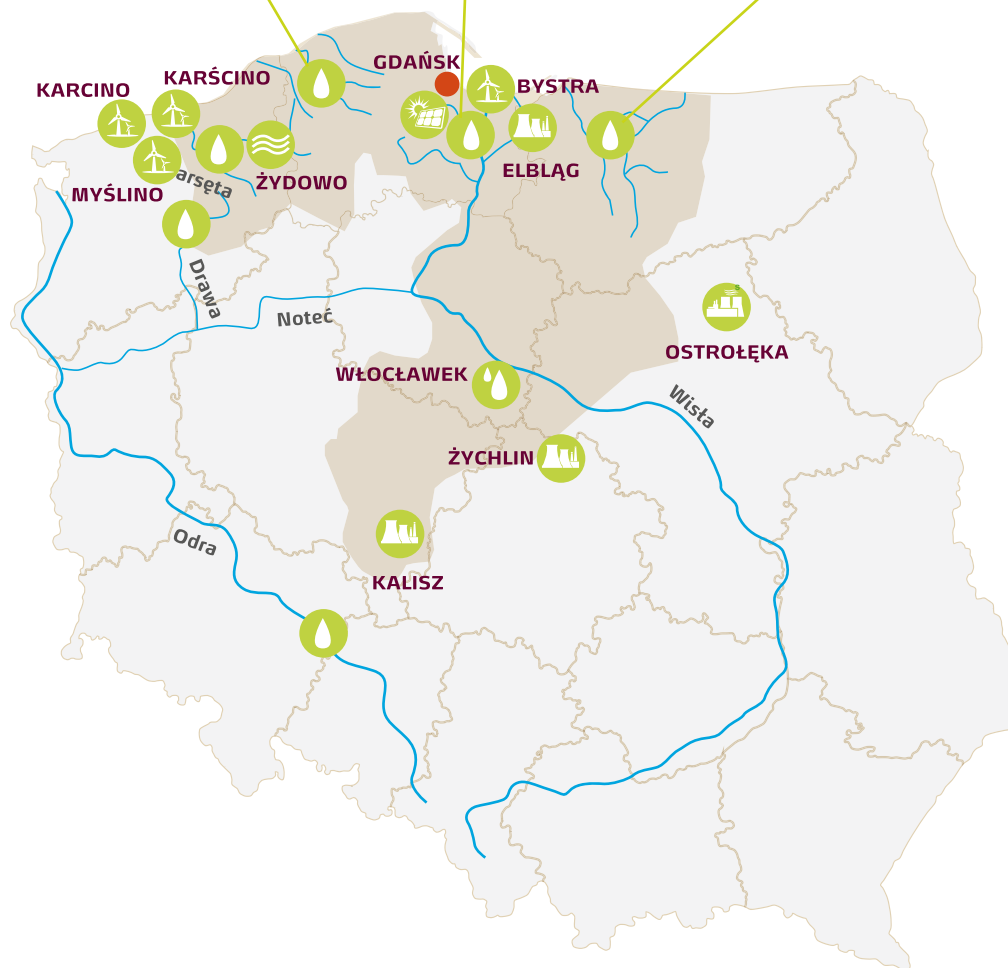
⊕ **12** nature parks

⊕ **80** Natura 2000 areas

18 on rivers: Radew, Wieprza, Studnica, Grabowa, Słupia, Skotawa, Łupawa

14 on rivers: Wierzyca, Nogat, Radunia

10 on rivers: Pastęka, Łyna, Wadąg, Wąsza



Head Office ENERGA SA

Distribution of electricity

Sales of electricity

Pumped-storage power plant

Small hydro power plant

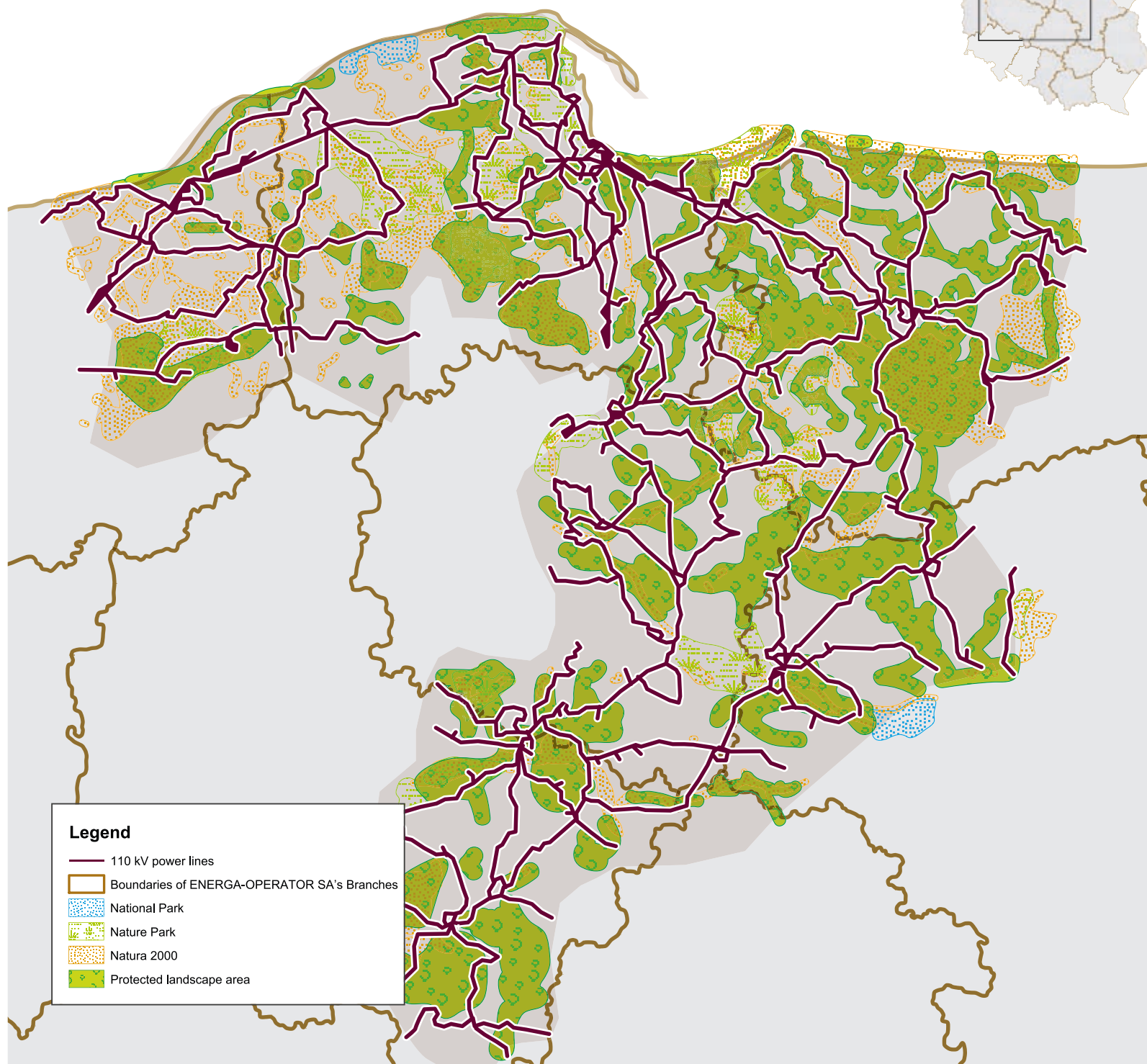
Combined heat and power plant

Photovoltaic farm

Must run power plant

Large hydro power plant

Wind farm



Legend

- 110 kV power lines
- Boundaries of ENERGA-OPERATOR SA's Branches
- National Park
- Nature Park
- Natura 2000
- Protected landscape area

We are expanding the “ENERGA for Nature” program

Our “ENERGA for Nature” program covers many different projects aspiring to active environment protection, including initiatives intended to popularize good environmental attitudes and habits.

We have enshrined the white stork with special care as it resides in great numbers in ENERGA-OPERATOR’s area of operations. Power infrastructure may pose a danger to this species. Birds often choose power poles as their nest sites. That is why in recent years our employees have fitted over 9,000 platforms for stork nests. Every year they protect the bedding habitat and thereby the lives of at least 18,000 birds and their young, that is approx. 16% of the stork population flying into Poland.

To learn more about this species and protect it, in 2013 we became a partner of the Bociany.pl program run by the “pro Natura” Polish Association of the Friends of Nature. It involves watching white storks, their nests and feeding grounds, as well as taking steps to their preservation in Poland. At www.bociany.pl there is a nationwide activity base related to these birds and their nest base. The website is also a compendium of information about this species. Anybody interested may join in on bird watching and protection. We also popularize information about storks and their protection on the following websites: www.dbajobociany.pl and www.bocianopedia.pl.

Thanks to our involvement, the “pro Natura” association has now been operating a free-of-charge information desk 801 BOCIAN (telephone number 801-26-24-26) for two years. This infoline open Monday to Friday is run by experts. The telephone plays an invaluable role, especially in early spring, when persistent frost poses a danger to storks returning to Poland. Since the launch of this infoline, its operators have fielded more than one thousand reports whereby many storks obtained help.

“Nature Fund”

Our “Nature Fund” established in 2009 is Poland’s first joint initiative of its type bringing together a non-governmental organization PTPP “pro Natura” and a business organization to protect nature. For a few years we have been running a grant contest in which experts select the best projects. In its fourth edition in 2014 we gave preference to projects protecting white stork nests involving e.g. the renovation of nests situated on trees, buildings and free-standing poles.

We provided grants to the following entities with a total net value of PLN 30,000: The “Sokółski Fundusz Lokalny” Foundation, Association of Municipalities, Counties and Regions on the Bug River, Nature Protection League in Tarnobrzeg, Bioregion Association, Dobromierz Municipality, Dąbrowa Tarnowska Municipality, Polish Birds Association and “Etna” Ecological Association.

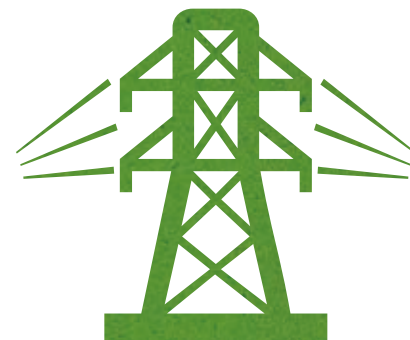
In 2014 we also prepared the 5th edition to be announced in January 2015.





Distribution

ENERGA-Operator, the Distribution Segment leader in the Energa Group is a major part of Poland's electrical power system. It distributes energy in an area corresponding to nearly $\frac{1}{4}$ of Poland's land-mass and it owns the distribution grid whose length accounts for approximately 25% of the power lines in Poland. It distributes more than 20.9 TWh of electricity per annum, supplying it to 2.9 million households and business entities. In its strategy Energa-Operator focuses on enhancing the reliability of supply. It shows particular care for the development and modernization of the elements of the distribution system it manages. It is steadfastly rolling out a smart metering system. In cooperation with other utilities it runs research projects whose outcomes may contribute among others to lower emissions in the process of generating and developing smart distribution and transmission grids.



4. ENERGA Group's Distribution Activity

4.1. Introduction

We are building our image as a reliable electricity supplier and expert in this area. ENERGA-OPERATOR is an important part of the Polish power system, distributing power on an area of 75,000 km2 covering nearly 1/4 of Poland's landmass. .


Fulfillment of 2014 priorities

PRIORITIES FOR 2014	EXECUTION
Monitoring execution of tasks to increase power continuity and stability	Accomplished
Modernizing the grid and minimizing the risk of outages and shutoffs for clients	Accomplished
Developing smart power grids and innovative solutions, including a higher number of meters supporting remote reading	Accomplished
Promoting the power industry and supporting courses of study in electricity and power	Accomplished


Development plan and priorities for 2015

PRIORITIES


for 2015




Connecting new end-users and renewable energy sources (especially from the northern and western part of the country)



Modernizing the distribution grid

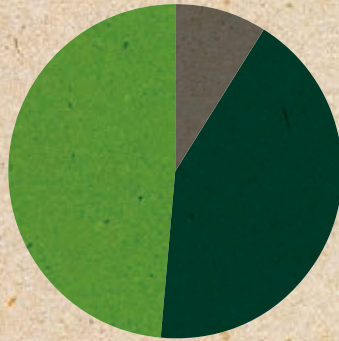


Developing advanced metering systems and IT systems



Perfecting client contact channels

ENERGA-OPERATOR's Development Plan in 2014-2019



- 3,388,634.1** ● Connection of new end-users and new sources accompanied by the construction of new grids (43%)
- 3,859,595.8** ● Modernization and replacement of existing assets linked to improving the quality of service and/or higher demand for capacity (48%)
- 711,400.1** ● Other capital expenditures not included in items A and B (9%)

We laid down the company's developmental assumptions for the upcoming 5 years in "ENERGA-OPERATOR's Development Plan until 2019" agreed with the Energy Regulation Office. It envisages the greatest expenditures as follows:

- connection of new end-users and renewable energy sources (especially in northern and western Poland)
- modernization of the distribution network
- development of advanced metering and information systems
- improvement of client contact channels.

4.2. Ensuring supply reliability

Introduction

ENERGA-OPERATOR transmits more than 20 TWh of power per annum, distributing it to approx. 2.9 million households and businesses. It is responsible for their energy security, implying great care for the stan-

dards of supply reliability. The company makes regular investments to improve its interruption indices.

It shows particular care for developing and modernizing components in the distribution system it manages.

Length and coverage of distribution lines

	HIGH VOLTAGE POWER GRIDS				MEDIUM VOLTAGE POWER GRIDS				POWER GRIDS WITH CONNECTORS			
	OVERHEAD LINES [KM]		UNDERGROUND CABLE [KM]		OVERHEAD LINES [KM]		UNDERGROUND CABLE [KM]		OVERHEAD LINES [KM]		UNDERGROUND CABLE [KM]	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Gdańsk	888	911	10	27	5,472	5,338	3,552	3,676	9,312	7,843	9,712	10,532
Kalisz	1,098	1,099	0	0	9,735	9,723	1,276	1,301	14,560	14,552	4,408	4,615
Koszalin – Słupsk	1,173	1,167	0	0	9,130	8,749	2,539	2,418	7,073	5,809	7,816	7,303
Olsztyn - Elbląg	1,245	1,245	0	0	12,191	11,767	1,877	1,891	15,277	12,020	5,594	5,710
Płock	891	891	0	0	10,817	10,823	989	1,002	17,983	18,045	3,230	3,377
Toruń	1,066	1,071	12	11	8,917	8,914	1,538	1,554	15,334	14,358	5,462	5,950
TOTAL BRANCHES	6,361	6,384	22	38	56,262	55,314	11,771	11,842	79,539	72,627	36,222	37,487



● Head Office ENERGA SA

■ Distribution of electricity

● Electricity distribution area

● Length of overhead power lines

● ENERGA-OPERATOR SA'S BRANCHES

■ Sales of electricity

● Connected end-users

Power supply reliability

In its strategy ENERGA-OPERATOR focuses on improving supply reliability. It is steadily reducing network losses, improving the distribution grid's interruption indices such as SAIDI and SAIFI, translating into a smaller number and a shorter duration of interruptions in the continuity of power supply.

The Company's capital expenditures to modernize the grid, with particular focus on those elements that are the most susceptible to damage or in poor technical condition, totaled PLN 609.7 m in 2014.

Power supply interruption frequency

SAIFI	YEAR	
	2013	2014
Planned	0.42	0.39
Unplanned including disaster	2.95	3.15
TOTAL	3.37	3.54

Average interruption duration index

SAIDI	YEAR	
	2013	2014
Planned	71	58.4
Unplanned including disaster	283.9	203.7
TOTAL	354.9	262.10

Cooperation with local governments

We prepared and furnished a brochure entitled „In Good Contact with ENERGA-OPERATOR” to local governments. In this brochure we explain what role a distribution company plays, its areas of investment, power supply outage and interruption notification rules and means of contact with the company. We also answer the most frequently asked questions.

Installation of 450,000 new meters supporting remote reading

We continue efforts to implement a smart metering system. ENERGA-OPERATOR has installed over 400,000 smart meters in this project. By the end of 2020 we plan for all clients to be covered by this system.

Popularizing technology supporting work under high voltage

We are conducting more and more operational and modernization work using technology supporting work under high voltage (PPN), that is without disconnections or interruptions to the power supply. This is a testament to ENERGA-OPERATOR's responsibility for the energy security of the economy and local communities in its service area, as well as to ensuring the highest standards of supply continuity for clients connected to our power grid.

We use global engineering solutions, including technologies at all voltage levels in the distribution grid. One can easily state that ENERGA-OPERATOR is the leading distribution system operator in Poland when it comes to work under high voltage.

This technology is most often used in work on the low voltage grid, on overhead lines, underground cables and switching equipment.

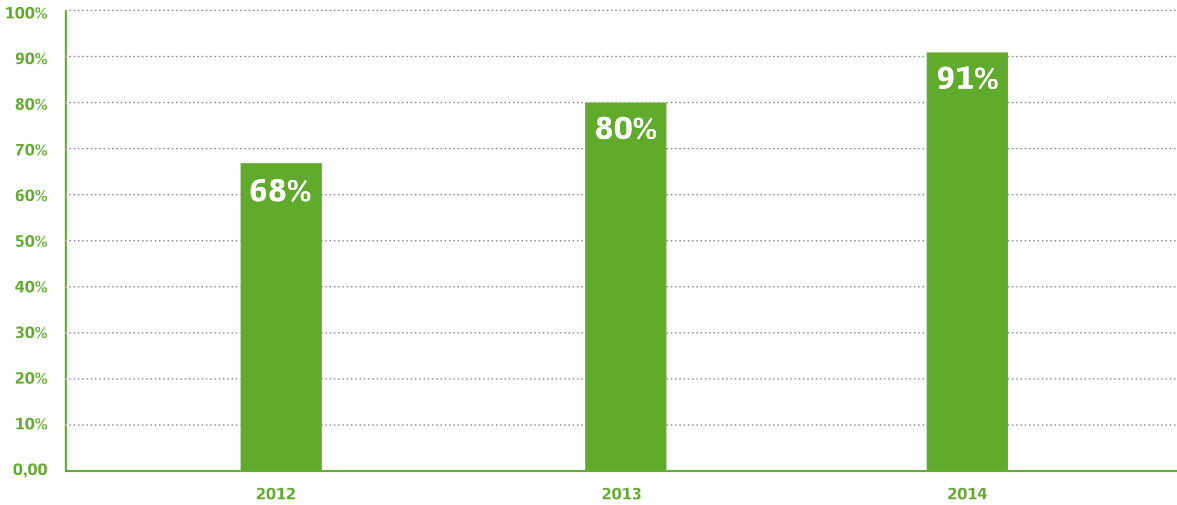
We also require that third party companies performing services for ENERGA-OPERATOR give a contractual guarantee of executing all the work that can be done in the low voltage network using the appropriate technology for high voltage assignments.

Working under high voltage contributes to reducing pre-planned outages to the greatest extent when conducted planned operational and

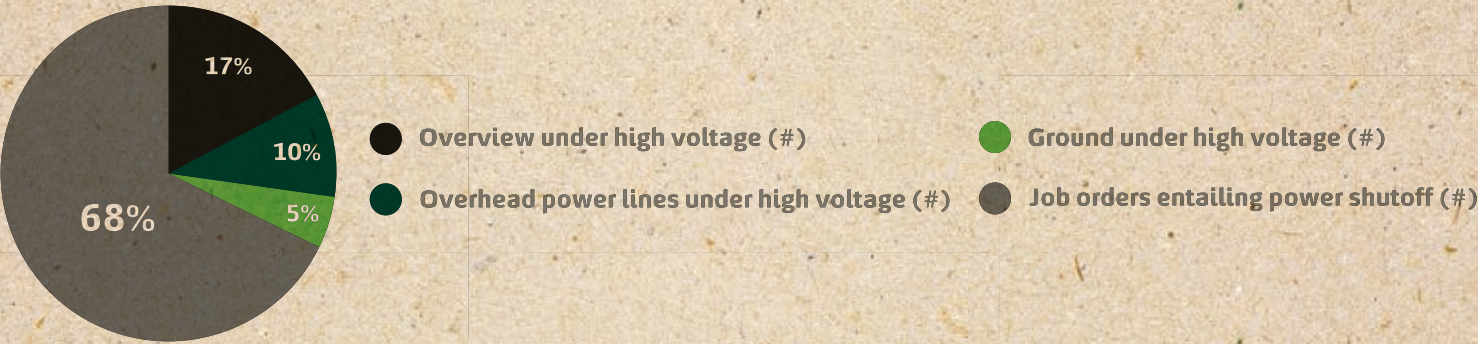
maintenance work. That is why ENERGA-OPERATOR is steadily developing and popularizing this method of work primarily in medium voltage grids as they exert the greatest influence on the number of transformer station shutoffs and thereby the number of power end-users affected by these pre-planned outages.

At present, percentage of work done this way in the medium voltage grid is 31%, meaning that every third task in the medium voltage grid is done without shutting off the power supply. At the end of 2014, the percentage of work done this way in the medium voltage grid for pre-planned assignments is as follows:

Percentage of work done under high voltage in the medium voltage grid



Percentage of work done under high voltage



Business Continuity Management System

In 2014 we completed the implementation of the Business Continuity Management System at ENERGA-OPERATOR. Its task is to protect the company against potential threats and ensure that a suitable response is taken in a crisis and that normal functioning is reinstated.

For a company acting in the capacity of a Critical Infrastructure Operator, this system is in a way a declaration of its accountability to all stakeholders. The early reaction mechanisms implemented allow the company to be better prepared for any unexpected events that may pose a direct threat to security or expose it to financial consequences or loss of credibility.

The manner of securing ENERGA-OPERATOR's reliable operation, including its ability to face the most difficult situations, has been evaluated by external auditors. ENERGA-OPERATOR is the first Distribution System Operator in Poland to have obtained a Certificate of Registration for its Business Continuity Management System – ISO 22301:2012 in

electricity distribution in compliance with the required security criteria for the operation of the distribution system.

Reduction of technical and commercial losses

Our technical and commercial losses are at a relatively low level compared with other utility groups operating in Poland, as confirmed by independent studies. The smart metering system ensures access to current power consumption data. It is also equipped with a balancing module to analyze commercial losses accurately down to single medium/low voltage stations.

ENERGA-OPERATOR also conducts numerous activities to curtail losses, for example:

- monitoring network losses, i.e. collecting and updating the data necessary to calculate losses by using the functionalities of existing systems for loss calculation and analysis
- paying attention to data quality in the process of on-going monitoring of network losses – using real data from client meter readings (AMI).

Transmission and distribution losses as a percentage of total energy

	2013		2014	
	%		%	
	TRANSMISSION LOSSES	DISTRIBUTION LOSSES	TRANSMISSION LOSSES	DISTRIBUTION LOSSES
ENERGA-OPERATOR	none	5.84	5.97	none
ENERGA Kogeneracja	9.91		7.91	
ENERGA Wytwarzanie	0.18	none	0.18	none

A pilot project on the Hel Peninsula run by ENERGA-OPERATOR in 2014 covered over 1500 electricity end-users. During this project the company tested its ability to reduce technical losses while optimizing the low voltage grid's operating framework. Using data from IT systems ENERGA-OPERATOR developed a grid model on whose base the company calculated the optimum low voltage grid operating framework to achieve the minimum level of technical losses. As a result of this analysis, it found that there is a possibility of reducing losses in the low voltage grid by 16% during the peak load hours in the grid.



Research and development

In 2014 we received grant funding for our "Local Balancing Areas" project from the Ecological Concept Generator. ENERGA-OPERATOR in cooperation with research institutions will develop and implement a project to integrate resource management efficiently in the power system. This solution will enhance the ability to develop renewable energy and reduce the operating expenses of the power system, which will also contribute to reducing CO₂ emissions.

We will conduct research on the Hel Peninsula under this project. The Local Balancing Area will comprise the following: a renewable energy source, Decentralized Active Demand Response (DADR), grid automation and a power storage installation. This last component will allow us to harness the surplus power generated in renewable energy sources. This solution is an innovation of global significance.

BEST PRACTICE

We focus on increasing power supply reliability, that is why quick identification of weak points in the power grid is important for us. Monitoring and technical evaluation using a helicopter produce the best outcomes. Bird's eye view site inspection allows ENERGA-OPERATOR to analyze individual elements of the overall infrastructure, and the surrounding area (trees, terrain shape, intersections, proximity to other elements, etc.) which may have an impact on the correct functioning of the grid. More importantly, the results of technical evaluation provide a basis for planning operations such as clearing the area, overhauls, repairs and other actions to maintain the required technical state of wear and tear. In 2014 alone, ENERGA-OPERATOR observed 5,300 km of the power grid from a bird's eye perspective. The overflight technology was initiated by the company seven years ago.



4.3. ENERGA for the development of science and technology

Innovative cooperation with other utilities

We signed a letter of intent and started cooperation with the biggest companies in the energy industry: Enea, PGE and Tauron PE in the area of research, innovation and increasing competitiveness. Selected research projects will focus on seeking interesting and efficient technological solutions in such areas as reduction of emissions in the process of power generation, increasing distribution efficiency and development of smart distribution and transmission grids. This should help us in the completion of such projects as “smart home” or electricity storage.

Combining the efforts taken by ENERGA-OPERATOR and other partners in research and development projects will allow a more efficient use of the European Union innovation financing available in 2014-2020 as well as easier and more flexible obtaining of additional external capital.

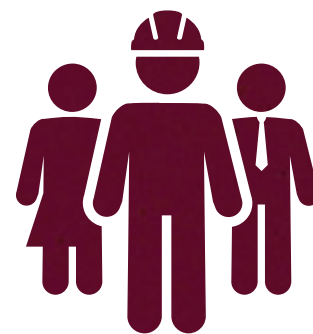
ENERGA and Intel join forces for innovation

We started cooperation and project execution with Intel, the global leader in computer innovation. In 2014 ENERGA-OPERATOR signed a letter of intent with Intel concerning cooperation and conducting projects to increase service satisfaction and build client loyalty as well as continuously improve the quality of infrastructure. The company intends to use state-of-the-art IT solutions in order to improve efficiency and service quality in the power sector and to promote greater awareness of power consumption.

We would like to target other distribution system operators with the activities we conduct jointly with Intel. We will offer them technological tools and solutions to augment security and power supply continuity.

Employees

The Energa Group is one of the largest employers in Pomerania. We have the following priorities with employees: friendly work environment, safety and professional development and personal development. The Group's organizational culture fosters involvement in company management. We ask employees for their opinions, we encourage them to share their ideas and we implement the best ones. Work-life balance is important to us. We care about the health of our employees and their loved ones. We promote pro-health activities – we encourage entire families to take part.



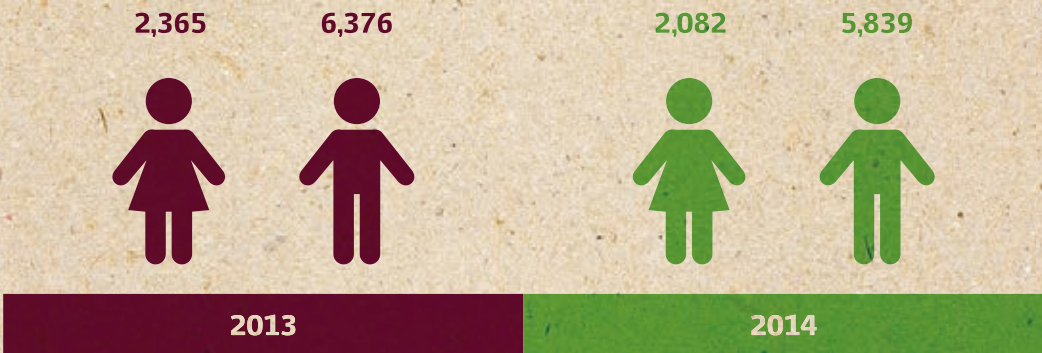
5. Our employees

5.1. Introduction

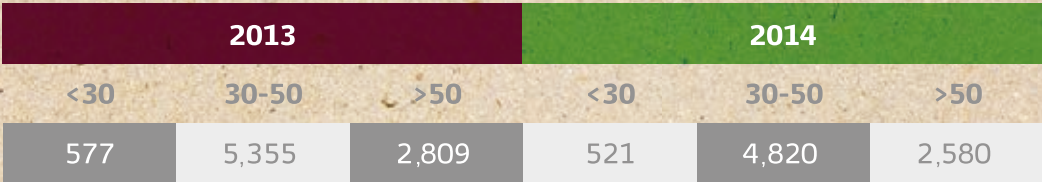
We are one of the largest employers in Pomerania. At the end of 2014, the ENERGA Group employed over 8,500 employees. We make sure that our workplaces are safe and friendly – free from discrimination, promoting diversity and work life balance. We are doing our utmost to engage employees in corporate management through good communication and dialog. We attach great importance to building a sense of accountability for work safety among employees and vendors.

In the analyzed group of companies men account for 74% of the workforce. The dominant form of employment is full time work based on employment contracts for an indefinite period. A clear majority of employees have previous professional experience, aged over 30. Below we present employee highlights for the companies described in the report and detailed information on a company by company basis at the end of the chapter.

Number of employees by gender



Number of employees by age group



Goals to-date and their achievement

PRIORITIES FOR 2014	EXECUTION
Continuing efforts to raise the level of safety	Accomplished
Testing the level of Group employee commitment and satisfaction	Accomplished
Continuing efforts on Employer Branding and educational programs targeting students and graduates	Accomplished

Priorities for 2015

Further improvement of occupational safety and health will be, as in previous years, will be one of our priorities in 2015. This applies both to Group employees and subcontractors. The process of third-party contractors adapting to our high safety standards is a long-term initiative requiring a lot of effort and involvement from both sides.

Another priority for 2015 is to build a culture of commitment in our Group. We intend to achieve this goal by completion of a series of activities and initiatives in response to employee survey findings in individual companies.

PRIORITIES

for 2015



Improving occupational safety and health



Aligning external contractors to our high standards of safety



Building a culture of commitment in our Group

95

Total number of employees by contract type

2013						2014					
FIXED		INDEFINITE		MANAGEMENT CONTRACTS		FIXED		INDEFINITE		MANAGEMENT CONTRACTS	
FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
97	141	2,261	6,198	7	37	128	120	1,946	5,681	8	38

Total number of employees employed for an indefinite term by work time

2013				2014			
FULL TIME		PART TIME		FULL TIME		PART TIME	
FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
2,240	6,189	21	9	1,920	5,664	26	17

Different regulations are in force in the various companies suited to the nature of their activity. These regulations shape employment contracts in these entities. In human resources (HR) management we are subject to universally binding legal regulations and our InterCompany Collective Bargaining Agreement, the Social Agreement, single company collective bargaining agreements and Work Regulations.

Employees covered by collective bargaining agreements in the ENERGA Group's individual companies (%)

	PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS [%]	
	2013	2014
ENERGA SA	92.8%	89.8%
ENERGA-OPERATOR SA	99.9%	99.9%
ENERGA Obsługa i Sprzedaż Sp. z o.o.	99.7%	87.5%
ENERGA-OBRÓT SA	99.0%	99.6%
ENERGA Oświetlenie Sp. z o.o.	56.2%	99.0%
ENERGA Innowacje Sp. z o.o.	0.0%	0.0%
ENERGA Elektrownie Ostrołęka SA	85.2%	83.6%
ENERGA Kogeneracja Sp. z o.o.	99.0%	98.9%
Ciepło Kaliskie Sp. z o.o.	-	45.1%
ENERGA Wytwarzanie SA	96.7%	96.7%
ENERGA OPEC Sp. z o.o.	96.9%	96.6%
ENERGA Serwis Sp. z o.o.	66.6%	65.5%
ENERGA Invest SA	not available	8.1%
ENERGA Centrum Usług Wspólnych Sp. z o.o.	not available	41.5%
ENERGA Informatyka i Technologie Sp. z o.o.	92.3%	75.3%

Employee training and development

We show care for developing employees' skills and qualifications. We implement various programs and training and development activities in our individual companies. We offer courses, training programs and workshops, specialist, job-related and focused on soft skills, as appro-

priate for business needs and on the basis of regular employee appraisals. For this purpose we draw on the expertise of third-party experts and, wherever possible, on the knowledge and experience of employees who act as mentors in some programs.

In 2014 the employees of 12 Group companies involved in CSR reporting participated in

157 thousand hours of training



The average
per capita
number
of training
hours was

23

5.2. Our employees' safety

Introduction

Occupational safety and health have been, are and will be of primary importance to us. In order to minimize the accident rate and reduce occupational hazards, we are taking preventive measures: we organize training courses, make sure employees are equipped with protective gear and individual and collective means of protection. We develop the appropriate work safety procedures and instructions.

We meet all the requirements related to occupational safety and health resulting from higher-ranking legal regulations and internal normative regulations. We also remember about the safety of our subcontractors in our efforts. We develop procedures dedicated to subcontractors and conduct additional training courses for them.

”

Employee commitment, energy and passion allow us not only to pursue ambitious business goals, but also engage in activities for the environment and local communities. Our employees' life and health are our priority; that is why we aim to continue enhancing work safety, and we will also involve our subcontractors in these activities.”

Agnieszka Kamińska-Misterka
Human Resources Director
ENERGA SA



Our occupational safety and health initiatives

- In the Distribution Segment we developed and implemented “Instructions on safe work organization with electrical energy equipment” and a packet of roughly 30 instructions on operations and performing work in connection with the Minister of Economy’s Regulation of 28 March 2013 on occupational safety and health in contact with electrical energy equipment taking effect.
- We conducted spring and autumn audits of occupational safety and health in Distribution Segment companies. We used a specially designed evaluation system in these companies.

- We implemented a pilot entailing an alternating occupational safety and health inspection system. This system in which company employees in a given area are checked by teams from an ENERGA-OPERATOR branch operating in another area aims to improve inspection effectiveness.
- We joined the work being done by the Team for Occupation Safety and Health and Environmental Protection at the Polish Association of Electricity Transmission and Distribution. Under this framework representatives of ENERGA-OPERATOR’s occupational safety and health team issued opinions on draft legal regulations concerning occupational safety in the power sector and developed internal regulations on this subject.

Information platform

We have expanded and improved our occupational safety and health reporting system to the Distribution Segment’s management and its occupational safety and health department. On top of containing information on the number and type of work accidents, their causes and the results of occupational safety and health inspections, this system has information about the initiatives to enhance employee safety in a given year.

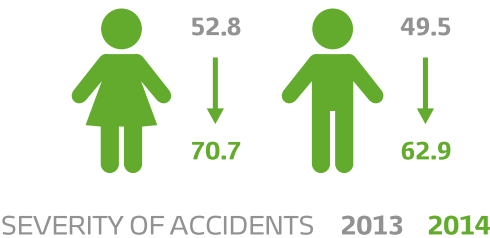
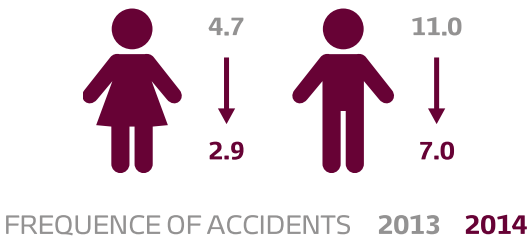
Significant reduction in the number of accidents in the workplace

Considering the Group’s size and the number and diversity of hazards in the work environment, the number of accidents is relatively low. In 2014 there was 1 fatal accident and 1 involving severe bodily injuries. The other recorded accidents involved light bodily injuries.

Total number of accidents and occupational diseases and the number of days off work by gender

	2013		2014	
	FEMALES	MALES	FEMALES	MALES
Total number of days off work as a result of accidents and injuries at work	581	3,413	424	2,516
Number of work-related accidents (total)	11	70	6	41
Number of fatal work related accidents	0	1	0	1
Number of incidents of work related occupational diseases	0	3	0	0

Frequency and severity of accidents by gender



Safety training courses

SEGMENT

DISTRIBUTION



Delivered refresher training sessions on giving pre-medical aid



Trained employees on working safely at heights



Implemented system of monthly meetings with workers of Segments, dedicated to safety and health issues, mainly to work on power supply devices.

GENERATION



Trained a group of employees on first pre-medical aid



Conducted drills on evacuating injured parties from the power plant, fighting fire and eradicating environmental threats in cooperation with the Local Headquarters of the State Fire Brigade in Pruszcz Gdański

SALES



Trained persons designated to give first pre-medical aid in Energia-Oświetlenie Sp. z o.o.

Requirements for subcontractors

SEGMENT

DISTRIBUTION



Drafted a procedure entitled "Occupational safety requirements for external contractors" and launched occupational safety inspections on these contractors – in the initial phase these inspections are of an informational nature,



Elaborated and implemented procedure entitled "Authorization rules for external contractors to work with power supply devices".



Commenced work to expand energy training grounds in Straszyn. This expansion will make it possible to enlarge the course offering for external contractors – subcontractors of Energa-Operator SA

GENERATION



Delivered instructional training on occupational safety for employees of companies operating on the premises of Energa Wytwarzanie. For instance, in Energa-Kogeneracja the employees of external companies who do work in Elbląg were advised of the following:

- potential threats
- rules of conduct in the event of an outage or other situations posing a threat to employees' life and health
- protective and preventive actions taken to eradicate or curtail threats
- persons designated to give first aid and perform tasks linked to fighting fires and evacuating employees



All employees of subcontractors are familiarized with the Instructions on Organizing Safe Work in contact with Power Equipment and Installations and the Fire Safety Instructions – training participants sign the pertinent declarations

Percentage of subcontractors' employees duly trained on occupational safety and health

	2013			2014		
	CONSTRUCTION	OPERATION	MAINTENANCE WORK	CONSTRUCTION	OPERATION	MAINTENANCE WORK
ENERGA OPERATOR SA	100%	100%	0%	100%	100%	0%
ENERGA Kogeneracja Sp. z o.o.	100%	100%	100%	100%	100%	100%
Ciepło Kaliskie Sp. z o.o.	-	-	-	25%	22%	8%
ENERGA Wytwarzanie SA	100%	100%	100%	100%	100%	100%
ENERGA Oświetlenie Sp. z o.o.	100%	100%	0%	100%	100%	0%
ENERGA OPEC Sp. z o.o.	100%	0%	100%	100%	100%	100%
ENERGA Centrum Usług Wspólnych Sp. z o.o.	0%	100%	100%	100%	100%	100%
ENERGA Serwis Sp. z o.o.	100%	100%	100%	100%	100%	100%

The other companies do not run additional training on occupational safety and health for subcontractors

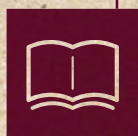
5.3. Employee dialog

We are creating a corporate culture based on open communication and partnership dialog in which employee opinions are of significant importance.

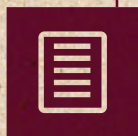
Group's communication channels:



- Intranet



- Corporate magazine entitled "Emisja" (Emission)
- Special publications dedicated to specific events



- "Energa-Ekspres" newsletter
- "Aktualności Grupy Energa" newsletter (Energa Group news)
- Proprietary newsletters published by companies or segment leaders



- Corporate website
- Investor relations service
- Public Information Bulletin service
- Press Office service
- Client service
- Companies' websites



- Internal meetings

Employee involvement in corporate management

Our readiness to cooperate and engage in dialog helped us pass a difficult test in recent years, namely the need for headcount downsizing – this was necessary to preserve the Group's competitiveness and ability to grow. By cooperating with trade unions and employee councils we initiate important changes that may affect headcounts levels and employment conditions. Dialog centers on the rules for terminating employment contracts on account of downsizing, the regulations in collective bargaining agreements and annual collective agreements on wages and additional benefits. Severance package programs and cooperation wherever possible and viable for both parties have enjoyed employee interest and made it possible to bring out profound changes in the gentlest possible manner.

34 trade unions operate in Group companies. At the end of 2014, more than 5,000 employees in the entire Group belonged to trade unions. In conformity with the provisions of the trade union act, decisions and actions concerning employee rights and interests in the employer's headcount downsizing processes must be first agreed with the trade unions. Employees are informed with at least thirty day's notice about material changes affecting their rights and interests. Individual terms are set in isolated cases.

Special projects conducted by teams with representatives from different companies foster employee involvement in corporate management. This is how the "I am an ENERGA client" project is run, for instance.

"I am an ENERGA client"

This is an ambassador program lasting a few months and initiated in 2014 by ENERGA Obsługa i Sprzedaż.

Almost 200 employees are participating. They are at the same time ENERGA clients from 10 companies (ENERGA SA, ENERGA Obrót, ENERGA-OPERATOR, ENERGA Obsługa i Sprzedaż, ENERGA Informatyka i Technologie, ENERGA Centrum Usług Wspólnych, ENERGA Elektrownie Ostrołęka SA, ENERGA-Kogeneracja, ENERGA-Wytwarzanie, ENERGA-Invest).

Program participants took part in 24 workshops and made more than ten visits to customer service venues (including Contact Center, Shops, Connection Service Points, Main Power Supply Points, Energy Emergency Service, Regional Power Distribution and the Mass Printing Center).

They also reported tens of ideas in 14 categories: outages, IT, marketing communication, offer, payments, invoices, internal processes, connections, complaints, stationary service points, call center, debt collection

and electronic contact channels, i.e. www, eBOK, meBOK and eSklep. At present they are involved in implementing the best ones. The project's purpose is to enhance the employees' sense of responsibility for the quality and reliability of actions addressed to clients and to build the Group's "ambassador corporate culture". The program will be continued in the following years.

Bilateral communication

In the autumn of 2014 we conducted an employee opinion survey for the first time across the ENERGA Group. 67% of the Group's employees shared their ideas and opinions in the survey. We carefully analyzed the

collected information and communicated our findings to all employees. We are gradually introducing certain activities in individual companies following the survey's findings. This way employees gain certainty that it is worthwhile for them to share their thoughts and get involved in organizational development.

Number of complaints concerning employee relations submitted for and resolved by formal mechanisms

	2013	2014
Number of complaints submitted	4	32
Number of complaints resolved	2	23

5.4. Employee and family-friendly ENERGA

Promotion of health and physical activity

We care about our employees' health. We give them the possibility of taking out additional medical insurance from AXA. We ensure access to specialist doctors and help them finance their health care. Employees' family members may also enroll in insurance for an additional fee. We offer our employees the possibility of taking out additional pension insurance in the form of an employee pension scheme. The main funding source is the contribution paid by the employer (referred to as the base contribution) equal to 7% of an employee's wages. The employee pension scheme is run in the companies covered by the Social Agreement of 19 July 2007 and those who elected to enroll in the scheme at a later date. We promote physical activity and a healthy lifestyle. We encourage employees to engage in active recreation and take part in games and tournaments organized by the company and other third party entities, e.g. ENERGA employees take part in team games organized by the Olivia Business Centre.

"Get to Know the Masculine Side of Power"

To encourage employees to have regular health check-ups and prevention, we organized a series of meetings on men's health. These meetings discussed a healthy lifestyle, the advantages of playing sports and good nutrition and risk factors for diseases of civilization. Medical consultations were available during these meetings.

"Active after hours"

We encourage employees to participate in physical activity, take part in sports games and we organize amateur training for employees. For example, on Saturdays in May, ENERGA-OPERATOR and ENERGA Wytwarzanie employees and their families participated in kayak floating trips on the Łupawa River along the course of hydro power plants. Also in May another bicycle rally took place following the route of the Jura castle ruins. In turn, during the winter in Kalisz, whole families were able to check and hone their ice skating skills with instructors at a skate rink organized by the company. In our corporate magazine "Emisja" we encourage employees to jog or ride a bicycle and we publish experts' advice on how to do so safely.

Number of employees by gender

	TOTAL NUMBER OF EMPLOYEES BY GENDER			
	2013		2014	
	FEMALES	MALES	FEMALES	MALES
ENERGA SA	56	82	49	59
ENERGA OPERATOR SA	962	4,297	941	3,877
ENERGA Obsługa i Sprzedaż Sp. z o.o.	491	135	6	10
ENERGA OBRÓT SA	193	206	484	262
ENERGA Oświetlenie Sp. z o.o.	25	217	15	186
ENERGA Innowacje Sp. z o.o.	11	9	8	11
ENERGA Elektrownie Ostrołęka SA	92	484	88	460
ENERGA Kogeneracja Sp. z o.o.	47	156	40	149
Ciepło Kaliskie Sp. z o.o.	-	-	22	120
ENERGA Wytwarzanie SA	58	214	50	191
ENERGA OPEC Sp. z o.o.	22	43	20	38
ENERGA Serwis Sp. z o.o.	20	345	20	305
ENERGA Invest SA	21	17	19	18
ENERGA Centrum Usług Wspólnych Sp. z o.o.	294	36	267	32
ENERGA Informatyka i Technologie Sp. z o.o.	73	135	53	121
TOTAL	2,365	6,376	2,082	5,839

Number of days off work (due to accidents, injuries) by gender

	2013		2014	
	FEMALES	MALES	FEMALES	MALES
ENERGA SA	0	0	0	15
ENERGA OPERATOR SA	234	2,808	190	1,802
ENERGA Obsługa i Sprzedaż Sp. z o.o.	0	0	0	0
ENERGA OBRÓT SA	1	66	0	0
ENERGA Oświetlenie Sp. z o.o.	0	181	0	50
ENERGA Innowacje Sp. z o.o.	0	0	0	0
ENERGA Elektrownie Ostrołęka SA	127	76	182	79
ENERGA Kogeneracja Sp. z o.o.	0	66	0	48
Ciepło Kaliskie Sp. z o.o.	-	-	0	0
ENERGA Wytwarzanie SA	0	0	0	32
ENERGA OPEC Sp. z o.o.	0	0	0	0
ENERGA Serwis Sp. z o.o.	0	196	0	425
ENERGA Invest SA	0	0	12	0
ENERGA Centrum Usług Wspólnych Sp. z o.o.	219	0	40	0
ENERGA Informatyka i Technologie Sp. z o.o.	0	20	0	65
TOTAL	581	3,413	424	2,516

Number of accidents, fatal accidents and work-related diseases by gender

	NUMBER OF WORK-RELATED ACCIDENTS (TOTAL)				NUMBER OF FATAL WORK-RELATED ACCIDENTS				NUMBER OF INCIDENTS OF WORK-RELATED OCCUPATIONAL DISEASES			
	2013		2014		2013		2014		2013		2014	
	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
ENERGA SA	0	0	0	1	0	0	0	0	0	0	0	0
ENERGA OPERATOR SA	7	53	2	26	0	1	0	1	0	1	0	0
ENERGA Obsługa i Sprzedaż Sp. z o.o.	0	0	0	0	0	0	0	0	0	0	0	0
ENERGA OBRÓT SA	1	1	0	0	0	0	0	0	0	0	0	0
ENERGA Oświetlenie Sp. z o.o.	0	4	0	2	0	0	0	0	0	0	0	0
ENERGA Innowacje Sp. z o.o.	0	0	1	0	0	0	0	0	0	0	0	0
ENERGA Elektrownie Ostrołęka SA	1	4	1	3	0	0	0	0	0	2	0	0
ENERGA Kogeneracja Sp. z o.o.	0	1	0	1	0	0	0	0	0	0	0	0
Ciepło Kaliskie Sp. z o.o.	-	-	0	0	-	-	0	0	-	-	0	0
ENERGA Wytwarzanie SA	0	0	0	1	0	0	0	0	0	0	0	0
ENERGA OPEC Sp. z o.o.	0	0	0	0	0	0	0	0	0	0	0	0
ENERGA Serwis Sp. z o.o.	0	6	0	6	0	0	0	0	0	0	0	0
ENERGA Invest SA	0	0	1	0	0	0	0	0	0	0	0	0
ENERGA Centrum Usług Wspólnych Sp. z o.o.	2	0	1	0	0	0	0	0	0	0	0	0
ENERGA Informatyka i Technologie Sp. z o.o.	0	1	0	1	0	0	0	0	0	0	0	0
TOTAL	11	70	6	41	0	1	0	1	0	3	0	0

Frequency and severity of accidents by gender

	ACCIDENT FREQUENCY INCIDENCE (ACCIDENT RATE)				ACCIDENT SEVERITY RATE			
	2013		2014		2013		2014	
	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
ENERGA SA	0	0	0	16.9	0	0	0	15.0
ENERGA OPERATOR SA	7.3	12.3	2.1	6.7	33.4	54.0	95.0	72.1
ENERGA Obsługa i Sprzedaż Sp. z o.o.	0	0	0	0	0	0	0	0
ENERGA OBRÓT SA	5.2	4.9	0	0	1.0	66.0	0	0
ENERGA Oświetlenie Sp. z o.o.	0	18.4	0	10.8	0	45.3	0	25.0
ENERGA Innowacje Sp. z o.o.	0	0	125.0	0	0	0	0	0
ENERGA Elektrownie Ostrołęka SA	10.9	8.3	11.4	6.5	127.0	19.0	182.0	26.3
ENERGA Kogeneracja Sp. z o.o.	0	6.4	0	6.7	0	66.0	0	48.0
Ciepło Kaliskie Sp. z o.o.	-	-	0	0	-	-	0	0
ENERGA Wytwarzanie SA	0	0	0	5.2	0	0	0	32.0
ENERGA OPEC Sp. z o.o.	0	0	0	0	0	0	0	0
ENERGA Serwis Sp. z o.o.	0	17.4	0	19.7	0	32.7	0	70.8
ENERGA Invest SA	0	0	52.6	0	0	0	12.0	0
ENERGA Centrum Usług Wspólnych Sp. z o.o.	6.8	0	3.7	0	109.5	0	40.0	0
ENERGA Informatyka i Technologie Sp. z o.o.	0	7.4	0	8.3	0	20.0	0	65.0
TOTAL	4.7	11.0	2.9	7.0	52.8	49.5	70.7	62.9

Sick leave absenteeism by gender

	2013		2014	
	FEMALES	MALES	FEMALES	MALES
ENERGA SA	8,371	4,195	11,868	6,452.9
ENERGA OPERATOR SA	11,969.2	10,124.0	11,010.6	6,955.3
ENERGA Obsługa i Sprzedaż Sp. z o.o.	12,673	8,986	Not available*	Not available*
ENERGA OBRÓT SA	9,558.5	3,102.9	Not available*	Not available*
ENERGA Oświetlenie Sp. z o.o.	5,344	7,240.6	16,975	6,926.6
ENERGA Innowacje Sp. z o.o.	23,273	43,200	84,325	21,284
ENERGA Elektrownie Ostrołęka SA	12,000.0	6,752.1	11,482.3	6,949.5
ENERGA Kogeneracja Sp. z o.o.	9,532	12,071.8	15,480	7,404.0
Ciepło Kaliskie Sp. z o.o.	-	-	12,413.3	5,970.5
ENERGA Wytwarzanie SA	8,916	5,593	11,004	6,699.0
ENERGA OPEC Sp. z o.o.	10,800	9,153	9,277	3,699
ENERGA Serwis Sp. z o.o.	6,880	11,109.6	11,486	12,480.1
ENERGA Invest SA	5,609	2,186	22,681.7	2,910.1
ENERGA Centrum Usług Wspólnych Sp. z o.o.	14,383.3	5,046	15,289.9	3,375
ENERGA Informatyka i Technologie Sp. z o.o.	537	361.5	23,018.9	5,018.2

*On 31 December 2014, 307 employees of ENERGA Obsługa i Sprzedaż Sp. z o.o. moved to ENERGA OBRÓT SA pursuant to art. 23[1] of the Labor Code and 43 people started to work in ENERGA OBRÓT SA after terminating employment in ENERGA Obsługa i Sprzedaż Sp. z o.o. the day before. This type of employee turnover in the Sales Segment means the results are not comparable.

Average number of training hours per employee
by gender and employment category

	NUMBER OF TRAINING HOURS PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY							
	MANAGERS				OTHERS			
	2013		2014		2013		2014	
	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
ENERGA SA	29.2	21.8	40.1	39.7	21.4	27.0	19.8	22.4
ENERGA OPERATOR SA	34.4	35.1	52.6	47.3	7.8	12.9	16.9	26.4
ENERGA Obsługa i Sprzedaż Sp. z o.o.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENERGA OBRÓT SA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENERGA Oświetlenie Sp. z o.o.	0.0	61.9	24.0	25.6	19.3	12.4	12.9	6.7
ENERGA Innowacje Sp. z o.o.	1.7	1.6	0.0	5.3	1.5	6.3	7.4	37.3
ENERGA Elektrownie Ostrołęka SA	55.9	18.7	47.8	13.8	13.9	7.2	12.0	5.2
ENERGA Kogeneracja Sp. z o.o.	67.5	47.1	51.8	35.3	7.8	8.7	7.7	4.2
Ciepło Kaliskie Sp. z o.o.	-	-	5.0	2.7	-	-	2.2	6.2
ENERGA Wytwarzanie SA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ENERGA OPEC Sp. z o.o.	69.3	72.0	36.0	80.0	18.9	13.7	8.4	21.3
ENERGA Serwis Sp. z o.o.	16.0	16.4	3.0	10.2	11.4	1.9	2.6	5.3
ENERGA Invest SA	73.3	54.9	332.0	90.0	41.3	50.5	13.7	16.5
ENERGA Centrum Usług Wspólnych Sp. z o.o.	31.3	27.7	32.0	35.9	18.3	19.7	13.4	9.3
ENERGA Informatyka i Technologie Sp. z o.o.	42.3	48.3	21.4	34.6	12.0	14.4	10.9	15.1

n/a* - not available – the companies do not keep such records

Number of employees entitled to and using parental leave by gender

	NUMER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE				NUMER OF EMPLOYEES USING PARENTAL LEAVE				NUMER OF EMPLOYEES RETURNING TO WORK AFTER PARENTAL LEAVE			
	2013		2014		2013		2014		2013		2014	
	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES
ENERGA SA	3	13	7	9	3	10	7	7	1	10	2	7
ENERGA OPERATOR SA	41	230	30	109	47	135	55	115	22	134	27	112
ENERGA Obsługa i Sprzedaż Sp. z o.o.	23	0	13	7	27	3	23	7	11	3	10	7
ENERGA OBRÓT SA	0	11	23	14	19	13	47	20	5	13	23	19
ENERGA Oświetlenie Sp. z o.o.	2	9	2	8	2	9	2	8	0	9	0	8
ENERGA Innowacje Sp. z o.o.	0	0	4	1	0	0	4	1	0	0	0	0
ENERGA Elektrownie Ostrołęka SA	2	11	3	2	3	11	3	2	3	11	1	2
ENERGA Kogeneracja Sp. z o.o.	1	12	2	4	1	8	2	2	1	8	0	2
Ciepło Kaliskie Sp. z o.o.	0	0	2	1	0	0	2	1	0	0	2	1
ENERGA Wytwarzanie SA	2	3	0	2	2	3	0	3	2	3	0	3
ENERGA OPEC Sp. z o.o.	1	1	0	0	1	1	0	0	1	1	0	0
ENERGA Serwis Sp. z o.o.	2	16	1	18	2	11	0	6	2	11	0	4
ENERGA Invest SA	0	1	5	1	0	1	5	1	0	1	0	1
ENERGA Centrum Usług Wspólnych Sp. z o.o.	15	1	11	0	18	1	23	1	5	1	14	1
ENERGA Informatyka i Technologie Sp. z o.o.	6	6	2	4	6	3	5	6	3	3	3	6
TOTAL	98	314	105	180	131	209	178	180	56	208	82	173

Employee work return ratio after parental leave by gender

	2013		2014	
	FEMALES	MALES	FEMALES	MALES
ENERGA SA	0.33	1.00	0.29	1.00
ENERGA OPERATOR SA	0.47	0.99	0.49	0.97
ENERGA Obsługa i Sprzedaż Sp. z o.o.	0.41	1.00	0.43	1.00
ENERGA OBRÓT SA	0.26	1.00	0.49	0.95
ENERGA Oświetlenie Sp. z o.o.	0.00	1.00	0.00	1.00
ENERGA Innowacje Sp. z o.o.	0.00	0.00	0.00	0.00
ENERGA Elektrownie Ostrołęka SA	1.00	1.00	0.33	1.00
ENERGA Kogeneracja Sp. z o.o.	1.00	1.00	0.00	1.00
Ciepło Kaliskie Sp. z o.o.	-	-	1.00	1.00
ENERGA Wytwarzanie SA	1.00	1.00	0.00	1.00
ENERGA OPEC Sp. z o.o.	1.00	1.00	0.00	0.00
ENERGA Serwis Sp. z o.o.	1.00	1.00	0.00	0.67
ENERGA Invest SA	0.00	1.00	0.00	1.00
ENERGA Centrum Usług Wspólnych Sp. z o.o.	0.28	1.00	0.61	1.00
ENERGA Informatyka i Technologie Sp. z o.o.	0.50	1.00	1.00	1.33
TOTAL	0.43	1.00	0.47	0.97

Work return ratio after parental leave = number of employees who return to work after parental leave / number of employees who use parental leave

Society

In the Energa Group we feel responsible for the environment where we operate and where our clients, business partners and employees live and work. That is why we operate consistently and comprehensively, running programs and projects to cater to the needs of various stakeholder groups. We focus on supporting and propagating education and science as well as sports and a healthy lifestyle. Through the Energa Foundation we also conduct charitable activities supporting many institutions and organizations. We are also a patron of sundry cultural undertakings and a partner in projects for innovation.



6. We work for the benefit of society

6.1. Introduction

We perceive our business activity, social surroundings and environment and nature as a coherent whole. We are actively and responsibly involved in the life of local communities, in particular in those areas where our transmission and generation infrastructure is located, for this is precisely where the vast majority of our stakeholders live. We get involved in things that really matter to them. We create conditions to grow investments intensively, we support entrepreneurial but first of all we are open to the needs of local communities.

It is our ambition to make our initiatives really effective and cover the largest possible number of beneficiaries, so we strive to act in a comprehensive and coherent way.

Since 2009 our prosocial activities have been incorporated into a comprehensive program called 'ENERGA for You'. In this scheme we focus on the key areas, in line with values important to us and local communities, such as human beings, the joy of living, education, environment, ecology, safety and the future of children.

Our 2014 goals and performance

PRIORITIES FOR 2014	EXECUTION
Continuing projects under the "Energa for You" program	<p>Energa Education</p> <ul style="list-style-type: none">• nearly 29 thousand children and 9 thousand adults visited the town of Planet of Energy• roughly 15 thousand children participated in school lessons on electricity using our teaching materials• roughly 44 thousand children participated in the IV edition of the "Planet of Energy" program (they gained knowledge during lessons in this town) <p>Energa Sport</p> <ul style="list-style-type: none">• nearly 80 thousand pupils from almost 6.5 thousand schools from across Poland took part in the Energa Basket Cup program (2013/2014 edition)• 600 children and more than 100 teachers from 50 grammar schools took part in the II edition of the Energa Sailing program with education on sailing being conducted in 6 regions of Poland (for the sake of comparison, 400 children from 4 regions took part in the I edition)• 1100 young sailors took part in 6 regatta races in the Energa Sailing Cup <p>Energa Athletic Cup</p> <ul style="list-style-type: none">• approximately 300 children from 8 centers in Pomerania are covered by a comprehensive program of training and support in participating in sports, 10 competitions were organized in which a total of roughly 900 athletes participated <p>Energa for Nature</p> <ul style="list-style-type: none">• 8 projects were conducted under the "Fund for Nature" to protect the nests of the white stork involving nest renovation. More than 1,000 people who wanted to help these birds received advice from the 801 BOCIAN info line
Building cooperation and partnership with the social sector	Intensification of efforts in the "Energa for Learning" program targeting pupils in high schools with a profile in electricity (Energa Operator)
Supporting employee volunteerism	<p>More than 200 employees traveled 242 thousand kilometers under the "Active and Charitable" project, which bore fruit in the form of purchasing 230 bicycles for 9 orphanages</p> <p>Employees gave 79,650 liters of blood under the "Drop of Energy" project</p>

We have started and continue to run the following ongoing projects:

Five pillars of the Energa for You program



**ENERGA
Education**



**ENERGA
Foundation**



**ENERGA
Sports**



**ENERGA
Patron**



**ENERGA
for Nature**

PRIORITIES

for 2015



**Intensifying efforts
in projects under
the “Energa for You”
program**



**Building cooperation
and partnerships
with local communities**



**Developing employee
volunteerism**

”

As a socially responsible electricity supplier and seller, each year we get involved in numerous important initiatives from the point of view of our environment. We readily support projects initiated by local communities, more and more frequently we are observing with satisfaction and helping to achieve our employees' volunteerism programs. We place great emphasis on spreading knowledge on the power industry and pro-ecological behavior. Under our ENERGA for You program we run proprietary educational, sports and natural science projects. We do our best to support many events but also to make them more accessible to larger groups of people and to broaden their range.

Katarzyna Kowalska
Director of the Marketing and Communication
Department, ENERGA SA



6.2. ENERGA education

Introduction

The “ENERGA Education” Program focuses our efforts on overall safety, first of all enhancing knowledge on using electrical devices and appropriate behavior in the immediate vicinity of power facilities, promoting the rational use of electricity and boosting pro-ecological attitudes. We strive to interest our youngest in the fascinating world of energy while we inspire older members of society including youth, students and doctoral students to choose academic careers involving innovations in the power industry and energy of the future.

We offer young kids the opportunity to participate in education in the form of fun games, we hold competitions for middle school students while for university students and academics we organize contests for the best doctoral dissertation and grant contests to develop research. We also publish a scientific quarterly journal targeting experts and scientists.

Planet of Energy

We have carried out another educational project on electricity targeting pupils and teachers in the first three grades of grammar school. The Minister of National Education and the Ombudsman for Children's Rights assumed honorary patronage over this project. The University of Warmia and Mazury in Olsztyn is supervising the program and Doctor Tomasz Rożek, a well-known promotor of science, journalist and author of many books, including children's books serves as its ambassador. We have already organized four editions of this competition with the fifth one under one.

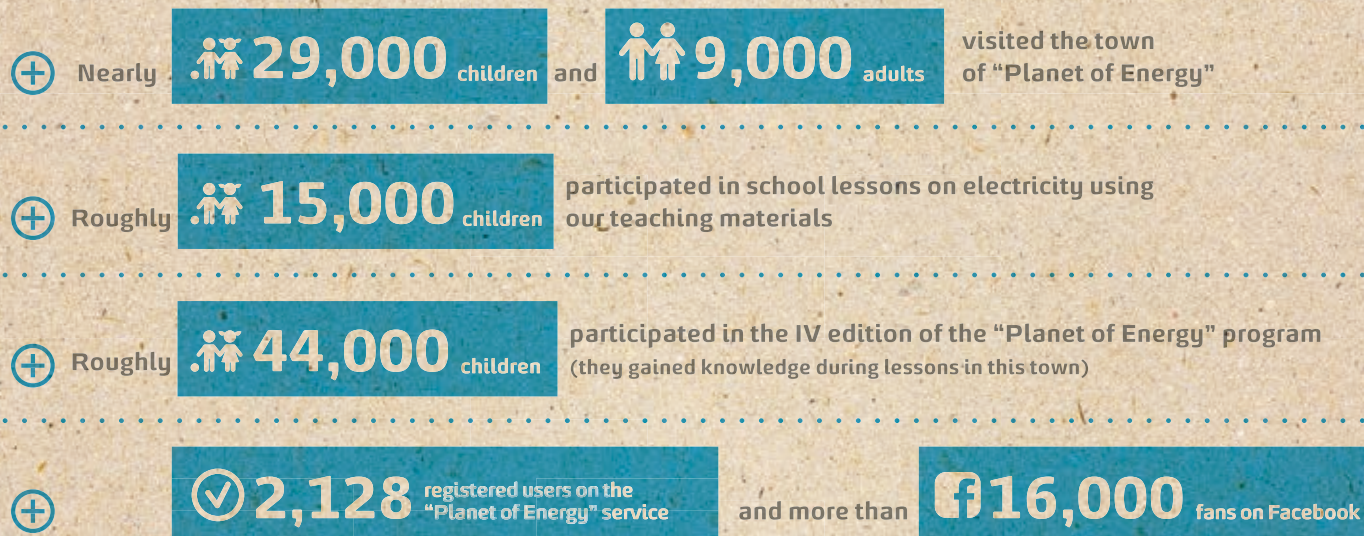
To participate in this project pupils in the first three grades have to attend at least three lessons on electricity in which our teaching materials entitled “ENERGA presents: In the land of electricity” are used. We have prepared a teaching booklet (6 detailed lesson plans) and a workbook for children presenting information in an attractive and easy to understand way, using games and quizzes.

We will organize a visit to the “Planet of Energy” - a mobile education center for the ten winning classes. This mobile center is open not only to the winners but also to younger pupils from nearby primary schools and in the afternoon it will be open to all interested residents.

We will present a set of teaching aids to the winning school and teacher. Since the project's outset we have been running a website www.planetaenergii.pl and a Facebook profile where all interested parties - teachers, parents and children may find information on this annual competition, popular science tidbit facts, video clips, contests, quizzes and various information on electricity and its rational use.



“Planet of Energy” program:



ENERGA-OPERATOR's educational campaign

In the 2013/2014 school year nearly 9,000 pupils participated in lessons taught by employees of ENERGA-OPERATOR's Communication Department. Our campaign to educate the youngest members of society on behaving correctly in the immediate vicinity of power equipment has been running for three years.

Nearly 160,000 children have taken part in the project so far. Using interactive methods and aids we teach the youngest children that electricity is safe only when you use it in the right way. This program enjoys extensive interest with schools taking the initiative to participate. Education may be continued as teachers receive teaching aids and materials full of inspiring ideas while children get educational booklets entitled "ENERGA presents: In the land of electricity".

Cooperation with academic communities

We are also active in the field of transferring knowledge between the business and academic world. We place special emphasis on research and development. We have been supporting academic communities in their work to develop the power industry in Poland for years.

We have an ambition to stimulate scientific development, in particular supporting young people at every stage of their education. We do this through the "Energy of the Future" competition for youth and by running a contest for the best doctoral dissertation.

We publish "Acta Energetica", a renowned trade quarterly with the Gdańsk University of Technology in the conviction that close cooperation between these two communities is the key to development and greater innovation in Poland.

We signed an agreement with the AGH University of Science and Technology in Kraków. The letter of intent calls for running joint projects under the auspices of the Center of Technology and educating AGH students in specialties in line with the ENERGA Group's business profile. We jointly intend to develop and implement innovative technological solutions and initiate research and development work.

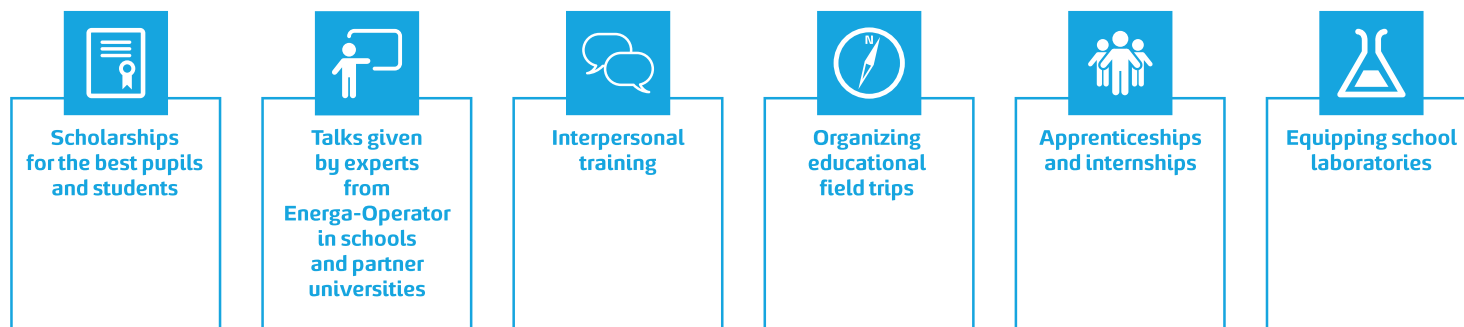
"Energy of the Future" Competition

Every year we hold the "Energy of the Future" competition to popularize science and raise interest in the overall power industry among young people. We are keen on making young people aware of the challenges and opportunities the power industry faces. Thus we encourage them to go beyond school syllabuses and textbook definitions to create original ideas and confront them with the ideas of others.

We have invited students from 32 secondary schools with a power sector and electrical engineering profile in the Distribution Segment's operating area to participate in the third round of the competition. Competitors grappled with the topic "Why co-generation/poly-generation?" The jury chaired by Professor Jan Majewski of the University of Gdańsk selected

Energa-Operator also cooperated with 3 universities and 7 high schools.

Scope of the cooperation program



the top 5 finalists from among the authors of 14 papers. We also sponsored prizes: the winning team received computers and their schools received teaching aids worth PLN 12 thousand. The first and second runners-up received tablets and smartphones, respectively and their schools received money to buy equipment worth PLN 8,000 and PLN 5,000.

The Minister of National Education, President of the Energy Regulatory Office and Pomeranian Education Superintendent were honorary patrons for this contest.

Competition for the best doctoral dissertation

Since 2010 we have been organizing the Best Doctoral Dissertation Competition devoted to technical or economic problems and challenges faced by the power industry. Doctoral students from Polish universities who defended their dissertation on the power industry within the last two years may participate. This way we promote the research achievements of scientific employees from technical university and solutions that may be implemented in business practice. We rewarded five doctoral students in the first two editions of this competition.

In May 2014 the most recent edition of the competition started and in January 2015 four winners were announced. They received cash prizes totaling PLN 40,000. Excerpts and the most important theories from

these doctoral dissertations will be published in the "Acta Energetica" scientific journal.

Financing a modern engineering lab in Starogard Gdański

This school year we started an electrical technician profiled class in the Major Dobrzański "Hubal" Vocational School Complex in Starogard Gdański. This is the outcome of a two-year long cooperation between ENERGA-OPERATOR and secondary schools and universities located in its operating area under the "Energy for Learning" program.

In cooperation with the District Authority in Starogard Gdański we helped adapt and equip a modern technical lab where young people are studying for careers in electricity-related occupations. The 2000VA laboratory bench, electrical machines diagnostic unit, multimedia equipment and numerous metering instruments were very valuable additions.

Apprenticeships and internships

From 2012 to 2014, 16 students from universities under our patronage and 33 secondary school students were given scholarships; 6 participated in our internship program and we organized apprenticeship for 171 pupils and students.

6.3. ENERGA Sports

Introduction

We are keen on releasing positive energy, especially in children and young people through physical exercise and outdoor activity in the fresh air. Under the ENERGA Sports program we popularise active life attitudes, a healthy lifestyle and a spirit of fair play. We conduct all our efforts under supervision by specialists. We give the youngest children the chance to take part in professionally organised sport events and practice on specialised sports facilities.

All these activities have an open formula and are free of charge for the participants. As a result, every year a few thousand young children take part in various sports events across the country. We pay special attention to three projects aimed at supporting the selection and development of future champions in three disciplines: basketball, track and field and sailing.

We are also involved in professional sports, offering our support to the most talented individual athletes and teams, which, like ENERGA Czarni Słupsk co-shape our local identity and integrate the local community around the idea of sporting rivalry. In 2014 we became a partner of the Polish Sailing Association and the main sponsor of the Polish National Sailing Team's preparations for the 2016 Olympic Games in Rio de Janeiro.

2014 also saw the World Indoor Track and Field Championships come to Sopot. Many ENERGA Athletic Cup program participants served as volunteers during the Championships. As a result, they were given an opportunity to observe the best athletes during their preparations for

the event, and more than that: they practiced and competed with them during the Sopot Ergo Arena tests.

ENERGA Basket Cup

We have also taken patronage over Poland's largest basketball tournament for girls and boys aged 11 to 13 organised by the Scholastic Sporting Association. The Ombudsman for Children's Rights, the Ministry of Sports and Tourism and the Polish Olympic Committee are honorary patrons of this tournament. The program's ambassador is Adam Wójcik, a valued basketball player who was on Poland's national team many times and won the national championship eight times.





Nearly 80,000 girls and boys from nearly 6,500 schools took part in the 2013/2014 edition. Poland's female and male champions are selected every year in multi-stage tournaments beginning with intracity and urban games all the way up to national finals.

ENERGA Sailing

We are involved in promoting sailing not only as a sport but also as a way of spending leisure time. We organise six month long, free of charge sailing courses to encourage young people to start their sailing adventure. Half of the participants are selected in an open draft, while the other half is selected through school-level competitions.

In the project run jointly with the Polish Sailing Association we also organise Optimist Class group A regattas called the ENERGA Sailing Cup. To date, qualifications were held in 6 voivodships (pomorskie, zachodniopomorskie, warmińsko-mazurskie, mazowieckie and wielkopolskie).

ENERGA Basket Cup

 Nearly  **80,000** pupils  **6,500** schools from almost  **6,500** schools from across Poland

participated in the Energa Basket Cup program (2013/2014 edition)

ENERGA Sailing:



We conducted the II edition
of the Energa Sailing Education
program in

6 regions
of Poland

and

 **600** children

and more than



100

teachers

from



50

grammar
schools

participated

(for the sake of comparison, 400 children from 4 regions participated in the I edition)



We invited the:

**Ministry of Sports and Tourism as well as local
government officials to join us in cooperation**

– they acted as the project's patron and promoted it through their own posters, mailings,
websites and meetings in their offices, etc.



During the
Energa Sailing Cup



6 regatta
races

were held in
which more than



1,100

young sailors
took part

In the second edition over 6,000 participants representing more than 50 primary schools took part. Approximately 600 of them participated in a comprehensive sailing training program lasting a few months, the rest went through a series of training courses on the fundamentals of sailing and water safety organized in schools. Free of charge courses were held from January to November 2014 in cooperation with Regional Sailing Associations.

Polish National Sailing Team members from the ENERGA Sailing Team Poland who cooperated with us in the program: Przemysław Miarczyński, Piotr Myszka, Anna Weinzieher, Łukasz Przybytek, Paweł Kołodziński, Kacper Ziemiński, Agnieszka Skrzypulec and Natalia Wójcik promoted one chosen sailing virtue: precision in action, honesty, courage in deci-

sion-making, unbounded imagination, perseverance in pursuing goals and respect for the forces of nature.

The most talented participants took part in the ten-day ENERGA Sailing Camp. We also invited them to the 2014 ENERGA Sailing Cup Finals held in Sopot.

We have also established the ENERGA Sailing Young Talents Development Fund, from which we provide financial support.

In 2014, a total of the 14 most talented young sailors received financial support from the Polish Sailing Association and the ENERGA Group to continue their athletic career.

ENERGA Athletic Cup

The basic assumption of the project created by the ENERGA Group in cooperation with the Sopot Track and Field Club is promoting physical activity among children and youth and a long-term and consistent approach

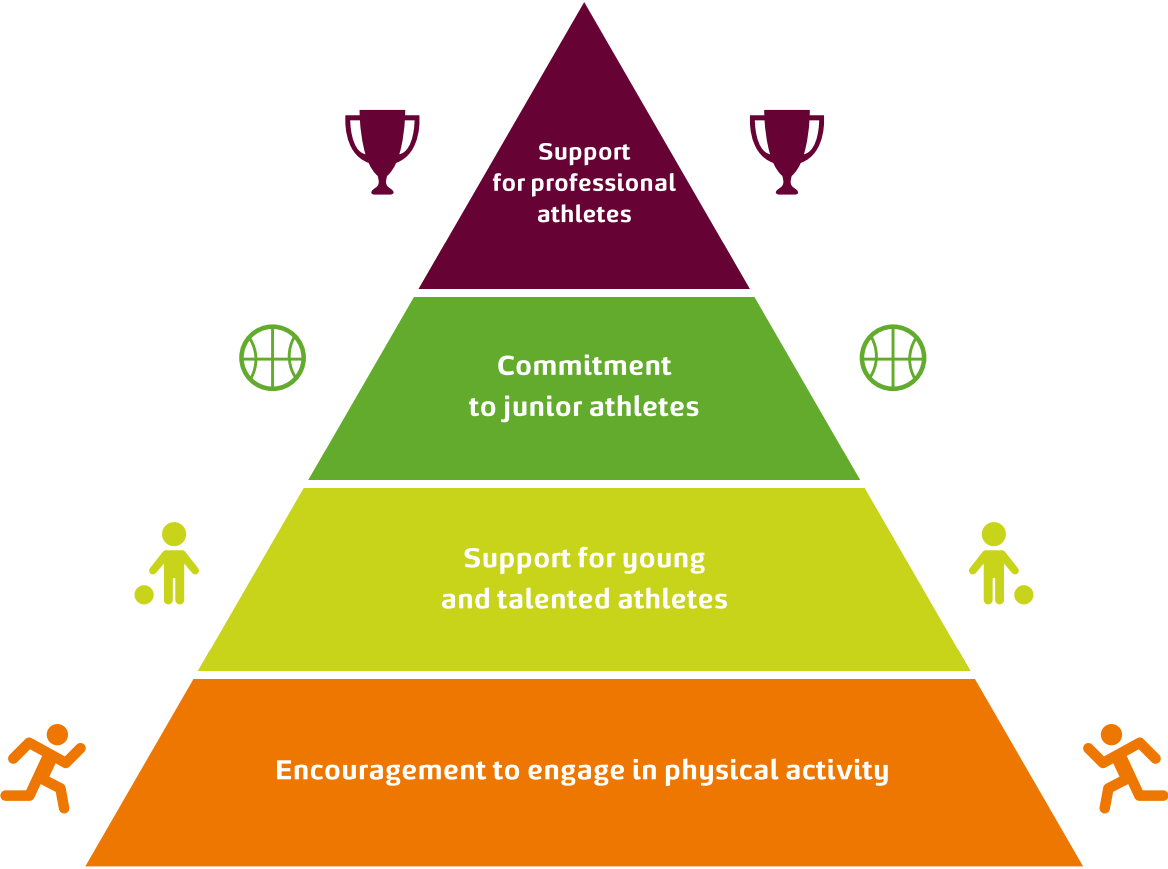
to sports training. Nearly 300 children from 8 centers in the Pomeranian Voivodship are in the project carried out jointly with local primary schools. The centers were selected by the Sopot Track and Field Club on the basis of their location and teachers' qualifications. One of the important factors was support from school authorities and local governments.

The centers participating in the project are given extra training and competition equipment as well as financing the work of instructors and con-

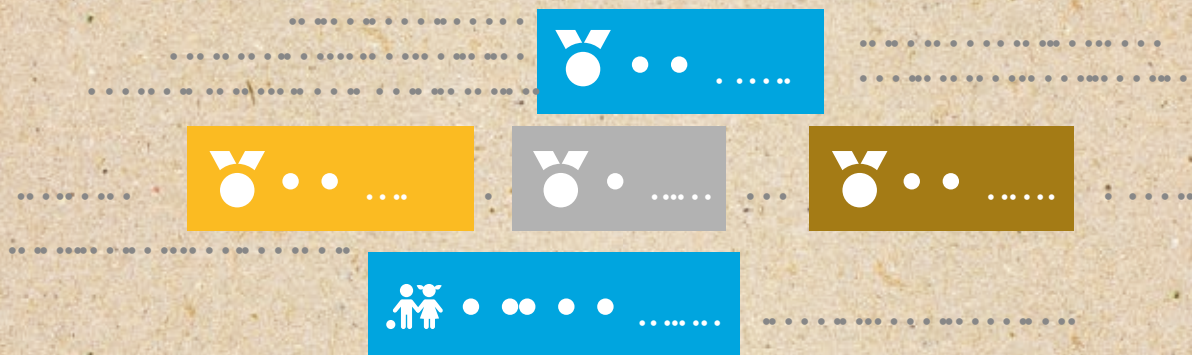
sultancy from coaches at the Sopot Track and Field Club. Apart from the above, the participants took part at least once a month in test competitions organized by the Sopot Track and Field Club or Pomeranian Regional Track and Field Association and in educational consultations.

In February 2014 the youth participating in EAC had a unique opportunity to have a close look at the World Indoor Track and Field Championships, one of the most important international sporting events in recent years following Euro 201 - UEFA European Football Championships. This event, sponsored by the ENERGA Group took place on 7-9 March 2014 and more than 140 million people from across the globe watched athletes compete on TV.

Comprehensive extent of activities in the ENERGA Sport program



ENERGA Athletic Cup



The ENERGA Athletic Cup is by no means a ‘factory of professional athletes’. This does not mean however, that program participants will not become professional athletes. On the contrary: the most talented are given a chance to continue their careers in a professional club.

6.4. Foundation's charitable activity

Introduction

We feel responsible for the form and development of the environment where we operate and obligated to demonstrate social solidarity. We take many efforts for the Group to provide assistance and share a portion of its profits with the most needy. That is why we established a foundation six years ago. It decides on the scope and areas where assistance is given.

We pay particular attention to children, especially those afflicted by disease and disability. Our support goes to caregivers, centers and institutions working for the benefit of children. We also help Group employees and their families if misfortune visits them.

In 2014 the Foundation supported 310 projects for a total of PLN 2,580,659.00.

Financial ratios

YEARS	NUMBER OF SUPPORT AGREEMENTS	TOTAL AMOUNT OF SUPPORT
2012	352	PLN 2,518,640.00
2013	375	PLN 2,318,226.00
2014	310	PLN 2,580,659.00.

Programs



INTEGRATION

Addressed to public benefit organizations, afterschool play and study rooms, therapeutic workshops, administered care and upbringing centers whose primary task is to provide assistance to disabled children and youth, orphans, children at risk of exclusion and exposed to traumatic life experiences; 109 entities have received assistance for a total amount exceeding PLN 1 million



WOMEN

Addressed to women with breast cancer, following mastectomies requiring rehabilitation; 3 organizations received support for a total of PLN 30,000.



SCIENCE

Addressed to research centers conducting research on rare genetic disorders, schools and administered care and upbringing centers requiring furnishings as well as children and youth participating in scientific contests; 7 entities received support for a total amount of PLN 55,000.



HEALTH SERVICE

Addressed to health care institutions requiring specialized medical equipment, tools and medical products needed in treatment and to rescue lives; 16 centers received support for a total amount exceeding PLN 300,000.



CHILDREN

Addressed to disabled and ill children who require long-term treatment and rehabilitation; several hundred children have received support for a total amount exceeding PLN 380,000.



HOSPICES

Addressed to the following:

- palliative care centers in need of nursing products and equipment to care for terminally ill persons
- orphaned minors – the Orphaned Children's Fund's care recipients
- volunteer movement for hospices

6 centers have received support for a total amount exceeding PLN 100,000.

ENERGA employees help the needy

Employee volunteerism

We get involved in efforts to help the needy willingly and in large numbers. We help public benefit organizations. We take part in events important not just for ENERGA Foundation beneficiaries, integrating the community around a shared noble cause.

“Help with ENERGA” campaign

Every year, on the basis of employee recommendations we make a list of public benefit organizations, to which we give financial assistance.

The amount given is determined by voting; each Group employee is entitled to choose one organization and designate PLN 100 for it.

In the 4th edition of the program 5,250 employees from 22 companies took part. Since the beginning of the program over PLN 4.3 million has been transferred to hundreds of organizations.

Within this project we also promote the idea of giving away 1 per cent of one's personal income tax to the ENERGA Foundation.

“Help with ENERGA” VIth edition



Campaign's reach:



22 Group companies



Number of employees involved:



5,250



Total amount of donations:

PLN 527.6 thousand

BEST PRACTICE

Up till now we have collected several million PET bottle caps, which help the disabled raise funds for medical help, rehabilitation and purchase of specialist equipment.

Through this most basic form of help, namely collecting PET bottle caps, we have managed to instill in our employees the habit of selfless help and raise awareness of this campaign's environmental aspect.

The ENERGA Foundation started collecting caps for Natalia.

FOR WHOM	DURATION OF THE COLLECTION	HOW MANY KILOS/TONS	HOW MANY COLLECTION POINTS	WHAT FOR
Natalia	Feb 2013 – July 2014 - 17 months in total	1,560	13	for treatment and rehabilitation
Michał	August 2014 until the present	8	13	for an operation to be performed abroad

“Active and Charitable”

We combine the idea of employee volunteerism with promoting a healthy lifestyle. We converted kilometers into Polish zloty in the Active and Charitable project. From April till the end of September 2014 seven regional corporate teams from Gdańsk, Koszalin and Słupsk, Olsztyn and Elbląg, Ostrołęka, Kalisz, Płock and Toruń commuted by bike or spent free time cycling (the distance covered was tracked by the GPS signal and a special mobile application in handsets). The greater the distance our employees rode, the more bikes we could buy for a local orphanage. More than 200 ENERGA Group employees cycled a total of more than 242,000 km, on average more than 1,000 kilometers per person. Thanks to their involvement we were able to buy 230 bikes given to 9 orphanages in the north-central region of Poland. Employees from the region-

al teams conveyed these bicycles to the children in person during the “Active and Charitable” grand finale in October. Every child aged 5-8 received his or her own bike. On average, there was one bike for two children in the older age categories.

“A Drop of Energy”

Our employees set up an informal club of honorary blood donors “Kropelka Energii” (A Drop of Energy), which promotes the idea and sets an example for honorary blood donation. In 2014, during campaigns organized by the club 79,650 liters of blood were donated (177 donations of 450 ml each) in either roving ambulances or during organized trips to blood collection points. In ambulances alone 50.4 liters of blood was donated (112 donations 450 ml each).

In the three years of the operation
of “Drop of Energy”
we have given in total more than



GRI Table

INDICATOR	DESCRIPTION	COMPANIES RE- PORTING THE INDICATOR	EXTENT OF REPORTING	PART- TIES	ADDITIONAL INFORMATION
G4-1	Statement from top level management (e.g. executive director, CEO, or some other person with an equivalent position) on the importance of sustainability development to the organization and its strategy.	ENERGA GROUP	FULL	4 5	
G4-3	Name of the organization.	ENERGA GROUP	FULL	8	
G4-5	Location of headquarters	ENERGA GROUP	FULL	11	
G4-6	Number and names of countries where the organization operates	ENERGA GROUP	FULL	11	
G4-7	Organization's form of ownership and legal structure.	ENERGA GROUP	FULL	18	
G4-8	Markets served indicating geographical range, sectors served, description of clients/ consumers and beneficiaries.	ENERGA GROUP	FULL	11 14 15	
G4-9	Business size	ENERGA GROUP	FULL	9 10 11	
G4-10	Number of employees by business region, age, gender and type of contract	ENERGA GROUP	FULL	10 94 96	
G4-11	Percentage of employees covered by collective agreements	ENERGA GROUP	FULL	97	
G4-12	Organization's supply chain	ENERGA GROUP	FULL	26	
G4-13	Significant changes during the reporting period regarding size, structure or form of ownership	ENERGA GROUP	FULL	18	
G4-14	Principle of prudence	ENERGA GROUP	FULL	23	
G4-15	List of external initiatives adopted by the organization	ENERGA GROUP	FULL	19 130	

G4-16	Memberships in associations (such as trade associations) and/or national/ international organizations issuing rulings.	ENERGA GROUP	FULL	130	<p>Selected organizations in which ENERGA Group companies operate</p> <ul style="list-style-type: none"> • Polish Electricity Committee • Central Europe Energy Partners • Energy Conservation Foundation • Polish Member Committee of the World Energy Council • Polish Wind Energy Association • Polish Association for Electricity Transmission and Distribution • Pomeranian Power Sector Technology Platform • Polish Power Exchange • Association of Energy Trading • Pomeranian Power Sector Technology Platform • PRIME Alliance AIBSL • EDSO Association for Smart Grid • Polish Association of Commercial Combined Heat and Power Plants • Kogen Polska Polish Co-generation Club • Power Sector and Environmental Protection Chamber • Polish Power Plants Economic Society • Baltic Eco-Energy Cluster • Gdańsk Scientific Society • Lewiatan Pomeranian Employer Association • Employers of Pomerania • Business Centre Club • Polish-Swedish Chamber of Commerce • European League for Economic Cooperation • The Polish Section of the Natural Gas Industry Chamber • Polish Heating Sector Chamber of Commerce • Polish-German Chamber of Trade and Commerce • Regional Pomeranian Chamber of Commerce • Pomeranian Association in the European Union • Polish Higher Education and Economic Forum • Transfer Price Center • European Distribution System Operators for Smart Grids • European Utilities Telecom Council • Gdańsk Tourism Organization • Natural Gas Industry Chamber of Commerce • Warsaw Commodity Clearing House • Research and Calibration Laboratory Cluster under the Lewiatan Association • POLLAB Polish Research Laboratory Club • Combustion Byproduct Registration Consortium • European League for Economic Cooperation - Polish Section • LABIOMEN Nationwide Supervised Lab Network • Regional Energy Conservation Agency • Kalisz Regional Chamber of Commerce • Słupsk Chamber of Trade and Commerce • Smart Energy Demand Coalition • Plock Branch of the Association of Polish Electricians • Toruń Branch of the Association of Polish Electricians • Polish Association of Listed Companies • Accountants Association in Poland • Polish Union of Combustion By-products Association • Dialog Proposal Theater Association • POLSRISK Risk Management Association • Hydro Power Plant Society • Modular Labs for Modern Energy-saving technologies - cooperation within the Baltic Eco-energy Cluster
-------	--	--------------	------	-----	--

G4-17	List of entities included in the organization's consolidated financial statements	ENERGA GROUP	FULL	29	
G4-18	Process of defining the report's contents and barriers to reporting important aspects	ENERGA GROUP	FULL	30 31 32 33	
G4-19	Important aspects identified in the process of defining the report's contents	ENERGA GROUP	FULL	32 33	
G4-20	Scope and significance of the identified aspects for particular business units within the organization	ENERGA GROUP	FULL	32 33	
G4-21	Scope and significance of the identified aspects for particular business units outside the organization	ENERGA GROUP	FULL	32 33	
G4-22	Consequences of adjustments to information in the previous report and the reasons for them	ENERGA GROUP	FULL	131	Due to adopting a reporting system compliant with the new GRI G4.0 guidelines, the method of calculating some indicators in 2013 was adjusted to fit these guidelines
G4-23	Substantial changes compared to the previous report referring to the scope, range or methods of measurement used in the report	ENERGA GROUP	FULL	133	No changes compared to the previous report referring to the scope, range or methods of measurement used in the report
G4-24	List of stakeholder groups engaged by the organization.	ENERGA GROUP	FULL	30	
G4-25	Identification and selection of stakeholders engaged by the organization	ENERGA GROUP	FULL	30	
G4-26	Organization's approach to engaging stakeholders	ENERGA GROUP	FULL	30	
G4-27	Key issues and concerns raised by stakeholders and the organization's response, also through reporting them.	ENERGA GROUP	FULL	32 33	
G4-28	Reporting period.	ENERGA GROUP	FULL	27	
G4-29	Previous report's publication date.	ENERGA GROUP	FULL	27	
G4-31	Contact information	ENERGA GROUP	FULL	33	
G4-33	Confirmation of credibility	ENERGA GROUP	FULL	33	
G4-34	Organization's supervisory structure including committees reporting directly to the top-level regulatory authority	ENERGA GROUP	FULL	20	More information in the 2014 Annual Report
G4-56	Values, principles, standards and norms of behavior like codes of conduct and codes of ethics	ENERGA GROUP	FULL	20 21	
G4-DMA on research and development	Management approach to research and development	ENERGA GROUP	FULL	90	

G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to owners of capital and state institutions.	ENERGA GROUP	FULL	12 13	More information in the 2014 Annual Report
G4-EC7	Development and impact of infrastructure investments and services provided to the society	ENERGA GROUP	FULL	119- -128	
G4-SO3	Total number and percentage of business units evaluated in terms of corruption-related risk and the major risks identified	ENERGA GROUP	PARTIAL	22	
G4-SO4	Communication and training on anti-corruption policy and procedures	ENERGA GROUP	FULL	22	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and branding, having in mind the repercussions of non-compliance	ENERGA GROUP	FULL	44	
G4-PR5	Customer satisfaction survey results	ENERGA GROUP	FULL	50 51	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes regulating marketing communication, including advertising, promotion, and sponsorship, by type of outcome.	ENERGA GROUP	FULL	44	
G4-PR8	Total number of justified complaints regarding breaches of customer privacy and loss of customer data	ENERGA GROUP	FULL	44	
G4-PR9	Monetary value of major penalties for non-compliance with the law and regulations concerning the supply and use of products and services	ENERGA GROUP	FULL	44	
G4-EN1	Commodities / materials used by weight and volume	ENERGA GROUP	FULL	63	
G4-EN3	Energy consumption in the organization	ENERGA GROUP	FULL	64 65	
G4-EN8	Total water consumption by source	ENERGA GROUP	FULL	71	
G4-EN11	Location and area of all owned, leased or managed land located close to protected areas or highly valuable areas of biodiversity located outside protected areas or adjacent to them	ENERGA GROUP	FULL	77 78 79	
G4-EN12	Description of the material impact exerted by business, products and services on the biodiversity in protected areas and highly valuable areas of biodiversity located outside protected areas	ENERGA GROUP	FULL	77 78 79 80	
G4-EN15	Direct greenhouse gas emissions.	ENERGA GROUP	FULL	67	

G4-EN21	NO _x SO _x and other air emissions	ENERGA OPERATOR, ENERGA Kogeneracja, ENERGA Elekrownie Ostrołęka, Ciepło Kaliskie, ENERGA OPEC, ENERGA Serwis	FULL	69	
G4-EN22	Total volume of sewage by quality and destination	ENERGA GROUP	FULL	73	
G4-EN23	Total weight of waste by type and treatment method	ENERGA GROUP	FULL	75 76	
G4-EU1	Maximum achievable generation capacity by commodity (and regulatory requirements)	ENERGA Wytwarzanie, ENERGA Kogeneracja, ENERGA Elekrownie Ostrołęka, Ciepło Kaliskie.	FULL	61	
G4-EU2	Net quantity of power produced by main energy source (and regulator's requirements)	ENERGA Wytwarzanie, ENERGA Kogeneracja, ENERGA Elekrownie Ostrołęka, Ciepło Kaliskie.	FULL	62	
G4-EU3	Number of registered individual, industrial, institutional and commercial users	ENERGA OPERATOR	FULL	36	
G4-EU4	Length of overhead and underground transmission and distribution lines by regulatory system (km)	ENERGA OPERATOR	FULL	85	
G4-EU5	Number of free CO ₂ emission allowances	ENERGA Kogeneracja, ENERGA Elekrownie Ostrołęka, Ciepło Kaliskie	FULL	70	
G4-EU12	Transmission and distribution losses as a percentage of total transmitted/distributed energy	ENERGA OPERATOR	FULL	89	
G4-EU18	Percentage of contractors' or subcontractors' employees duly trained in occupational safety and health for the job performed	ENERGA GROUP	FULL	103	
G4-EU27	Number of residential disconnections for failure to pay bills by period of disconnection	ENERGA OPERATOR, ENERGA OBRÓT	FULL	45	

G4-EU28	Power supply interruption frequency	ENERGA OPERATOR	FULL	87	
G4-EU29	System average energy supply interruption duration	ENERGA OPERATOR	FULL	87	
G4-EU DMA	Management approach to demand response	ENERGA GROUP	FULL	43	
G4-LA4	Minimum period of notice to announce substantial changes with an indication of whether these periods are defined in collective agreements	ENERGA GROUP	FULL	104	
G4-LA6	Injury, occupational diseases, lost days and absenteeism rates and the total number of work related fatalities, by region and gender	ENERGA GROUP	FULL	107 108 109 110	
G4-LA9	Average number of training hours per employee by gender and employment category	ENERGA GROUP	FULL	111	
G4-LA12	Composition of supervisory bodies and staff by gender, age, minority status and other diversity indices	ENERGA GROUP	FULL	94	
G4-LA14	Percentage of suppliers assessed using employment criteria	ENERGA GROUP	FULL	26	
G4-LA16	Number of industrial relations complaints filed with and handled by formal mechanisms	ENERGA GROUP	FULL	105	

Independent assurance report



Deloitte Advisory Sp. z o.o.
z siedzibą w Warszawie
Al. Jana Pawła II 19
00-954 Warszawa
Polska

Tel.: +48 22 511 08 11
Fax: +48 22 511 08 13
www.deloitte.com/pl

Independent assurance report pertaining to the 2014 ENERGA Group Sustainability Report

To the Management Board of ENERGA S.A.

We have reviewed the 2014 ENERGA Group Sustainability Report ("CR Report" or "Report") developed by ENERGA S.A. with the registered address in Gdańsk, at Al. Grunwaldzka 472 ("Company"), with respect to material aspects identified by the Company and indicators reported on the basis of G4 Sustainable Development Reporting Guidelines for "Core" level, as well as Electric Utilities Sector Supplement, issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2014 to 31 December 2014 with relation to quantity and quality of available evidence.

The Management Board of the Company is responsible for reliable, correct and fair information and for correct preparation of the documentation. Our task was to issue an independent assurance report based on the CR Report.

Our procedures did not include assessment of the fairness, correctness and completeness of documents provided by the Company, nor did they constitute an audit of the internal control system implemented therein. Therefore, we do not express an opinion regarding correctness of the system. Our procedures did not constitute an audit of financial statements as defined in the Accounting Act. Therefore, we do not express an opinion concerning the auditor's Report nor do we make statements regarding the financial statements of the Company as determined in regulations applicable to certified auditors.

Planning and performing our works had the nature of a limited assurance engagement performed in line with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information), which requires us to plan and perform the engagement in a manner which allows for limited assurance that the CR Report does not include significant misstatements. The scope and methodology of a review of the CR Report significantly differ from those applied during an audit, which is aimed at expressing reasonable assurance. The purpose of the review is not to issue an opinion on correct, true and fair nature of the CR Report, and therefore no such opinion has been issued. The procedures followed during the review of the CR Report comprised:

- Identifying issues and results significant for the content of the Report from the viewpoint of the corporate social responsibility strategy followed by the Company and stakeholders' expectations.
- Comparing data included in the CR Report to those presented in the Financial Statements of ENERGA Group for 2014.
- Interviewing individuals in charge of the implementation of the corporate social responsibility strategy in the Company and of the preparation of the Report.
- Verifying the information included in the Report for compliance with the internal documentation of the Company.
- Assessing the level of compliance with Sustainable Development Reporting Guidelines and GRI Reporting Framework.

Based on the review we obtained limited assurance that the information concerning identified material aspects and indicators reported by the Company included in the Report developed by the ENERGA S.A. is free from material misstatements and it is compliant with G4 Sustainable Development Reporting Guidelines for "Core" level and Electric Utilities Sector Supplement issued by Global Reporting Initiative.

Deloitte Advisory Sp. z o.o.

Warsaw, 12th March 2015

Table of contents

1. Information on the ENERGA Group

1.1. Company profile.....	8
1.2. Management in the ENERGA Group.....	20
1.3. CSR strategy	23
1.4. Supply chain	26
1.5. About this Report	27

2. Our customers

2.1. Introduction	36
2.2. Goals to date and their execution	37
2.3. Priorities for 2015	39
2.4. Clear and transparent communication	39
2.5. High standards and customer service quality.....	45
2.6. Client satisfaction	50
2.7. Customer education.....	52

3. We take care of the natural environment

3.1. We manage environmental protection in a systemic manner.....	58
3.2. We generate energy from renewable sources.....	61
3.3. We control emissions	66
3.4. We protect water resources	71
3.5. We segregate waste.....	74
3.6. We respect protected and valuable natural areas	77

4. ENERGA Group's Distribution Activity

4.1. Introduction	84
4.2. Ensuring supply reliability.....	85
4.3. ENERGA for the development of science and technology.....	91

5. Our employees

5.1. Introduction	94
5.2. Our employees' safety	98
5.3. Employee dialog.....	103
5.4. Employee and family-friendly ENERGA.....	105

6. We work for the benefit of society

6.1. Introduction	116
6.2. ENERGA education.....	119
6.3. ENERGA Sports	122
6.4. Foundation's charitable activities	125

GRI Table	129
-----------------	-----



Due to environmental concerns, the ENERGA Group CSR Report was printed on uncoated offset paper (Cyclus Offset), surface-sized, matt, made of 100% recycled fibres certified by FSC®. Bleached without chlorine gas. The Report cover was made of the same type of paper with the FSC® certificate. The FSC® certificate confirms that wood used for paper production comes from properly-managed forests and other controlled sources. It is granted by the Forest Stewardship Council and may be obtained by the sellers of wood and its products used, inter alia, in printing.



DUE TO USING CYCLUSOFFSET PAPER INSTEAD OF NON-RECYCLED PAPER THE NEGATIVE ENVIRONMENTAL IMPACT WAS REDUCED BY:



96 kg

OF WASTE



2,508 l

OF WATER USE



10 kg

OF GREENHOUSE GASES



236 kWh

OF POWER CONSUMED



104 km

OF TRAVEL BY
MEDIUM-CLASS VEHICLE
(ACCORDING TO EUROPEAN
CLASSIFICATION)



156 kg

OF WOOD USED



grupa.energa.pl