

2022 SUSTAINABILITY REPORT





TABLE OF CONTENTS

2022 IN REVIEW	4
FOREWORD	6
OVERVIEW	8
OUR STRATEGY	12
REPORTING FRAMEWORK	14
TRANSFORMATION OF MINING	17
TRANSFORMATION OF ELECTRICITY AND HEAT GENERATION	25
ENERGY PRODUCTION AND MANAGEMENT	28
GOVERNANCE STRUCTURE	34
LEGAL COMPLIANCE	38
SUPPLY CHAIN AND BUSINESS RELATIONS	42
EMISSIONS AND CLIMATE CHANGE MANAGEMENT	44
WATER MANAGEMENT	48
WASTE AND ALTERNATIVE BUILDING MATERIALS MANAGEMENT	50
OCCUPATIONAL HEALTH AND SAFETY	52
RESPONSIBLE EMPLOYER	54
REGIONAL PARTNERSHIPS	58
ANNEX	60

2022 IN REVIEW

ELECTRICITY GENERATED IN 2022 BY USING GREEN FUEL	TOTAL INSTALLED ELECTRICITY CAPACITY	END CUSTOMERS OF ELECTRICITY AND HEAT	TONS OF LIGNITE MINED
90 000+ MWh	2 458 MW	829	11.9 million
PUT TOWARDS RECLAMATION ACTIVITIES ¹	NET GENERATED ELECTRICITY AND HEAT	TRADED ELECTRICITY	INSTALLED ELECTRICITY CAPACITY
235 CZK million	12 269 GWh	24 197 GWh	2 458 MW
STATE AUTHORITIES THAT OVERSEE MINING ACTIVITY	TOTAL EMPLOYEES ²	INJURY AT THE TEPLÁRNA KLADNO IN THE PAST 18 YEARS	ANNUAL CONTRIBUTION TO PHILANTHROPIC ACTIVITIES
10	3 263	1	85 CZK million
RECYCLED WATER USED IN OUR OPERATIONS	GENERATED WASTE THAT WAS REUSED AND RECYCLED	SCOPE 1 EMISSION INTENSITY DECREASE WITH RESPECT TO 2018	TREES PLANTED BY SEV.EN SINCE 2015
11%	85%	2%	> 4.5 million

¹ This only covers our mining entities.

² Excluding top management.



FOREWORD

Reflecting on 2022, we have another turbulent year behind us. Coming out of COVID-19 impacted years, we have faced an unprecedented and hostile invasion of Ukraine by Russia, and the subsequent turbulences of gas and electricity markets, including the European-wide search for alternative fuel sources and measures to strengthen energy sector regulation.

Although these adverse changes came unexpected, at Sev.en, we have played an active and very important part in providing stable energy sources to the Czech market. We have increased the mining and energy production to record levels to replace the lack of gas-fuelled power, the outage of several European resources including French nuclear power etc. We have offered our help to Czech authorities in the form of a lower-priced stable electricity supply to state organisations. In the situation of falling smaller electricity retailers, Sev.en has established a new entity – Sev.en Industry Supply, a.s. – as an electricity supplier to larger businesses across the country. Let me use this opportunity to congratulate our management and employees on a job very well done.

Unfortunately, we also had to deal with strengthening and harsh energy sector regulation resulting in significant future tax liabilities. At a time when stable energy infrastructure will be of key importance and further investments into the modernisation of resources will be needed, we face an unstable political and tax environment for the energy sector.

On the business front, the year 2022 was a very successful year for Sev.en despite the market turbulences. A number of major ongoing projects and investments continued including the extensive modernisation of the Počeradý power

plant; we also continued with our efforts to make Kladno and Zlín heating power plants greener by using biomass in their production.

Furthermore, several important projects in the area of reclamation and recultivation have emerged at Sev.en Inntech a.s., all under the umbrella of the “Green Mine” project portfolio. Green Mine is a strategic long-term revitalisation project focused on the large areas impacted by the ČSA mine. We are committed to producing renewable energy, promoting smart industry, smart cities, modern sustainable agriculture, and identifying and preserving habitats of endangered species. We aim to maximize the potential of the ČSA surface mines and to deliver a positive impact on the economic and environmental development of the Ústecký region.

Sev.en also commenced the execution of several solar power plant projects in the ČSA mine area with a combined peak power output of approximately 120 MWp. These projects are near the construction phase and are expected to be connected to the power grid throughout 2024-2025.

We also play an important role in the energy security of the country. The power plants Elektrárna Chvaletice, Elektrárna Počeradý, and Teplárna Kladno are significant providers of balancing services to ČEPS a.s. (the transmission system operator for electricity). Our power plants are among the major suppliers to ČEPS, contributing significantly to the stability of the transmission grid in the Czech Republic.

Sev.en also gets involved in alternative building materials which are a hit in the construction industry. Alternative building materials are a key element of

the circular economy, due to their low price and high quality. They are produced together with electricity when generating electricity from lignite. Using alternative building materials has a significant impact on the reduction of the amount of waste produced by power plants. The two main segments are the production of concrete and cement, but manufacturers of bricks, plasterboard, interlocking pavements, and other concrete prefabricates also work with alternative building materials.

At the end of 2021, Sev.en acquired a 52% stake in Sev.en Smart EP s.r.o. (formerly ČU-Morava a Slezsko s.r.o.), which focuses on the sale and transport of alternative building materials. The company is not included in this report as we are not a 100% shareholder. At the end of 2022 Sev.en acquired a 100% stake in Silo Transport, a.s., which also facilitates the sale and transportation of alternative building materials. Silo Transport is to concentrate on alternative building materials sales and Sev.en Smart EP on its transportation.

Looking ahead to the year 2023 I want to believe that the crisis will be gradually over and that at Sev.en, we can calmly continue to fulfil our commitment to deliver stable energy security and supply when needed to those who need it.

Luboš Pavlas
President and CEO



OVERVIEW

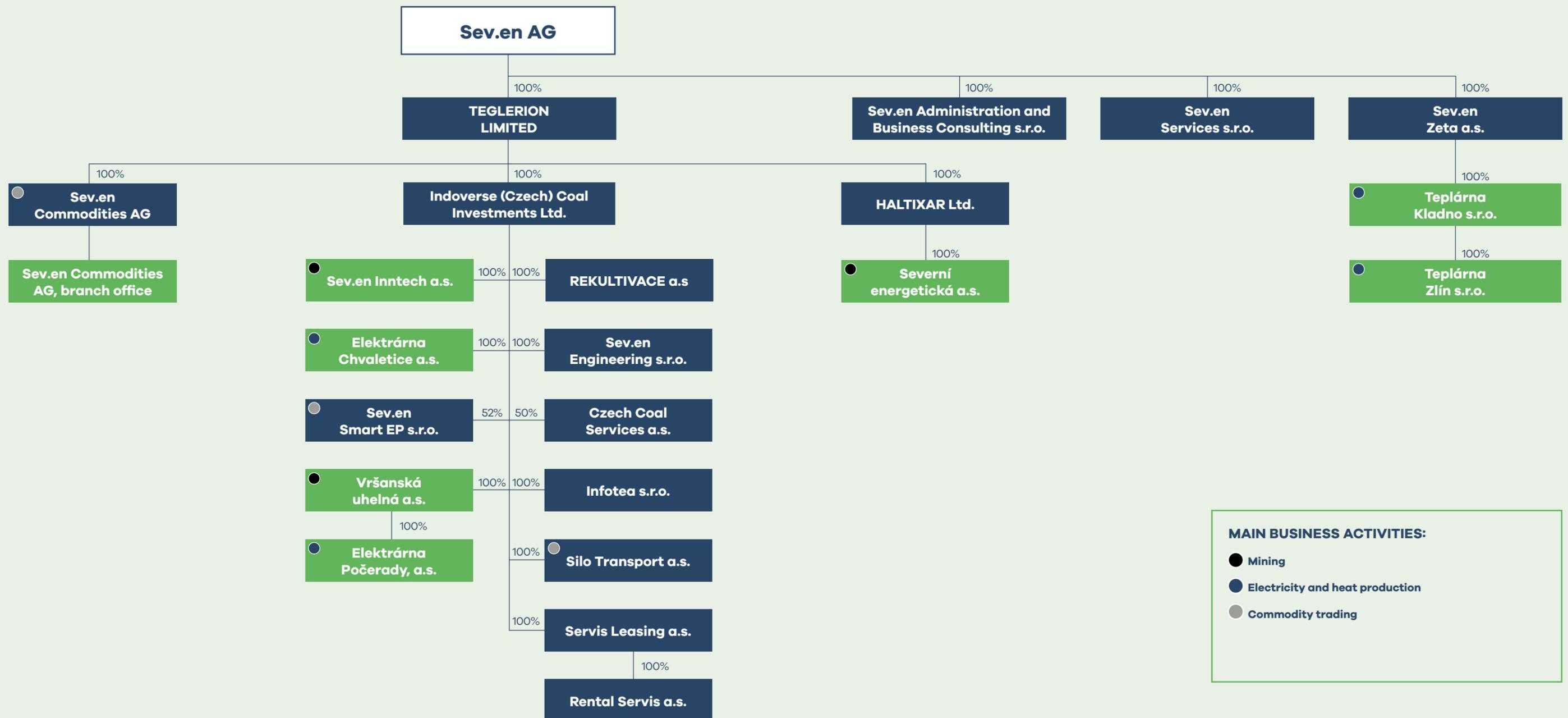
Sev.en is a group that operates in the area of conventional electricity and heat generation, lignite mining and related activities in the Czech Republic and includes the following companies: Elektrárna Chvaletice a.s., Elektrárna Počerady, a.s., Teplárna Kladno s.r.o., Teplárna Zlín s.r.o., Vršanská uhelná a.s., Severní energetická a.s., Sev.en Inntech a.s., Rekultivace a.s., Sev.en Engineering s.r.o., Infotea s.r.o., Servis Leasing a.s. Sev.en covers also Sev.en Commodities AG, branch office ("Sev.en Commodities") located in the Czech Republic that operates in commodity trading activities. The related businesses include asset management, engineering and alternative building material transportation and sale. Our beneficiary is Mr. Pavel Týkač.

Generation of electricity and heat from conventional sources, lignite mining, and commodity trading represent our core strengths. As an energy group we consider ourselves a vital link between the present and future energy landscapes, our mission is to meet the increasing needs for reliable energy generation and to facilitate a smooth and steady transition towards renewable energy sources.

Sev.en's organisational structure is provided below. The companies highlighted in green represent the main areas of the group's business and are of the key focus of this Report.



Figure 1: Organisational Structure



MAIN BUSINESS ACTIVITIES:

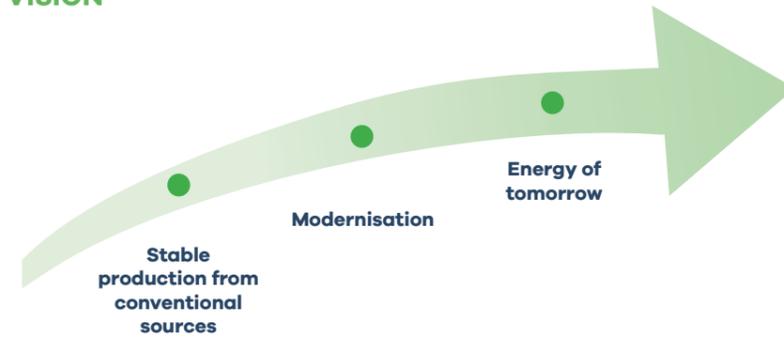
- Mining
- Electricity and heat production
- Commodity trading

OUR STRATEGY

MISSION

OUR MISSION IS TO BRIDGE THE GAP BETWEEN THE ENERGY WORLD OF TODAY AND TOMORROW.

VISION



GROWTH STRATEGY

Our goal is to share best practices, meet environmental standards and look for investment opportunities in sustainable energy production. Additionally, we focus on upholding a socially and economically responsible transformation.

Our core competence remains in traditional generation from conventional sources, as we believe it plays an important role in achieving a greener future.

FIVE KEY PRINCIPLES OF OUR BUSINESS

1

We strive for operational excellence

2

We implement and maintain transparent business practices

3

We benefit from financial stability and independence

4

Our operational knowledge has deep roots

5

We honour our environmental commitments

VALUES

EFFICIENCY



We believe in bold visions. We acknowledge that there is still a lot of work to be done to bridge the vision of tomorrow with today's reality. We believe that to succeed in today's world, we must be able to respond to the development of the world around us in a timely manner.

SUSTAINABILITY



We help to ensure that society's key energy needs are met. We accomplish this using natural resources, while acknowledging our responsibility to reclaim land affected by our business activities. We have become industry leaders in this area.

RESPONSIBILITY



We are professionals who responsibly run the facilities entrusted to us. We are also neighbours and citizens who understand the need to support one another. Our social programmes encompass a variety of initiatives that embody these values.

REPORTING FRAMEWORK

This Report was prepared with reference to GRI 2021 standards and covers the period from 1st January 2022 to 31st December 2022. As 2022 marks our sixth year publishing a sustainability report, our reporting cycle mainly consisted of collecting updated data and updating qualitative information.

The GRI guiding principles regarding content and quality have been applied throughout this Report. Our objective is to apply those principles consistently, as we did in all our past Sustainability Reports.

The organisational boundaries determine which of Sev.en's subsidiaries are included in this Report. The subsidiaries that were considered significant for compiling this Report are highlighted in green within the organisational structure presented in the Overview chapter of this Report. The quantitative and qualitative indicators presented in this Report were gathered at the level of the individual group companies and were consolidated and adjusted at the group level. For each material topic, we clearly identify whether and what significant impacts have occurred in the group in 2022 and how we have approached them in the management policies and practices.

The Czech Republic is the geographical boundary for all material topics, as all operating companies covered by this Report are situated within this boundary. Regarding our external relationships, we also monitor the impacts of our supply chain, focusing on primary suppliers. As a result, the Czech legislation applies to all companies mentioned in this Report.



OUR STAKEHOLDERS

The management of relationships with stakeholders is subject to the following principles:

- Relations with all stakeholders are developed under strict compliance with applicable laws and regulations.
- Our objective is to reflect the principles of sustainable development in our relations with all stakeholders; these are based on an exchange of mutual information and transparency of negotiations.
- We perform non-financial reporting in accordance with the GRI standards to provide consistent and transparent communication of our policies and standards across all stakeholder groups.

Figure 2: Stakeholder Analysis

Stakeholder	Key Topics	Stakeholder	Key Topics
 Customers and Suppliers	<ul style="list-style-type: none"> • Fair and transparent: <ul style="list-style-type: none"> – purchasing process – supplier selection – communication 	 Partners in Education and Research and Professional Organisations	<ul style="list-style-type: none"> • Expertise for technological research • Project partnerships
 Employees and Their Organisations	<ul style="list-style-type: none"> • Safe and stable work • Fair and equal opportunities • Open dialogue (trade unions) • Legal compliance 	 Media	<ul style="list-style-type: none"> • Timely and transparent communication • Information relating to ongoing projects
 Local Communities and Authorities	<ul style="list-style-type: none"> • Transparency of activities and impacts • Reducing negative impacts • Supporting cooperation • Land management 	 Communication Platforms	<ul style="list-style-type: none"> • Public communication (e.g. company website, mail, in-person) • Professional seminars and conferences • Regular internal discussions and meetings (e.g. with trade union representatives, governance bodies) • Internal communication (e.g. newspaper, intranet, hotlines) • Regular external discussions and meetings (e.g. with municipality representatives, relevant organisations) • Cooperation on projects with various organisations and institutions • Direct response to media
 State Administration and Supervision Institutions	<ul style="list-style-type: none"> • Occupational safety • Human resources management • Environmental protection 		
 Non-profit Organisations	<ul style="list-style-type: none"> • Accountability and transparency • Safety of operations • Reducing impacts on the environment 		

MATERIALITY MATRIX

In line with the GRI 2021 methodology, we identified and evaluated the impacts our activities have or could have on the environment, economy, and people. During the assessment we considered our impact on local and regional levels in each of the key areas. We also reflected on the importance each impact has on relevant stakeholders and the likelihood of impacts that are potential, but not yet actual. The identification and evaluation of our impacts are based on the knowledge of our businesses, analysis of best practices and also on the regular dialogue with various stakeholder groups with the objective to best reflect their concerns and expectations. For this Report, we have primarily focused on interviews with internal stakeholders.

Figure 3: Materiality Assessment



ENVIRONMENTAL

- Energy transformation
- Water management
- Waste management
- Energy consumption and management



SOCIAL

- Regional partnership
- Responsible employer
- Occupational health and safety
- Supply chain and business relations



GOVERNANCE

- Legal compliance

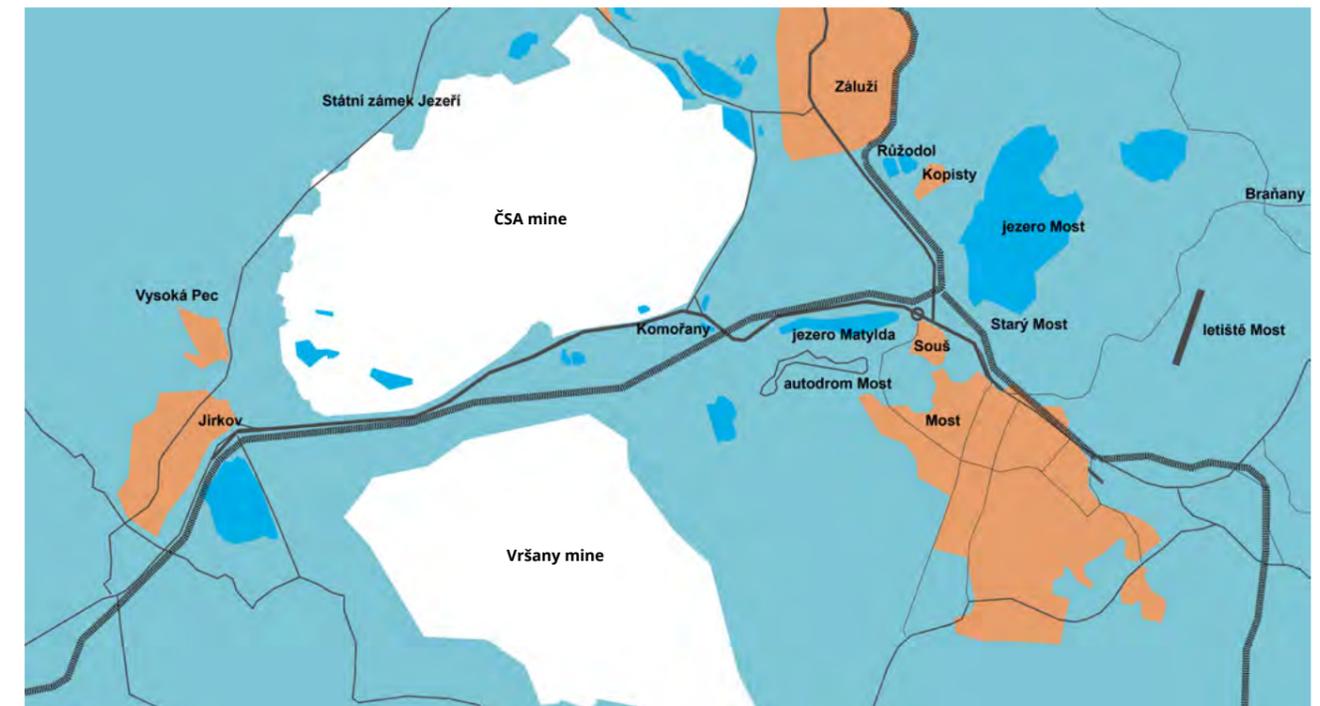
TRANSFORMATION OF MINING

Our responsibility for the sustainability of our values for future generations is an important part of our day-to-day work both in energy generation and in mining. In the Czech Republic, Sev.en operates two surface lignite mines, the ČSA mine and the Vršany mine. We are committed to the responsible operation of these mines and to limiting our environmental impact during and after the mining activity. We also consider it our duty to restore and reclaim the landscape affected by our mining activities.

The recommendation of the Coal Commission to phase-out lignite usage in the Czech Republic by 2038 puts a certain timeframe on lignite mining and lignite-fired plant operations, although the recommended timeline has not yet received final approval from the Czech Government. The end date for mining at the ČSA mine is currently planned for between 2025 - 2026 depending on demand on the market and the speed of its exploitation. The Vršany mine, the youngest Czech mine with the longest

life of lignite deposits within the existing territorial limits, has lignite reserves up until 2050. We expect the mine to remain operational until the coal phase-out, i.e., 2038.

Figure 4: ČSA and Vršany Mines

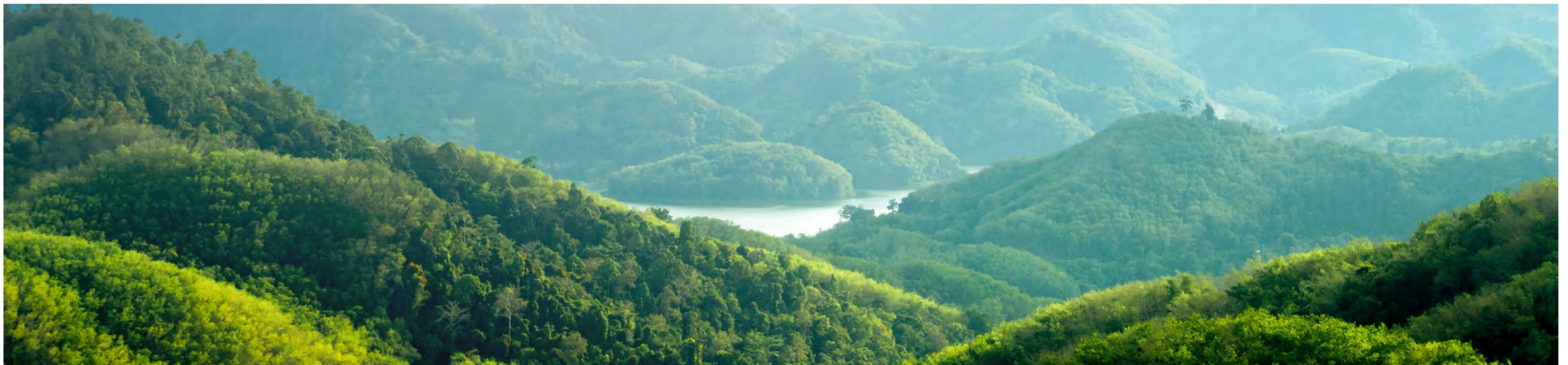
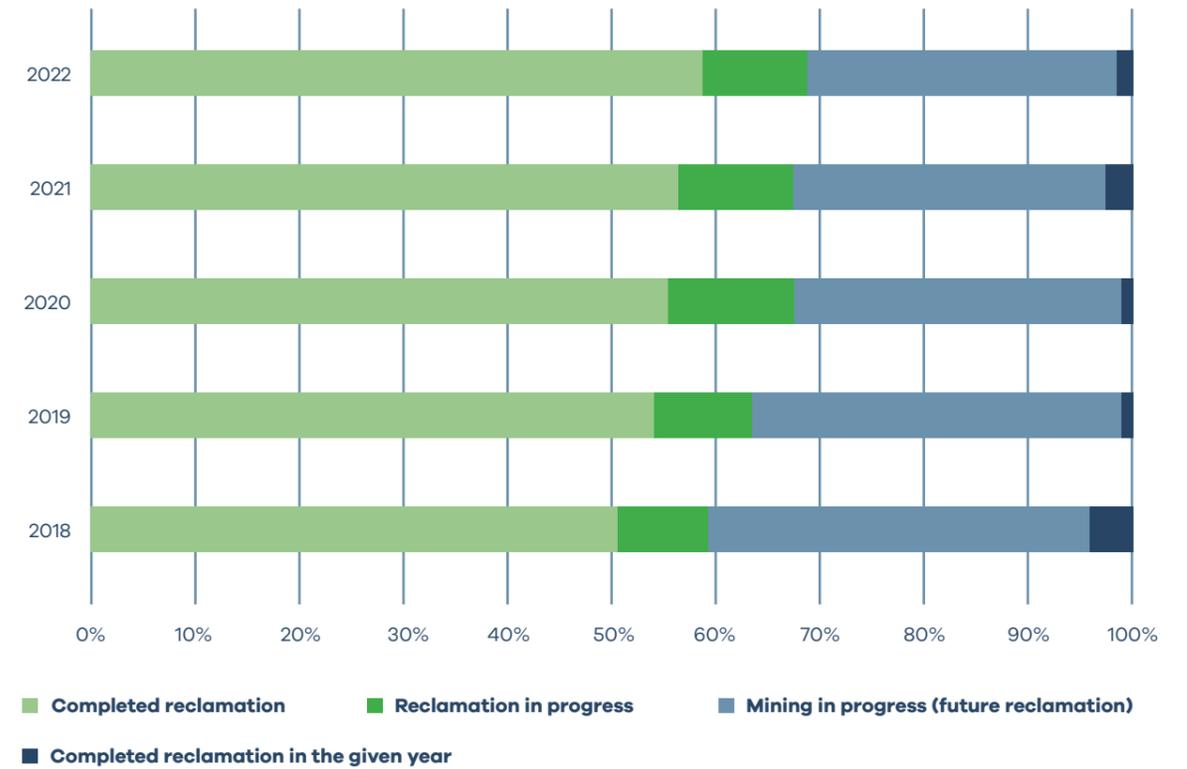


Land restoration and reclamation have been an integral part of the mining business at Sev.en. Our objective is not only to return the reclaimed areas to their original state while minimising the impact of mining activities; we also aim to further improve the development of the regions in which we operate. Therefore, Sev.en companies cooperate closely with municipalities and state agencies impacted by our activities to ensure that our projects go beyond the legal requirements and both support regional development and create an environmentally balanced landscape. This cooperation is crucial, the process of land restoration and revitalisation is complex and specific to each individual area.

Sev.en is committed to achieving environmental protection goals in both our mining locations, with the current focus being on the ČSA mine. Upon the program’s successful completion, the ČSA mine will become a unique biological zone. In collaboration with the Czech National Environmental Protection Agency, three distinct areas of environmental protection are being established to preserve the unique natural habitats of critically endangered species in the Vršany location. Such habitats are exclusive to the ČSA and Vršany mine locations and are not found elsewhere in the Czech Republic. The endangered species’ habitats are exceptional, and Sev.en works closely with the Czech Environmental Protection Agency to maintain them for the species’ survival.

Sev.en understands the importance of investing in reclamation activities, which create new opportunities and support a better quality of life. In 2022, CZK 235 million was allocated for reclamation activities. Our continued focus on the impact of our mining activities on the environment surrounding our operations resulted in the reclamation of 5 810 hectares of land by the end of 2022.

Graph 1: Phases of Reclamation in the Areas Affected by Lignite Mining



CASE STUDY

GREEN MINE PROJECT: RECLAMATION OF THE ČSA MINE

Green Mine is a strategic long-term revitalisation project focused on the large areas impacted by the ČSA mine. In approximately 2 to 3 years, the remaining tons of lignite will be mined from this site. The Green Mine project represents the transformation of a mining locality into a modern region with smart industrial zones, smart residential development, new energy sources and new business activities. The positive environmental impact on the surrounding region is an additional and equally important aspect. Through the planning and implementation of this project, Sev.en is proud to support the long-term and sustainable development of the impacted area.

Figure 5: Reclamation of the ČSA Mine



AROUND 45 KM² OF LAND will be used for development of the Green Mine Project.



OVER 1000 JOB OPENINGS will be created.



AROUND 600 MW of solar powerplants potential capacity.



UP TO 2 891 TONS OF H₂ will be produced from renewable energy. This will allow for up to 43.5 million km to be traveled by hydrogen powered busses.



UP TO 236 000 TONS OF CO₂ will be avoided through renewable energy production.

The implementation of zero-emission energy sources is another important building block of our revitalisation projects. Post-mining areas provide an ideal foundation for these projects, including modern energy parks that combine energy generation from renewable sources, hydrogen production and energy accumulation and battery fields with significant potential to accumulate and regulate energy supply. Since 2021, we have organised regular stakeholder meetings with the representatives

of individual municipalities, public society, government ministries and the European Union.

We are actively working on implementing the Green Mine Project, including assisting with, and directly commissioning studies to evaluate specific technical limitations and opportunities. These studies assess geological, water management, environmental, and other parameters, which are necessary steps in the project's implementation. We are

committed to identifying and preserving habitats of endangered species, producing renewable energy, and promoting smart industry, smart cities, and modern sustainable agriculture. Through commissioned studies and our proactive approach, we aim to maximize the potential of the ČSA surface mine and deliver a positive impact on the economic and environmental development of the Ústecký region.

Figure 6: Visualisation of the Revitalised ČSA Mine³



Potential benefits of the Green Mine project include:

- Opportunities for new business activities in a smart industrial zone that can attract and support modern fields with high added value (e.g., nanotechnology, data centres, and autonomous mobility).
- New energy self-sufficient, sustainable smart village which will provide new living spaces in the region. This village will also provide opportunities for recreation and draw tourists to the region.
- New modern energy park with a focus on renewable energy capacities, including traditional, floating, and PVs.
- Green hydrogen production for decarbonization of hard-to-abate industries and energy storage.
- Focus on spontaneous succession, where the local fauna and flora can independently flourish. The unique biotopes which will be created will create vast opportunities for recreation, which will be further developed by infrastructure such as walking trails or observation towers.
- Focus on agro-production and agrovoltic practices (e.g., organic farming and solar aquaponics). The advantage of solar aquaponics is a closed system independent of external environmental conditions, thereby enabling shorter production cycles, increasing yields per hectare, and reducing the demand for irrigation and overall maintenance of the agricultural land.

³ <https://www.greenmine.cz/img/galerie/img16.jpg>

CASE STUDY

SOLAR POWER PLANT PROJECTS AT THE ČSA MINE

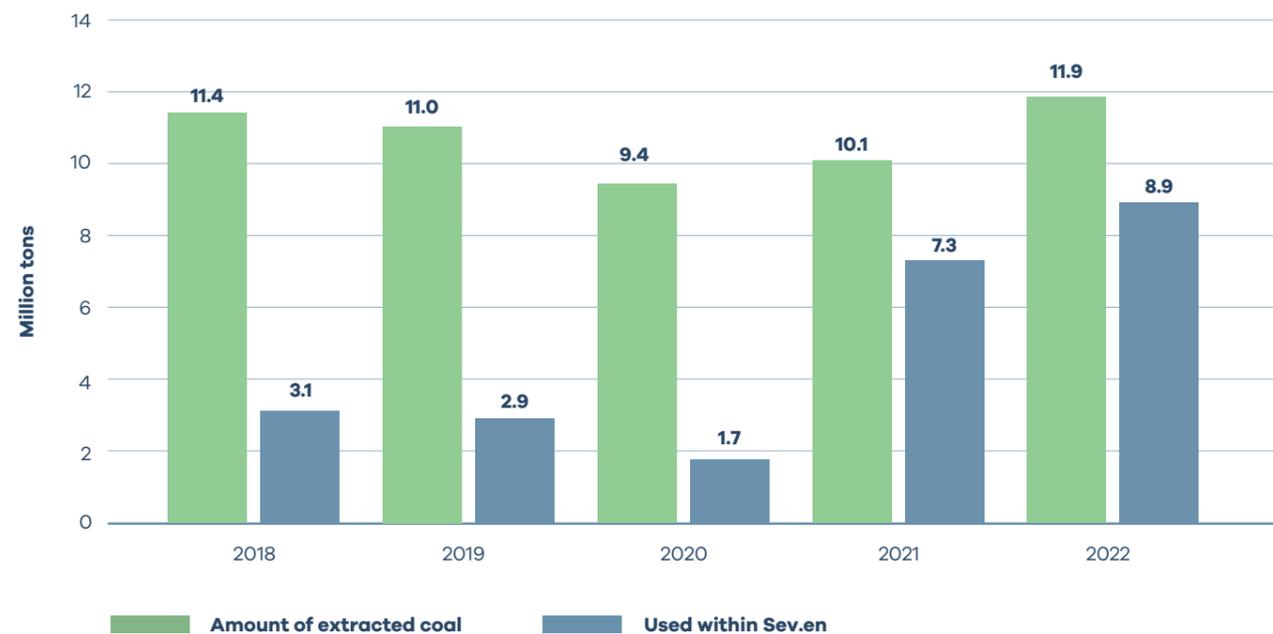
Sev.en has commenced building five solar power plant projects in the area of the ČSA mine area with a combined peak power output of approximately 120 MWp. These projects are near

their construction phase and are expected to be connected to the power grid throughout 2024-2025. The peak power output of 120 MWp is estimated to increase the total peak power of PVs in the Czech Republic by approximately 5% compared to the peak power of all operational PVs in the country in 2022.

MINING IN NUMBERS

The 17.8% increase in mining in 2022 compared to 2021 was driven by the necessity of generating electricity from lignite during the energy crises and the insufficiency of stable energy generation sources in Europe. This included mainly the period of shortage of non-Russian natural gas and numerous nuclear reactors in France were shut down due to necessary reconstruction. The volatility of gas and energy markets in general presented an interesting dilemma for mining companies, as the lack of stable energy sources must be evaluated alongside preparations to cease operations due to regulations linked to EU emission limits.

Graph 2: Amount of Coal Mined at the ČSA and Vršany Mines⁴

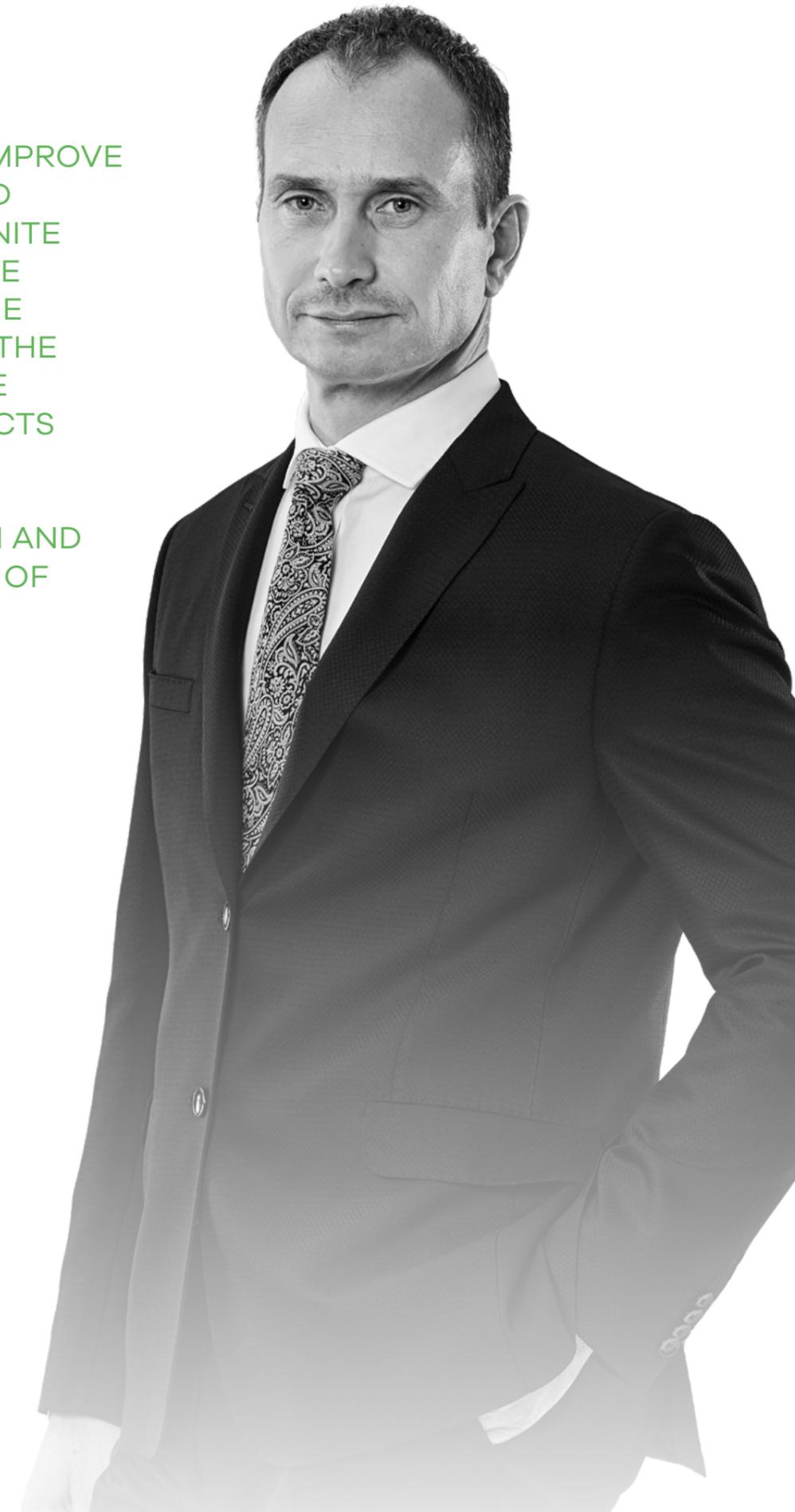


⁴ Until 2020 Elektrárna Počerady was not part of Sev.en and therefore the coal supplied was reported as an external sale.



WE CONSTANTLY IMPROVE OUR METHODS AND PROCESSES IN LIGNITE MINING TO MINIMISE OUR IMPACT ON THE ENVIRONMENT. AT THE SAME TIME, WE ARE PREPARING PROJECTS CONTRIBUTING TO THE PROCESS OF DECARBONIZATION AND TRANSFORMATION OF COAL REGIONS.

Petr Lenc
General Manager of Sev.en's mining companies





TRANSFORMATION OF ELECTRICITY AND HEAT GENERATION

In 2022 the European energy sector has been recovering from the COVID-19 pandemic, faced with a war in Ukraine, followed by the droughts, heatwaves, and wildfires of summer 2022 while staying still committed to ambitious goals of protecting the climate and becoming neutral by 2050. The EU stayed unshaken as Russia's invasion of Ukraine has not changed the reality of the climate crisis, however it has added another dimension to Europe's efforts to make a sustainable energy system.

We are convinced that the transition from conventional to renewable resources will be gradual and more evolutionary than revolutionary and that the future of energy is undoubtedly in clean energy. It is an ongoing change of unprecedented proportions with many unknown impacts where we see our role as a safeguard or better as a bridge between the energy worlds of today and tomorrow - we want to meet the ever-increasing demand for reliable energy while helping to securely transform energy markets towards greater use of renewable resources.

Therefore, our objective is to follow the latest developments of the EU while operating under Sev.en's approach of providing safe and reliable energy from conventional sources until it is no longer required by the market, or it is no longer economical from a business perspective. In these later periods we expect some form of cooperation with the Government regarding the operating regime of the conventional sources.

CASE STUDY

GREEN ENERGY FROM HEATING PLANTS IN KLDNO AND ZLÍN

Technological equipment in heating plants in Kladno and Zlín makes it possible to burn biomass in the form of wood

chips in addition to lignite. More than 90 000 MWh of electricity was generated in 2022 by using green fuel, for which the electricity and gas market operator (OTE) issues guarantees of origin from renewable sources, confirming an environmentally friendly way of generating electricity.

Picture 1: Left heating plant Kladno, right heating plant Zlín



CASE STUDY

POČERADY POWER PLANT MODERNISATION

The Počerady power plant, the largest lignite-fired power plant in the Czech Republic, became part of Sev.en at the end of 2020. In early 2021, immediately following its acquisition, an extensive modernisation of the plant began, representing the most significant project implemented in the plant since the 1990s. During the modernisation, Sev.en has been fully utilising its extensive experience gained in recent years while upgrading the Chvaletice power plant.

Renovations at the Počerady plant began with unit B6, which, unlike units B2-B5, had never previously undergone modernisation or ecologisation. The B6 project started in 2021 and finished in August 2022. The B6 modernisation upgrade resulted in a significant emission decrease of NO_x and solid air pollutants. The average value in mg/m³ of NO_x

decreased by 51% and the average value in mg/m³ of solid air pollutant emissions decreased by 76% compared to the periods before the modernisation.

The B5 unit modernisation was conducted in 2022. This upgrade had a significant impact on solid air pollutant emissions which have decreased in average in mg/m³ by 64% compared to periods before the modernisation. The total investment into the modernisation of B6 and B5 has already exceeded CZK 2 billion. Further CZK 1.5 billion is expected to be spent on the modernisation of the B2 unit in 2023. During 2024 – 2025 a modernisation of the two remaining blocks is planned with an estimated cost of several billion CZK. Further objectives of the modernisation include improved safety and the continued stability of the future energy supply. The modernised Počerady power plant will become a cornerstone of the Czech energy grid, providing a stable energy supply to offset the volatility of electricity supply from renewable sources.



THE MODERNISED POČERADY POWER PLANT HAS BEEN A KEY STABILITY ELEMENT THAT WILL ENABLE THE CZECH REPUBLIC TO GAIN THE NECESSARY TIME FOR A SAFE TRANSITION TO ALTERNATIVE ENERGY SOLUTIONS, INCLUDING THE CONSTRUCTION OF A NEW NUCLEAR POWER PLANT OR OTHER RELIABLE AND ECOLOGICAL ALTERNATIVES.

Stanislav Klanduch
CEO of Elektrárna Počerady



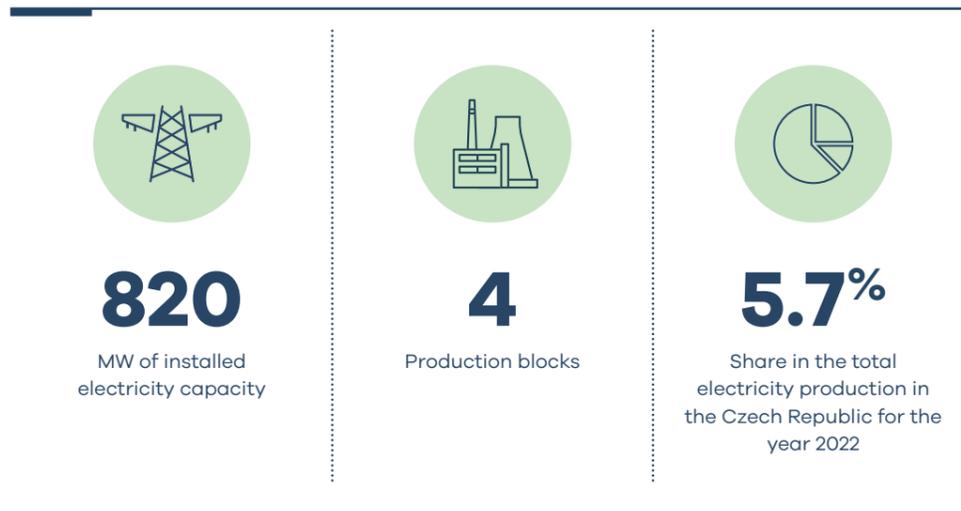
ENERGY PRODUCTION AND MANAGEMENT

INSTALLED CAPACITY OVERVIEW

Sev.en operates two lignite fired power plants, Elektrárna Počerady and Elektrárna Chvaletice.

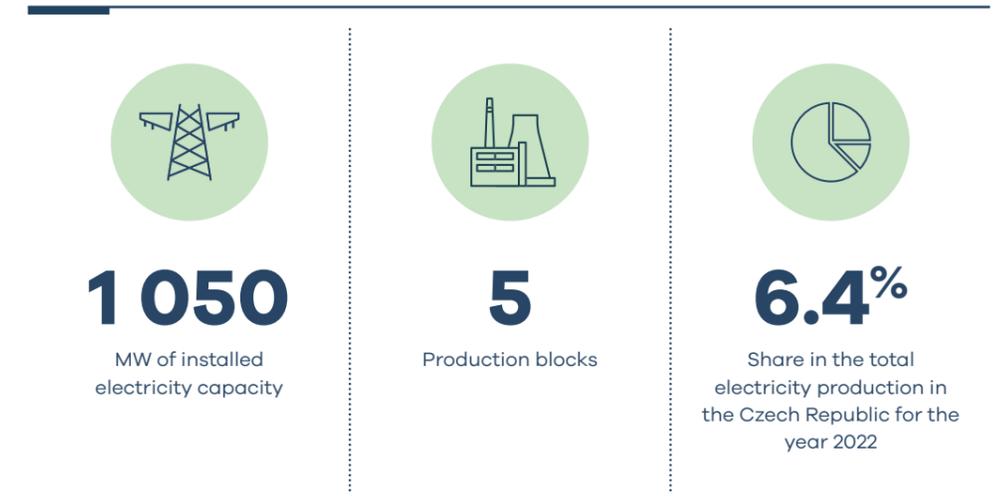
The Chvaletice power plant with an installed capacity of 820 MW is the youngest lignite-fired power plant with four units that generate electricity that covers base consumption (24 hours) and peak consumption (12 hours) with a dynamic output of 100 to 820 MW. It is an important part of Czech energy production as it has been certified to provide balancing services that support the stability of the energy grid and it has been also certified for so-called island mode operation. As a result, the plant can independently provide electricity for its operations as well as those of the network. In the event of an emergency, operating in this mode can prevent blackouts. Chvaletice power plant belongs also to system power plants that should help the grid system recover after a blackout has occurred.

Figure 7: Chvaletice power plant highlights



The Počerady power plant with an installed capacity of 1050 MW is the largest lignite-fired power plant in the Czech Republic. The plant consists of five granulation boilers connected to condensation turbines. The power plant has been certified for providing balancing services that support the stability of the energy grid and it has been also certified for so-called island mode operation.

Figure 8: Počerady power plant highlights

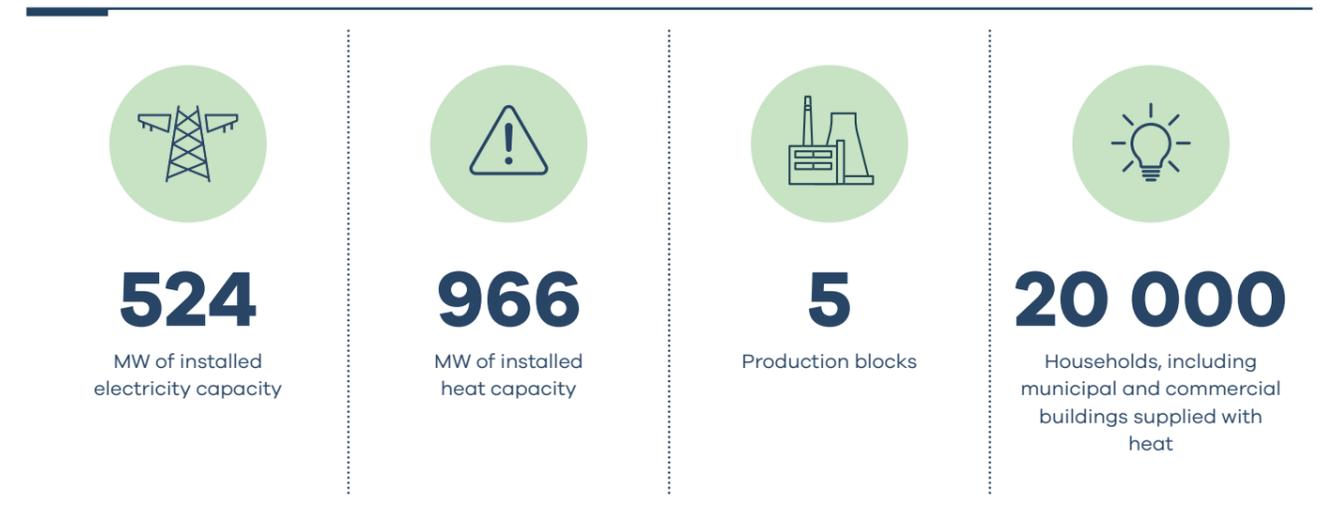


Sev.en also operates two heating plants, Teplárna Kladno and Teplárna Zlín, with a total production output of approximately 600 MW electricity and 1 300 MW heat.

the Czech grid system, as it provides balancing services and serves as a potential back-up power source for the Prague metropolitan area during periods of blackout.

The Kladno heating plant is one of the major producers of thermal and electrical energy in the region of Central Bohemia, supplying heat to households and industrial customers in the Kladno area using 5 heating blocks. It also plays an important role in stabilising

Figure 9: Kladno heating plant highlights



The Zlín heating plant is located in the eastern part of the country. It operates two main production units for combined heat and power generation and three medium-pressure boilers. The primary fuel used for electricity and steam production is lignite with the possibility of co-combustion of biomass and biogas.

Figure 10: Zlín heating plant highlights

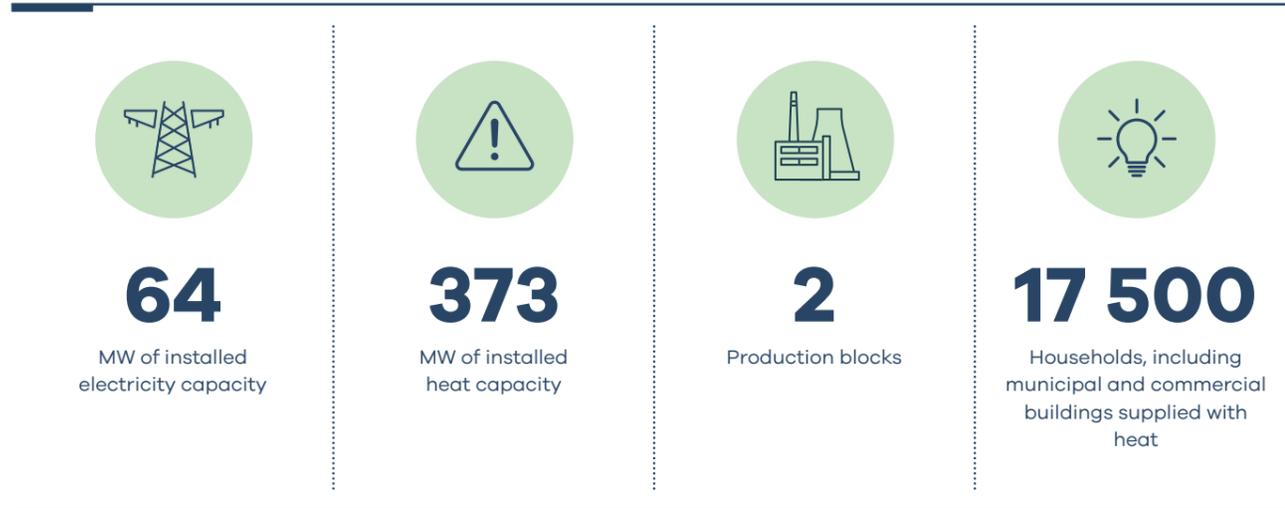


Table 1: Total installed capacity and energy production

	Elektrárna Chvaletice	Elektrárna Počeradý	Teplárna Kladno	Teplárna Zlín	Total
Installed capacity – electricity (MW)	820	1 050	524	64	2 458
Installed capacity – heat (MW)	52	23	966	373	1 414
Net production – total (GWh)	4 519	5 109	2 194	447	12 269
Net production – electricity (GWh)	4 488	5 065	1 971	138	11 662
Net production – heat (GWh)	31	44	223	309	607

CASE STUDY

ELEKTRÁRNA CHVALETICE, ELEKTRÁRNA POČERADY AND TEPLÁRNA KLADNO ARE IMPORTANT PROVIDERS OF BALANCING SERVICES FOR ČEPS, A.S.

The power plants of Elektrárna Chvaletice, Elektrárna Počeradý, and Teplárna Kladno are significant providers of balancing services to ČEPS, a.s. (the transmission system operator for electricity) in the Czech Republic. ČEPS provides services related to maintaining the balance between electricity production and consumption in real-time (system services) as part of the Czech electrical grid. To provide these services, ČEPS has contracted controllable sources of electricity production (backup for power balance regulation and frequency regulation) that can be activated as needed. Our power plants are among the major suppliers to ČEPS, contributing significantly to

the stability of the transmission grid in the Czech Republic. All three companies provide both positive and negative balancing services, which can increase or decrease the current electricity production. In 2022, Elektrárna Chvaletice provided positive and negative balancing services, on average, in two blocks per hour throughout the year. Elektrárna Počeradý provided one block on average for increasing or decreasing the power output, and Teplárna Kladno provided three blocks on average for increasing power output and two for decreasing power output.

The Chvaletice and Počeradý power plants and Teplárna Kladno heating plant together provided on average, every hour of 2022 a capacity to increase the electricity output by 221 MW or to decrease it by 145 MW. With the increasing share of renewable electricity production that cannot be regulated according to the current needs of the grid, maintaining grid stability will become more complicated. Taking this development into account, Sev.en power plants will play a crucial role in the future.





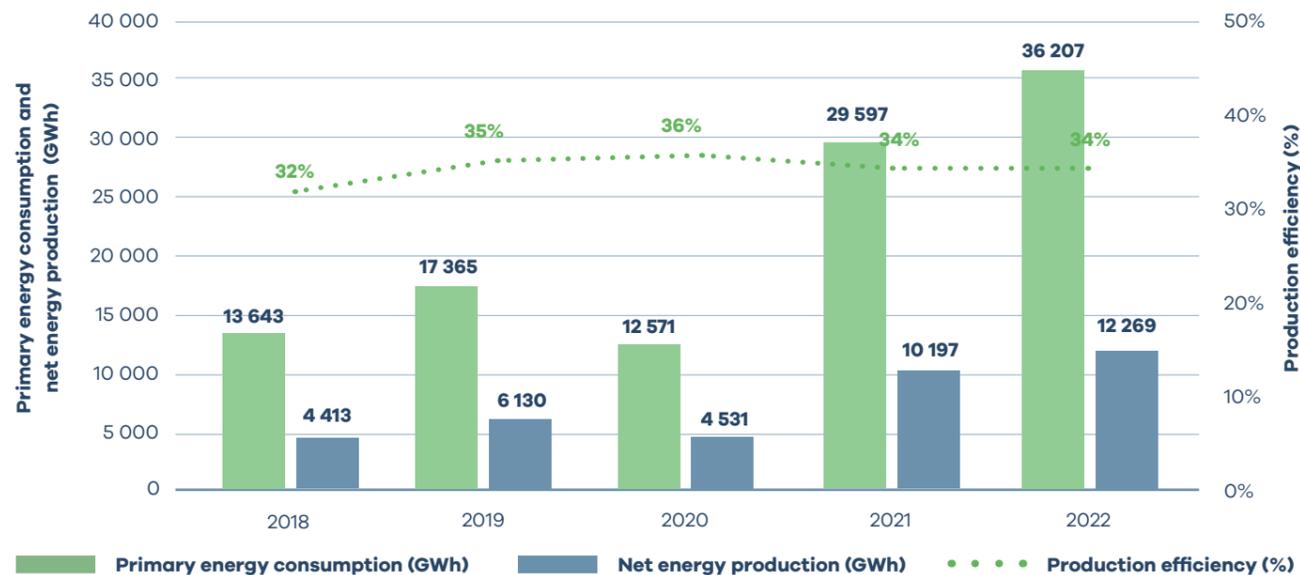
ENERGY PRODUCTION

In 2022, Sev.en’s net electricity production increased almost by 23% compared to 2021, reaching 11 662 GWh. The increase was driven primarily by the necessity to generate electricity from lignite instead of gas during the energy crises and the insufficiency of stable energy generation sources in Europe during the period of a lack of non-Russian natural gas, when several nuclear reactors in France were shut down due to necessary reconstruction. As a result, the potential for electricity of imports to the Czech Republic was limited.

In 2022, the total production of heat decreased by 14.63% compared to 2021, to 607 GWh, the decrease was driven by lower demand due to warmer weather.

Since 2017, Sev.en’s energy production efficiency has experienced an increasing trend that peaked at 36% in 2020. After the acquisition of Elektrárna Počerady, energy production efficiency decreased due to the lower efficiency of the power plant, which has not undergone any modernisation projects in the last few operating years before being acquired by Sev.en, and therefore decreased the average efficiency of our portfolio.

Graph 3: Energy Efficiency



ALTERNATIVE BUILDING MATERIALS

The main alternative building materials produced by Sev.en include ash, slag, and gypsum. We were able to sell more than 199 thousand tons of ash, 122 thousand tons of gypsum and 83 thousand tons of slag for construction purposes in 2022.

CASE STUDY

STRENGTHENING SEV.EN'S POSITION IN THE MARKET OF ALTERNATIVE BUILDING MATERIALS

Silo Transport acquired by Sev.en in 2022, provides sale and transportation services for alternative building materials to Sev.en Group and to other companies, the largest one of them being ČEZ a.s. which provides 40% of alternative building materials that Silo Transport sells along with their transportation. Silo Transport has over 100 customers, who use alternative building materials for the production of concrete and related concrete products. These products are used e.g., in highway construction, as limestone replacement. Silo Transport is in active cooperation with certified laboratories in Hradec Králové and the Brno University of Technology to explore new use cases for alternative building materials that are produced when generating energy from lignite.

GOVERNANCE STRUCTURE

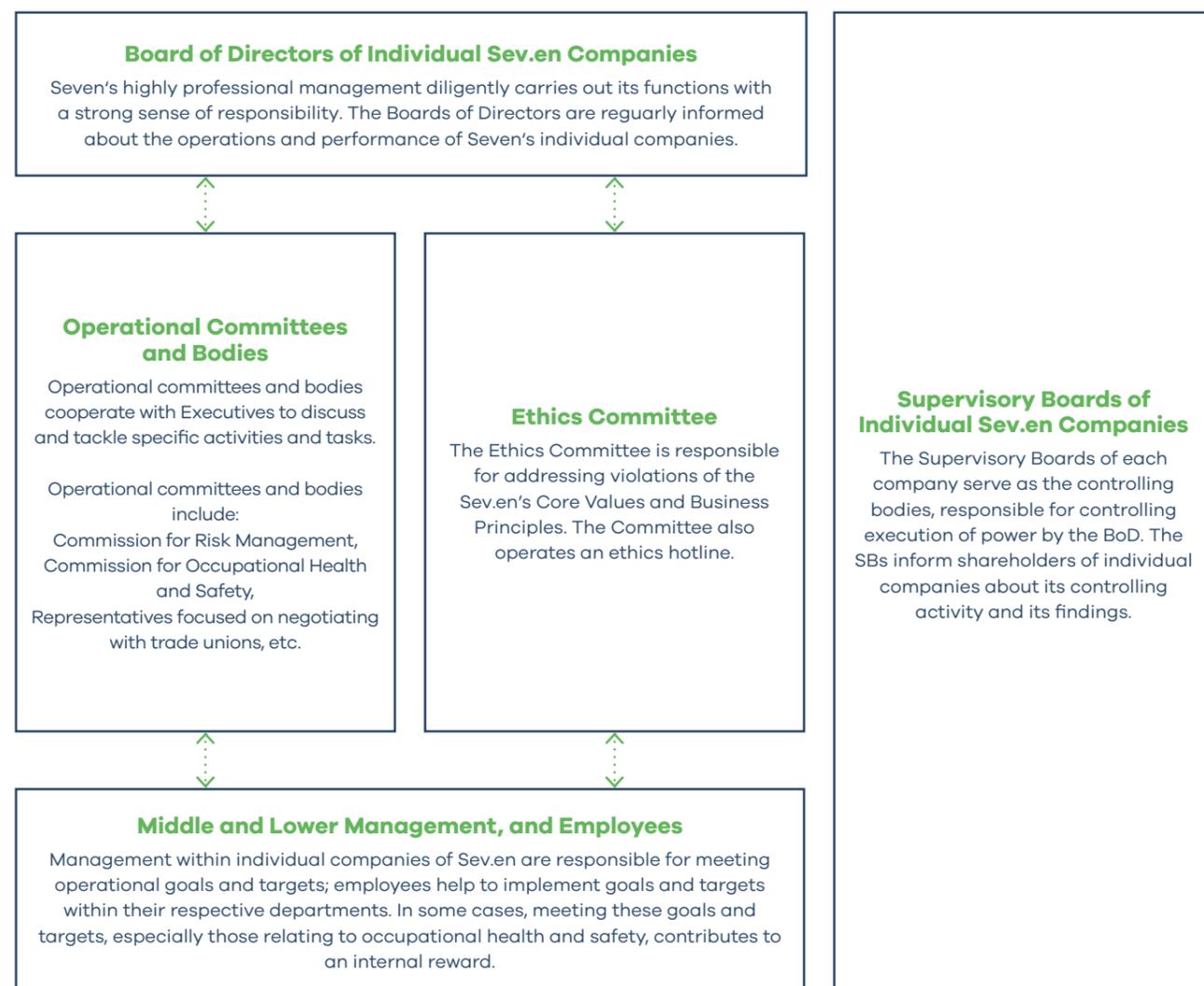
Sev.en believes that a sustainable business is founded on a professional management system. We recognise that a reliable management system builds trust amongst employees, customers, investors, and the general public. Therefore, our beneficiary does not have a direct control over the management of Sev.en companies and each individual Sev.en company is managed by an independent professional Board of Directors.

A wide range of stakeholders are actively involved in the group management processes, as illustrated in the overview below. Where relevant, employees and middle management initiate goals and activities associated with environmental protection, occupational health and safety, and social responsibility. Different bodies of management in Sev.en's companies are responsible for meeting the objectives of the business areas in which they specialise.

The Boards of Directors of individual companies incorporate in its internal documents unified Sev.en's policies which are further followed and complied with.

In 2020, an Ethics Committee was established at the group level. This Committee oversees compliance with the group's Core Values and Business Principles and has been fully operational.

Figure 11: Sev.en Governance Chart



SUFFICIENCY OF RELIABLE, SAFE AND AFFORDABLE ELECTRICITY IS ONE OF THE BASIC CONDITIONS FOR THE EXISTENCE OF TODAY'S CIVILISATION.

Pavel Tykač
Beneficiary



RISK MANAGEMENT

Sev.en identifies and implements measures to minimise the risks associated with our business activities, while simultaneously ensuring alignment with stakeholders' interests. Our objective is to manage these risks to ensure the group's sustainable and long-term growth.

Monitored risks are divided into four categories: strategic, financial, operational, and legislative. These risks are assessed based on the impact they have on our activities and on the internal departments by which they are addressed. Strategic risks are analysed

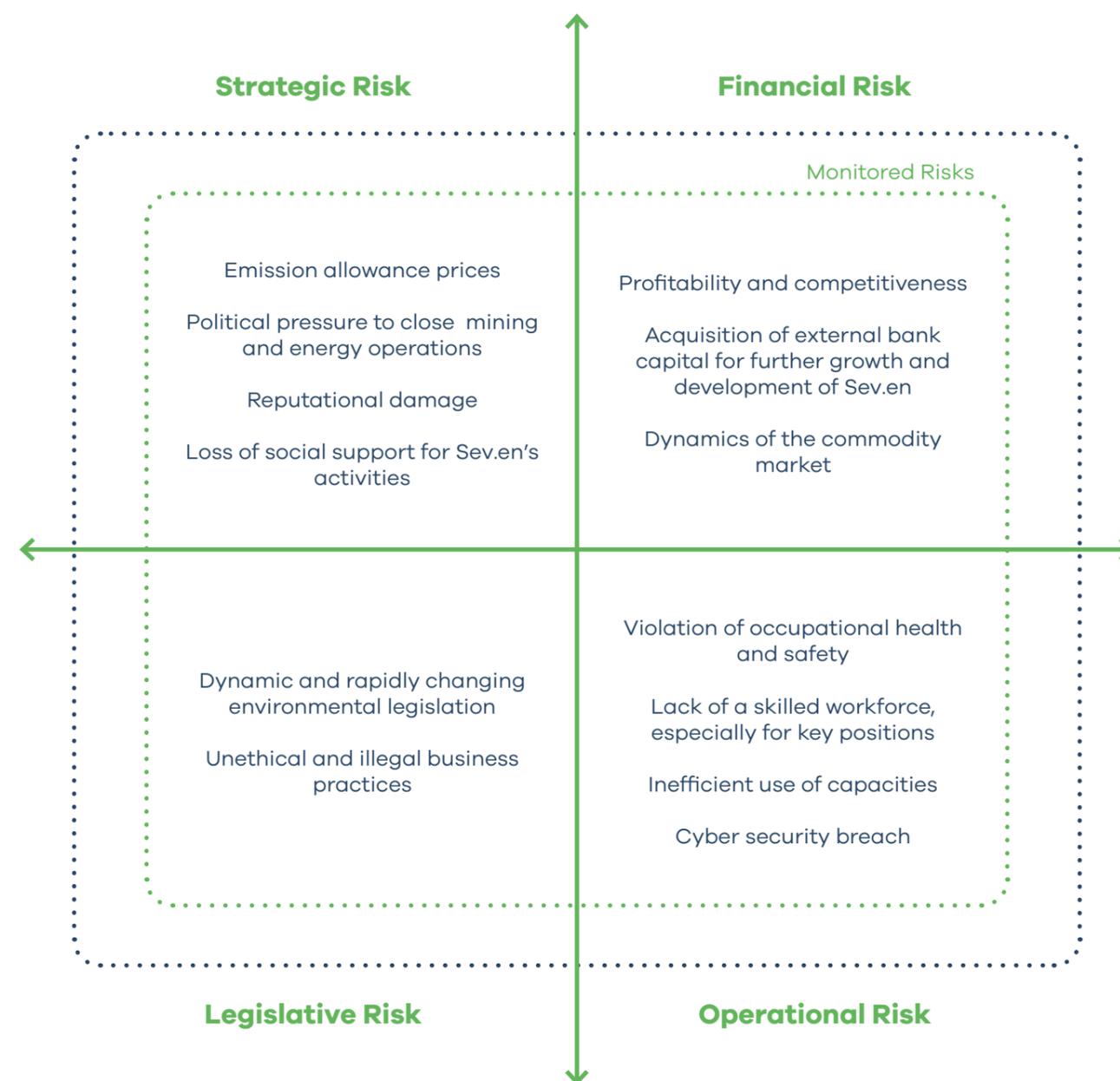
from a global and long-term perspective and are mainly addressed by the Boards of Directors of the group's individual companies. Financial risks are analysed from an economic perspective and are associated with the long-term operations of Sev.en.

Operational risks relate to daily operations. Being company-specific, these risks are monitored and managed at the relevant company level, with the exception of cyber security risks, which are managed by Infotea, a Sev.en's IT company. Legislative risks, which relate to compliance with relevant legislation and

legislative changes, are managed at both a company and group level. For example, national legislation is applied at a company level, but international matters, such as those at the European Union level, are applied to the entire Sev.en.



Figure 12: Risk Management Matrix





LEGAL COMPLIANCE



MINING



ELECTRICITY AND HEAT PRODUCTION



COMMODITY TRADING

STRATEGIES AND PRINCIPLES

We are aligned with the Code of Ethics implemented by the Confederation of Industry and Transport of the Czech Republic, and the UN Global Compact's 10 principles. These legal and ethical standards are incorporated into our internal policies and processes, while transparently communicating our responsibilities and commitments.

LEGISLATIVE FRAMEWORK

We strongly focus on Sev.en companies' compliance with all applicable laws, regulations and standards relating to mining, the production of electricity and heat, and commodity trading, which are highlighted below. In 2022, the Environmental Department of the Kladno Municipality addressed a complaint concerning the management

of alternative building materials at Teplárna Kladno. Following a thorough investigation, no evidence of any misconduct was discovered. Additionally, Elektrárna Chvaletice received two separate complaints on the same day from residents of Chvaletice village regarding an increase in dust levels.

Elektrárna Chvaletice has taken measures against dust aimed at reducing dust at the fly ash storage site and

subsequent reclamation. This spray dries on the surface and forms a dust-reducing coating. The spraying is carried out from spring when the ground is no longer frozen. Discussions are ongoing on further measures to reduce dust and finding alternative solutions.

Figure 13: List of Legislative Regulations



- Mining Act, Act No. 44/1988 Coll., and its implementing regulations, including the Decree on Mining Design No. 369/2004 Coll., and the Decree on Mining and Technical Records No. 29/2017 Coll.
- Act on Mining Activities, Explosives and the State Mining Administration, Act No. 61/1988 Coll., and its implementing regulations, including the Decree No. 447/2001 Coll., on the Mining Rescue Service
- Act on Geological Works, Act No. 62/1988 Coll.
- Water Act and Amendments to Certain Acts, Act No. 254/2001 Coll.
- Waste Act and on the Amendment of some other laws, Act No. 541/2020 Coll.



- Energy Act, Act No. 458/2000 Coll.
- Energy Management Act, Act No. 406/2000 Coll.
- Government Order on Occupational Health Protection, Government regulation 361/2007 Coll.
- Air Protection Act, Act No. 201/2012 Coll.
- Water Act and Amendments to Certain Acts, Act No. 254/2001 Coll.
- Waste Act and on the Amendment of some other laws, Act No. 541/2020 Coll.
- Integrated Pollution Prevention and Control (IPPC) Act, Act No. 76/2002 Coll.



- Act on the Protection of Competition, Act No. 143/2001 Coll.
- European Market Infrastructure Regulation (EMIR), EU regulation No. 648/2012
- Market Abuse Regulation (MAR), EU regulation No. 596/2014 (MAR)
- Regulation on Wholesale Energy Market Integrity and Transparency (REMIT), EU regulation No. 1227/2011



COMPLIANCE WITH INTERNATIONAL STANDARDS

Overall, we ensure adherence to the international standards relevant to the energy industry. All our production facilities incorporate the Integrated Management System and are fully certified, with audits conducted on an annual basis.

Table 2: Certifications Related to Sev.en’s Electricity and Heat Production Companies

Systems	Severní energetická	Vršanská uhelná	Sev.en Inntech - laboratory
QMS system	ČSN EN ISO 9001: 2015	—	—
EMS system	ČSN EN ISO 14001: 2015	ČSN EN ISO 14 001: 2016	ČSN EN ISO 14 001: 2016
OHS system	ČSN ISO 45001: 2018 ⁵	The company is aligned with the Safe Business program	ILO-OSH 2001 OHSAS 18 001: 2007
EnMS system	Energy audit	ČSN EN ISO 50 001: 2019	ČSN EN ISO 50 001: 2019
Technical standards		ČSN EN ISO/IEC 17025: 2017 ⁶	ČSN EN ISO/IEC 17025: 2017

⁵ Until 2019, the ČSN OHSAS 18001: 2008 standard was valid.

⁶ For water analyses

Table 3: Certifications Related to Technical Competencies in Sev.en’s Mining Companies

Systems	Severní energetická	Vršanská uhelná	Sev.en Inntech - laboratory
Technical standards	Certification for those sampling coal at treatment plants	ČSN ISO 13909 (1-8) ⁷	ČSN EN ISO/IEC 17025: 2017

⁷ This standard relates to the technical requirements for mechanical sampling in loading bins.

SEV.EN POLICIES

The internal principles, processes and regulations are reflected in our policies. In 2019, we expanded and centralised our internal policies, which were implemented in 2020 throughout the group. In 2021, the Code of Ethics was incorporated into management documents at our individual companies.⁸

Figure 14: Our Internal Policies



MEMBERSHIP IN PROFESSIONAL ORGANISATIONS AND ASSOCIATIONS

We work closely with trade associations and participate in industry initiatives, which create opportunities to raise industry standards and exchange best practices. We participate in over 30 associations and professional organisations, on both national and international levels. These include the Confederation of Industry and Transport of the Czech Republic, the Employers’ Association of the Mining and Petroleum Industry, Chamber of Commerce and Integrated Pollution Prevention and Control (IPPC).

Figure 15: Our Involvement with Associations and Organisations



ANTI-CORRUPTION POLICIES AND SANCTIONS

At Sev.en, we focus on compliance with all applicable laws and regulations including anti-corruption laws, applicable sanctions and applicable anti-terrorism laws. We implement the principles of an open and competitive business environment in conjunction with antitrust laws to help maintain the trust of our employees, clients and investors:

- ✓ We continually work to improve our internal processes focused on preventing corrupt practices.
- ✓ All large transactions are subject to internal risk assessments.
- ✓ Supervisory and state authorities directly oversee commodity trading, and electricity is traded on organised markets (PXE, EEX).

- ✓ All our employees are trained in corruption and bribery prevention.
- ✓ Measures to prevent corrupt business practices and to safely participate in healthy business competition are incorporated into the Core Values and Business Principles of Sev.en.
- ✓ Transparent and fair business practices are incorporated into our Core Values and Business Principles.
- ✓ Suspected violations of our business principles are addressed through our Ethics Committee.

⁸ The Code of Ethics refers to the Code implemented by the Confederation of Industry and Transport of the Czech Republic, and the UN Global Compact’s 10 principles.

SUPPLY CHAIN AND BUSINESS RELATIONS



MINING



ELECTRICITY AND HEAT PRODUCTION



COMMODITY TRADING

STRATEGIES AND PRINCIPLES

We require that all our suppliers comply with the Core Values and Business Principles and with our other internal policies. We actively monitor our suppliers regarding implementation of Sev.en’s expected business conduct rules.

SUPPLIER SELECTION

When we select suppliers, we prefer to focus on long-term cooperation. We use extensive verification processes with regards to suppliers’ solvency and stability and the references of our business partners. Our supplier selection procedure includes many criteria, and we request that our suppliers have safe and environmentally friendly operations.

scope of work. Our procurement procedures take place via tender e-mails, auction portal or Sharepoint tools, which also serves as an archive of bids and additionally ensures equal and transparent access to suppliers. Key procurements are evaluated by an independent committee, and results must be approved by group statutory bodies.

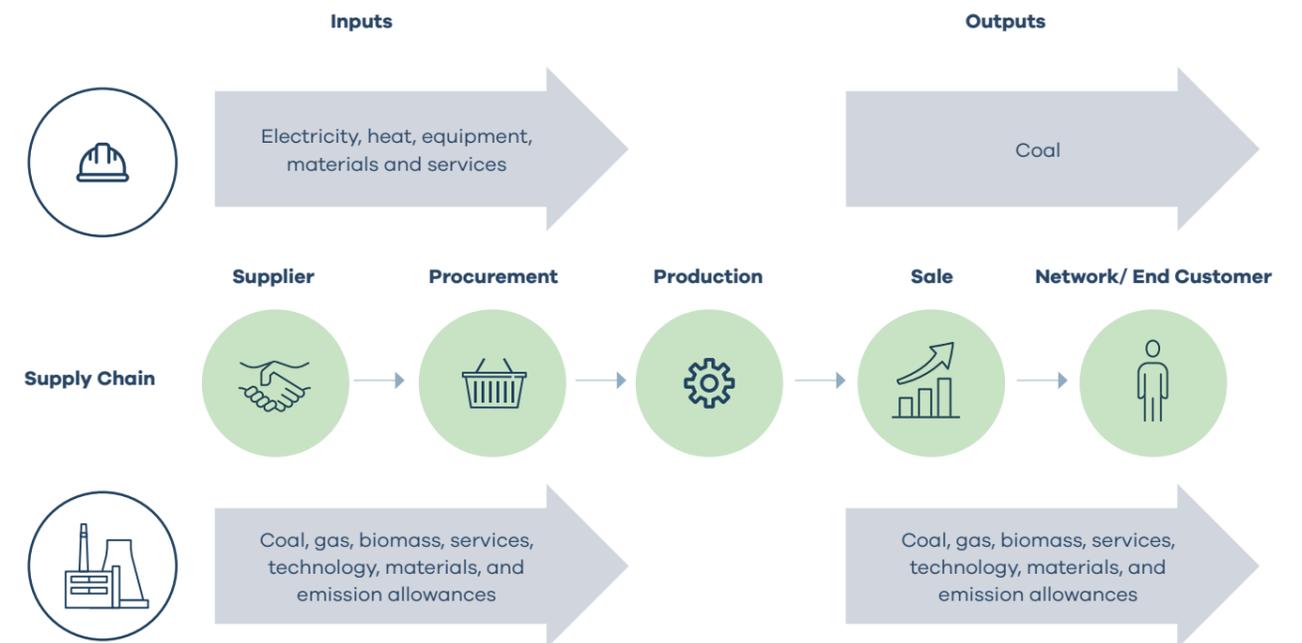
PROCUREMENT PROCESS

Sev.en’s Procurement Policy aims to ensure fair and transparent purchasing procedures. These processes involve our financial and tax departments. Procurement procedures differ depending on both the financial volumes of individual orders and the

COMMODITY TRADING

In commodity trading, Sev.en Commodities focus on adhering to all relevant trading regulations. In 2022, Sev.en Commodities sold 11 579 GWh of electricity generated at our power plants.

Figure 16: Mining and Production Supply Chain



CASE STUDY

KRÁLOVOPOLSKÁ RIA 2022 DEVELOPMENTS

In July 2015, Královopolská RIA was awarded a contract for repairing, refurbishing, and implementing environmental upgrades to units 3 and 4 at the Chvaletice power plant. Following Sev.en’s withdrawal from the contract with Královopolská RIA in 2017, due to their repeated handover delays, Elektrárna Chvaletice filed its receivables through insolvency proceedings against the supplier. As of the end of 2022, the litigation process was still ongoing.

EMISSIONS AND CLIMATE CHANGE MANAGEMENT



MINING



ELECTRICITY AND HEAT PRODUCTION

STRATEGIES AND PRINCIPLES

Sev.en measures and manages its emissions of greenhouse gases and other air pollutants in an effort to continually reduce them. The overall objective is to show best practices in the regions where we operate.

APPROACH TO CLIMATE CHANGE

We regularly monitor possible climate change developments and update crisis scenarios accordingly. This occurs through a formal consultation process at the management level. Management applies the outcomes of these consultations to the decision-making processes on the future direction of Sev.en. At the level of individual companies, their managers and other responsible personnel have annual emission reduction targets set for greenhouse gases and other air pollutants, which are subject to evaluation.



We continually analyse the possible use of renewable energy sources within Sev.en, whether it be in the form of acquisitions or use in current operations.



We actively focus on investment and operational measures that will reduce Sev.en's CO₂-eq emissions and other air pollutants.

CASE STUDY

ADDRESSING CLIMATE CHANGE THROUGH GREEN PROJECTS

As part of our efforts to create a positive effect on Sev.en's overall carbon balance, we have implemented projects that focus on addressing climate change, which include planting greenery or dust reduction. These projects also have a positive impact on the development of biodiversity in the vicinity of Sev.en heating and power plants, as further highlighted below:

TREE AVENUES IN LIŠNICE AND POLERADY

Hundreds of new trees and shrubs were planted along the railway route that connects the Vršany mine with the Počerady power plant. This route directly impacts the towns of Polerady and Lišnice, through which the railway runs. This project complements our previously planted greenery with new deciduous and coniferous plant species. Species for this project were chosen based on specific local conditions, promoting growth rather than hindering prosperity. For example, the hazel rowan, a regionally endangered species, was planted as part of this project. Sev.en cares for these trees in cooperation with local municipalities.

FROM FLY ASH TO MEADOWS

In two weeks of intensive work in 2021 the fly ash dump at the Počerady power plant was transformed into a 4 hectare meadow. The process consisted of laying down topsoil and sowing grass seed. Overall, the project received positive feedback from the nearby towns of Blažim and Výškov. In addition to cooling and retaining moisture in the surrounding landscape, the area has already begun supporting the inhabitation of various insect species.

FOG CANNON HELPS AGAINST DUST AND SAVES WATER

Fog cannons and atomizers have become a common part of the technology in Sev.en's mining companies. After testing, the DEHACO fog gun is being considered for deployment, which is specific in that it does not use pressure nozzles or a pressure pump. It is therefore not susceptible to clogging and water quality, so mine water could also be used to produce water mist. Lower water consumption is also a major advantage. The output can be regulated from 500 to 4 000 litres per hour. In comparison, the snow cannons that can be seen on Czech ski slopes consume 6 000 litres of water per hour. The fog gun and water tank assembly could be placed on a sledge to make it mobile and could be used in different locations as needed.

NEW HABITATS OFFER A HOME TO SMALL ANIMALS

The reclamation of the ČSA surface mine in Most, Czech Republic, is creating habitats that are home to a variety of insects, amphibians, and birds. They consist of water areas and wetlands and are complemented by stone mounds, piles of dead wood and sand and gravel areas. The living

conditions thus created suit different species. Insects thrive in dead wood or sandy areas, stone mounds are a refuge for invertebrates and reptiles, and birds use them as observation sites.

HONEY WITH CERTIFICATE

The number of apiaries is increasing in the production areas of Sev.en Group. Following Elektrárna Počerady and Teplárna Kladno, an apiary that can accommodate up to ten bee colonies has also appeared in the reclaimed area around the Vršany surface mine. Its construction is also planned for the reclamation of the Československá armáda surface mine. The honey meets all the parameters for certification and the Czech Honey label.

SEV.EN'S CONTRIBUTION TO BIODIVERSITY ENHANCEMENT

Through initiatives like creating biotopes, constructing floating islands, and supporting endangered species, Sev.en is actively contributing to the preservation of diverse ecosystems.

Under the power lines of the Kladno heating plant, biotopes have been created to support rare and protected animals. The collaboration between the heating plant, the Environmental Department, and Mendel University has resulted in ideal habitats for endangered butterfly species and a significant population of black-bellied bluebirds. Near Horní Jiřetín, unique floating islands have been constructed for nesting water birds. These islands, installed by academics from the Czech University of Agriculture, not only provide nesting areas but also support other organisms in the aquatic environment, improving water quality and enhancing overall wetland ecosystem biodiversity.

Near the Počerady power plant, a joint project involving nature conservationists, hunters, municipalities, and the power plant aims to stabilize small game species populations. By reintroducing endangered species like pheasants and field partridges to their historical or current habitats, they thrive in the draws and cultivated farmland surrounding the power plant.

Industrial buildings, including the Počerady and Chvaletice power plants, have been fitted with falcon boxes. Over 70 boxes accommodate more than 30 falcon pairs, supporting successful nesting. The presence of these falcon boxes promotes the conservation of falcons and highlights the success of this trend, initially introduced from neighbouring Germany.

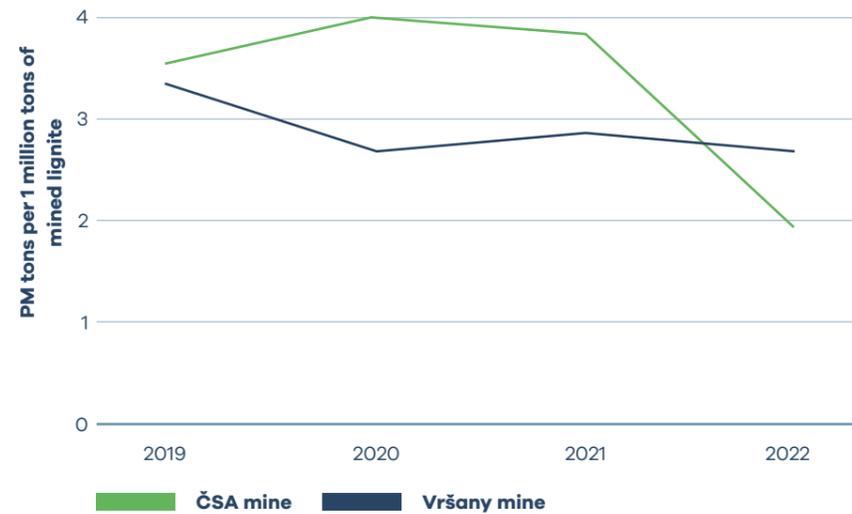
These initiatives exemplify collaborative efforts to develop biodiversity, creating vital habitats and preserving endangered species.

MINING ACTIVITIES

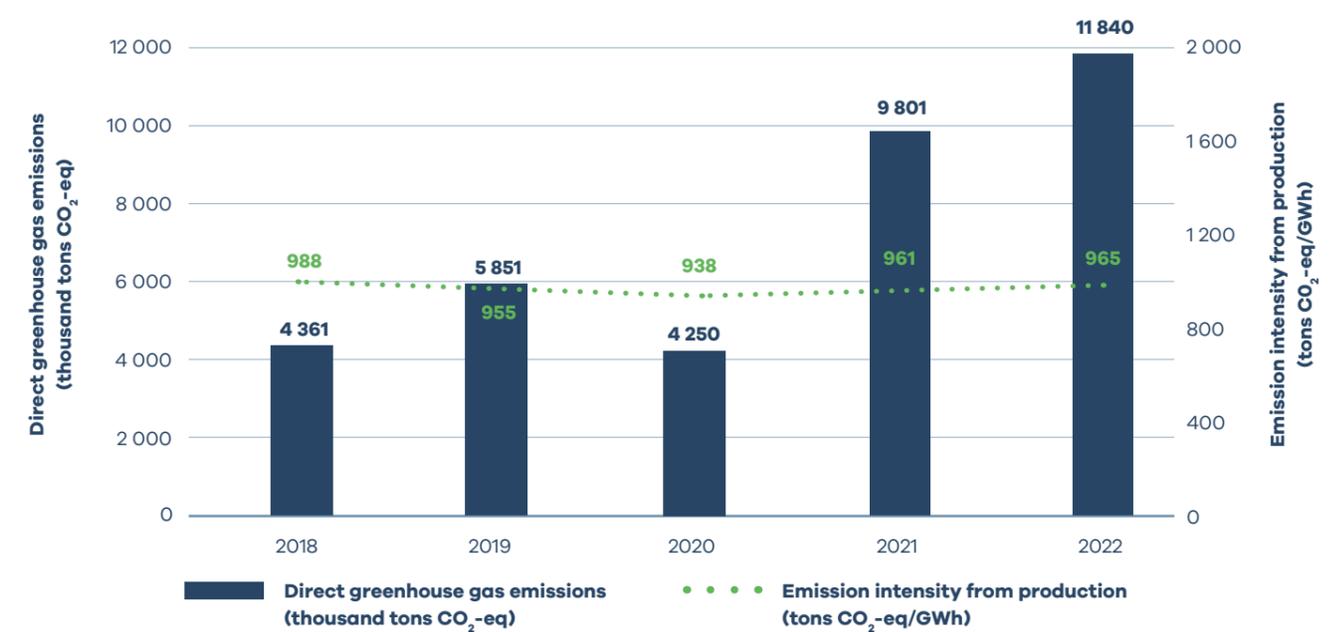
There are no direct greenhouse gas emissions that occur during our mining activities, but rather noise and solid air pollutants. These emissions are constantly monitored to ensure that they do not exceed permitted levels. The frequency at which they are measured and verified depends on the conditions set by the Development, Preparation and Mining Plans teams. The results of the measurements are discussed annually with the relevant municipality representatives and public administrative bodies. In general, we implement operating and technical measures that help reduce these pollutants.

In 2022, solid air pollutant emissions per ton of lignite mined decreased significantly, at the ČSA mine by 50% and at the Vršany mine by 8% compared to 2021.

Graph 4: Annual Trend of Solid Air Emissions from Mining Operations



Graph 5: Direct Greenhouse Gas Emission Intensity From Electricity and Heat Production



Other significant air emissions from energy production consist of NO_x, SO₂, CO and solid air pollutants. The emission intensity (tons of emissions per GWh of net energy production) of NO_x and SO₂ in 2022 slightly decreased compared to 2021.

The CO emission intensity remained the same. Sev.en takes various investment and operational measures to reduce these emissions.

CASE STUDY

DUST CONTROL OF TRANSPORTED MATERIAL

A special sprinkler ramp has been installed at the Počeradý power plant at the place where alternative building materials produced at the power plant are being loaded for transport. The trains carrying the alternative building materials from the power plant go under the sprinkler ramp at a slow speed so that the load can be sprayed. By spraying the load, a homogenous moist layer is formed. This layer significantly reduces dustiness during transportation also at a higher speed of the train. The sprinkler ramp at Počeradý power plant enables the regulation of water pressure in water jets by which the material loaded on the train is sprayed. The sprinkler ramp fulfils its function also without adding a special emulsion (enzymes) and is highly appreciated both by train drivers and inhabitants of villages located by the railway, Polerady and Lišnice.

ELECTRICITY AND HEAT PRODUCTION

In Sev.en, we measure and monitor our direct greenhouse gas emissions. In 2022, these emissions increased by 21% to 11 840 thousand tons of CO₂-eq when compared to last year due to accordingly higher electricity production. However, the intensity of these direct emissions to our energy production increased only marginally by 0.4%.

CASE STUDY

STATUS OF EMISSION EXEMPTIONS FOR ELEKTRÁRNA CHVALETICE AND ELEKTRÁRNA POČERADY

In 2021, Elektrárna Počeradý and Elektrárna Chvaletice were granted exemptions from emission limits associated with the best available techniques as set out by the Commission Implementing Decision (EU) 2021/2326 of 30

November 2021. The exemptions have been challenged by NGOs through administrative lawsuits submitted in the regional courts. The Elektrárna Počeradý proceeding is still pending. The Elektrárna Chvaletice proceeding is currently at the Supreme Administrative Court. The company is now awaiting the decision of the Supreme Administrative Court, which has already upheld the exemption for Chvaletice in the past.

WATER MANAGEMENT



MINING



ELECTRICITY AND HEAT PRODUCTION

STRATEGIES AND PRINCIPLES

Sev.en focuses on water management, assuring our compliance with all relevant legislation. Our installed technology and equipment allow us to protect water quality and to ensure the efficient use of this natural resource.

Sev.en has no activities in water stress areas*.

MINING ACTIVITIES

The majority of the water collected by our mining companies is mine water, as draining sites ensure safe working and operational conditions. In 2022, mine water made up 96% of the water withdrawn by our mining companies.

We ensure that discharged water meets relevant legal requirements. Water that does not meet the discharge conditions is pumped to mine water treatment plants where it undergoes a chemical-mechanical process before being discharged back into watercourses.

Individual wastewater treatment plants are managed and operated according to relevant regulations and issued operating decrees.

Sev.en also has comprehensive reclamation plans for post-mining operations that will further support the water systems in the regions where we operate. In the future, these may include wetlands or new bodies of water.

2022 FIGURES

Withdrawal
3 822
ths. m³

Discharge
3 656
ths. m³

Our mining companies increased their water consumption by 19% compared to 2021 to 166 ths. m³ due to the increase in the volume of coal mined.

ELECTRICITY AND HEAT PRODUCTION

The majority of the water withdrawn by our electricity and heat production companies is surface water, which accounted for 95% of the water withdrawn by these companies in 2022. Water is primarily used to supply boilers with feedwater and to cool the plants. Specifically, the Integrated Permit regulations for every production plant also limit surface water withdrawal and wastewater discharge.

In addition, some companies use recycled water for their own consumption. In 2022, 18% of the total water consumed at the Počerady power plant was recycled water. Similarly, the Chvaletice power plant used recycled water for its own consumption - the share of recycled water was 8%.

Water scarcity is a main operational risk in this business activity; therefore, we liaise with the representatives of the river basins that our production plants impact. This joint cooperation allows us to focus on discussing and implementing long-term and sustainable solutions.

2022 FIGURES

Withdrawal
33 908
ths. m³

Discharge
9 197
ths. m³

Water consumption increased in 2022 compared to 2021. However, the increase is closely connected to increase in production. This is reflected by decrease in water intensity by 7%.

Table 4: Water Sources

Plant	River basin
Chvaletice	Labe
Počerady	Ohře
Kladno	Vltava
Zlín	Dřevnice

* World Resources Institute (accessed 19.04.2023):

WASTE MANAGEMENT



MINING



ELECTRICITY AND HEAT PRODUCTION



COMMODITY TRADING

STRATEGIES AND PRINCIPLES

Our approach to waste management is to reduce waste production and to increase the share of waste reused. Each of Sev.en's operations has its own waste management plan, which clearly defines the types of waste produced and their proper handling, thereby ensuring that we act in accordance with relevant legislation. We utilise external waste disposal companies when appropriate.

Hazardous waste is generated in our main business activities both in mining and in electricity and heat production. Such activities include handling petroleum and lubricant-based substances. Non-hazardous waste is generated by all our main business activities and consists mainly of ordinary sortable and recyclable industrial waste (e.g., paper, plastic, and glass). The procurement processes of our companies determine the materials that enter our operations, while new products are monitored to identify safer alternatives to existing products currently used.

To reduce waste production, Sev.en companies set internally binding goals, which are aligned with the goals and

programs of our Integrated Management System. These goals are divided amongst the respective managers and approved by the Board of Directors of individual companies. To aid in the reuse of our waste, we implemented a take-back system in which original product manufacturers recollect materials after their use (e.g., oils, fluorescent lamps, batteries, and electrical equipment).

Otherwise, when possible, we dispose of our waste by prioritising reuse before landfilling. We also rely on disposal companies authorised under Act No. 541/2020 Coll., who have the additional relevant trade licenses and local consent from regional authorities to handle our waste. When waste is stored, we use

collection bins, ensuring that it does not have any impact after collection.

In 2022, we produced a total of 28 336 tons of waste, thereof 19 132 tons is recycled waste (mainly iron) of mining companies. This waste is linked to the decommissioning of large technology that ceased to be used at our mining companies Severní energetická and Vršanská uhelná.

In 2022, the increase of hazardous waste that has been landfilled is only temporary and is caused by Elektrárna Počerady that currently seeks a solution so that this waste is reused or recycled in 2023.

Graph 6: 2022 Waste Disposal Methods*



* The data does not include items that are subject to the take-back system



OCCUPATIONAL HEALTH AND SAFETY



MINING



ELECTRICITY AND HEAT PRODUCTION



COMMODITY TRADING

STRATEGIES AND PRINCIPLES

We ensure a safe working environment for our employees, as occupational health and safety (OHS) is a top priority for Sev.en. We accomplish this through regular internal trainings, inspections, alignment with relevant regulations, and cooperation with trade unions and internal departments, such as our internal Fire and Rescue Service and Main Mining Rescue Station, which are also a part of the Sev.en's Integrated Rescue System (IRS).

Our internal practices allow us to effectively manage potential OHS-related risks.

LEGAL COMPLIANCE

We ensure that the entire group complies with national and international OHS legislation. This includes EU labour laws, the EU Charter of Fundamental Rights, and standards set by the International Labour Organisation. All Sev.en' workplaces undergo regular OHS inspections by specialised state authorities.

OCCUPATIONAL RISK MANAGEMENT

OHS prevention and response to risk are incorporated into Sev.en's internal policies, and OHS targets are integrated into the Integrated Management System.

Our management committees, along with trade union representatives, jointly oversee the implementation of safety measures by conducting internal reviews of OHS documents and processes. As part of our emergency preparedness, we ensure that all our operations have action plans in place for various emergency scenarios.

All of our employees undergo regular OHS training and extensive evaluations, with each employee completing at least 12 hours of training per year.

Compared to 2021, Sev.en experienced one less registered injury in 2022, and no fatalities. As in previous years, human error and unpredictable risk remain the

most common sources of injury. Below we highlight our OHS management approach in our main business activities.



MINING SITES

The Main Mining Rescue Station, which has a Fire and Rescue Department, is the primary emergency response unit for Sev.en's mines. These emergency departments operate continuously and work tirelessly to prevent unsafe activities, while ensuring appropriate and professional responses when required. Medical care is provided through the Integrated Rescue System.



HEATING AND POWER PLANTS

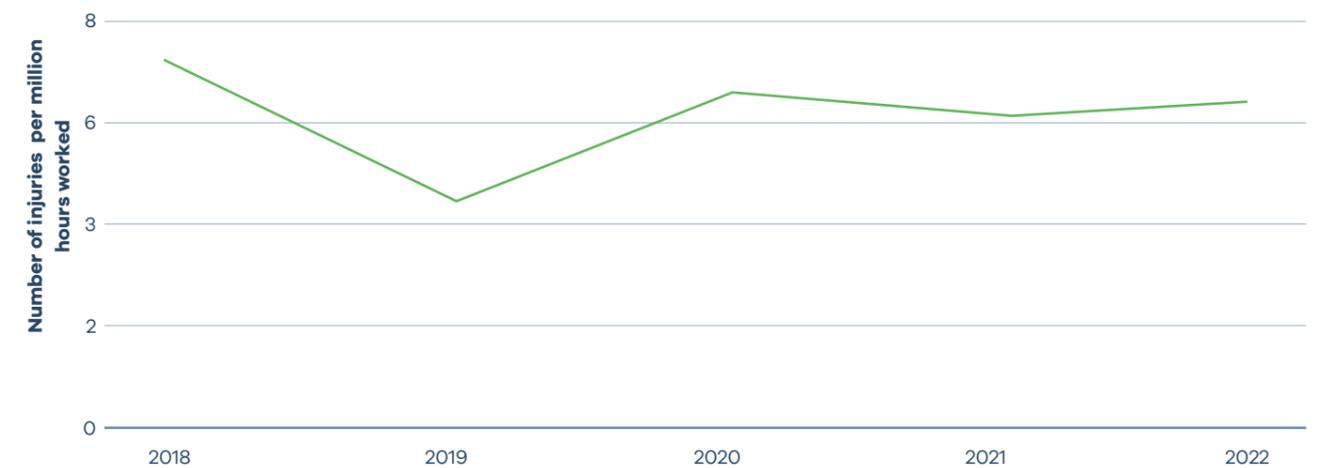
Our production companies have specialised response units that are equipped to intervene in the event of an emergency and have the skills to assess high-risk situations and apply appropriate preventative measures. For example, the Chvaletice power plant operates its own Fire and Rescue Department.



OFFICE ENVIRONMENTS

Cyber security is managed through comprehensive risk processes across the Sev.en companies. Compliance with the General Data Protection Regulation (GDPR) ensures that all Sev.en companies protect the personal information of their employees, suppliers, and business partners.

Graph 7: Employee Lost Time Injury Frequency Rate



RESPONSIBLE EMPLOYER



MINING



ELECTRICITY AND HEAT PRODUCTION



COMMODITY TRADING

STRATEGIES AND PRINCIPLES

Sev.en has an extensive social impact; we are a significant employer in the regions where we operate. Our talent consists of skilled professionals, who are both treated fairly and provided with a safe working environment in which to grow and develop professionally.

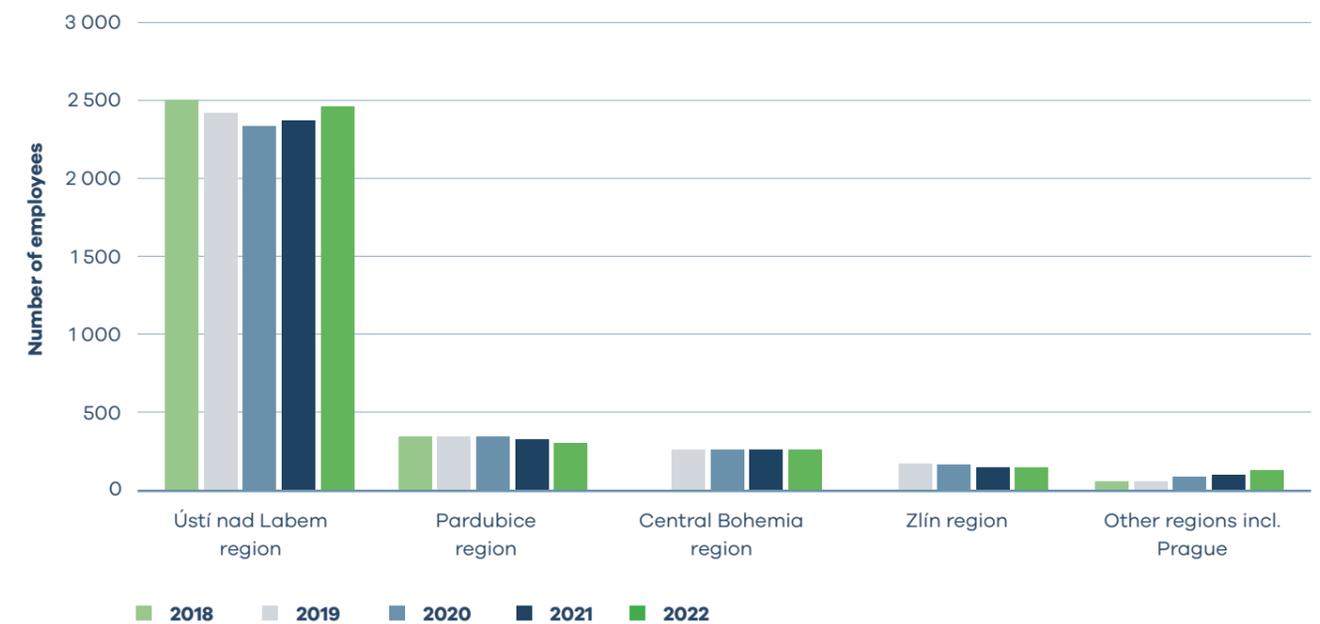
As an energy leader that supports the growth of this traditional field of work, we enjoy sharing our industry expertise with students and professionals.

EMPLOYEE DIVERSIFICATION

Sev.en's main business activities of mining and power plant operations imply that the majority of the work related to production can be quite physically demanding. In 2022, 72% of our employees performed work in manual labour positions, which have historically seen minimal fluctuations. At the same time, the energy industry commonly attracts more male employees; over the past five years the overall male to female ratio is approximately 4:1 for our production companies.

Sev.en companies are major employers in regions with historically high unemployment rates, including Ústí nad Labem, where ČSA Vršanská uhelná, Severní energetická and Elektrárna Počerady. Elektrárna Chvaletice and Teplárna Kladno are major employers in the Central Bohemia region, Teplárna Zlín is an important employer in the Zlín region in the eastern part of the Czech Republic.

Graph 8: Number of Employees by Region¹⁰



¹⁰ These numbers do not include figures for management.

IN THE ENERGY TRANSFORMATION OF TODAY THERE IS AN INCREASING DEMAND FOR PROFESSIONALS WITH COMPLETELY NEW SKILL SETS. THROUGH THE CREATION OF NEW PROJECTS, JOBS, AND RETRAINING COURSES, SEVEN EN AIMS TO RETAIN AT LEAST 80% OF OUR CURRENT WORKFORCE.





ENERGY TRANSFORMATION

When employee downsizing occurs due to reduced or ceased operations, the management of Sev.en companies diligently work with affected employees to help find new roles for them with similar job descriptions and comparable remuneration, including positions in other group companies. In the future, additional jobs will be created, and requalification training will be provided to new employees in new projects, and initiatives of Sev.en including the Green Mine project.

Creating Equal Opportunities

As part of Sev.en's Core Values and Business Principles, we promote diversity, and have a zero-tolerance policy towards discrimination. Any cases regarding workplace discrimination are directed to our Ethics Committee, which carefully addresses the issues. As a result, the management focuses on creating a culture where employees are evaluated only on the merit of their work.

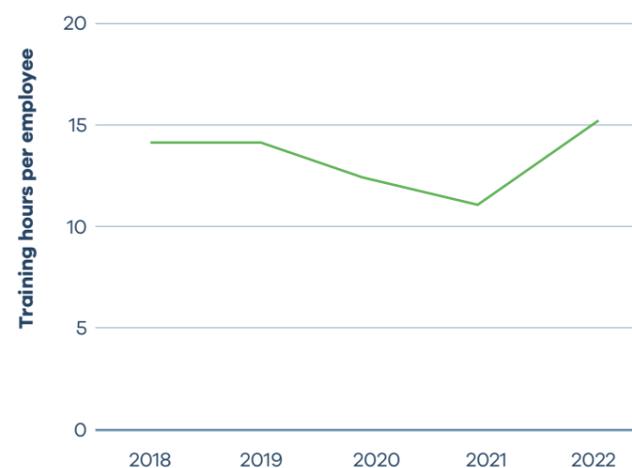
Professional Growth and Career Development

We support the professional growth of our employees. Our main focus is to promote our internal talent to higher managerial positions. This internal succession approach allows us to extensively prepare soon-to-be managers with tailored and comprehensive training programs and varied work experience.

Employee Training

Sev.en continuously offers employees access to various training targeted towards their positions and professional focus. In 2022, Sev.en provided over 50 thousand hours of training. This is a 45% increase from 2021, the majority of training was conducted for employees in manual labour positions, making up 80% of the training that we provide. These training courses focus on OHS, legislation updates and expanding technical know-how.

Graph 9: Training Hours Per Employee¹¹



¹¹ This does not include employees in top management positions.

EMPLOYEE TURNOVER

In 2022, Sev.en employed 3 263 employees in technical, administrative, and manual labour positions. This 3% increase from 2021 is due to the acquisition of part of the enterprise of ČEZ Energetické produkty s.r.o. consisting mainly of 75 employees working at Elektrárna Počerady and due to the increased number of employees in Sev.en Commodities in 2022. This 2022 trend resulted in an employee turnover rate of 12% and a 12% hiring rate.

SUPPORTING TECHNICAL RESEARCH AND EDUCATION

In the formal schooling and education system there is a persistent lack of opportunities for reskilling and qualifying individuals for the needs of the future energy industry. Therefore, Sev.en is committed to collaborating with certain educational institutions both to recruit students and to offer students research assistance. Since 2020, we have continued to cooperate with the University of Jan Evangelista Purkyně in the Ústí nad Labem region.

Our ongoing effort for new retraining and educational programs will require the support of projects in cooperation with state authorities and private investors. For example, our cooperation with the Czech Technical University in Prague, the Brno University of Technology and the University of Mining in Ostrava will enable us to provide studies relating to renewable energy.

BENEFITS

The management of the individual group companies ensures that all our employees have access to the nation-wide standards of employee benefits including:

- ✓ Contribution towards health care
- ✓ Contribution towards pension plans
- ✓ Parental leave for both women and men, along with flexible hours when possible

Social incentives that help improve employee satisfaction are also provided to all our employees and include:

- ✓ Extension for annual holidays (both one week beyond the statutory limit)
- ✓ Contribution towards meal allowances
- ✓ Contribution towards family vacations

IN 2022, 95% OF SEV.EN EMPLOYEES WERE COVERED BY COLLECTIVE AGREEMENTS.

REGIONAL PARTNERSHIPS

We focus on relationships and regular interaction with those communities which are most impacted by our business activities, as identified through our close cooperation with stakeholders. This allows us to effectively communicate our current and planned activities. Sev.en is actively involved in public affairs that help solve development issues, educate the public, and allow us to participate in professionally oriented groups and discussions.

In 2022, Sev.en's mining companies continued their partnership with the Union of Municipalities in the Ore Mountains. This partnership helps affected regions prepare for the coal phase-out. Our current focus is on projects that aim to restructure coal mining regions and support the energy transformation, both of which are endorsed by the Ústí nad Labem region, the Government of the Czech Republic, and the European Commission. As a member company of the Hydrogen Platform in the Ústí nad Labem region, we are involved in preparing and implementing activities that support the use of hydrogen as a source of clean energy.

CASE STUDY

ENERGY TOUR

Similar to the Coal Safari, those interested could visit the Počerady power plant and the Chvaletice power plant, where they take a roughly three-hour excursion in the production facilities. The tour dates are registered in the reservation system at www.energytour.cz. From 2023, the offer of tours will also be extended to heating plants in Kladno and Zlín.

CASE STUDY

PUBLIC PROGRAM: COAL SAFARI

For the 13th consecutive year, we have conducted visits at our Vršany and ČSA mine sites including both operating and reclaimed areas. Visitors can familiarise themselves with technology commonly used in lignite mining and can see first-hand what a restored landscape can look like after mining operations cease. A special tour covering mainly reclamation sites has been introduced in 2022 and is suitable mainly for larger groups of visitors. Since 2009 more than 30 000 people from both the Czech Republic and abroad have visited our mine sites.

PHILANTHROPY

Sev.en actively supports a number of regional, national, and international activities that we believe have positive impacts on the communities and environments affected by our business activities.



IN 2022, SEV.EN CONTRIBUTED A TOTAL OF CZK 85 MILLION TO PROJECTS WITH SIGNIFICANT POSITIVE IMPACTS ON REGIONAL DEVELOPMENT AND EDUCATION.

Our regional work focuses on building and maintaining long-term relationships with the municipalities in which we conduct our business activities, mainly in the Ústí nad Labem, Pardubice, Central Bohemia and Zlín regions. Nationally, we aim to create opportunities that range from youth-focused work to engaging with the natural environment, such as planting trees in nature and planting diverse plants in the villages and cities located in regions where our group is active. Internationally, our support focuses on help for Ukraine which is aimed at affected regions in Ukraine and at projects solving the impacts of the war conflict.

Regional

- ✓ **Most Black Angels**
www.dhk-banikmost.cz
- ✓ **HC Dynamo Pardubice**
www.hcdynamo.cz
- ✓ **7 Grant**
www.7energy.com/cz/grant/
- ✓ **Internal grant for employees**
- ✓ **City of Most Hospital Neonatal Dept**
- ✓ **One-off regional projects and operational support**

National

- ✓ **Sev.en Hockey Cup**
www.7hc.cz
- ✓ **Women for Women o.p.s. (W4W)**
www.women-for-women.cz
- ✓ **Sev.en for Bikers**
www.74b.cz
- ✓ **Planting the future**
www.sazimebudoucnost.cz
- ✓ **Lunches for children**
www.obedyprodeti.cz
- ✓ **Internal grant for employees**
- ✓ **East Bohemia Regional Support**

ANNEX

DATA TABLES

Table 5: Total Number of Customers and Amount of Energy Sold

	2018	2019	2020	2021	2022
Total number of end customers of heat	17	329	367	384	385
Total number of end customers of electricity	127	397	440	477	444
Amount of generated electricity that was sold [GWh]	4 376	5 529	3 905	9 400	11 579
Amount of generated heat that was sold [GWh]	12	532	520	560	476

Table 6: Volume of Lignite Mined and Sold [mill. t]

	2018	2019	2020	2021	2022
Amount of mined lignite	11.43	11.05	9.43	10.11	11.89
External sale of lignite	8.31	8.16	7.73	2.80	2.97

Table 7: Volume of Heat Supplied to the Central Heating Network [GJ]

	2018	2019	2020	2021	2022
Heat sold to the Central Heating Network	40 830	2 085 030	2 202 036	2 286 605	1 979 235
Heat distributed in the Central Heating Network	-	2 043 740	2 130 135	2 206 519	1 912 769
Losses in the Central Heating Network	-	249 608	292 202	319 325	276 447
Length of managed Central Heating Network [km]	-	160	160	160	160

Table 8: Consumption of Materials Part of the Final Product

	2018	2019	2020	2021	2022
Lime [t]	6 419	3 688	3 095	5 722	9 278
Limestone for desulphurisation [t]	114 011	189 725	139 744	282 505	332 110
Approximate consumption of lignite per 1 GJ of energy produced (gross production electricity and heat) [t]	0.19	0.16	0.16	0.20	0.21
Transport of limestone by rail [%]	100	100	100	100	96
Consumed lignite that was transported by rail [%]	100	100	100	100	100

Table 9: Fuel Consumption [GWh]

	2018	2019	2020	2021	2022
Black coal	-	39	27	27	9
Lignite	13 622	17 127	12 385	29 157	35 828
Natural gas	0.68	18.88	30.04	49.97	33.10
Light fuel oil	-	10	6	11	11
Purchased electricity	272	858	910	242	125
Purchased heat	54	54	32	34	31
Biomass	-	139	106	329	305
Other	20	31	18	24	21
Total	13 969	18 277	13 513	29 873	36 362

Table 10: Energy Consumption [GWh]

	2018	2019	2020	2021	2022
Electricity	500	705	550	1 052	1 213
Heat	47	51	61	101	86
Steam	-	-	0.37	0.39	0.40

Table 11: Reclamation [ha]

	2018	2019	2020	2021	2022
Total area affected by mining, including external dumping areas, for reclamation	9 628	9 628	9 628	9 628	9 628
• Completed reclamation in the given year	382	102	96	240	133
• Reclamation in progress	851	897	1 177	1 066	969
• area directly affected by mining (future reclamation)	3 538	3 391	3 014	2 885	2 848
Total area reclaimed	4 857	5 239	5 341	5 437	5 676

Table 12: Type of Reclamation Applied to Mined Areas [ha]

	2018	2019	2020	2021	2022
Total reclaimed land in previous years	4 857	5 239	5 341	5 437	5 676
• Agricultural	612	700	798	836	879
• Forest	2 406	2 565	2 565	2 592	2 678
• Aquatic	126	142	128	129	135
• Other	1 714	1 846	1 850	1 880	1 985

Table 13: Reclamation [CZK thousand]

	2018	2019	2020	2021	2022
From the group's financial reserve	316 768	200 181	117 291	264 507	234 441
From other sources (State resources)	42 545	28 074	17 700	2 730	867

Table 14: Water Withdrawal, Discharge and Consumption [thousand m³]

	2018	2019	2020	2021	2022
Total volume of water withdrawn	20 852	23 926	20 021	36 181	37 730
Surface water	15 109	17 366	14 087	28 237	32 242
Ground water	516	475	498	485	403
Mine water	4 926	5 648	4 953	5 806	3 656
Wastewater from organisations other than 7EC	16	18	38	984	873
Drinking water from the municipal water supply or other water supply	152	216	192	259	263
Collected and reused rain water in the group	132	204	253	409	293
Total volume of water discharged	9 545	10 795	9 719	14 646	12 853
Water that did not require treatment before being discharged	5 681	5 918	4 852	8 943	8 125
Sewage water treated before being discharged	172	169	151	266	248
Mine water treated before being discharged	2 539	2 919	3 028	3 544	2 300
Treated wastewater, excluding sewage	875	1 538	1 403	1 576	1 952
Groundwater	278	252	273	304	216
Treated industrial water discharged into public sewers	-	-	12	13	12
Total volume of water consumed	11 307	13 131	10 302	21 535	24 877
Total volume of recycled water	701	739	448	2 530	2 700
Percentage of recycled water used in the group's operations [%]	6	6	4	12	11

Table 15: Waste by Type and Disposal Method [t]*

	2018	2019	2020	2021	2022
Total waste production	6 866	5 402	10 697	20 268	28 336
Hazardous waste	654	421	382	591	1 421
• Reused	632	277	302	41	28
• Recycled	-	5	3	12	45
• Reused, energy source	5	32	19	210	309
• Landfill	18	35	27	111	975
• Other	-	71	31	217	65
Non-hazardous waste	6 212	4 982	10 315	19 678	26 915
• Reused	3 813	2 261	5 621	1 394	2 214
• Recycled	502	321	2 383	11 618	21 766
• Reused, energy source	-	-	-	-	10
• Landfill	1 897	2 393	2 304	6 666	2 924
• Other	-	6	-	-	-

* Some historical data changed due to the implementation of unified methodology of reporting across all Sev.en companies

Table 16: Direct (Scope 1) Greenhouse Gas Emissions [t CO₂-eq]

	2018	2019	2020	2021	2022
Direct greenhouse gas emissions	4 360 766	5 851 070	4 250 279	9 800 732	11 840 142

Table 17: Installed Capacity – Electricity [MW]

	2018	2019	2020	2021	2022
Total installed capacity	820	1 408	1 408	2 433	2 458
• Lignite	820	1 284	1 284	2 315	2 340
• Gas	-	124	124	118	118

Table 18: Installed Capacity – Heat [MW]

	2018	2019	2020	2021	2022
Total installed capacity	52	1 396	1 391	1 414	1 414
• Lignite	52	1 192	1 190	1 213	1 213
• Gas	-	204	201	201	201

Table 19: Production - Electricity [GWh]

	2018	2019	2020	2021	2022
Total gross production	4 735	6 095	4 373	10 355	12 708
Total net production	4 387	5 578	3 975	9 486	11 662
Gross production – conventional sources	4 735	6 055	4 344	10 259	12 609
• Black coal	-	6	4	5	2
• Lignite	4 735	6 040	4 331	10 244	12 598
• Gas	-	4	6	6	4
• Light fuel oil	-	4	2	4	5
• Other	-	0.43	0.49	-	-
Net production – conventional sources	4 387	5 542	3 949	9 399	11 571
• Black coal	-	6	4	5	2
• Lignite	4 387	5 528	3 936	9 385	11 561
• Gas	-	3	6	6	4
• Light fuel oil	-	3	2	4	4
• Other	-	0.42	0.48	-	-
Gross renewable production – biomass	-	40	29	96	99
Net renewable production – biomass	-	36	27	87	91

Table 20: Production - Heat [GWh]

	2018	2019	2020	2021	2022
Total gross production	31	684	686	773	661
• Black coal	-	20	14	19	5
• Lignite	31	629	636	676	602
• Gas	-	4	6	14	7
• Light fuel oil	-	0.47	0.27	0.43	0.48
• Biomass	-	29	28	63	46
• Other	-	1	2	-	-
Total net production	26	552	556	711	607
• Black coal	-	15	10	19	5
• Lignite	26	511	519	614	549
• Gas	-	3	4	14	7
• Light fuel oil	-	0.44	0.26	0.41	0.47
• Biomass	-	22	20	62	46
• Other	-	1	1	-	-

Table 21: Total Energy Production - Electricity and Heat [GWh]

	2018	2019	2020	2021	2022
Gross production	4 766	6 779	5 059	11 128	13 369
Net production	4 413	6 130	4 531	10 197	12 269

Table 22: Alternative building materials [t]

	2018	2019	2020	2021	2022
Total production of alternative building materials	926 360	991 744	718 326	2 380 557	3 029 707
• Ash	562 599	465 889	328 079	1 500 250	1 946 115
• Slag	143 337	118 739	79 014	333 084	437 748
• Energy gypsum	220 424	169 654	99 551	307 178	368 805
• Other	-	237 462	211 683	240 045	277 039

Table 23: Employees

	2018	2019	2020	2021	2022
Total number of employees*	2 875	3 209	3 152	3 159	3 263
Total number of employees with disabilities	62	66	72	67	72
Total number of employees with collective bargaining agreements [%]	-	98	98	96	95

*This does not include top management.

Table 24: New Hires

	2018	2019	2020	2021	2022
Total number of new hires	404	264	235	243	406
Males	318	198	187	189	311
• Under the age of 30	59	53	36	43	94
• Between the ages of 30-50	126	96	105	90	135
• Over the age of 50	133	49	46	56	82
Females	86	66	48	54	95
• Under the age of 30	11	17	8	10	8
• Between the ages of 30-50	38	38	26	26	50
• Over the age of 50	37	11	14	18	37
Hiring rate [%]	14	8	7	8	12

Table 25: Leavers*

	2018	2019	2020	2021	2022
Total number of leavers	-	-	-	490	382
Males	-	-	-	359	308
• Under the age of 30	-	-	-	46	33
• Between the ages of 30-50	-	-	-	99	98
• Over the age of 50	-	-	-	214	177
Females	-	-	-	131	14
• Under the age of 30	-	-	-	9	3
• Between the ages of 30-50	-	-	-	50	28
• Over the age of 50	-	-	-	72	43
Turnover rate [%]	-	-	-	16	12

* We began collecting this indicator in 2022.

Table 26: Work-related Injuries

	2018	2019	2020	2021	2022
Total number of fatalities	0	0	1	0	0
Total number of registered injuries (resulting in a minimum of 3 lost working days)	30	23	32	31	30
Total number of serious injuries (leading to hospitalisation for more than 5 days)	2	0	0	0	0
Total hours worked [mill. hrs]	4.15	5.16	5.09	5.08	4.81
Injury per mill. hours*	7.22	4.46	6.29	6.10	6.24

*Does not include fatalities.

Table 27: Employee Diversity – Top Management Positions

	2018	2019	2020	2021	2022
Number of employees in top management positions (only Board of Directors)	23	30	30	33	32
Males	23	30	30	33	32
• Under the age of 30	0	0	0	0	0
• Between the ages of 30-50	6	5	5	3	3
• Over the age of 50	17	25	25	30	29
Females	0	0	0	0	0
• Under the age of 30	0	0	0	0	0
• Between the ages of 30-50	0	0	0	0	0
• Over the age of 50	0	0	0	0	0

Table 28: Employee Diversity – Technical and Administrative Positions

	2018	2019	2020	2021	2022
Number of employees in technical and administrative positions	580	767	779	845	867
Males	431	579	591	646	669
• Under the age of 30	18	25	25	29	40
• Between the ages of 30-50	163	229	236	260	256
• Over the age of 50	250	325	330	357	373
Females	149	188	188	199	198
• Under the age of 30	8	12	10	12	8
• Between the ages of 30-50	59	76	79	84	78
• Over the age of 50	82	100	99	103	112

Table 29: Employee Diversity – Manual Labour Positions

	2018	2019	2020	2021	2022
Number of employees in manual labour positions (production, maintenance)	2 295	2 442	2 373	2 314	2 396
Males	1 870	2 008	1 954	1 969	2 031
• Under the age of 30	135	140	129	133	165
• Between the ages of 30-50	680	748	725	787	753
• Over the age of 50	1 055	1 120	1 100	1 049	1 113
Females	425	434	419	345	365
• Under the age of 30	10	22	20	16	14
• Between the ages of 30-50	164	163	155	127	126
• Over the age of 50	251	249	244	202	225

GRI CONTENT INDEX

Statement of use	Sev.en has reported the information cited in this GRI content index for the period starting 1 st January 2022 to 31 st December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standard and disclosure	Location	Page
2-1 Organizational details	Overview	5
2-2 Entities included in the organization's sustainability reporting	Overview	5
2-3 Reporting period, frequency, and contact point	Reporting Framework	7
2-4 Restatements of information	Not applicable	
2-5 External assurance	Not obtained	
2-6 Activities, value chain and other business relationships	Overview	5
2-7 Employees	Responsible employer	30-31
2-8 Workers who are not employees	Responsible employer	30-31
2-9 Governance structure and composition	Governance Structure	18-19
2-10 Nomination and selection of the highest governance body	Governance Structure	18-19
2-11 Chair of the highest governance body	Governance Structure	18-19
2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure	18-19
2-13 Delegation of responsibility for managing impacts	Governance Structure	18-19
2-14 Role of the highest governance body in sustainability reporting	Governance Structure	18-19
2-15 Conflicts of interest	Governance Structure	18-19
2-22 Statement on sustainable development strategy	Transformation of mining	9-13
2-23 Policy commitments	Legal Compliance	20-22
2-24 Embedding policy commitments	Legal Compliance	20-22

GRI Standard and disclosure	Location	Page
2-25 Processes to remediate negative impacts	All chapters	
2-27 Compliance with laws and regulations	Legal Compliance	20-22
2-28 Membership associations	Legal Compliance	20-22
2-29 Approach to stakeholder engagement	Reporting Framework	7-8
2-30 Collective bargaining agreements	Responsible Employer	30-31

GRI 3: Material Topics 2021

GRI Standard and disclosure	Location	Page
3-1 Process to determine material topics	Reporting Framework	7-8
3-2 List of material topics	Reporting Framework	7-8
3-3 Management of material topics	Reporting Framework	7-8

GRI 302: Energy 2016

GRI Standard and disclosure	Location	Page
302-1 Energy consumption within the organization	Annex	34-44

GRI 303: Water and Effluents 2018

GRI Standard and disclosure	Location	Page
303-1 Interactions with water as a shared resource	Water management	26-27
303-2 Management of water discharge-related impacts	Water management	26-27
303-3 Water withdrawal	Water management Annex	26-27, 34-44
303-4 Water discharge		
303-5 Water consumption		

GRI 305: Emissions 2016

GRI Standard and disclosure	Location	Page
305-1 Direct (Scope 1) GHG emissions	Emissions and Climate Change Management Annex	23-26
305-4 GHG emissions intensity	Emissions and Climate Change Management	23-26
305-5 Reduction of GHG emissions	Emissions and Climate Change Management	23-26
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions and Climate Change Management	23-26

GRI 306: Waste 2020

GRI Standard and disclosure	Location	Page
306-1 Waste generation and significant waste-related impacts	Waste management	27-28
306-2 Management of significant waste-related impacts		27-28
306-3 Waste generated	Waste management Annex	27-28, 34-44
306-4 Waste diverted from disposal		27-28, 34-44
306-5 Waste directed to disposal		27-28, 34-44

GRI 401: Employment 2016

GRI Standard and disclosure	Location	Page
401-1 New employee hires and employee turnover	Responsible employer Annex	30-31, 34-44
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible employer	30-31
401-3 Parental leave		

GRI 403: Occupational Health and Safety 2018

GRI Standard and disclosure	Location	Page
403-1 Occupational health and safety management system	Occupational Health and Safety	29
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	29
403-3 Occupational health services	Occupational Health and Safety	29
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	29
403-5 Worker training on occupational health and safety	Occupational Health and Safety	29
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	29
403-9 Work-related injuries	Occupational Health and Safety Annex	29,34-44

GRI 404: Training and Education 2016

GRI Standard and disclosure	Location	Page
404-1 Average hours of training per year per employee	Responsible employer Annex	30-31, 34-44
404-2 Programs for upgrading employee skills and transition assistance programs	Responsible employer	30-31

GRI 405: Diversity and Equal Opportunity 2016

GRI Standard and disclosure	Location	Page
405-1 Diversity of governance bodies and employees	Responsible employer Annex	30-31, 34-44

GRI 413: Local Communities 2016

GRI Standard and disclosure	Location	Page
413-1 Operations with local community engagement, impact assessments, and development programs	Regional Partnerships	30-33
413-2 Operations with significant actual and potential negative impacts on local communities		

GRI 308: Supplier Environmental Assessment 2016

GRI Standard and disclosure	Location	Page
308-1 New suppliers that were screened using environmental criteria	2022 in Review Supply Chain and Business Relations	33, 22-23

GRI 414: Supplier Social Assessment 2016

GRI Standard and disclosure	Location	Page
414-1 New suppliers that were screened using social criteria	2022 in Review Supply Chain and Business Relations	33, 22-23

