



GASNET.CZ



Sustainability Report

2024

GASNET.CZ

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GasNet's Sustainability Statement



GasNet is the largest gas distributor in the Czech Republic. Every day, over 2.2 million customers rely on us to deliver their gas supply. We operate a gas pipeline network spanning 65,000 kilometres, covering the entire country—except Prague and South Bohemia. The Czech Republic consumes approximately 70 TWh of natural gas energy annually, and we distribute 80% of that to our end-user customers. This makes us a vital part of the Czech economy and a cornerstone of our country's critical infrastructure. Wherever people live and work, we are there.

About this Report

We have prepared this sustainability statement in accordance with Directive 2013/34/EU of the European Parliament and Council. We have issued this report in response to the publication of EU standards for sustainable development reporting, adopted by the European Commission under delegated authority (European Sustainability Reporting Standards – **ESRS**). These standards are part of the European Union's **CSRD** (Corporate Sustainability Reporting Directive) on non-financial reporting by companies.

Although our company has been focusing on sustainability for a long time and has a strategic approach to this area, we meet our reporting obligation under the CSRD Directive through our majority owner, ČEZ a. s. The structure of this report voluntarily follows the structure and requirements of the ESRS standards.

This report covers the period from 1 January 2024 to 31 December 2024 and presents consolidated non-financial data at the GasNet group level. Financial results for the same period are reported separately in the annual reports of both GasNet Group companies.

Through this report, we aim to transparently disclose this non-financial information mainly for external parties, stakeholders, investors, partners, and the general public. We set out our **value chain** in detail within this sustainability report (page 23).

In addition to enhancing transparency, the report helps us identify and assess the potential risks and opportunities associated with sustainable business practices. Monitoring key performance indicators enables us to make informed, strategic decisions about our future direction.

We integrate short-term (1 year), medium-term (3 years), and long-term (5+ years) company-wide goals into our strategic management system. This includes identified risks and opportunities stemming from ESG topics. We have not made any changes compared to the previous reporting period or identified any significant errors. We continuously validate and adjust our defined goals and action plans to reflect the current situation.

CEO's Introductory Statement

Ladies and Gentlemen,

It is my pleasure to present our fifth Sustainability Report, which clearly summarises the GasNet Group's ESG activities for 2024.

The past year was a turning point for GasNet in many respects. One of the most significant changes was the acquisition of a majority stake in GasNet's holding companies by the ČEZ Group. I believe this strategic partnership will strengthen our joint contribution to sustainability and help advance modern, clean energy in the Czech Republic.

Our long-term ESG strategy remains unchanged. We aim to be a stable and responsible company that contributes to environmental protection, supports ethical business practices, and actively reduces its emissions footprint. Our goal is to achieve carbon neutrality by 2040. We are building our decarbonisation strategy on two pillars: reducing emissions from our own operations and activities, and a long-term transformation plan that includes a gradual transition to distributing renewable gases such as biomethane and hydrogen.

Our gas distribution network already has the technical capability of distributing a blend containing 20% hydrogen. We are working hard to prepare GasNet's infrastructure for higher concentrations of this low-emission gas. However, a gradual transition to hydrogen will depend on a range of external factors and the market availability of hydrogen itself. Even so,

we believe this transition will play an increasingly vital role in decarbonising energy, and we are ready to actively participate in its development.

For this reason, in 2024, we continued our pilot projects aimed at showcasing the future of the hydrogen economy. The largest of these is the project in Hranice, near Aš, where we intend to be the first in the Czech Republic to start distributing a mixture of natural gas and green hydrogen. We are also building a unique gas industry training ground, or 'polygon'. This site will enhance our workplace safety and enable us to train our employees. The polygon will also test new gas technologies and be accessible to employees of our supplier companies, firefighters, and vocational schools. Our strategy also includes supporting the development of biomethane. We have connected a seventh production facility to our network, this time in Rakvice, South Moravia. The share of this low-emission gas in our network is continuously increasing. In 2024, these production facilities together supplied over 57,000 MWh of energy to our network. We plan to continue connecting these stations in the coming years.

Over the past year, we also continued implementing our internal Green GasNet programme. This programme is our primary tool for managing all activities, projects, and measures aimed at reducing our operational emissions and optimising our energy consumption. We place a strong emphasis on minimising methane emissions, both from fugitive leaks and technological losses.



Our systematic efforts in sustainability are producing concrete, measurable results. Assessments from renowned international rating agencies in 2024 confirm this.

Andrzej Martynek
Chief Executive Officer

We consider methane emissions to be a key issue for the entire gas sector. They are one of our operational and strategic priorities, not only for climate and environmental protection but also for the safety, reliability, and efficiency of our distribution network.

In 2024, a new European Commission regulation came into force which set stricter requirements for methane leak detection and repair (LDAR). GasNet fully complies with these rules and is continuously implementing all the measures that the new regulation requires of gas infrastructure operators. At the same time, we are actively involved in shaping European practice in the field of methane emission monitoring. Through the Oil and Gas Methane Partnership (OGMP) initiative and the MARCOGAZ professional association, we contribute to the development of methodologies for measuring, monitoring, and reporting these emissions across the sector.

We are working continuously and systematically to reduce methane emissions using state-of-the-art technologies. We employ a wide range of measures to inspect our 65,000 kilometres of gas pipelines. These measures range from inspector patrols equipped with laser detectors and specialised vehicles to aerial inspections of high-pressure lines. In 2024, we expanded this comprehensive system by adding our own pumping compressor and commissioning electric detection vehicles, which can identify even the smallest gas leaks.

As part of our infrastructure modernisation, we have continued to replace older steel gas pipelines with polyethylene piping. This material significantly reduces the risk of leaks, increases network safety and reliability,

and is also technically ready for the distribution of 100% hydrogen.

We also achieved significant improvement in reducing our own technological losses—gas leaks that occur during the maintenance, repair, or modernisation of our distribution network. We reduced these emissions by 50% compared to 2023.

Our Green GasNet programme aims to reduce our energy consumption and increase our use of renewable energy sources. We partnered with ČEZ ESCO to secure certified green electricity, which powers our regulatory and LNG stations, as well as our administrative buildings.

We also generate some renewable electricity ourselves. In 2024, we installed photovoltaic panels on six selected properties. These panels meet approximately 15% of those properties' total annual electricity needs.

We also assist other players in the domestic market on their journey towards clean, low-emission energy. We actively cooperate with heating plants, power plants, and industrial businesses as they transition from coal to natural gas, a low-emission and reliable energy source. Within GasNet's distribution territory, over one hundred facilities have the potential to replace coal with natural gas. More than half of these are already connected to our network. We are engaged in intensive discussions with other operators and investors, and many projects are in advanced stages of development. We expect consumption in our distribution territory to increase by up to 18.9 TWh by 2030, specifically due to large-scale energy sources switching to natural gas.

A key task for us remains the systematic preparation of our distribution system for expected demand growth, which requires systematic, long-term investment. In 2024 alone, we invested over 4.2 billion CZK in network renewal and development. Significant projects included reconstructing our main high-pressure gas pipelines and programmes focused on increasing efficiency, advancing digitalisation, innovation, and implementing new technologies.

The year 2024 brought its share of extraordinary events. In September, devastating floods hit the Czech Republic, causing the most significant damage to GasNet's pipeline infrastructure in our history. The floods put 278 km of pipelines out of commission, and we had to conduct special inspections on another 374 km. Over 7,600 customers were affected.

Despite this unprecedented damage, we managed to restore gas supply for most customers by the end of October. In November and December, we reconnected the last individual supply points in the most severely impacted areas. This crisis tested our ability to act quickly, coordinate work effectively in difficult-to-reach terrain and maintain a high standard of service even under extremely challenging conditions. Above all, it was the dedication of our employees that made it possible to restore supplies in such a short time.

Our responsible approach to work and strong company culture are pillars of our business. This commitment has consistently earned us recognition as a fair employer on the Atmoskop portal. In 2023 we secured first place, and in 2024, we maintained excellent ratings, earning a silver placement and retaining our title.

We see this achievement as confirmation that we create an environment where our people feel respected, supported, and motivated.

Our systematic efforts in sustainability are producing concrete, measurable results. Assessments from renowned international rating agencies in 2024 confirm this. Sustainalytics, an ESG rating agency, consistently evaluates us as a "low risk" company. Globally, they rank us among the top five best-rated gas companies in the world.

We also received positive feedback from the GRESB rating agency. Their assessment reflects significant improvement, especially in the environmental area. Our score increased by eight points year-on-year to 95 out of 100. This earned us 4 out of 5 possible stars in the overall assessment.

The year 2024 was very challenging, but also successful. I believe that we are on the right track in the area of ESG, and I am confident that you will also be convinced of this when you read this report. It offers a comprehensive view of our achievements and the goals we have set for the future.



Andrzej Martynek
Chief Executive Officer

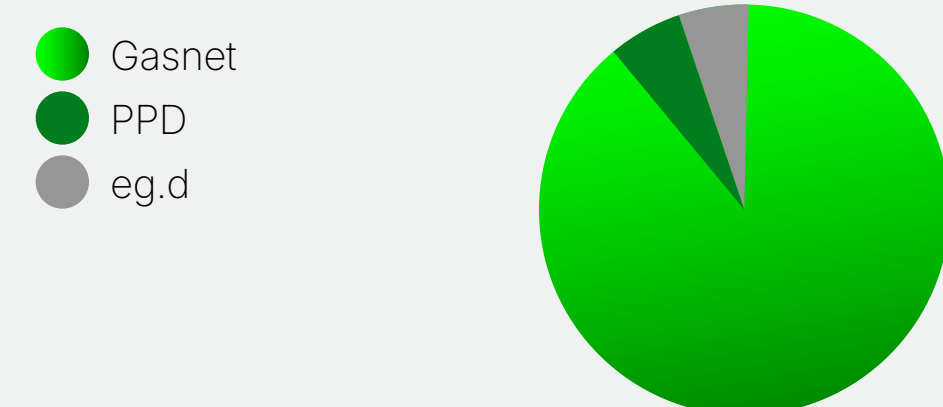
The GasNet Group

GasNet operates the largest gas distribution system in the Czech Republic. We hold approximately an 80% share of natural gas distribution in the country, managing 65,000 kilometres of pipelines across all the regions of the Czech Republic except Prague and the South Bohemian Region. Every day, we ensure that gas from various suppliers reaches the end customer safely and reliably through our gas network – 365 days a year, 24 hours a day.

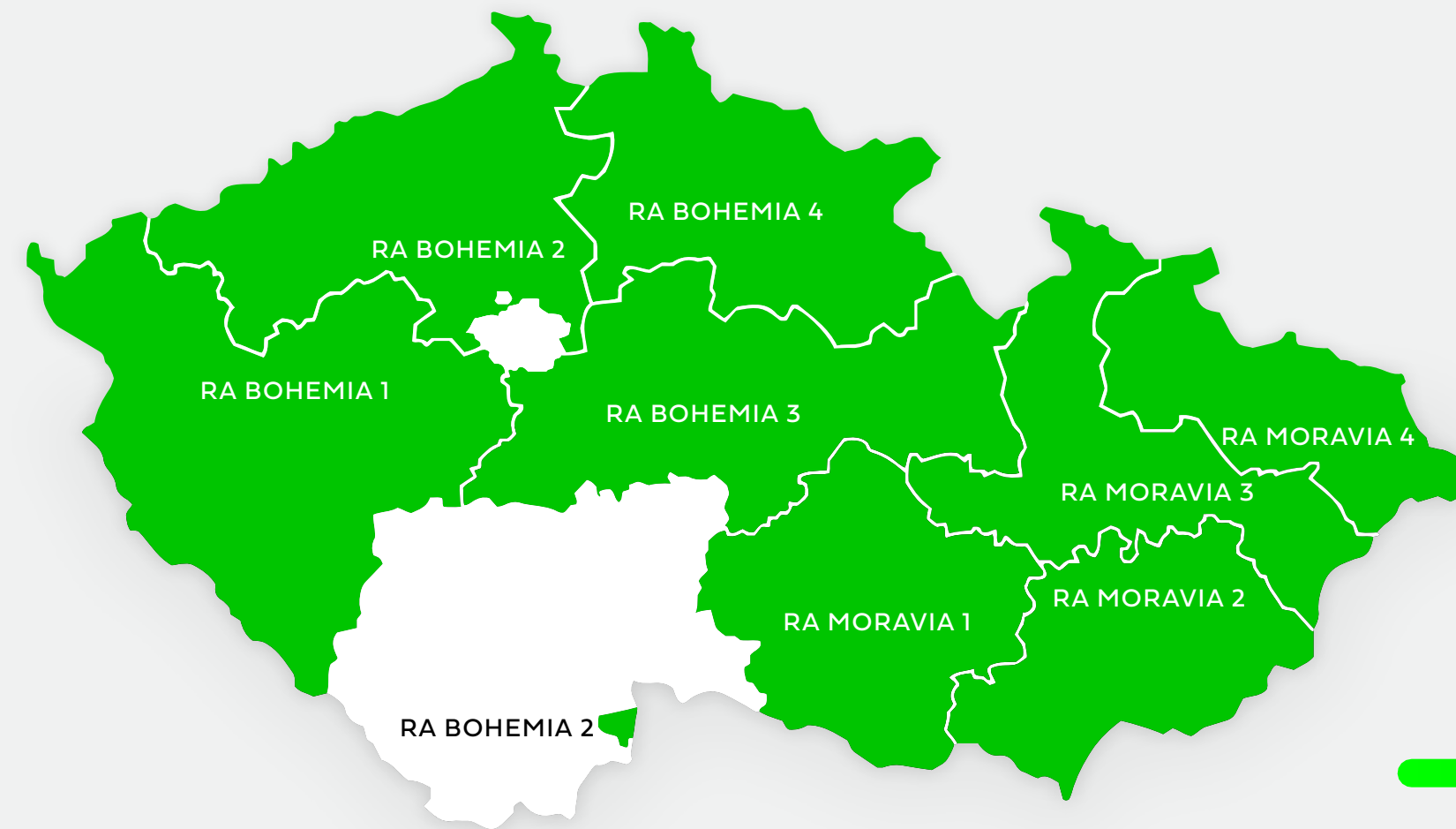
Natural gas is an energy source that is essential for everyday life. It guarantees warmth, comfort, and convenience in the home. It powers Czech industry, businesses, and institutions.

GasNet is also a leader in the Czech market in building LNG infrastructure for road freight transport. We sell liquefied natural gas (LNG) at our stations, helping to reduce emissions for all parties involved.

Ratio of the length of the networks managed by distribution companies in the Czech Republic



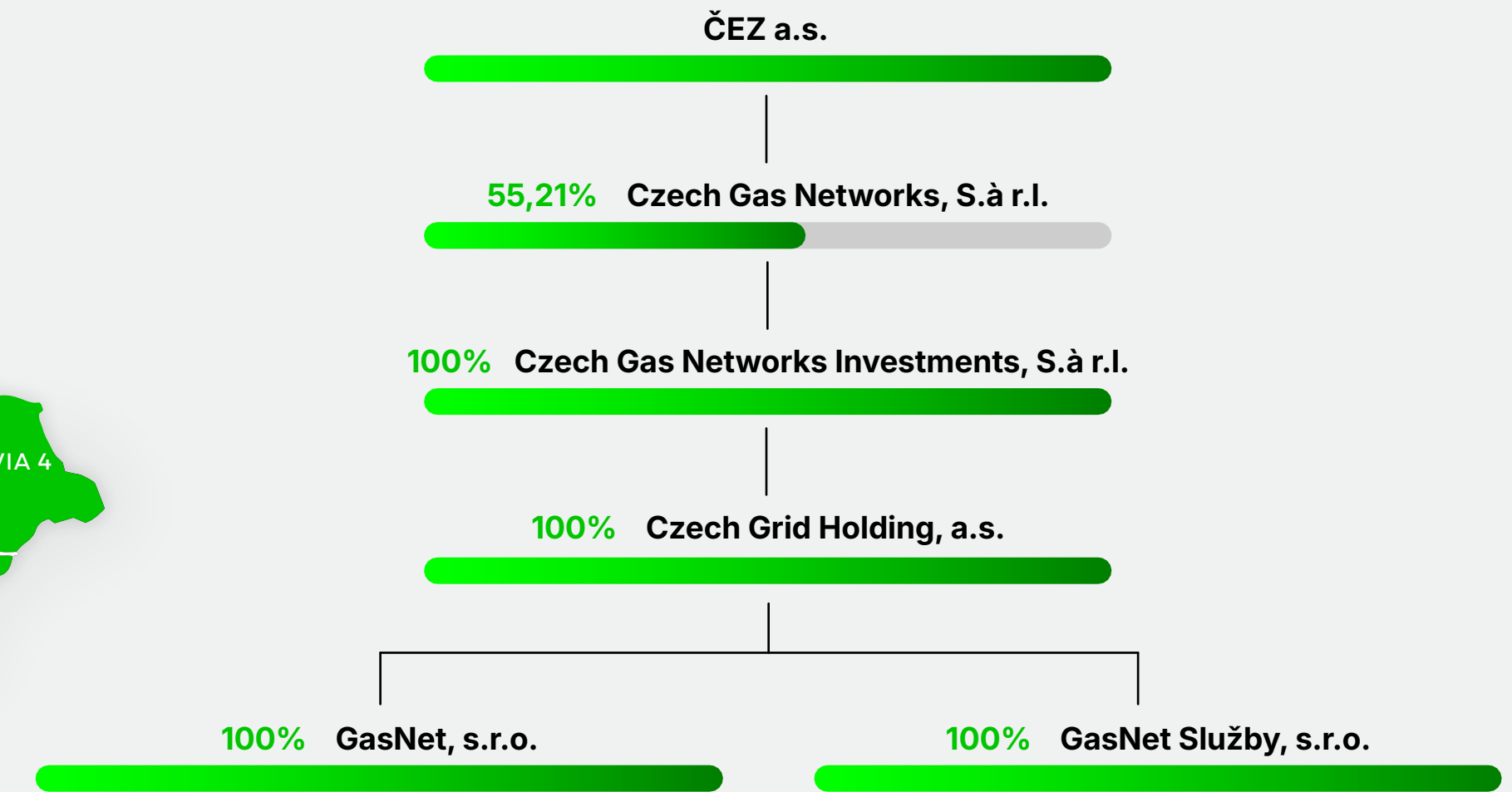
Map of distribution areas



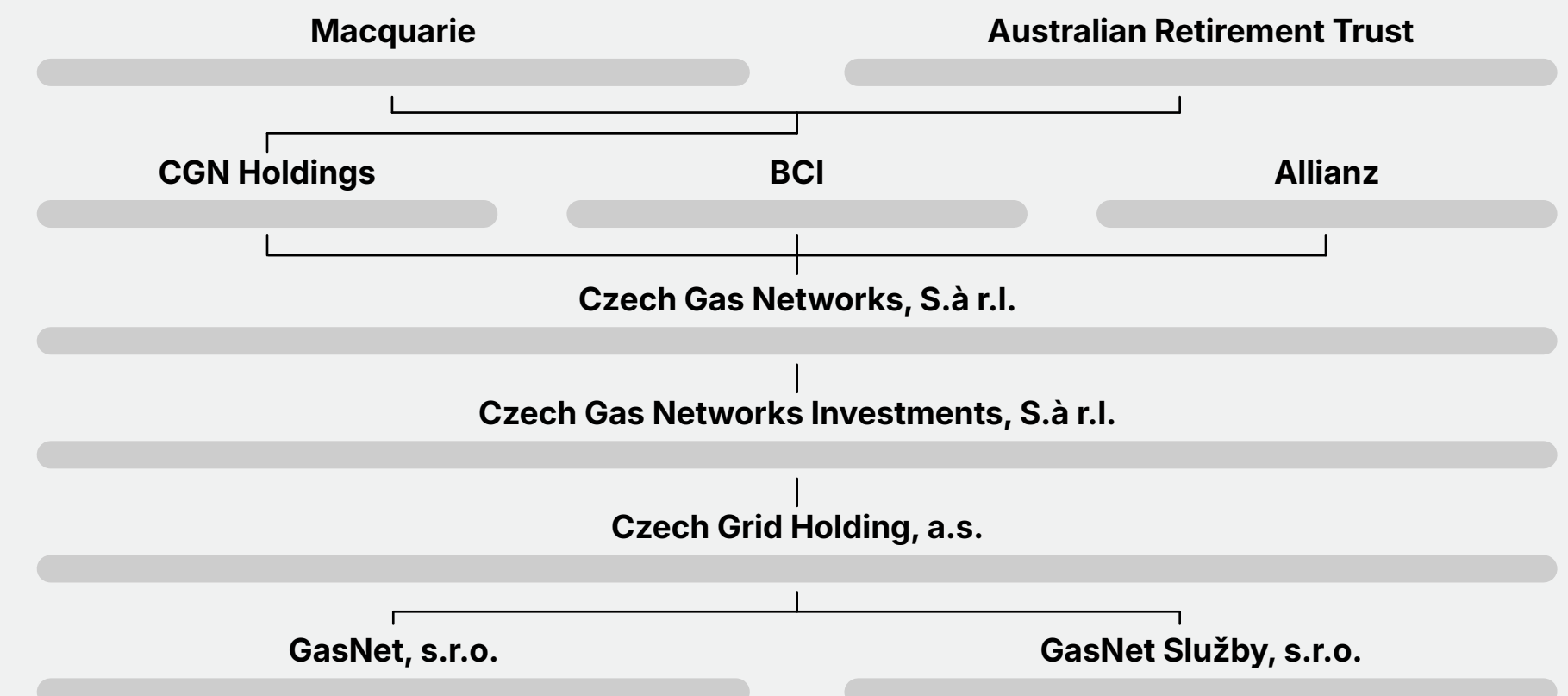
GasNet and GasNet Služby are owned by **ČEZ, British Columbia Investment Management Corporation (BCI), and Allianz Capital Partners** (representing the Allianz Group insurance companies).

GasNet owns and operates the distribution network, while GasNet Služby functions as a service company, handling the maintenance of GasNet's distribution network and gas facilities.

Ownership structure from 27. 8. 2024



Ownership structure until 27. 8. 2024



CGH Board of Directors

Czech Grid Holding (CGH) is the parent company of the GasNet group. The CGH Board of Directors represents our shareholders' interests. They meet eight times a year to discuss strategic decisions and evaluate GasNet's results. The board consists of six members and a chairperson; all elected for five-year terms. Pavel Cyrani, Vice Chair of the ČEZ Group's Board of Directors, serves as the Chairman of the CGH Board. The Supervisory Board provides oversight within CGH, monitoring the Board of Directors' activities and CGH's operations.

ESG Rating

Independent agencies regularly evaluate our ESG progress. This feedback is crucial for GasNet, as it highlights our strengths and shows us where we can improve and grow.

We are especially proud of our long-standing "low risk" ESG rating from the global agency **Sustainalytics**. This achievement places us among the top five companies in the gas industry worldwide.

GRESB, another rating agency, also recognised our positive progress in ESG. Thanks to our hard work, particularly in the Environmental area, our score increased by eight points to a total of 95 out of 100. This high score earned us 4 out of 5 stars.



G R E S B
★★★★☆ 2024



Partner Organisations and Initiatives

GasNet Group fulfills its ESG commitments not only through its own activities but also through membership in associations and organizations. Long-term strategic partnerships help to effectively fulfill our goals and multiply positive impacts.



Czech Business Council for Sustainable Development

The Czech Business Council for Sustainable Development brings together leading Czech companies from various sectors that feel responsible for observing the principles of sustainable development and sustainable business. It is the Czech branch of the World Business Council for Sustainable Development, the world's largest private sector association focused on sustainable development. GasNet Group has been a member of the Council's Presidium since November 2023.



Business Leaders Forum

BLF is a national platform for responsible and sustainable business leaders who want to create long-term profit for their shareholders and to be inspired by the benefits of ethical and transparent practices. The platform is part of the international CSR Europe organisation.



UN Global Compact

The world's largest initiative to promote and advocate for sustainability. Founded by the United Nations in 2000. It brings together over 16,000 companies from 161 countries around the world.



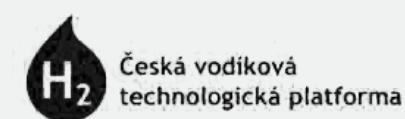
Climate & Sustainable Leaders Czech Republic

A Czech platform whose mission is to transparently monitor and report on the reduction of CO₂ emissions by the Czech Republic's largest companies, and to motivate key players in the Czech economy to initiate projects that contribute to sustainability and climate protection.



Business for Society

The Czech Republic's largest platform for responsible business. It helps companies, both large and small, to establish and develop ESG Principles.



Czech Hydrogen Technology Platform HYTEP

HYTEP aims to develop the hydrogen economy in the Czech Republic in connection with the climate ambitions of the European Union and its member states.



Czech Biomass Association CZ BIOM

CZ BIOM is a Czech association supporting the development and use of biomass, biogas and biomethane as renewable sources of bioenergy in the Czech Republic.



Ready4H2 project

The Ready4H2 Project aims to bring together expertise and experience in hydrogen technologies across European gas distribution companies. Its objective is to develop a unified approach to the question of how distribution companies can help harness the huge potential of hydrogen to reduce carbon dioxide emissions.



Moravian-Silesian Hydrogen Cluster

The mission of the cluster is to actively support the development of the hydrogen ecosystem of the Moravian-Silesian region and to apply hydrogen technologies in the economic transformation of the region. The Hydrogen Cluster brings together representatives of the region, universities and private companies, including GasNet.



Czech Circular Hotspot

The Czech circular hotspot was founded in 2021. Its mission is to create an active national platform for the introduction of circular economy principles by Czech companies. Within this group, Czech companies share good practice and ESG expertise and educate themselves on implementing sustainable principles into internal processes.



Czech Gas Association

This is an independent association of organisations and experts operating in the gas industry and related fields with a focus on technical regulations, legislation, strategy, and education.



Czech Chamber of Commerce*

The Chamber of Commerce is a business association which aims to create opportunities for business, and to promote and support measures that contribute to the development of business in the Czech Republic, and thus to the overall economic stability of our country.



Confederation of Industry and Transport of the Czech Republic

The Confederation of Industry and Transport is the leading business lobbying organisation in the Czech Republic. It provides a voice for employers at the national and international level.



OGMP 2.0

The Oil & Gas Methane Partnership 2.0 is the United Nations Environment Program's (UNEP) flagship program for reporting and reducing methane emissions from oil and natural gas. It is the only comprehensive and measurement-based international reporting framework for the industry.



Eurogas*

is an association representing gas companies in negotiations with the EU institutions.



MARCOGAZ*

MARCOGAZ is an international nonprofit association that represents the European gas industry in all technical aspects.



International Gas Union (IGU)*

The IGU is a global non-profit organisation that promotes gas as an integral part of a sustainable global energy.

* Through the Czech Gas Association.

Principles of Responsible Business

We are committed to being a socially responsible company, emphasising ethical management, transparency, and sustainability. Since 2022, this commitment has taken on a global dimension – we have joined the UN Global Compact, the world's largest platform for corporate social responsibility and sustainability under the patronage of the United Nations.

In the area of employee management, we fully comply with Czech legislation. This legislation incorporates, in various forms, the principles, guidelines, and commitments of international declarations, including the **UN Guiding Principles on Business and Human Rights**, the **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**.

For us, the **trust of our customers, shareholders, partners, and the public** is fundamental. We strengthen it daily through **transparent decisions**, integrity, and mutual respect. Our responsible business practices rely on a multi-level governance system, which also defines our ESG management. After we adopted our ESG strategy and introduced it to our employees, sustainability naturally became a company-wide priority. ESG principles now permeate all levels of the company – from shareholders and management to our ESG & Security department and every single employee.

Everyone on our team plays a part in our ESG efforts and shares responsibility. We understand our work impacts not just customers and suppliers, but also local communities and the wider public. That is why **responsible management** is an integral part of our approach to ESG. Our business respects clearly defined and transparently documented principles and rules. Our **internal management documentation system** allows us to formally set and effectively manage the responsible conduct of the GasNet Group.



Biomethane production plant in Mladá Boleslav

Gas Industry Context

Despite the ongoing conflict in Ukraine, the gas market in the Czech Republic remained stable in 2024, thanks mainly to the diversification of our gas sources. Gas flowed into the Czech Republic from Norwegian fields and LNG terminals. At the same time, the connection of biomethane stations is gaining momentum. These stations have the potential to increase our independence from foreign gas supplies. Because of these trends, we saw no unexpected price fluctuations or threats to stable gas deliveries to our customers during the year.

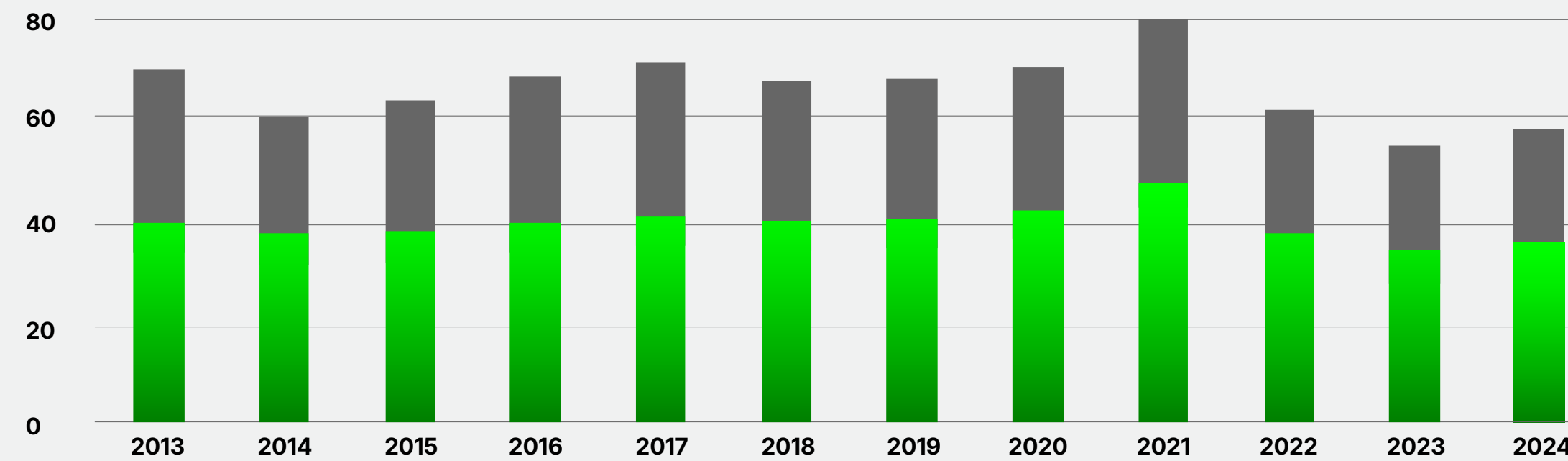
As of December 31, 2024, we had 2,208,708 consumption points connected to our distribution system. This represents a decrease of 20,285 connections compared to the previous year. However, the rate of disconnections has slowed compared to prior years, and we are seeing an increase in newly connected consumption points year-on-year. It is also important to note that most of the disconnected points previously used gas only for cooking, while new customers are primarily using gas for heating. This shift positively impacts the volume of gas we distribute.

Despite this decrease in the number of consumption points and 2024 being 0.5 °C warmer than 2023 (0.3 °C warmer during the heating season), the volume of gas we distributed increased by 449 GWh, or nearly 0.8%. The total amount of gas consumed exceeded 59 TWh. This increase was mainly due to higher consumption by large customers.

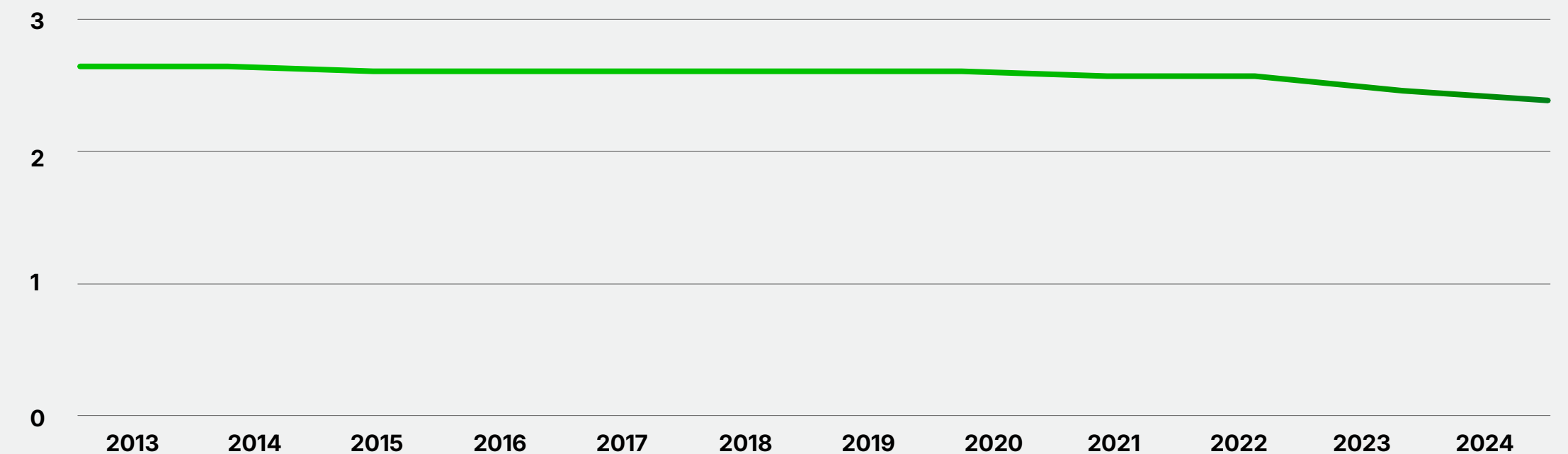
We continued connecting both large energy sources and biomethane stations. In 2024, a seventh biomethane plant began feeding this renewable gas into our network. Last year alone, the biomethane production facilities within GasNet’s distribution territory injected a combined total of over 57,000 MWh of energy.

Volume of distributed gas [TWh]

● Large and medium-sized customers
● Small-sized customers and households



Connection points in total [mil.]

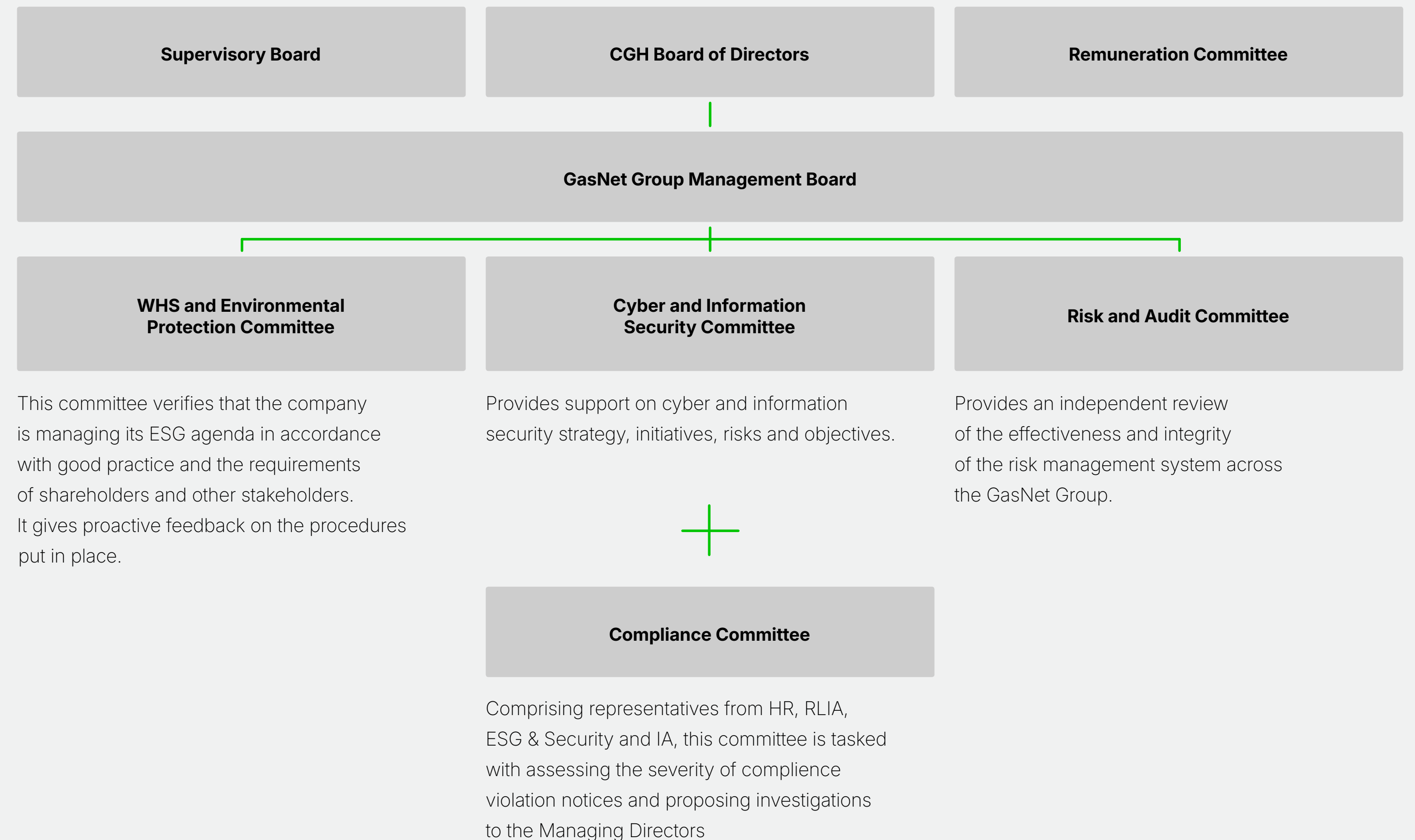


GasNet Group Management

The system we have implemented at GasNet Group ensures that all key decisions are discussed at multiple levels and are evaluated within the context of our values and strategy. The Managing Directors of our companies are responsible for their business operations. They are also members of the Management Board, which acts as the highest executive and decision-making body. The Management Board proposes GasNet Group's strategy and key objectives, and it oversees their implementation.

In 2020, the Management Board established three **specialised committees**, which became an integral part of our company's management. The parent company of the GasNet group is managed by the **CGH Board of Directors**, representing the interests of shareholders from ČEZ, ACP, and BCI.

Management structure of the GasNet Group



GasNet Group Management Board

Status from January 1 to August 27 of 2024



Martin Gebauer
CEO



Thomas Merker
Chief Finance Officer



Erika Vorlová
Chief Services Officer



Jiří Nováček
Chief Digital Officer



Ivo Jirovský
Chief Asset Officer



Petr Koutný
Network Operation Director



Pavel Komsa
Investment and Construction
Director



Pavel Dočekal
Head of Regulatory, Legal
& Internal Audit

GasNet Group Management Board

Status from August 27 of 2024



Andrzej Martynek
CEO



Thomas Merker
Chief Finance Officer



Erika Vorlová
Chief Services Officer



Jiří Nováček
Chief Digital Officer



Ivo Jirovský
Chief Asset Officer



Petr Koutný
Network Operation Director



Pavel Komsa
Investment and Construction
Director



Pavel Dočekal
Head of Regulatory, Legal
& Internal Audit



Iva Štylerová
Project Management Office
Director

Representatives of our shareholders nominate individuals for roles on the Management Board. Candidates for these positions go through an internal selection process and must meet the requirements that GasNet Group defines together with our shareholders. The main criteria for filling Management Board positions are **professional competence** and the added value a candidate can bring to the company. After successfully completing the selection process, a new Management Board member must undergo a **probationary period**. The **Remuneration Committee**, established by the CGH Board of Directors, decides on the completion of this probationary period.

In 2024, our shareholder structure changed, and so did the composition of our Management Board. The owners of

GasNet (ČEZ, BCI, and ACP) appointed Andrzej Martynek as the new CEO, succeeding Martin Gebauer. Mr Martynek had been with the ČEZ Group for 14 years, spending the last two years leading the GasNet acquisition team. Iva Štylerová from the ČEZ Group also joined GasNet's leadership as Chief Strategy & Corporate Development Officer. She is responsible for setting up project cooperation aimed at maximising mutual synergies between GasNet and ČEZ. Erika Vorlová, who headed the CSO division, left the GasNet group on December 31, 2024.

Employees are represented by trade unions operating within GasNet, including during annual collective bargaining. At the MMB level, the CSO provides this representation.

41

meetings

1

per rollam votes

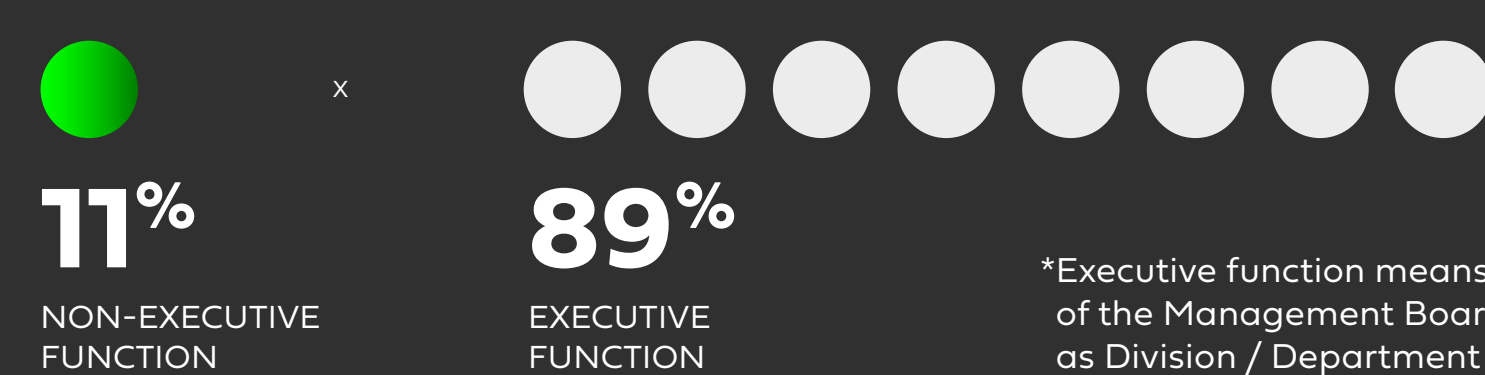
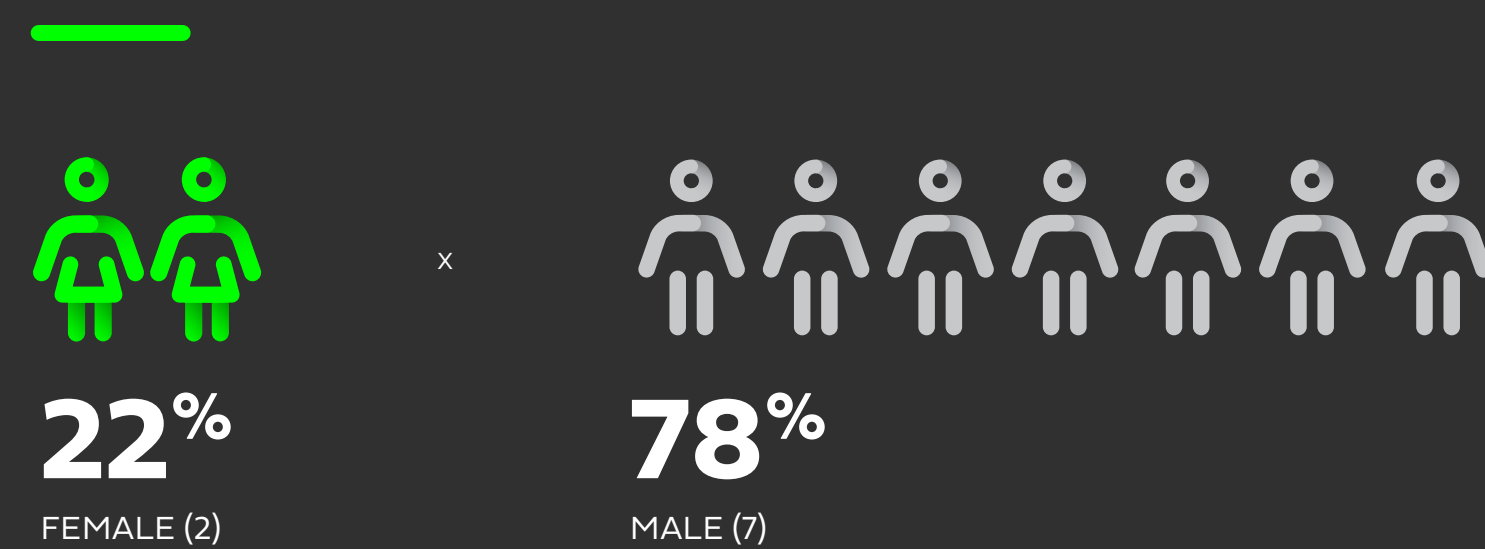
98%

participation

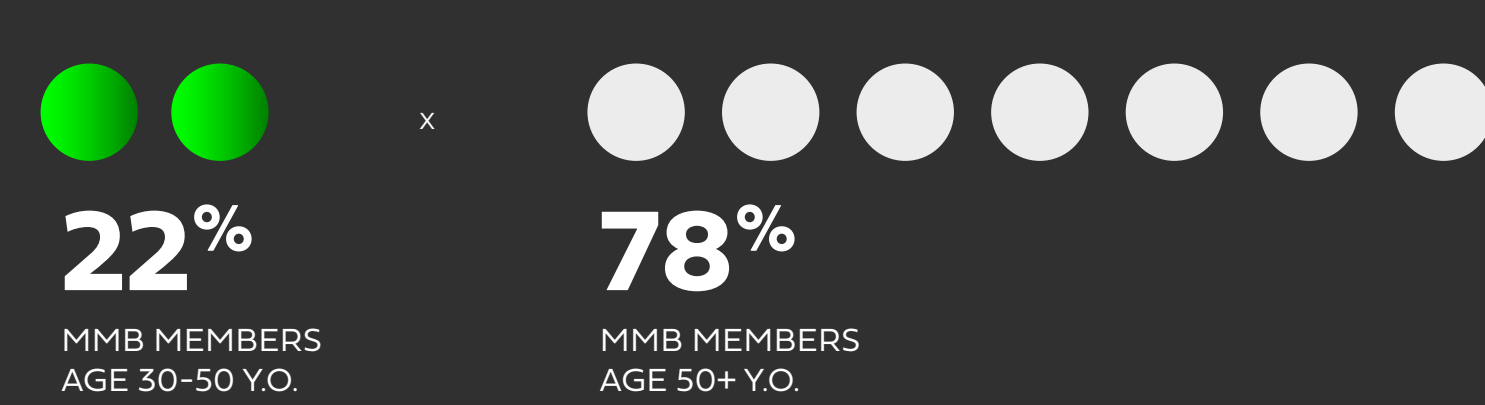
120 min.

average meeting time

Composition by gender



*Executive function means that a member of the Management Board also holds a position as Division / Department Director within the GasNet Group.



Management Board Involvement in Sustainability Management

In addition to managing our company's overall direction, our Management Board also actively champions ESG within the company and oversees the implementation of our ESG strategy and commitments. ESG topics, including strategies for individual areas, KPIs, goals, and results achieved, are regular items on the Management Board's agenda. Kateřina Morrisová, our Head of ESG & OHS, is responsible for keeping the Management Board informed about developments in the ESG field.

Our Management Board was involved in creating our ESG strategy from the very beginning. In mid-2020, we organised our first major workshop on ESG for Management Board members and shareholder representatives. Our goal was to embed ESG into

the core of our company strategy. Our **Safety, Health, and Environmental Committee** later approved this strategy. Both these bodies annually review how we are implementing our ESG strategy and approve the plan for the following year. They also play a significant role in **non-financial reporting**. The Management Board not only approves the initial vision and framework for preparing the Sustainability Report, but also provides feedback during its preparation and gives final approval.

The Management Board directly delegates responsibility for managing the impact that our company has on the environment, employees, communities, and the public to the senior managers who make up GasNet Group's **ESG organisational structure**. These responsible

managers keep the Management Board informed about developments in various ESG areas through regular meetings and annual ESG strategy reviews. The Management Board is also supported by **thematic committees** that provide consulting, advisory, and expert assistance. These committees regularly (typically quarterly) discuss matters that significantly impact GasNet's operations and performance in the ESG area. We appoint members to these committees based on their expertise and professional experience.

ESG considerations are an important part of how we evaluate the Management Board members. We **assess and compensate all members annually based on their achievement of individual ESG-related targets**.

We also integrate significant ESG objectives into our overall performance management system. This means that ESG objectives affect the remuneration of GasNet employees **at all levels**. Both company-wide employee bonuses and individual senior management incentives are tied to key performance indicators (KPIs) in occupational health and safety (OHS). The Management Board approves the fulfilment and payment of OHS bonuses. The CGH Board approves bonuses linked to ESG/OHS targets for the Management Board.

2024 Target

ESG Pillar

LTIF ≤ 1,4	S
Zero employee or supplier fatalities	S
Four safety walks	S
Number of at-fault accidents per 100,000 km driven ≤0.4	S
Active involvement in ESG topics – Net Zero strategy, Green GasNet programme, Sustainability report, ESG ratings	ESG

ESG Organisational Structure

The Chief Services Officer (CSO) is the member of senior management who is responsible for the strategic direction of our ESG agenda. Our ESG & Security Department is responsible for the development and integration of ESG throughout the company. This department includes Workplace Health & Safety, Security (covering Cybersecurity and Information Security, Business Continuity Management, and Physical Security), and Data Protection & Documentation (Personal Data Protection and Managed Documentation). The Head of ESG & Security directly manages our crisis management and environmental protection agendas.

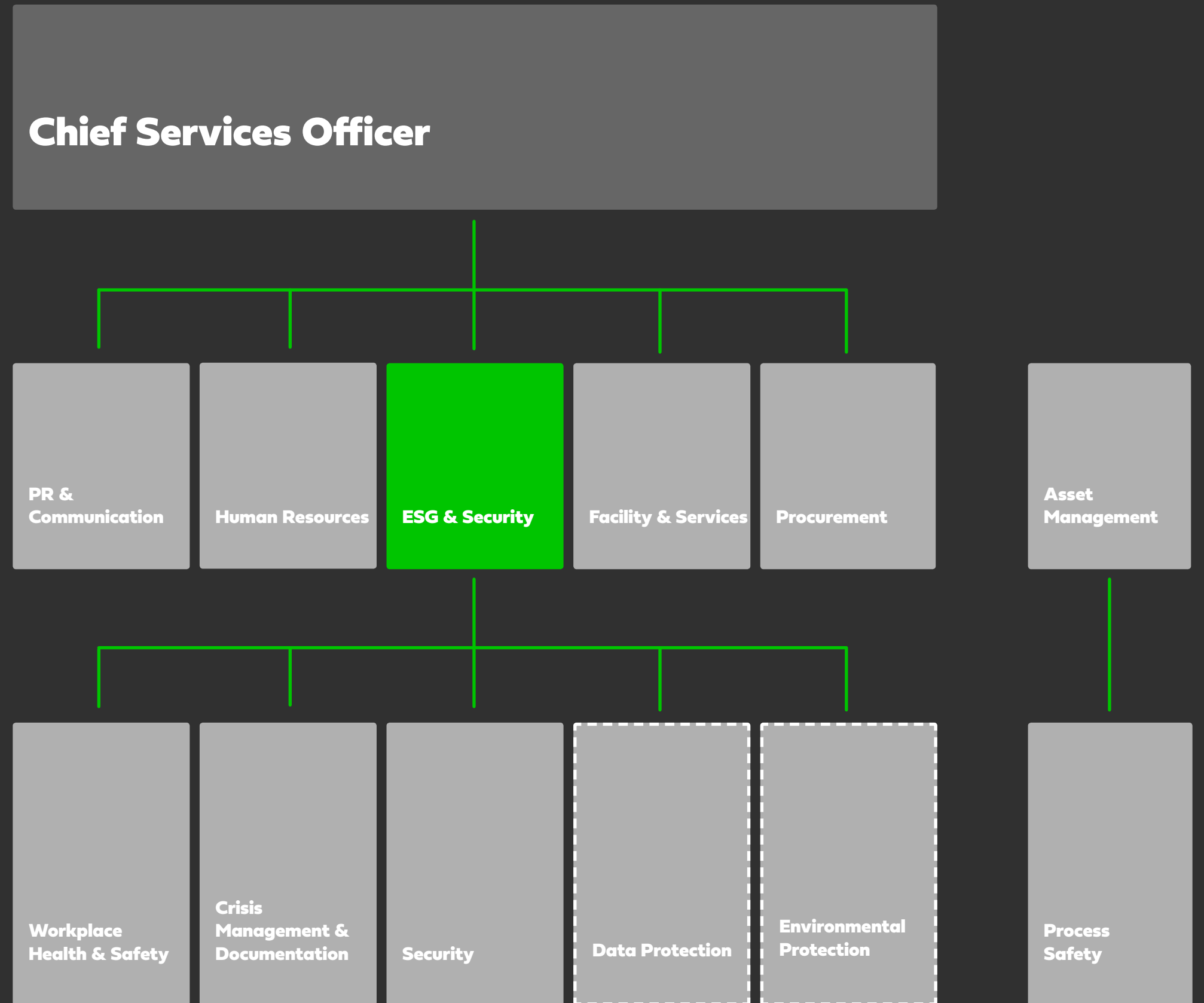
Both the CSO and the Head of ESG & Security undergo continuous ESG training. In 2022, they completed the "Business and Climate Change: Towards Net Zero Emissions" course at the Cambridge Institute for Sustainability Leadership, part of the University of Cambridge. In June 2024, the CSO attended the European Sustainable Industry Summit in Brussels, a key conference for business leaders, political representatives, and civil society organisations. The Head of ESG & Security actively participates in the presidium of the Czech Business Council for Sustainable Development.

We also collaborate closely with several other departments: Asset Management and its subordinate Process Safety unit, Human Resources, PR & Communications, Procurement, and Facility & Services (which covers building and fleet management). These teams help us develop our ESG strategy and implement initiatives into our internal processes.

ESG covers a wide range of topics, and the effective implementation of activities requires constant coordination. The frequency of meetings generally depends on the specific subject. Colleagues involved in the **Green GasNet** programme meet regularly, once a quarter. For the CSRD Reporting project, we meet weekly. We are successfully deepening cooperation across departments and integrating sustainability into our daily operations, even outside of specialised units.

This connection and involvement of employees at all levels is essential for us.

Due to the change in GasNet Group's ownership, we are currently implementing changes in how we manage our ESG initiatives. At the time of this sustainability report's publication, ESG is now an independent area, and we have created a separate Security Department that reports directly to the CEO.



* The dotted lines in the diagram indicate that these areas are managed directly by the Head of ESG & Security, not as separate departments.

Risk Management and Non-financial Reporting

Our risk management policy involves identifying, assessing, and mitigating risks across the entire organisation. It is an integral part of our strategic planning, influencing all levels of our activity, from daily operational processes to project and change management. Risk management covers all strategic, financial, operational, environmental, and safety risks, as well as risks related to climate change that may affect our company's activities.

The highest responsibility rests with the management and Boards of Directors of GasNet and GasNet Služby, to whom we report the results of our risk management. We divide responsibilities within our risk management system using a **"three lines of defence"** model. The first line consists of the departments and employees whose activities directly connect to specific risks—these are our risk owners. The second line includes internal control systems such as Risk Management, Compliance, Security, Occupational Health and Safety, EMS, and ISMS. At the operational level, the Risk Management Manager coordinates these efforts and submits a **Risk**

Status Report to company management. The third line of defence is our Internal Audit, which oversees the effectiveness of the entire risk management system.

Our Risk Management department leads the **identification and management of risks**. We consider the interests of internal stakeholders through regular conversations with managers and specialists across the organisation (risk owners) when updating our risk register. The ESG and Asset Management departments jointly manage specific environmental risks. We also take into account the interests of external partners and regulatory institutions.

We systematically assess risks based on their probability and impact, recording them in our risk catalogue. Based on this assessment, we scale risks by severity and regularly prepare a Risk Status Report, which we submit to our Management Board and Risk Audit Committee for discussion and approval. We regularly review and update our risk catalogue to keep it current and relevant.

We actively communicate our risk management policy throughout the organisation. Regular reports provide current information for management and other relevant

departments. We present our key risk management principles publicly in our **annual reports, sustainability reports**, and on our company **website**. This ensures transparency for business partners, regulators, and other stakeholders.

The main risk areas for our group are:

- Security risks
- Legislative and regulatory risks (primarily in the form of penalties or failure to meet limits)
- Economic risks (for example, disruption to the distribution of planned capacity volume for significant reasons)
- Physical climate risks
- Technological and operational risks
- Social risks

We describe our ESG risk assessment process further in the chapter entitled Materiality Assessment Process (page 30). Risks and the measures to mitigate them are described in the relevant chapters of this report. We are also currently integrating the non-financial reporting process into this system.

Strategic Approach to Sustainability

In this section, we describe the methods we use to develop our sustainability strategy. Key components of this strategic approach include: value chain mapping, defining and analysing the core elements of our business strategy, and examining other essential parts of our business model that relate to sustainability.

Using these methods, we identify the risks, opportunities, and impacts that GasNet has in relation to the environment and ESG. Our strategic framework also requires us to consider a double materiality assessment and engage in dialogue with our stakeholders.

Strategy and Business Model

The essence of our business is to ensure that natural gas from various suppliers safely and reliably reaches end customers through our gas network. We operate and maintain our gas infrastructure, measure gas consumption and quality, and connect and disconnect customers from the gas network. We also run a dispatch centre and an emergency hotline at 1239.

We are the only gas distributor in our service area, so we do not engage in traditional market competition. Because of this, our business is **regulated by the Energy Regulatory Office**.

In the **unregulated sector**, we focus on areas such as LNG fuelling stations and the servicing of odourisation stations.

We are a socially responsible company, strongly committed to sustainability, environmental protection, and ethical governance. We champion digitalisation and the use of modern technologies. Our **Code of Conduct** clearly outlines the principles that frame both our business and community activities. We have an average annual full-time equivalent of 2,233 employees.

Table: Revenue by Significant ESRS Sector

Significant ESRS sector	Revenues from this sector
Oil and natural gas	CZK 18,250 million
Coal	–
Chemical production	–
Weapons	–
Tobacco	–
Total Revenue	CZK 18,250 million

Our direction is determined by a corporate strategy based on the principles of sustainability and responsibility.

GasNet's direction is firmly anchored in our corporate strategy, which is based on the principle of sustainable and responsible business practices. Our long-term vision is to be a stable pillar of modern and green energy.

To clearly and consistently communicate this strategy, both within our company and to external stakeholders, we have created a visual representation in the form of a **strategic house**. This house has solid foundations, pillars and a roof – **and ESG forms its foundation**, on which we build all our other strategic priorities. Incorporating ESG into the very foundations of our strategy emphasises our integrated approach to sustainability and responsible management across all areas of our business and decision-making.

Our goals and the means to achieve them are also contained in our ESG strategy, which is based on four pillars (or principles) and our long-term commitment:

- We are a socially responsible company with a strong emphasis on sustainability, environmental protection, and ethical management.
- We champion digitalisation and the use of modern technologies because we believe this is the path to sustainable business development.
- We care about the future we are shaping together with our employees and partners.
- We are committed to helping communities and promoting diversity.

We want to be a pillar of modern and green energy



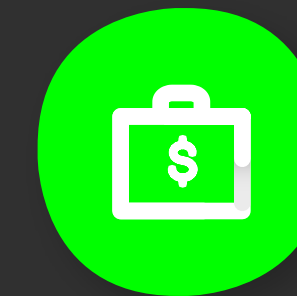
We want a stable future



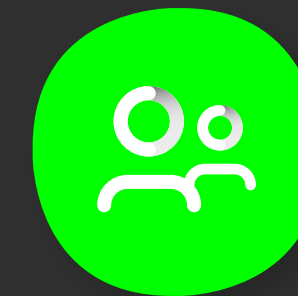
We believe in the future of gas



We digitalise and simplify. We are efficient



We manage responsibly



People are the key to our success

ESG: We care about health and our shared future

Pillars of our ESG Strategy

We have decided to link our approach to ESG to the UN Sustainable Development Goals. These goals offer companies a framework for collaborating with governments and other partners to ensure a more sustainable future. We are committed to significantly contributing to selected Sustainable Development Goals that align with our principles and company values.

We present here the fundamental pillars of our ESG strategy. In the relevant chapters, we will provide you with detailed information on identified impacts, risks, and opportunities, including our policies and goals:

Key Challenges and Critical Projects for the Future

The biggest challenge for our business model is the energy sector's transformation as we transition to a low-emission EU economy. This means our business must adapt to distributing renewable gases, which places high demands on our distribution network technology. It is also a challenge for human resources management, as we need to ensure our current and future gas industry professionals have the necessary skills.



We embody safety standards and health protection

- We are part of the Czech Republic's critical infrastructure.
- Customers demand safe and reliable gas distribution. We focus on the safety of our gas facilities, our employees, our contractors' personnel, and the general public.
- GasNet constantly optimises processes and strengthens workplace safety to ensure no one involved is at risk. We do not compromise on safety, and we go beyond our legal obligations.



We believe in environmental sustainability and the future of gas

- We firmly believe that gas and its alternatives will be part of a low-emission, sustainable, and green energy future, not just in Europe. At the same time, we are working hard to minimise our direct and indirect negative impacts on the environment. That is why we are actively reducing our greenhouse gas emissions.
- We are preparing for the future by getting our network ready for green gases: biomethane and hydrogen.



We care about our people and our society

- We care about our employees and our community. That is why we are building a fair and inclusive work environment, based on open and regular communication with our people.
- We promote diversity in all its forms, including age, education, experience, and gender.
- We establish partnerships with schools and other organisations, and with their help, we develop the people around us.



We do business responsibly and with respect

- We have implemented principles of ethical corporate governance that our management strictly adheres to. We always follow clear rules provided by regulators and legislation. We regularly and transparently communicate our activities, results, and impacts.
- As part of the nation's critical infrastructure, we ensure our systems are resilient. Thanks to a sophisticated risk management system, we are prepared to face all potential threats.



Value Chain

Our value chain is a vital part of our business. We aim to promote ESG principles together with our suppliers. We work closely with them on these topics and share our knowledge.

While preparing this Report, we identified stakeholders within our value chain. Our analysis came from internal data and interviews conducted during our materiality assessment. We consider all parts of the value chain in our material topics: **upstream** (purchased products and services), **our own operations**, and **downstream** (customers and consumers). For each part, we assess risks, impacts, and opportunities (IROs). You will find these value chain components reflected in the IROs overview at the beginning of each thematic chapter.

At GasNet, we plan to continue mapping our value chain in the coming years. Our ESG department is responsible for this ongoing process, focusing on improving the accuracy of our information and data, (particularly for calculating Scope 3 emissions).

In the downstream part of the chain, we have a single stream of product sales to end customers: LNG for trucks. This provides an efficient solution for freight operators, logistics companies, and technical services. We are pioneers and technological leaders in **LNG filling stations** for trucks in the Czech Republic. We operate stations in six key locations along the main transport routes.

Working with reliable suppliers is an essential part of our distribution process. We place emphasis on high-quality materials, technologies, and procedures.

We purchase a wide range of materials and services necessary for both our operational activities and support functions. We purchase key commodities for the operation, maintenance, construction, and refurbishment of our network and gas facilities. This also includes technology for measuring the gas we supply.

Satisfied customers and increasing gas distribution volume are of paramount importance. In 2024, we received almost 10,000 applications for gas connections and distributed 59.16 TWh of energy. Both large and small customers value the reliability and quality of our services. Other stakeholders and our employees benefit from our responsible business practices and a company strategy that aims for modern and green energy. Proactive collaboration with stakeholders across all three areas of the value chain ensures GasNet's efficient operation and our ability to respond promptly to evolving market and regulatory demands.

In this report, we are also publishing metrics related to our value chain data, where we partially estimate Scope 3 emissions using indirect data sources. We have found that construction companies and smaller suppliers, in particular, have limited ability to provide high-quality ESG data, often due to a lack of experience and capacity. Therefore, some calculations rely on a 'spend-based' method. This method uses financial expenditure on capital construction (Tier 1 suppliers) to determine an approximate emission value when direct, real data is unavailable.

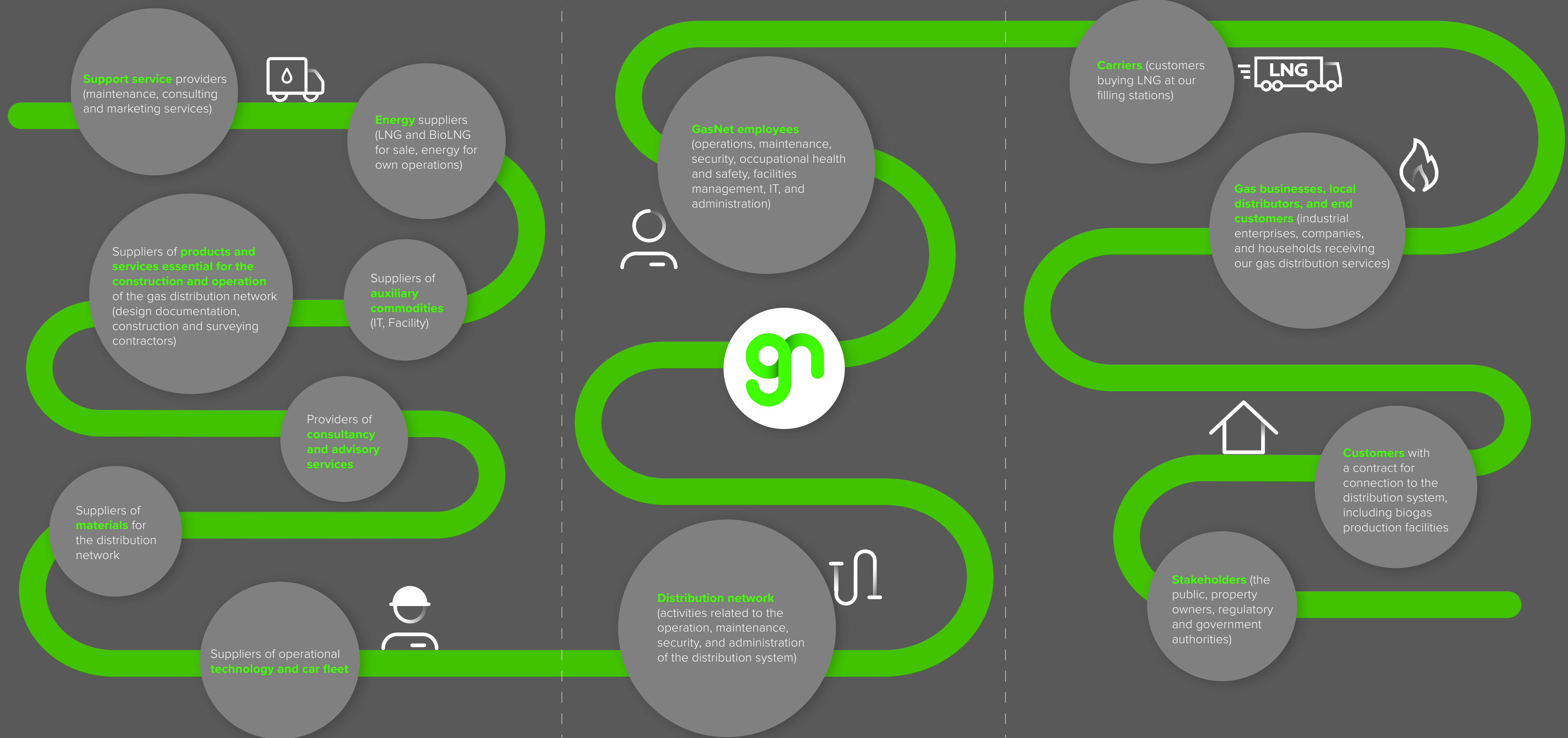
Given that we work with estimates for significant suppliers, we consider the resulting level of accuracy to be 'medium'. It is suitable for a general overview and for informing management decisions, but it is not yet appropriate to consider it as a precise representation of our actual emissions footprint.



← Upstream

Own operation

Downstream → Chapter #3



Interests and Views of Stakeholders

To successfully deliver our ESG strategy, we need to involve all our stakeholders. That is why we work with them on these topics, engage in open dialogue, and collect their feedback.

The ESRS (Annex II, Table II) defines stakeholder engagement as "an ongoing process of interaction and dialogue between an undertaking and its stakeholders that enables the undertaking to hear, understand, and respond to their interests and concerns". Within the ESRS, it is addressed in:

- I. **ESRS 2 GOV-2,**
- II. **ESRS 2 SBM-2: Interests and views of stakeholders,**
- III. **ESRS 2 IRO-1,**
- IV. **ESRS 2 MDR-P and**
- V. **Topical ESRS reflecting the different phases and purposes of stakeholder engagement throughout the due diligence process.**

Discussions with our stakeholders uncover sustainability-related risks and opportunities that we might otherwise miss. Our management regularly evaluates the interests of affected stakeholders through coordination and reporting from individual departments.

Our **stakeholder analysis** draws partly from mapping our value chain. We identified key stakeholder groups and decided whether to include them in our assessment of material topics. We considered stakeholder groups based on AR 6 (ESRS 1, Appendix A) and assigned them a weighting, indicating their importance in environmental, social, and organisational areas. We also assessed whether some form of dialogue was already taking place with the selected stakeholder groups.

Based on the thematic ESRS standards (AR 16), we compiled a list of topics relevant for stakeholder dialogue. We then identified pertinent sub-topics from the ESRS standards that influence our operations and processes. As we prepared our first report in line with ESRS standards, we decided to engage primarily with **internal stakeholders**. We did this through in-depth interviews with individuals responsible for ESG topics. We held **15 meetings** involving over **50 colleagues**.



Main stakeholder groups and the principles underlying our engagement with them:

Shareholders and Investors

Our shareholders and investors are represented primarily by the consortium of ČEZ, BCI, and ACP, and our bondholders. Their capital is crucial for the successful development of the GasNet group. They expect a sustainable return on their investments and transparent communication regarding risks and opportunities.

Customers

Our customers include gas retailers, households, businesses, district heating plants, and also LNG consumers and, more recently, bioLNG consumers. They expect safe and reliable distribution of gas and other services, and they are increasingly concerned about environmental aspects. Our customers are key partners, and we maintain constant contact with them. We strive to meet their high expectations regarding the reliability and quality of our services. Long-term sustainability and the transition to green gases play an important role here.

Employees

Our employees are at the heart of our business because they participate in our everyday activities. They keep our company running and are the driving force behind our

innovations and ESG initiatives. Safety, health protection, and motivating working conditions are important factors for our employees, and so these things are also key priorities for GasNet. We regularly hold meetings, workshops, surveys, and other forms of dialogue where we share information about our activities and gather feedback.

Suppliers

To ensure safe and reliable energy supplies, we work with a number of direct and indirect partners and suppliers. They hold a key position in our value chain, including, for example, construction companies, material providers, and IT service providers. We discuss the topic of sustainability with all of them over the long term, and we explore how to integrate our ESG approach into our working relationships.

State and Regulatory Authorities

We operate in a regulated sector, so our partners also include state and regulatory bodies such as the Energy Regulatory Office, the Ministry of Industry and Trade, the Ministry of the Environment, the Ministry of Finance, the Ministry of Transport, and selected EU institutions. These bodies establish the legislative and regulatory framework, and they expect us to comply with standards, be transparent, and cooperate on setting goals and control mechanisms.

Gas will play a significant role in the transformation of Czech energy, and because of this, we are initiating strategic and technical discussions with these bodies. Our aim is to gain support from state authorities and thus accelerate the transition to green gases.

Communities and Organisations

As we do business, we directly and indirectly influence various communities in the places we operate. Our goal is not just to minimise any negative impact but rather to have a positive influence through our values, or to create new opportunities in the areas of health, diversity, or the environment. We also engage in dialogues to promote sustainability with a diverse range of non-profits and sector associations which help us promote our vision and goals

We evaluate the insights gained from these dialogues through our internal processes (e.g., materiality analysis, risk management) and we incorporate them into our strategic and short-term decision-making. This gives our management access to up-to-date information and enables them to respond effectively to new challenges and opportunities in the area of sustainability.

Stakeholder Group	Form of dialogue	Purpose of dialogue	Involvement in Materiality Analysis	Dialogue Outputs
Gas Retailers and Suppliers	<ul style="list-style-type: none"> ○ Portal for managing contractual relationships ○ Communication of legislative changes ○ Newsletter and satisfaction survey ○ Dialogue set by law and regulations (all ongoing) 	<ul style="list-style-type: none"> ○ Quality, Reliability of Supply, Management of Contractual Relationships 	NO	X
Customers and End Users	<ul style="list-style-type: none"> ○ Service line ○ Request management portal ○ Communication campaign ○ 1239 Customer service line <p>LNG Customers:</p> <ul style="list-style-type: none"> ○ Safety training, requirements for compliance with technical standards (all ongoing) 	<ul style="list-style-type: none"> ○ Safety, contract management, customer satisfaction. 	NO	X
Local Residents and the General Public	<ul style="list-style-type: none"> ○ 1239 Emergency hotline ○ Website ○ Social media ○ Communication campaign to promote network mapping 	<ul style="list-style-type: none"> ○ Leak Detection ○ Network security and Public Safety 	NO	X
Management and Leadership (MMB)	<ul style="list-style-type: none"> ○ MMB meeting (weekly) ○ Extended management meeting (quarterly) ○ Shareholders' Committee (quarterly) 	<ul style="list-style-type: none"> ○ Strategic decision-making, company management, Reporting to investor representatives 	YES	Approval of material topics and report review
Investors	<ul style="list-style-type: none"> ○ Committee with MMB (quarterly) ○ Monthly, quarterly, semi-annual reports 	<ul style="list-style-type: none"> ○ Financial stability theme, Risk management, Strategic development 	NO	X
Trade Unions	<ul style="list-style-type: none"> ○ Annual collective bargaining 	<ul style="list-style-type: none"> ○ Collective bargaining 	NO	X
Own Employees	<ul style="list-style-type: none"> ○ Meetings and coordination at various levels, Top-down communication ○ Employee portals ○ Intranet ○ Surveys via Arnold chatbot ○ Team meetings, Meetings with management ○ HR hotline, Psychological support hotline (all ongoing) 	<ul style="list-style-type: none"> ○ OHS theme, skills development, corporate culture, Communicating key topics and collecting feedback, Achieving objectives, Diversity and inclusion 	NO	X

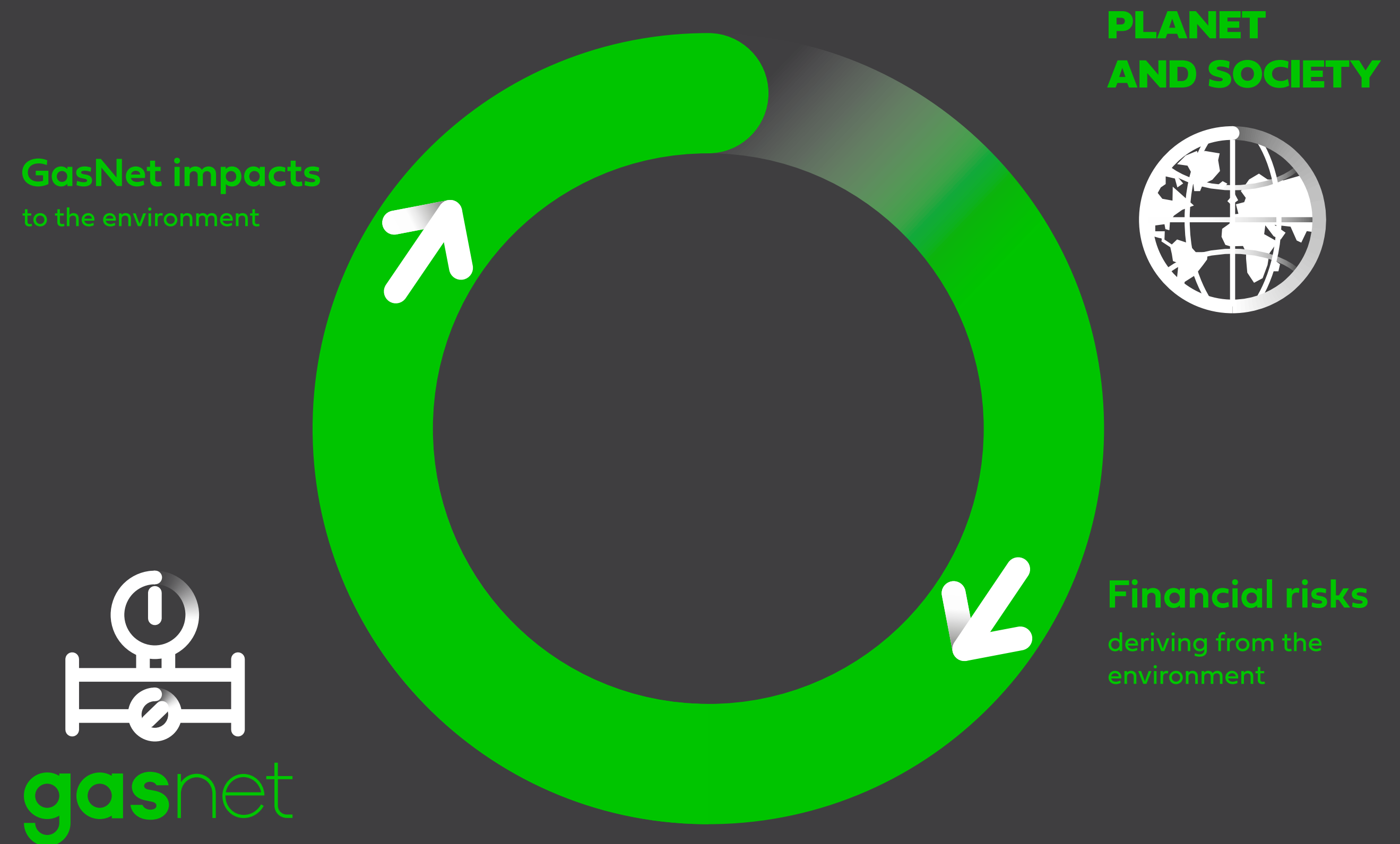
Stakeholder Group	Form of dialogue	Purpose of dialogue	Involvement in Materiality Analysis	Dialogue Outputs
Suppliers	<ul style="list-style-type: none"> ○ Business negotiations and relationship management. ○ Audit of selected suppliers (annually) ○ Supplier portal ○ Questionnaires (annually) 	<ul style="list-style-type: none"> ○ Tender procedures, Monitoring compliance with contractual terms and conditions, Responsible handling of inputs and raw materials, reduction of Scope 3 emissions 	NO	X
Employees of our Value Chain (Construction contractors)	<ul style="list-style-type: none"> ○ Meetings with contractors – communication of strategic topics (annually) ○ Health and safety inspections on construction sites ○ Communication on protecting the network against disruption (all continuous) 	<ul style="list-style-type: none"> ○ Topic: Health and safety in the workplace 	NO	X
Local government (municipalities affected by the distribution network)	<ul style="list-style-type: none"> ○ Management of relations with landowners, Communication regulated by legislation ○ Cooperation during construction work, Communication to support network marking 	<ul style="list-style-type: none"> ○ Communication to support network demarcation ○ Cooperation during construction management, ○ Treatment of easements ○ Network repairs 	NO	X
State Institutions, Supervisory and Legislative Authorities	<ul style="list-style-type: none"> ○ Negotiations on the regulatory period, ○ Reporting to authorities ○ Building permit proceedings with authorities 	<ul style="list-style-type: none"> ○ Regular monitoring of legislative developments and the positions of these institutions 	YES – silent stakeholder	Legislative research with identified impacts and risks for our business
The Environment	<ul style="list-style-type: none"> ○ Local government Environmental Departments ○ Administrators of protected landscape areas, reserves, and national parks 	<ul style="list-style-type: none"> ○ Opinions on our activities and intentions 	YES – silent stakeholder	List of climate risks and a review of available research for our analyses
Industry Organisations	<p>Czechia</p> <ul style="list-style-type: none"> ○ Czech Gas Association ○ Confederation of Industry and Trade ○ Chamber of Commerce <p>EU</p> <ul style="list-style-type: none"> ○ Eurogas ○ Marcogas 	<ul style="list-style-type: none"> ○ Advocating interests with state institutions (political-regulatory, technical). Cooperation on (inter)national strategies 	NO	X
Professional organisations (Industry platforms, The academic community, NGOs)	<ul style="list-style-type: none"> ○ Regular meetings of working groups, Platform membership, ○ Communication, cooperation, and collaboration on projects 	<ul style="list-style-type: none"> ○ Professional cooperation and sharing know-how 	NO	X
Banks and Insurance Companies	<ul style="list-style-type: none"> ○ Conclusion and review of insurance policies 	<ul style="list-style-type: none"> ○ Insurance of company assets 	NO	X

Stakeholder Group	Form of dialogue	Purpose of dialogue	Involvement in Materiality Analysis	Dialogue Outputs
Media	<ul style="list-style-type: none"> ○ Press spokesperson communication, ○ Social media, Specialised communication campaigns, ○ Media campaigns 	<ul style="list-style-type: none"> ○ Communication with stakeholders, Corporate image management 	NO	X
Partnerships with Schools	<ul style="list-style-type: none"> ○ Internships and work experience for students, ○ Participation and presentations at job and school fairs ○ Specialist lectures ○ Gas Engineer of the Year 	<ul style="list-style-type: none"> ○ Linking theory with practice ○ Training future gas engineers ○ Enhancing our brand as an employer 	NO	X
Fire Brigades	<ul style="list-style-type: none"> ○ Working together with firefighters 	<ul style="list-style-type: none"> ○ Joint coordination of emergency response methodology 	NO	X

Materiality Assessment Process

Materiality assessment is the starting point for our sustainability reporting under the ESRS standards. For this report, we have defined material topics and set goals and commitments for each, as well as metrics to track our progress. When we defined these topics, we used a concept known as double materiality, which has two dimensions: impact materiality and financial materiality. We use the term "impacts" in accordance with ESRS standards in connection with the materiality of our impacts on the environment and on society. In contrast, we associate the terms "risks and opportunities" with the financial risks and opportunities for GasNet.

Assessments of impact and financial materiality are interconnected, and therefore, we account for the interdependence between these two dimensions. In our assessment of the materiality of topics and sub-topics, we have followed the available ESRS standards and implementation guidelines. However, our own method may change or be refined in the coming years based on new guidance documents issued by the European Commission and its advisory body, EFRAG. The diagram below outlines our own process:



Our materiality analysis process resulted in the creation of documents that contain specific evaluation criteria. We divided the entire process into a series of smaller steps.

As part of our analysis of our company's sustainability activities, we focused on identifying **impacts, risks, and opportunities, or IROs**. We analysed internal activities, business relationships, and internal data and documents. At the same time, we held a series of interviews with our internal stakeholders. In this analysis, we used the list of topics published in the ESRS standards (AR 16) and added topics specific to our sector and those directly related to our operations.

We also conducted benchmarking against our

competitors, reviewed sector standards, and used public sources to identify the impacts of our industry.

Understanding Context in relation to Sustainability

In the first phase, we performed a Current State Analysis, which included mapping our value chain and analysing our competitors.

Value Chain Analysis

We based this analysis on a list of GasNet's activities and a list of the commodities we purchase, provided by our Procurement department. We mapped which commodities are used in which activities. We then assigned these activities to the upstream, own operations, and downstream parts of the value chain.

For each activity, we defined the material or service input and identified the stakeholder responsible for its delivery or operation. For downstream activities, we defined the customer or user and the impact. By mapping our value chain, we identified the impacts within it and were able to take them into account in our subsequent analyses.

Competitor Analysis and Industry Specifics

We selected domestic and international companies from the same sector whose operations bear the closest similarity to those of the GasNet Group. To determine their relevance, we considered factors including whether a company had an ESG rating. We then gathered information on their material ESG topics, impacts, goals, and measures from their publicly

available documents. We also focused on whether they were required to report under the CSRD and which reporting standards they were using, such as GRI or SASB.

We also studied the GRI Gas & Oil sector standards and reviewed publicly available studies that identify the impacts of the gas distribution sector.

Stakeholder Analysis

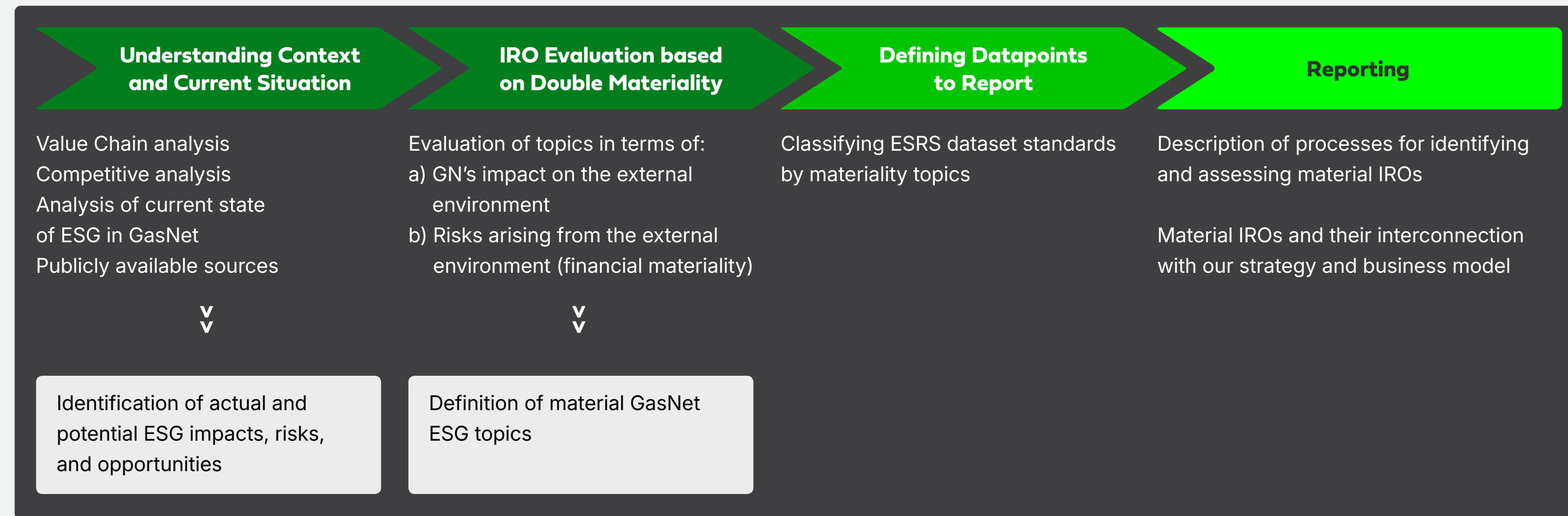
Our stakeholder analysis emerged from a mapping of our value chain and internal interviews conducted as part of our company's ESG status assessment. We identified key stakeholder groups and held a workshop to analyse their influence, our impact on them, and the current forms of dialogue we have in place. We then decided which stakeholders we wanted to involve in the analysis of our material topics.

Analysis of Current Situation

We performed our current state analysis using the list of topics published in the ESRS standards (AR 16), which we supplemented with sector-specific topics. Using this structure, we gathered information on our current status through:

- 1) Internal documents and processes (policies, guidelines, methodologies);
- 2) Our risk catalogues, (Corporate Risk Catalogue, Environmental Risk Catalogue, and OHS Catalogue);
- 3) In-depth interviews with the people responsible for ESG topics throughout the company.

In total, we reviewed 104 documents and involved more than 50 relevant colleagues.



Identifying Impacts, Risks, and Opportunities

The process above helped us identify potential and actual IROs. We considered both the positive and negative impacts related to sustainability issues. We also assessed these impacts and risks across our entire value chain. Our mapping and evaluation of IROs used both internal knowledge and input from our stakeholders, focusing primarily on our key suppliers and customers.

Assessing and Identifying Material IROs in Relation to Sustainability

We assessed the materiality of actual and potential IROs and defined our material topics using specific criteria and corresponding threshold values. We first reviewed the impacts and the significance of IROs during workshops with our internal stakeholders, (the business owners of ESG areas). We then used questionnaires to quantitatively evaluate the identified impacts. Our impact assessment was the starting point for evaluating the materiality of the ESG topics themselves. Once we had our preliminary results, we began the financial assessment (risk assessment). We designated a topic as material if it met the criteria we defined for impact materiality.

Impact Materiality Assessment Criteria

Our assessment of the materiality of negative impacts is based on the due diligence process defined in the international instruments of the **UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises**. For actual negative impacts, we determine materiality based on their severity. For potential negative impacts, our determination is based on both severity and the likelihood that they will occur.

We evaluated severity using the following factors:

- Magnitude (how significant it is for society or the environment),
- Scope (how many stakeholders it affects),
- Irreversibility (how difficult it is to reverse the damage in terms of both cost and the time required).

For actual positive impacts, we determine materiality based on magnitude and scope. For potential positive impacts, we determine materiality based on magnitude, scope, and the likelihood that the impact will occur.

Financial Materiality Assessment Criteria

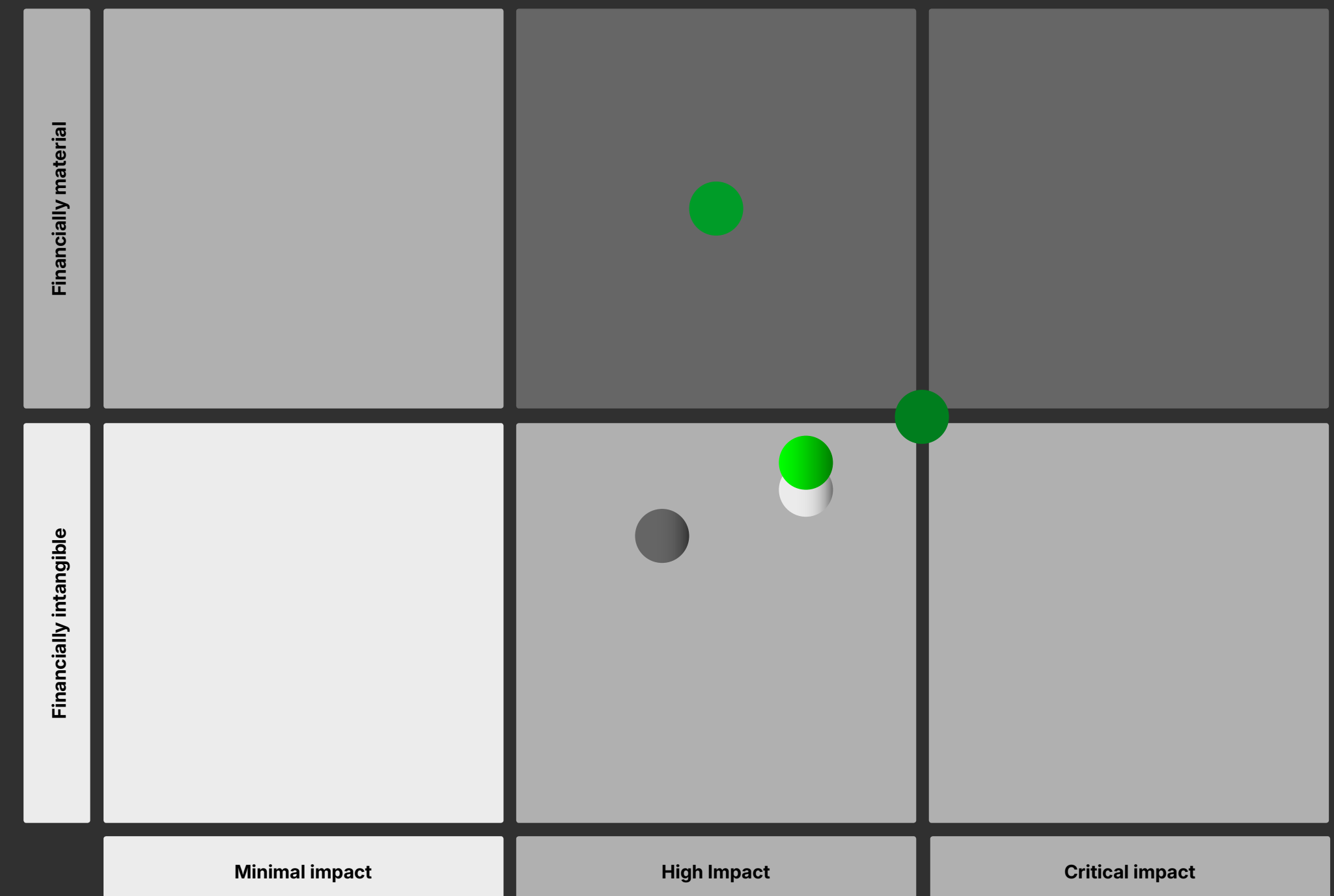
A topic is considered material from a financial perspective if it creates risks or opportunities that have, or could have, a significant influence on the company's development, financial position, financial performance, cash flow, access to financing, or the cost of capital over the short, medium, or long term. We assess the materiality of risks and opportunities **by combining their probability of occurrence with the potential scale of their financial impact**. Our Risk Assessment team is closely involved in identifying risks and determining their materiality. They rely on our existing risk management process and guidelines to carry out this work.

Material Topics

The output of our materiality assessment is our materiality matrix, which prioritises topics based on their impact and financial materiality. As you can see in the aggregated materiality matrix, the most important topics are S4 Customers and End-users and S1 Our Own Workforce. The topics E1 Climate Change, G1 Business Conduct, and the specific topic SF Safety are also material.

Materiality Matrix – ESRS topic level

- Climate change E1
- Own workforce S1
- Customers and end users S4
- Governance G1
- Safety SF



A photograph of three workers at a gas pipeline construction site. Two workers in the foreground wear high-visibility yellow-green jackets with 'gasnet' on the back and green hard hats. One is pointing towards the distance. A third worker in an orange vest and red hard hat stands further back. A long trench with a white pipe is visible, along with a red and white striped safety barrier. The background shows a clear blue sky and a rural landscape with green fields and hills.

**We Believe
in Environmental Sustainability
and the Future of Gas**

We Believe in Environmental Sustainability and the Future of Gas

In the context of Europe's efforts to decarbonise and transform its economy towards sustainability, the GasNet Group is committed to actively contributing to this transition and becoming a key player in modern, environmentally friendly energy. We are in full alignment with the European Union's ambition to achieve climate neutrality by the middle of the century. We have set our own target to reach carbon neutrality by 2040, thereby supporting the goals of the Paris Agreement to limit global warming.

We recognise the demanding nature of this journey, especially from our position as a natural gas distributor and the associated challenges related to methane emissions. Our decarbonisation strategy, therefore, has two main pillars: systematically reducing emissions from our existing operations through our Green GasNet initiative, and a comprehensive long-term transformation plan. This plan includes a transition to distributing renewable and low-emission gases, primarily biomethane and hydrogen, and implementing innovative technologies. This transformation requires the active involvement of all our employees and a strategic modernisation of our infrastructure. We have fully integrated it into our business and financial strategy, and it has the full support of the company's management.

In this chapter, we provide a detailed overview of our comprehensive approach to **climate change**. We identify the **material impacts, risks, and opportunities** in this area, and we describe the specific strategies, policies, and measures we are implementing to achieve our vision of modern, green energy. Environmental sustainability is at the core of our business. Our commitments come from our shared responsibility for the environment and our determination to strive for a low-emission future. We want to minimise the negative environmental impacts of our activities and support the decarbonisation of the Czech energy and industrial sectors. Our climate commitments are also reflected in the remuneration of our administrative, management and supervisory bodies. (For more information see Management Board Involvement in Sustainability Management, in chapter 1).

Material IROs Related to Climate Change

Below, we present the material impacts, risks, and opportunities (IROs) associated with climate change and its sub-topics: climate change mitigation, greenhouse gas emissions, and energy. We explain how we approach understanding the links between climate change and its importance to our business model. Our goal is to transparently describe the methodology and framework that allows us to effectively integrate environmental aspects into our strategic decision-making and build our company's long-term resilience to climate change. Specifically, we also outline our approach to defining the types of risks related to climate.

The scope of our climate risk analysis and how we deal with the identified risks is described in more detail in the introduction to this Report in the chapter 'Risk Management and Non-Financial Reporting'. In that introductory section, we also clarify how we consider different time horizons and interpret the results of our analysis to inform our strategic decisions. A key element of this section is explaining our strategic approach to climate change and presenting the specific policies and measures that help us fulfil our strategy. You can find more on climate risk management below in Chapter 4, "Description of Procedures for Identifying and Evaluating Material Impacts, Risks, and Opportunities Related to Climate".

E1 Climate Change

Topic	Subtopic	Description	
<p>Climate Change</p> <p>Impact Materiality</p> <ul style="list-style-type: none"> ● Own Operations ● Value chain – downstream 	<p>Climate Change Mitigation</p>	<p>Positive</p>	<p>Negative</p>
	<p>Actual Impacts</p>	<ul style="list-style-type: none"> ○ GN participates and actively engages in the creation of strategic frameworks and policies for the Czech Republic. ○ Distribution system renewal strategy, which is being developed with regard to emission impacts. ○ GN has a positive impact by enabling the blending and distribution of alternative media (biomethane, hydrogen) with a lower carbon footprint. ○ Through its activities in the development of LNG infrastructure, GN helps to fulfill the Czech Republic's strategic commitments in the development of the alternative fuels market. 	<ul style="list-style-type: none"> ○ Leaks from the distribution network and technological losses.
	<p>Potential Impacts</p>		<ul style="list-style-type: none"> ○ There are technical and specific limitations that make it impossible to achieve zero emissions and zero waste.
<p>Climate Change</p> <p>Financial Materiality</p> <ul style="list-style-type: none"> ● Own Operations ● Value chain – downstream 	<p>Climate Change Mitigation</p>	<p>Transition Risks</p>	<p>Physical Risks</p>
		<ul style="list-style-type: none"> ○ Tighter climate and energy legislation. ○ Negative perception of companies that work with fossil fuels. 	
	<p>Opportunities</p>	<ul style="list-style-type: none"> ○ Subsidies for decarbonisation and transformation measures or technologies. ○ Opportunity to find new sources of capital through sustainable financing. ○ Demand for an increased share of renewable gas distribution. Higher demand for LNG in freight transport. ○ Use of new technologies with higher efficiency and reduced impact. 	

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Topic

Subtopic

Description

Climate Change

Climate Change Adaptation

Positive

Negative

Impact Materiality

● Own Operations

Actual Impacts

- **GN is an active member of platforms** focused on supporting, investing in, and developing renewable energy sources in the Czech Republic, as well as recording methane emissions. In this way, GasNet is helping to shape a fair energy transition.
- GN has set a strategy **for gas distribution as part of the transition to renewable energy sources** (Long-Term Transformation Plan).

Potential Impacts

- Blending and **increasing the proportion of hydrogen** in the mixture with natural gas reduces the carbon footprint and increases the diversification of sources in the Czech Republic.

Climate Change

Climate Change Adaptation

Transition Risks

Physical Risks

Financial Materiality

● Own Operations

- The challenging **management of capacity, technological security,** and infrastructural readiness for gas distribution due to the transformation of the energy sector.
- The risk of changes in the customer structure and the related shift in the management of the distribution network's capacity.

- **Damage or destruction of assets** resulting from the increased intensity, frequency, and/or duration of natural phenomena due to climate change (such as floods, hailstorms, gales, tornadoes, intense rainfall, and fires).

Opportunities

- The transition to distributing alternative energy media.
- **Strengthening GasNet's role in the Czech energy market** in connection with supporting natural gas as a transitional energy source within the Czech Republic's decarbonisation efforts.

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Topic

Subtopic

Description

Climate Change

Greenhouse Gas Emissions

Positive

Negative

Impact Materiality

Actual Impacts

- GN has implemented **procedural changes in the inspection, detection, and repair of leaks**, which leads to a lower emission burden during its operations.
- GN calculates greenhouse gas emissions for Scope 1, 2, and 3. This ensures data-based management, the setting of measures, and the identification of opportunities.

- During GN's operations, natural gas leaks and technological losses occur, resulting in the release of CH₄ into the atmosphere.

● Own Operations

Climate Change

Greenhouse Gas Emissions

Transition Risks

Physical Risks

Financial Materiality

- Charging for methane emissions from gas leaks

● Own Operations

Opportunities

- The availability and deployment of **new technologies for detection activities** and leak-free repairs.



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Topic

Subtopic

Description

Climate Change

Energy

Positive

Negative

Impact Materiality

Actual Impacts

- We have implemented an Energy Management System, and GasNet holds ISO 50001 certification for this system.
- We use renewable energy sources and low-emission fuels for our operational activities. We also generate electricity at our own sites.
- GN has an established policy for sharing resources related to our offices and vehicle fleet.

● Own Operations

Potential Impacts

- Thanks to the implementation of IoT sensors and connected control systems for measuring and regulating consumption, we are able to optimise our energy usage.
- **Increased emissions from our vehicle fleet** due to a reduction in the number of vehicles fueling with bioCNG.

Climate Change

Energy

Transition Risks

Physical Risks

Financial Materiality

● Own Operations

● Value chain – downstream

- Replacing existing technologies with more efficient ones within our own buildings.
- Subsidy programs – funding from European or Czech sources for financing energy projects.
- Transitioning our vehicle fleet to alternative and low-emission sources.
- Developing the market for renewable energy sources.

Transition Plan for Climate Change Mitigation

Europe has embarked on a path of decarbonisation and is transforming its economy in a sustainable way. At GasNet, we want to be a part of this change and help form one of the pillars of modern, green energy. The European Union has set a goal to achieve climate neutrality by 2050. We fully align with this commitment and actively contribute to it. We have made a strategic commitment to become a climate-neutral company by 2040, and this aligns with the goal of the Paris Agreement to limit global warming to a maximum of 1.5 degrees Celsius.

However, we realise this journey will be long and challenging, especially for us as a natural gas distributor. Methane leaks, which have a significantly higher global warming potential (GWP¹), rank among our largest sources of emissions.

Our **Net Zero decarbonisation strategy** rests on two key pillars. The first is reducing emissions from our existing operational activities, especially methane leaks, through our Green GasNet programme. The second crucial pillar is our **Long-term Transformation Plan**,

which involves a transition to distributing green gases, primarily biomethane and hydrogen, and using new technologies. This transformation will have a significant impact not only on our business but also on the broader energy sector in the Czech Republic.

A number of working groups oversee the Long-term Transformation Plan, and they coordinate regularly at the highest level of our company's management. Because of the uncertain development of the green gas market and other external obstacles, we cannot yet define all the steps of this transformation in detail. Even so, we are actively preparing for this change and want to be among its pioneers. For the transformation to succeed, it is essential for us to change our corporate culture and involve all employees across the company.

Our transition plan includes a **long-term infrastructure renewal strategy**. We are systematically renewing our distribution network to meet the current and future requirements for green gas distribution. Our infrastructure is already ready for distributing natural gas, 100% biomethane, and hydrogen in concentrations of up to 20%, and we have a clear vision for how to transition to distributing 100% hydrogen. We focus our investment decisions on minimising costs and

maximising synergies between the network's current and future needs.

This transition to zero-emission gases is the biggest change in the energy sector since the industrial revolution, and we see it as a great opportunity. We have fully integrated our transition plan into the company's overall business strategy and financial planning, and it has the full support of our administrative, management, and supervisory bodies.

#1 We are ensuring the readiness of our distribution network for the future of energy through a network renewal strategy

GasNet's strategy for renewing its existing infrastructure has long focused on the technical renewal of assets that are nearing the end of their service life, while also reducing leaks of the distributed gas. As part of this systematic renewal, we replace larger sections of pipelines, optimising the network based on current and planned demographic changes and regional development needs. As a result, we are and will always be able to meet both current and anticipated demand for gas.

We are investing in an economically efficient way while maintaining the safety and reliability of our network operations.

A carefully crafted investment strategy is key for the future of GasNet's operations, as it will enable us to meet our decarbonisation commitments and ensure safe, reliable, and efficient gas distribution both today and in the future.

Strategically planned investments are key not only for meeting our short-term goals but, more importantly, for our long-term commitments to decarbonisation and the transition to distributing renewable and zero-emission gases. In the context of decarbonisation, we will also need to diversify sources across the entire energy sector. Therefore, the composition of the distributed medium in our network will gradually change towards a larger share of biomethane and hydrogen. From a technical perspective, our equipment is already capable of distributing a mixture of natural gas with a 20% hydrogen blend.

We are actively developing scenarios for the transition to distributing 100% hydrogen through our key 'Switch Over' project. In planning this transition, we draw on the experience we have gained from pilot projects focused on connecting hydrogen production facilities. We also leverage international experience from similar projects.

¹ Global warming potential.

Our grid is both materially and capacity-wise ready for distribution of 20% H₂ blend.

The timeline for the gradual transition to hydrogen, however, depends not only on the technical readiness of our network but also on the readiness of the transmission infrastructure and the availability of hydrogen on the Czech market. Our distribution system is a part of the entire gas industry ecosystem, but it does not operate in isolation. To ensure comprehensive preparation for the transition to hydrogen, we work within the Czech Gas Association with other distribution and transmission system operators, as well as with gas storage operators. Together, we are developing transition scenarios, addressing technical legislative changes, and conducting technical studies.

We always assess new investments to ensure maximum synergy between the current natural gas distribution needs and future hydrogen compatibility requirements.

We minimise the risk of inefficient investments and possible impacts on our customers.

#2 District Heating Transition from Coal to Gas

The district heating segment is actively preparing to phase out coal combustion as part of efforts to meet the Czech Republic's emission targets. The main motivators are not just the national emission targets for 2030 but also the current price of emission allowances. When updating its National Energy and Climate Plan, the Czech Republic set a goal to phase out coal use in electricity and heat production by 2033 at the latest.

Coal is associated with significant emissions of carbon dioxide (CO₂), sulphur oxides (SO_x), and other harmful substances, including particulate matter, which makes this source environmentally unsustainable. However,

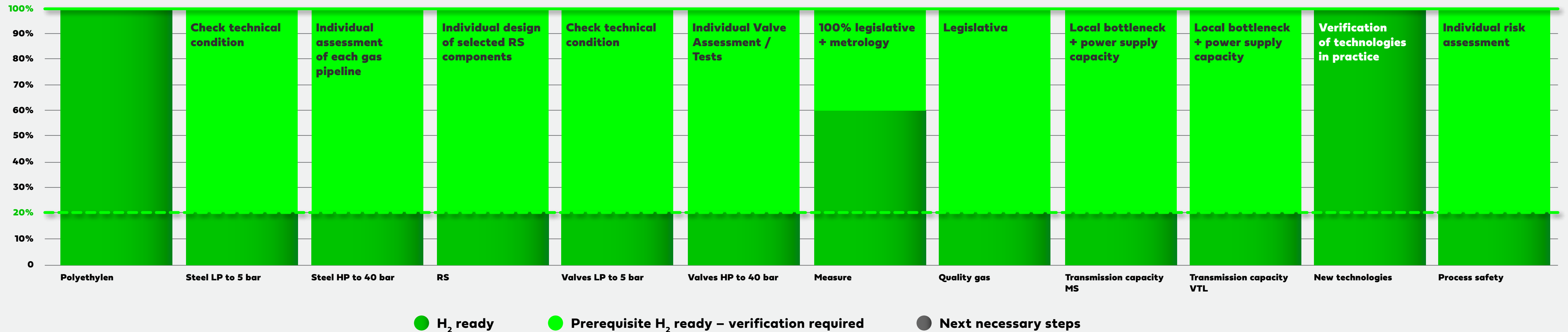
under our climatic conditions, energy production from purely renewable sources is limited, and its expansion is expected only over a longer-term horizon. Natural gas therefore plays a key role in this transition due to its lower emission intensity, technical availability, and the possibility of a future transition to renewable forms of gas. We therefore consider gas a transitional source in this context.

Within the area covered by our distribution network, there are currently more than 100 significant coal-fired heat sources with an installed capacity exceeding 3 MW. Approximately 75% of these have already declared their intention to switch to natural gas, while the remaining operators prefer alternative fuels, primarily biomass. After these sources complete their transition to natural gas (anticipated between 2030 and 2033), we expect a significant increase in annual gas consumption within our distribution area, which we estimate at 18.9 TWh. We anticipate that renewable gases will cover

at least 10% of this new consumption, in line with the Czech Republic's Hydrogen Strategy.

#3 Resources for Providing Power Balance Services

Alongside this transition to natural gas, a large proportion of district heating plants are also considering combined heat and power generation (cogeneration). Plans also include the construction of dedicated power generation facilities for electricity production from gas, using highly efficient combined cycle gas turbines (with 60% efficiency), or the construction of standalone cogeneration units. They will subsequently connect most of these sources into the electricity grid balancing system through power balancing services. Their cyclical behaviour and ability to achieve high output in a short time place high demands on GasNet's distribution network from the perspective of maintaining operational stability.



Description of Procedures for Identifying and Evaluating Material Climate-related IROs

Since 2023, we have been clearly mapping out the opportunities and risks associated with climate change, enabling us to manage another important area of our business.

In 2023–2024, we conducted our **Climate Risk and Opportunity Management (CROM)** project. Its aim was to identify, assess, and link specific climate risks with appropriate measures and with the owners who will take responsibility for them. As part of the project, we identified both climate opportunities and risks, classified their materiality and probable impacts, and developed scenarios for the most material risks and opportunities, including an assessment of their financial impact. The output from these analyses also includes a **set of new indicators**, which we will continue to monitor and regularly evaluate.

The top management of our company holds ultimate responsibility for CROM management. In 2024, we began integrating climate risk management into our internal documentation (formal policies, procedures, or guidelines) and further linking CROM results with the goals and measures outlined in our Net Zero strategy.

Climate Risk and Opportunity Management is an **integral part of our ESG strategy**, as it closely relates to GasNet’s core business – the maintenance and development of gas infrastructure, accelerating the energy transformation, and strengthening innovation and efficiency across the

entire sector. Thanks to this approach, we can **effectively mitigate risks** associated with climate change, **develop adaptation measures**, and at the same **time take advantage of the opportunities** that climate change offers us.

Representatives from the **ESG & Security** and **Strategic Asset Management** Departments within the GasNet Group are responsible for identifying and assessing climate risks and opportunities, with expert oversight from the **Risk Management Department**.

Climate Risk Timeframe	Year	Justification
Short-term	2025	<ul style="list-style-type: none"> Part of decarbonisation targets (short-term maintenance) Current risk management time horizon
Medium-term	2030	<ul style="list-style-type: none"> Part of the decarbonisation targets to reduce greenhouse gas emissions by 55% (Fit for 55) Medium-term asset management planning
Long-term	2050	<ul style="list-style-type: none"> Target year for achieving the EU Net Zero target Transformation target: 100% readiness for hydrogen distribution

We assess the impacts of climate risks and opportunities across three time horizons – **short-term, medium-term, and long-term**. This methodology enables us to monitor how climate change affects the company across horizons of **2025, 2030, and 2050**, and how potential risks and opportunities evolve in correlation with our long-term business strategy.

For assessing climate risks and opportunities, we use scenarios based on **IPCC** methodologies (we work with **Shared Socioeconomic Pathways – SSPs** and **Representative Concentration Pathways – RCPs**).

To assess the impact of climate change on GasNet, we developed three potential scenarios. These scenarios range from a strong emphasis on emission reduction to the continued development of fossil fuels. The scenarios are aligned with our main time horizons, decarbonisation strategy, and goals deriving from the Paris Agreement. In our analyses, we also consider impacts on gas demand, opportunities for transitioning to green gases, and broader strategic planning.

	Climate Scenario
Sustainable development (optimistic scenario)	Temperature increase ranging from 0.3 °C to 1.7 °C i.e. globally <2 °C
Middle way (pessimistic scenario)	Temperature increase ranging from 1.1 °C to 2.6 °C, i.e. globally <3 °C
Development based on fossil fuels (No breakthrough)	Temperature increase ranging from 2.6 °C to 4.8 °C, i.e. globally <5°

We compiled a list of potential risks and opportunities based on **sector best practices** and current scientific knowledge. This resulted in a preliminary list of potential risks and opportunities classified according to TCFD terminology. Subsequently, we adapted the selected risks and opportunities to the **specifics** of GasNet's current business and our long-term strategic direction. We then conduct the assessment under two main categories:

Transitional Risks

- These include potential threats arising from the transition to a low-carbon economy (e.g., changes in emission allowance prices, innovation, regulatory requirements).

Physical Risks

- These include the direct impacts of climate change (e.g., extreme temperatures, floods, droughts) on GasNet's infrastructure and operations. The assessment also includes so-called chronic physical impacts and opportunities, such as longer periods of heat stress.

We assess acute physical risks using the Allianz Climate Change Risk Solution model (ACCRiS).

We quantify transitional risks and opportunities, and chronic physical risks, based on partial calculations and expert estimates.

GasNet views decarbonisation not just as an obligation towards the environment but also as an **opportunity** to improve the long-term stability of its business. We believe that natural gas will play a significant role in the Czech context as a transitional energy source between fossil fuels and

fully renewable sources. A rapid reduction in coal and oil consumption is not something that can be achieved immediately from renewable sources. Natural gas can serve as a crucial bridge. At the same time, we expect a gradual transition to distributing biomethane and hydrogen.

Our criteria for assessing climate risks are based on our corporate risk management methodology, described in our internal Risk Management Policy. This ensures consistency in the significance of climate risks relative to other business risks. The resulting risk level is a product of the probability and impact of a given threat, which we subsequently adjust according to existing mitigation measures and supplement with an assessment of other non-financial aspects. We discuss the resulting levels with the respective risk owners, who then propose further options for mitigating risks and their impacts.

Our climate **risk management process** itself follows the significance and character of each risk. We aim to **limit substantial risks as much as possible**; however, in some cases, these are risks associated with our core business as a gas distributor, which we cannot fully eliminate. In these cases, we apply **reactive measures** which significantly limit potential impacts and ensure the continuity and resilience of our business.



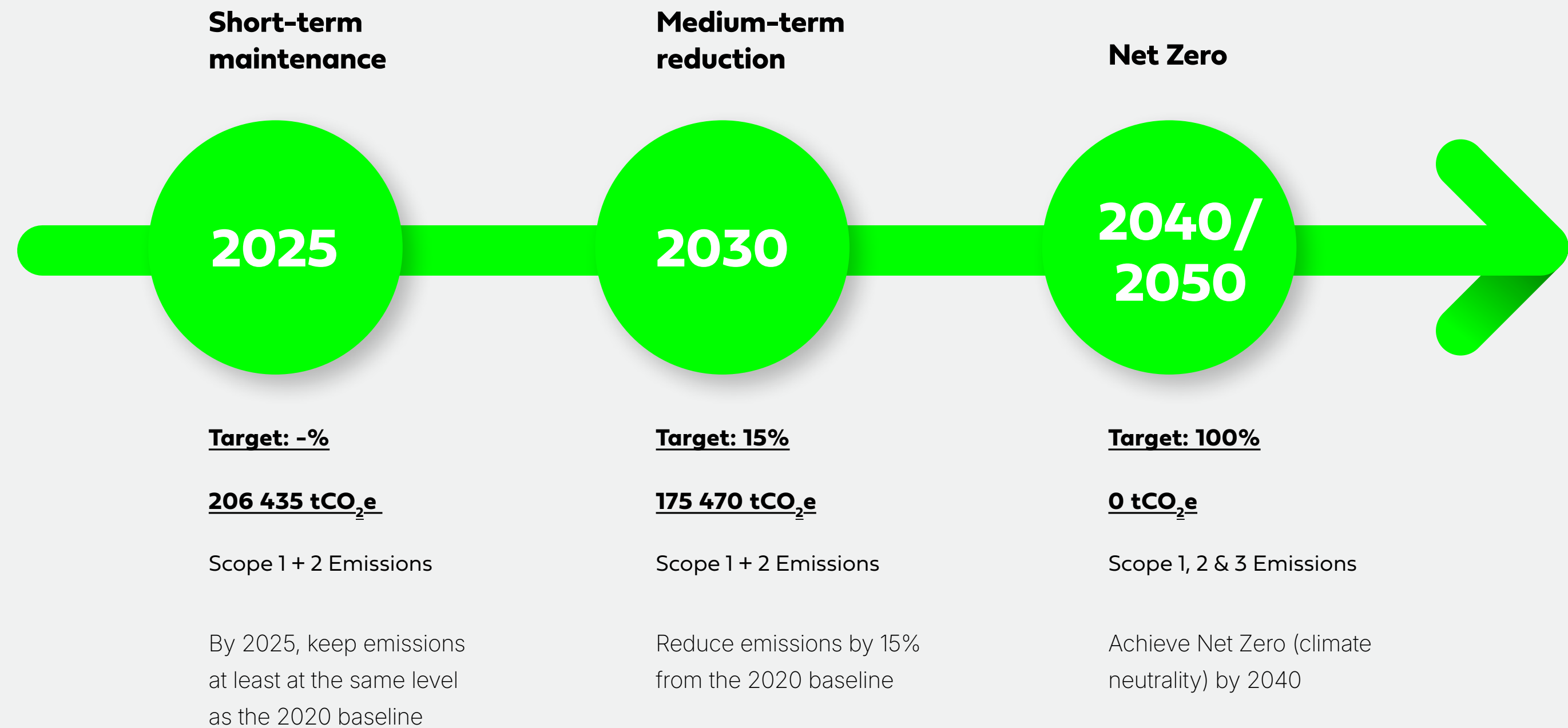
Climate Change Adaptation and Mitigation Targets

We have set concrete targets for reducing greenhouse gas (GHG) emissions. These targets are based on our Net Zero decarbonisation strategy. Our main intention is to contribute to the decarbonisation of the Czech Republic and simultaneously ensure the successful continuation of our business even as the energy market gradually shifts away from fossil fuels.

Our targets are in line with European strategic documents (for example, Fit for 55) and aim to achieve climate neutrality in 2050 at the EU level. We currently include them in our short-term and medium-term horizons. When setting measures, we focus primarily on **Scope 1 and 2**. Our baseline is our **Scope 1 and 2 emissions from 2020**, as we separated from the innogy group during this period. In 2022, we had the accuracy of our 2020 emissions data collection and calculation independently verified, thereby **confirming compliance with the GHG Protocol**. This baseline is therefore representative of our main activities and the state of our infrastructure.

We quantify our decarbonisation targets as **absolute** reductions in emissions, not as relative emission intensity (GHG intensity). Calculating emission intensity is not appropriate for our distribution sector (unlike for manufacturing companies). We cannot relate GHG emissions to financial results either, because gas costs and prices can fluctuate.

We have been collecting data for **Scope 3** since 2022, and we plan to establish a full baseline for 2025.



- **Short-term target (by 2025):** Maintain Scope 1 and 2 emissions at least **at 2020 levels**. In effect this means **reducing** our emissions to offset an anticipated increase (due to ageing infrastructure and the rising risk of leaks).
- **Medium-term target (by 2030): Reduce our Scope 1 and 2 emissions by 15%** compared to 2020 levels. We aim to achieve this target by **improving natural gas leak detection** and repair, **accelerated network renewal**, and other process adjustments.
- **Long-term target (by 2040/2050): Net Zero** (climate neutrality) – which includes Scope 3 emissions. This will require a transition to distributing renewable gases (biomethane, hydrogen) and the implementation of sustainable technologies across our entire value chain.

We base our **methodology** on the **GHG Protocol** and European climate targets (Fit for 55, Green Deal), which aim to limit global warming below 2 °C (ideally 1.5 °C). These are not yet formally certified 'Science Based Targets' (SBTi), but we nevertheless draw inspiration from this methodology. We continuously improve our methods for measuring and calculating fugitive gas emissions. We use updated technological and process procedures and new data collection systems.

When setting our initial targets, we drew primarily on internal analyses and the collaboration of key departments (Operations, Asset Management, ESG, Risk Management). We involve external stakeholders, especially suppliers, in target setting and Scope 3 calculations. In the future, we plan more formal

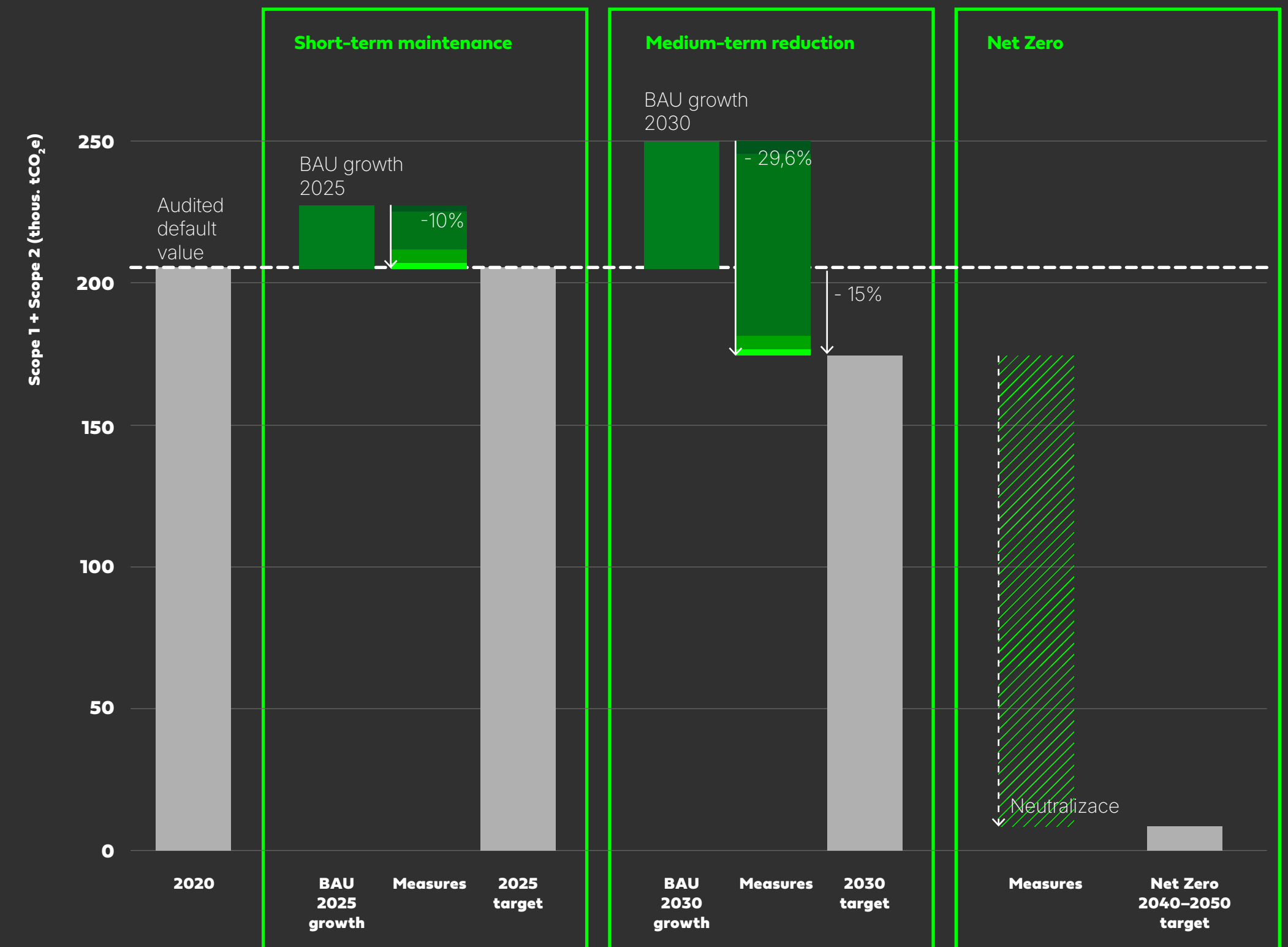
stakeholder participation in redefining medium- and long-term targets, especially concerning Scope 3.

In 2022 and 2023, we made significant progress in our methodology and the practical implementation of data collection, emission volume calculation, and subsequent reporting. For example, by changing our methodology, we have refined our calculations for both fugitive emissions and technological losses. We have also added new categories for fugitive emissions that we could not previously measure or report. Unfortunately, this positive change negatively impacted our overall emission footprint in 2024. For this reason, we have decided that our company will establish a new baseline for its emission footprint and that the value for 2025 will now serve as this new baseline.

In 2024 and 2025, we are slightly above our 2020 emission levels. We are successfully managing to offset the increase from our primary source—fugitive emissions resulting from an ageing infrastructure—with preventative repairs and network renewal. You can find a description of these measures below in Chapter 7, and a full overview of our emission footprint development in Chapter 9.

Our main decarbonisation measures, or "levers," include network renewal and **modernisation**, testing and implementing new digital tools for leak detection, introducing **repair technologies** that reduce emissions during network upgrades, and a **gradual transition to green gases**.

Identified measures	
● Technological gas losses	Nitrogenation, de-accumulation, stoppling, transfer compressor
● Fugitive gas leaks	Faster leak repairs, accelerated renewal of high-pressure and medium-pressure gas pipelines
● Energy consumption in operations	Increasing the efficiency of gas preheating, purchase of green electricity certificates
● Energy consumption in office buildings	Purchase of green electricity certificates, reduction of occupied areas, investment in energy mgmt., PV installation
● Vehicle fleet fuel consumption	Purchase of bio-CNG, car sharing, purchase of electric and hydrogen vehicles



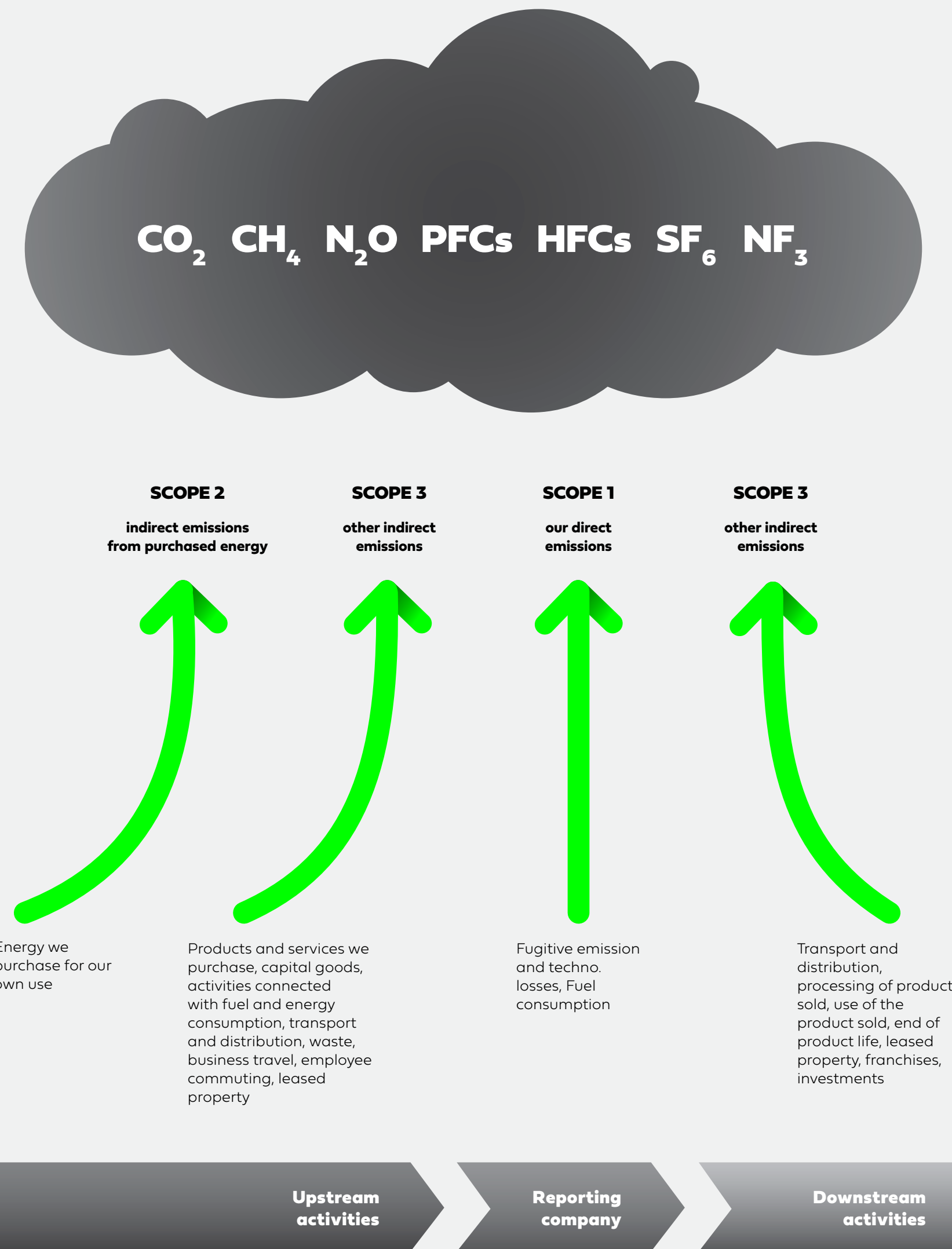
Our Greenhouse Gas Emissions

Přehled sledovaných emisí

At GasNet, we actively monitor and manage:

- **Direct Emissions (Scope 1):** These are emissions which are created directly from our operations. They primarily include fugitive natural gas leaks from our ageing pipelines, technological losses during network repairs and maintenance, emissions from the fuel consumption of our vehicle fleet, and natural gas consumption in our buildings.
- **Indirect Emissions from Purchased Energy (Scope 2):** These emissions are associated with our electricity consumption in gas operations (such as regulating and transfer stations, and LNG refuelling stations) and administrative buildings, along with purchased heat and cooling sources. We report these emissions using both the location-based method (based on the geographical location of consumption) and the market-based method, which takes into account the market and the energy sources actually used.
- **Other Indirect Emissions (Scope 3):** These are emissions generated across our company's entire value chain. Currently, we are primarily focusing on our largest suppliers (the production and transport of materials, and the provision of services), transport emissions, waste processing, and emissions associated with the LNG we sell as part of our unregulated services.

By 2025, we plan to expand and supplement our monitoring of other indirect emissions (Scope 3) in order to establish a complete baseline for total direct and indirect emissions. Based on this, we will then set further quantitative targets and measures within our Net Zero strategy.



Greenhouse Gas Emissions Calculation Methodology

For calculating greenhouse gas emissions in Scope 1 and 2, we use the international **Greenhouse Gas Protocol** (GHG Protocol) standard. We employ emission factors and global warming potential (GWP) values from sources such as the IPCC, US EPA, DEFRA, energy suppliers, and Czech legislation.

Our calculations include the following greenhouse gases:

- Carbon dioxide (CO₂) – GWP 1
- Methane (CH₄) – GWP 28
- Nitrous oxide (N₂O) – GWP 265
- Ethane (C₂H₆), specific to the gas sector with a GWP of 5.5

We consolidate emissions at the group level using the operational control approach. This means we account for emissions from activities and operations over which we have direct control.

For Scope 3 emissions, we combine two basic calculation methods:

- For most emission categories, we use calculations based on the **GHG Protocol Value Chain Standard** and its associated Technical Guidance for calculating emissions.
- For the investment category, particularly construction work, we use a **spend-based method**. This approach determines emissions based on the emission intensity of economic activities within the supply chain, with the volume of incurred costs as the input value.

Methodology Changes

Since 2022, we have been continuously refining our data collection and calculation methodology. Specifically, in 2023 and 2024, we managed to improve our methods for gathering and calculating data related to fugitive emissions and technological losses. A significant factor in this improvement since 2022 has been a change in our data system, which allows for higher quality data collection. Thanks to this new methodology and more precise input data, we can now measure and calculate leaks in new areas with much greater accuracy. Because of this, it is not possible to compare emissions with our calculations from 2020–2022 (which did not include these new areas or data) with subsequent years in the chart below. Similarly, it is not possible to evaluate our emission trends based on this data. Ultimately, this makes it harder for us to assess our short-term decarbonisation target (keeping emissions at 2020 levels by 2025) because the calculations are difficult to compare. For this reason, we will establish a new baseline in 2025, which will then allow us to evaluate trends using a consistent methodology.

Emissions Trend

GHG Emissions [tCO ₂ e]	2020	2021	2022	2023	2024
Scope 1	198 820	195 265	192 918 ¹	200 771 ¹	211 260
Scope 2 – location-based	7 616	8 186	7 265	6 846	6 119
Scope 2 – market-based	7 616	1 214	1 066	804	678
Total Emissions (Scopes 1+2) [tCO₂e] location-based	206 435	203 452	200 184	207 617	217 380
Total Emissions (Scopes 1+2) [tCO₂e] market-based	206 435	196 479	193 984	201 576	211 938
Scope 3 ²	–	82 625	97 506	65 404	66 349

¹ Updated using the new methodology.

² Scope 3 is not included in the emissions total because it is not yet part of the decarbonisation targets.

GHG Emissions [tCO ₂ e]	2020	2021	2022	2023	2024
Scope 1	198 820	195 265	192 918	200 771	211 260
Gas consumption in buildings	2 125	2 218	1 599	1 434	1 313
Gas consumption in operations	11 290	13 701	10 967	9 529	8 433
Technological gas losses	11 928	9 639	9 460	14 126	10 733
Fuel consumption	4 371	4 236	4 240	4 244	4 139
Fugitive gas leaks	169 106	165 471	166 652	171 438	186 642

GHG Emissions [tCO ₂ e]	2020	2021	2022	2023	2024
Scope 2 – location-based	7 616	8 186	7 265	6 846	6 119
Electricity consumption in buildings	1 926	1 971	1 980	1 683	1 455
Electricity consumption in operations	5 686	6 017	5 002	4 922	4 370
Electricity consumption at LNG stations	4	37	65	88	117
Heat consumption in buildings		137	178	120	138
Cooling consumption in buildings		24	41	34	39

GHG Emissions [tCO ₂ e]	2020	2021	2022	2023	2024
Scope 2 – market-based	7 616	1 214	1 066	804	678
Electricity consumption in buildings	1 926	1 053	847	651	500
Electricity consumption in operations	5 686	0	0	0	0
Electricity consumption at LNG stations	4	0	0	0	0
Heat consumption in buildings		137	178	120	138
Cooling consumption in buildings		24	41	34	39

In 2024, our total Scope 1 and Scope 2 (market-based) emissions rose by 5.5% compared to 2023. This increase stems from the ageing of our steel distribution network operating at medium and high pressure leading to fugitive leaks that, even in lower numbers, cause significantly higher emissions

compared to leaks in the low-pressure network. Another major negative factor was the devastating floods in September, which affected a part of our distribution system. These floods accounted for over 40% of our total technological losses. The last significant factor influencing the increase in the

total carbon footprint was the ever-improving accuracy of measurement, data collection, and calculation, especially in the category of fugitive emissions.

Compared to our baseline year of 2020, emissions exceeded the baseline value for the first time, by just under 3%. The measures described in the chapters below have contributed to ensuring that the increase was not higher.

This report marks the second time we are presenting Scope 3 emission values generated by our supply chain. We have dedicated considerable effort over the past few years to developing our calculation model and acquiring

the necessary data, and we continue to refine the model. A significant change involves a methodological adjustment to the transportation category calculation. Compared to 2023, we observe only a negligible increase in our carbon footprint. Our key objective remains to achieve the aforementioned complete GHG emission reporting, including Scope 3, by 2025.

We have excluded the business travel and commuting categories from our total Scope 3 emissions calculation because their amounts are negligible.

Given our core business, which involves business-related travel by our operational staff as they manage and maintain our distribution system, we account for travel emissions under Scope 1 as fuel consumption.

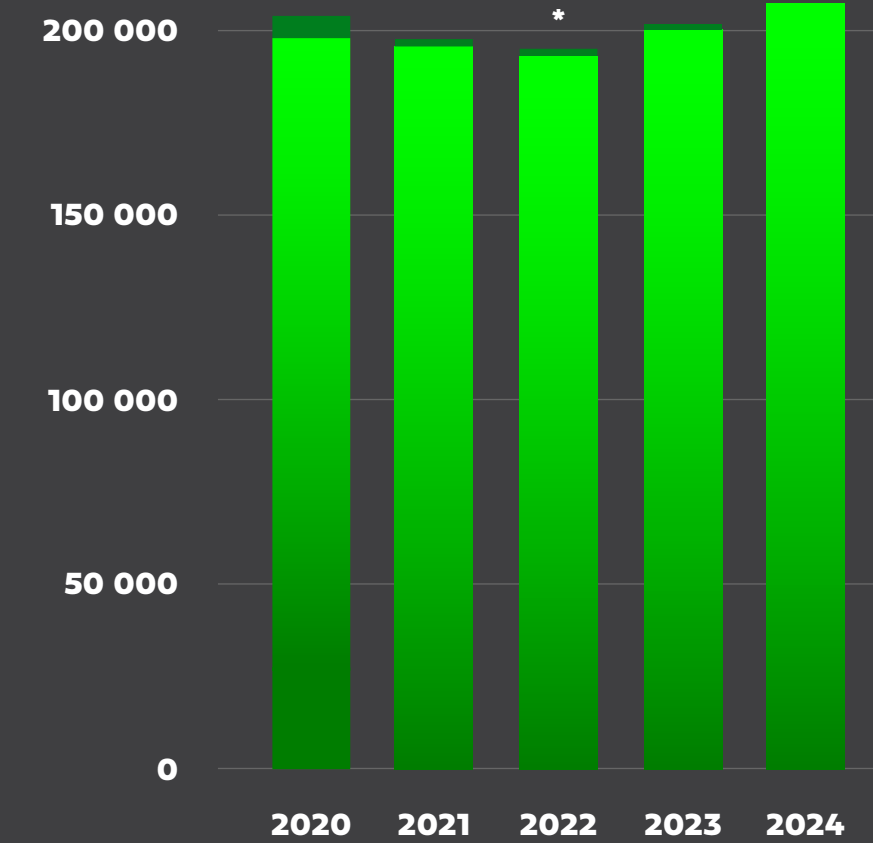
GHG Emissions [tCO ₂ e]	2020	2021	2022	2023	2024
Scope 3	–	82 625	97 506	65 404	66 353
Purchased goods and services	–	9 965	8 367	12 104	10 806
Consumption of fuels and energy not included in Scope 1 and 2	–	3 294	2 896	2 683	2 469
Transport and distribution (upstream)	–	22 722	34 905	1 582 (*)	1 480
Waste	–	67	66	69	61
Business travel	–	437	738	–	–
Commuting to work	–	1 024	1 024	–	–
Use of sold product (LNG sales)	–	3 930	6 554	6 266	6 269
Investments	–	41 186	42 957	42 699	45 268

* An error was found in the calculation, the methodology was adjusted, and emissions were recalculated for 2023 and 2024.

Total Scope 1 and Scope 2 greenhouse gas emissions [tCO₂e]



- Scope 1
- Scope 2

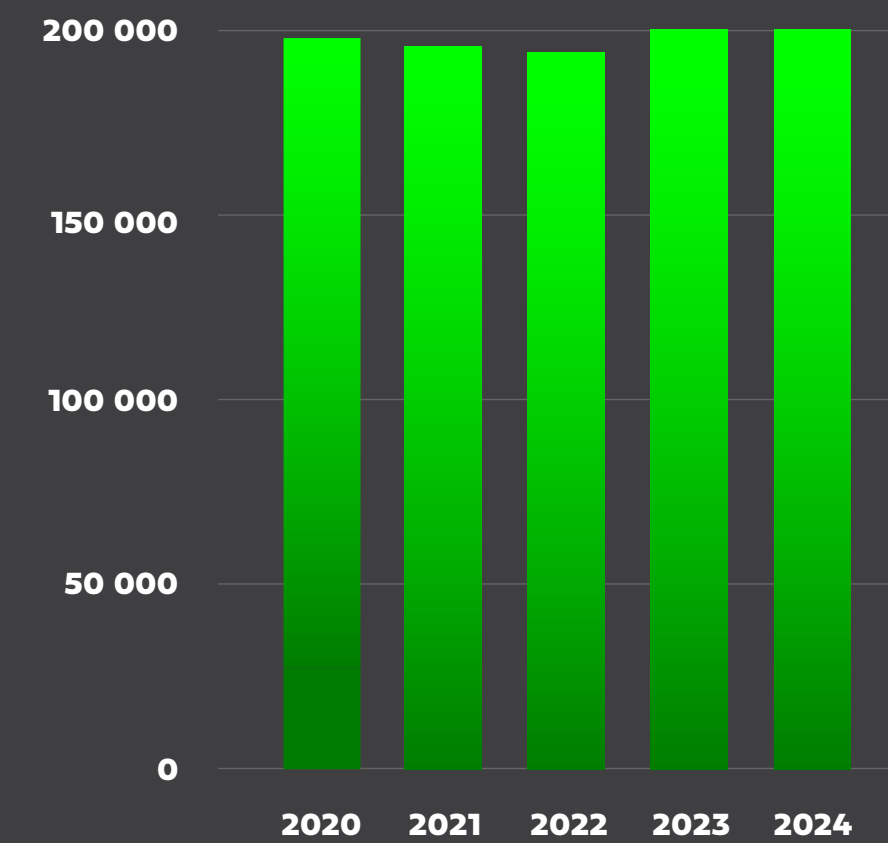


Scope 1 greenhouse gas emissions [tCO₂e]



Scope 1 Emission Sources

- Technological gas losses
- Fugitive gas leaks
- Natural gas consumption in operations
- Natural gas consumption in office buildings
- Fuel consumption by our vehicle fleet



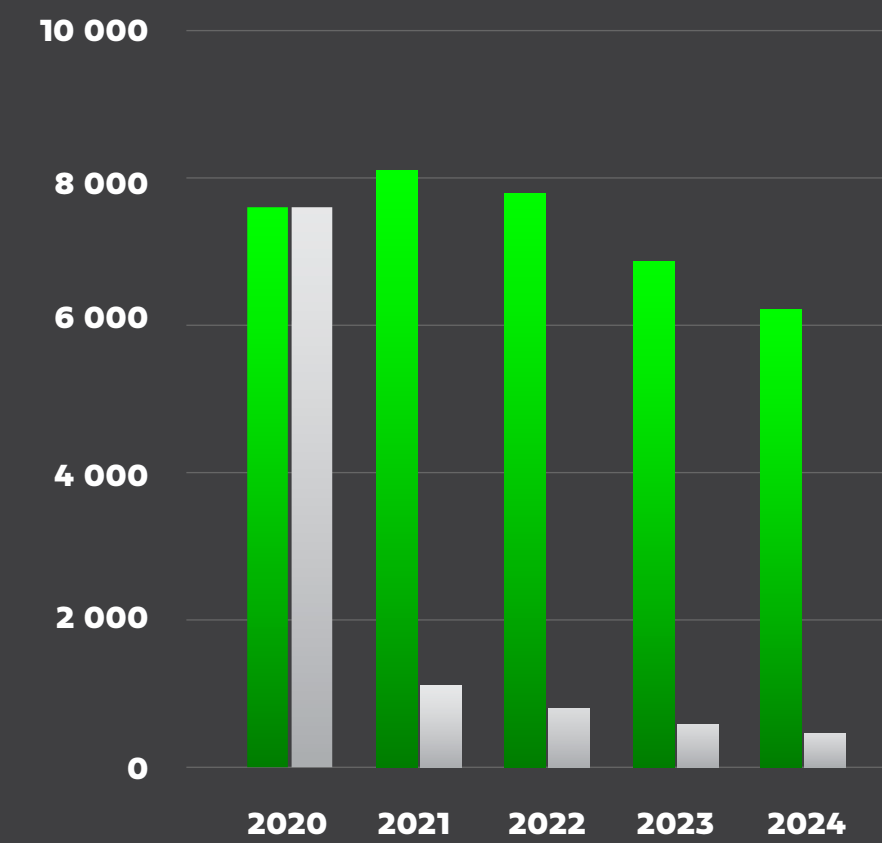
Scope 2 greenhouse gas emissions [tCO₂e]



Scope 2 Emission Sources

- Electricity consumption in operations
- Electricity consumption in office buildings
- Electricity consumption at LNG stations
- Heat consumption in office buildings
- Cooling consumption in office buildings

- Location-based
- Market-based

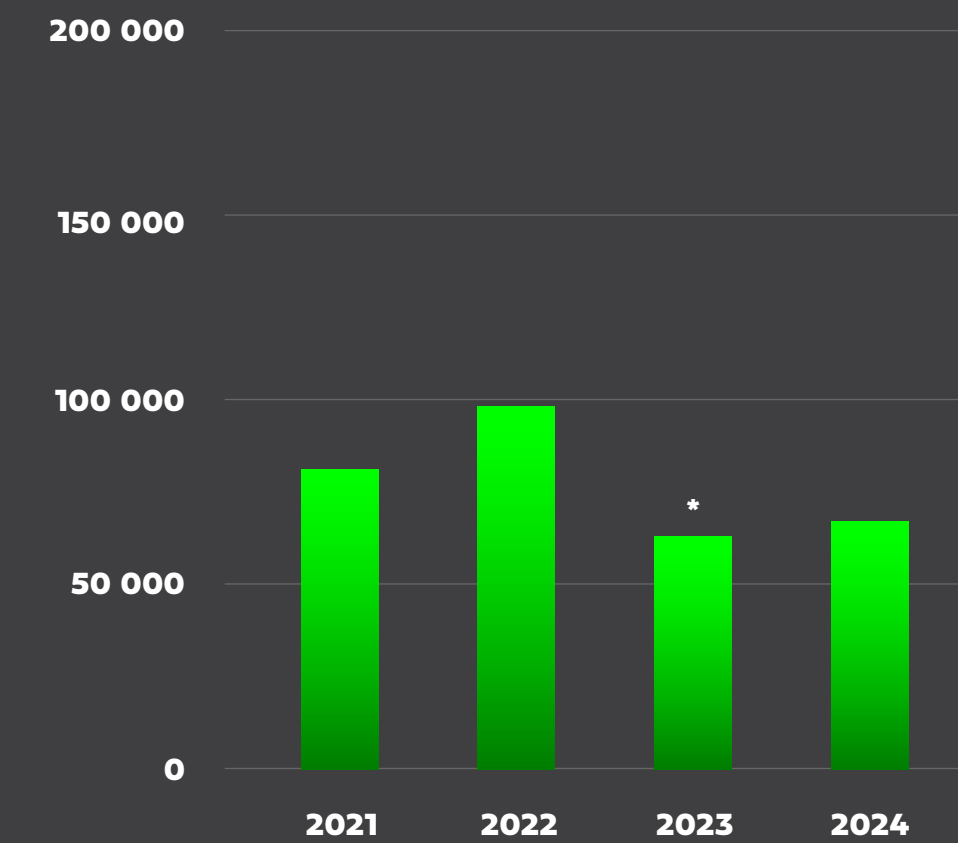


Scope 3 greenhouse gas emissions [tCO₂e]



Scope 3 Emission Sources

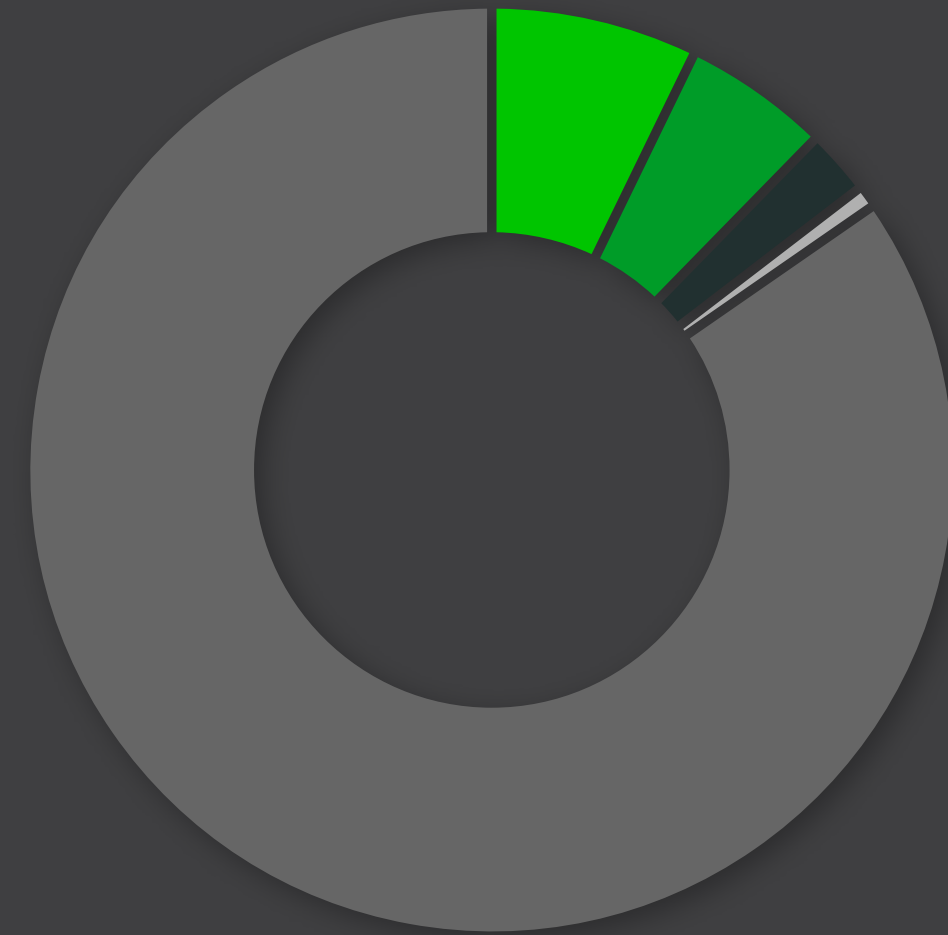
- Purchased goods and services
- Consumption of fuels and energy not included in Scope 1 and 2
- Transport and distribution
- Waste downstream
- Use of the product sold
- Investment



* Updated using the new methodology.

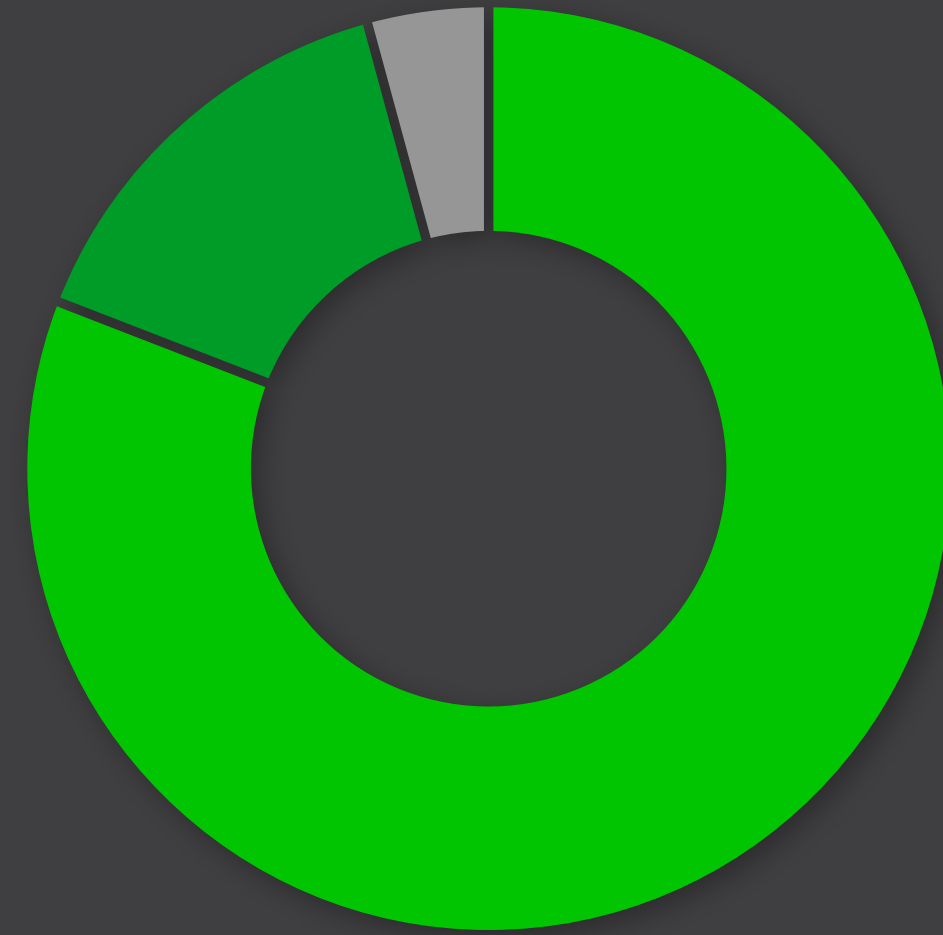


Scope 1 emission sources in 2023



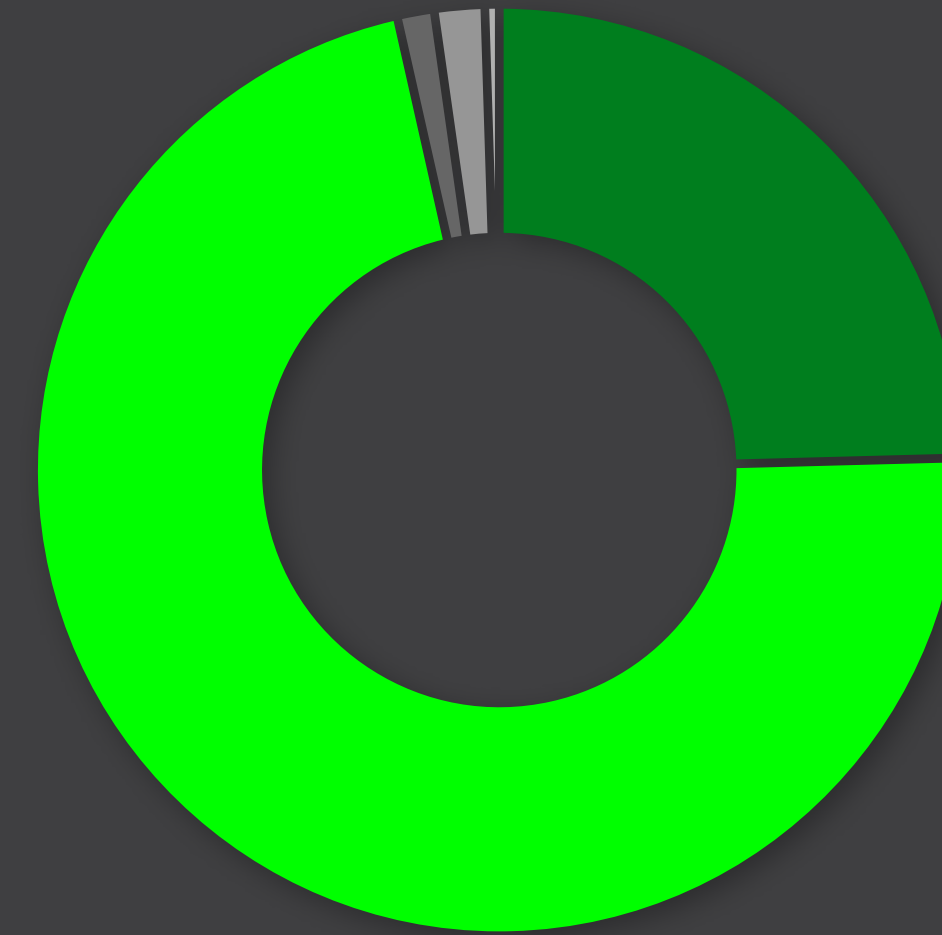
- 88.3% Fugitive losses
- 5.1% Technological losses
- 4.0% Natural gas consumption – operations
- 2.0% Fuel Consumption
- 0.6% Natural gas consumption – buildings

Scope 2 market - based emission sources in 2023



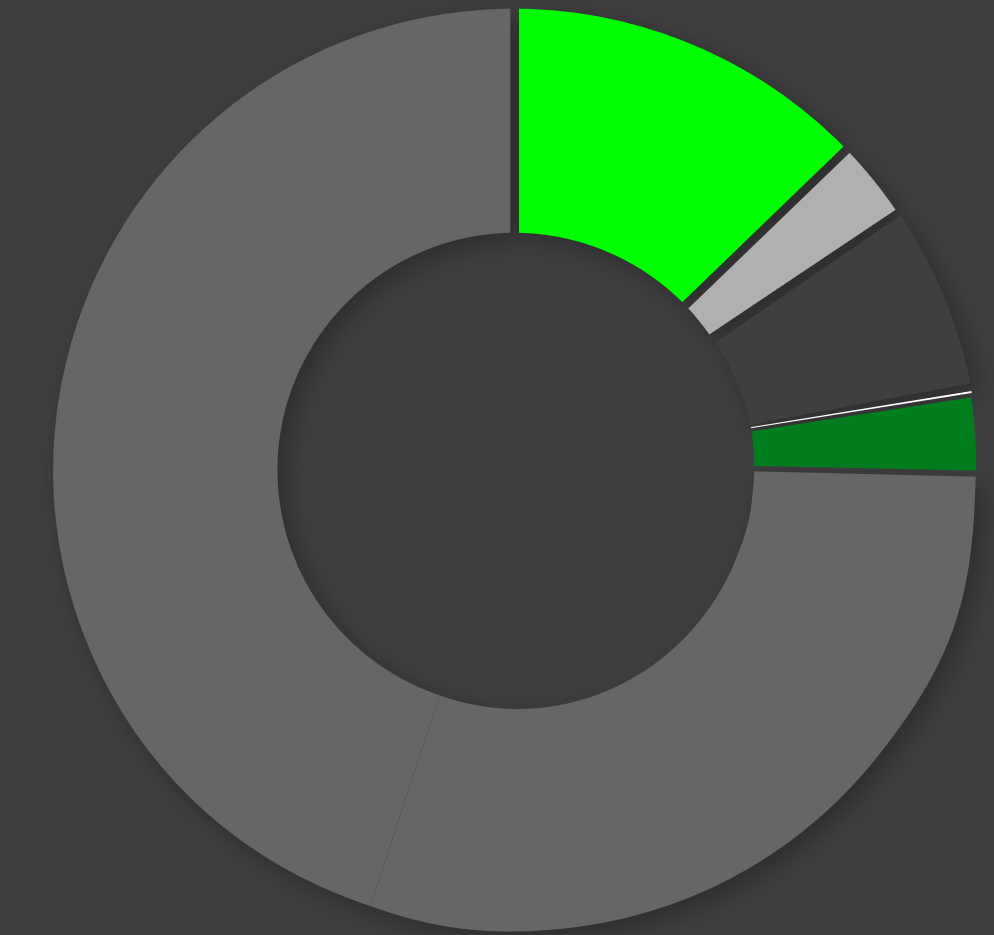
- 73.9% Electricity consumption – buildings
- 20.4% Heating – buildings
- 5.7% Cooling – buildings

Scope 2 location - based emission sources in 2023



- 71.4% Electricity consumption – operations
- 23.8% Electricity consumption – buildings
- 2.3% Heating – buildings
- 1.9% Electricity consumption – LNG stations
- 0.6% Cooling - buildings

Scope 3 emission sources in 2023



- 68.2% Investment
- 2.2% Transport and distribution
- 16.3% Purchased goods and services
- 9.4% Use of the product sold
- 3.7% Consumption of fuels and energy not included in Scope 1 and 2
- 0.1% Waste

Climate Change Mitigation and Adaptation Policies

Climate action and environmental sustainability sit at the heart of our business. Our commitment reflects a shared responsibility for protecting the environment and a determination to work towards a low-emission future. We aim to minimise the environmental impact of our operations and to actively support the ongoing decarbonisation of the Czech energy and industrial sectors.

Environmental and Energy Management System

We manage all environmental impacts and related issues through an **Environmental Management System (EMS)** based on the principles of the ČSN EN ISO 14001 standard and guided by our core internal policies. As part of this system, we maintain a register of legal requirements, which helps us stay compliant with current legislation. We regularly review our EMS to ensure it remains effective and fit for purpose. A designated person is responsible for maintaining the system and safeguarding its integrity and performance. We report our environmental performance quarterly to the company's senior management. Each year, we

share an overview with the public through this report. Internally, we keep our colleagues informed about the status and outcomes of our environmental management via updates on the company intranet. We also promote the exchange of information and open dialogue on environmental matters with all interested stakeholders.

To help achieve our energy management goals and objectives—aligned with European targets and all relevant legislative requirements—we have implemented an **Energy Management System (EnMS)** in accordance with the ČSN EN ISO 50001:2019 standard. We allocate the necessary resources to meet these commitments. The principles of energy management under the ISO framework are embedded in our daily operations, procedures, and company decision-making. We regularly review EnMS requirements through internal audits, and we document the results of these checks. We also focus on building a strong internal culture and raising employee awareness around energy efficiency. Our internal guide, the Energy Ten Commandments, outlines practical rules for responsible energy use. At the same time, we actively welcome suggestions from colleagues on how to improve energy efficiency in the workplace.

Level

Document

Policy

Environmental Protection Policy
 Energy Policy
 Waste Management Policy
 Biodiversity Protection and Support Policy

Guideline

Environmental Emergency Preparedness Guideline
 Energy Management Handbook

Certification and other documents

ISO 50001 Energy Management System
 ISO 14001 Environmental Management System*
 Energy Ten Principles
 Chemical substances and mixtures
 Waste management
 Air protection
 Water protection
 Environmental protection in company
 Environmental Management System Handbook

* Management systems that are harmonised or in the process of being harmonised. These are not certified systems.

Responsibility for meeting environmental protection requirements—and for pursuing goals that go beyond legal obligations—lies with our **ESG & Security department**. At the local level, this role is carried out by GasNet Services staff, specifically designated Environmental Officers (POE), who are appointed and accountable for defined areas. Energy management also falls under the remit of the ESG & Security department. In developing action plans, the department works closely with the Facility and Services team and the Operations and Maintenance Division for Technological Equipment.

At GasNet, we have outlined our commitments to responsible environmental conduct in two core documents: our **Environmental Policy** and our **Energy Policy**. These core policies are further supported by our **Waste Management Policy** and our **Biodiversity Protection and Support Policy**.

Every employee is expected to act in line with our policies and contribute to our company's goals and strategies.

We regularly review both the policies and the progress made towards our EMS and EnMS objectives. We communicate updates to the relevant stakeholders across all levels of the organisation.

In 2024, we did not record any legal penalties related to environmental protection.

Air Pollution

We primarily use gas boilers and cogeneration units to preheat natural gas in our distribution system. From the perspective of the Air Protection Act, these are considered stationary air pollution sources. We have just under thirty of these sources with a capacity exceeding 300 kW, for which we are legally required to measure emissions. We measure emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) at intervals specified by law and report the results to the supervisory authority.

GasNet does not operate any equipment that uses substances harmful to the ozone layer and that would, under legislation, fall into the category requiring a leak detection system. This typically refers to regulated substances or fluorinated greenhouse gases. For equipment that contains amounts of these pollutants below the legal threshold -such as air conditioning units and heat pumps – we fully comply with all related legal requirements.

Actions and Resources in Relation to Climate Change Policies

In the short to medium term, our decarbonisation efforts are focused primarily on our operational activities. These activities represent our largest source of emissions, and we see the greatest potential for reductions here. We manage this area through our Green GasNet programme, which has working groups dedicated to identifying and implementing operational measures. These measures target fugitive leaks, technological losses, and energy consumption. It is also important to note that we are not pursuing emission reductions at any cost. We have developed an evaluation matrix that helps us determine the economic efficiency of measures by weighing the volume of eliminated emissions against the cost of the measure. We also select measures to align with the requirements for future distribution of green gases. Members of our top management team, who include emission management in their annual objectives, hold the ultimate responsibility for the results of the Green GasNet working groups.

We are not focused only on reducing our own emissions. Through our **Long-term Transformation Plan**, we are also seeking solutions that can help lower emissions in our surrounding environment and contribute to the Czech Republic's ambitious energy sector goals. That is why we support connecting **biomethane production** facilities to our distribution network. We were also the first entity in the Czech market to begin selling **LNG** and **bioLNG** for road freight transport. With a view towards the future of energy in a carbon-neutral economy, we are already addressing the legislative and market conditions for **hydrogen**.

Fugitive Gas Leaks

Fugitive natural gas leaks represent a significant portion of GasNet's emissions. They occur as a result of **ageing distribution infrastructure**, including corrosion, changes in the internal structure of materials and joints, and permeability. Given that methane is the main component of natural gas and has a significant global warming potential, reducing these emissions is one of our primary decarbonisation measures.

Our strategy for reducing fugitive emissions rests on **three key measures**: more efficient detection and inspection, more intensive and better-targeted renewal of the distribution network, and compliance with new legislative requirements.

Leak Detection and Network Inspection

Faster detection means faster repair of damaged gas equipment, which results in lower emissions of gas released into the atmosphere.

In 2024, we ran pilot programmes for new technologies to detect leaks and inspect our equipment. Deploying these technologies will bring us faster and more accurate leak detection, including detection of smaller-scale leaks. This should take place in 2026. We will continue exploring new possibilities under GasNet's operating conditions in the coming years and will integrate new technologies into our standard inspection activities when they prove beneficial. This measure also aligns with new legislative regulations (see below).

Network Renewal

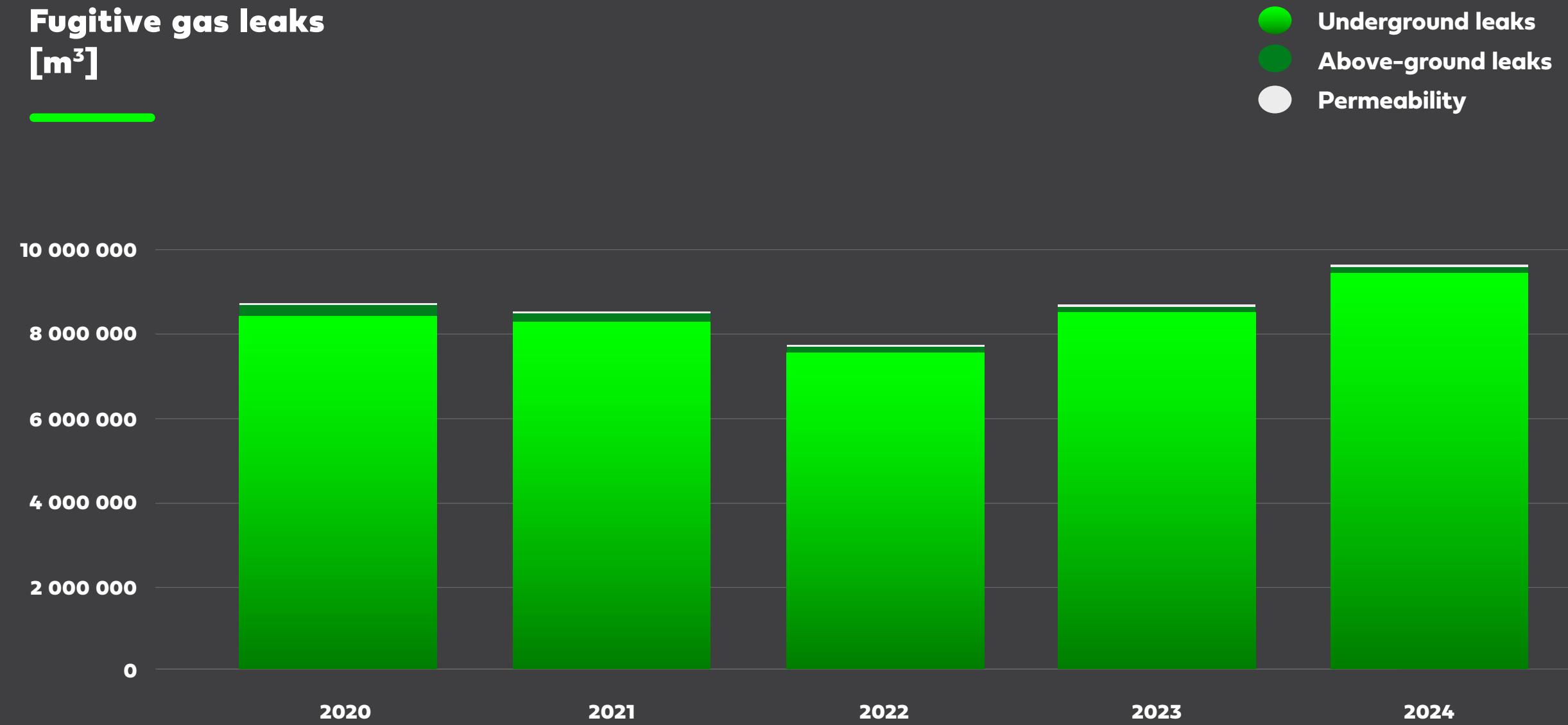
Since 2022, our NetZero strategy has required a significant increase in the renewal of medium-pressure (STL) and high-pressure networks (VTL) - by up to 30 kilometres annually as a main measure. Intensive work on preparing for renewal includes planning, design and preparation for construction activities. The first increase in renewal will take place in 2025, specifically by 10 kilometres on the STL and VTL steel network. This step will be crucial to meeting our medium-term emission reduction target.

Preparing for New Requirements in Fugitive Emission Reporting

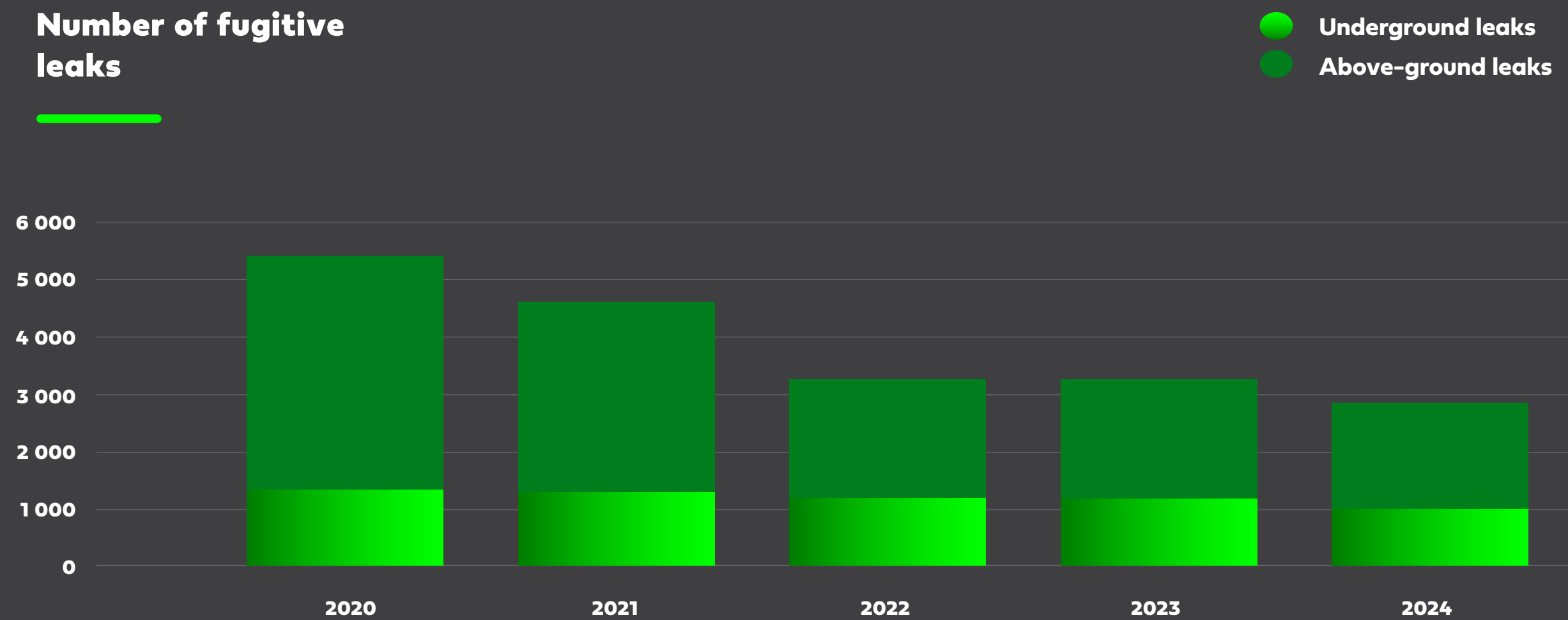
In 2024, the European Commission's "Regulation on methane emissions reduction in the energy sector" came into effect. This regulation introduces new obligations for detecting and repairing methane leaks, known as LDAR (Leak Detection and Repair). The aim is to reduce fugitive methane emissions in line with the EU's climate commitments. The regulation has been implemented into the Czech Republic's legal framework since June 2024.

In line with this legislation, we are implementing a new system for regularly checking for leaks in operational equipment, both underground and above-ground parts of the distribution network, and for precisely quantifying methane emissions (Scope 1). The current rules and the Marcogaz (2019) methodology for calculating emissions remain unchanged for 2025.

Fugitive gas leaks [m³]



Number of fugitive leaks



We continue to actively **monitor and participate in preparing the implementing law** that follows the new European Commission regulation. This primarily concerns the upcoming **CEN** technical standard, "Gas infrastructure – Methodology for methane emissions quantification for gas transmission and distribution systems, underground gas storage and LNG terminals". This standard will define detailed procedures for key areas related to fugitive methane emissions, such as leak detection and quantification (in g/h). We expect the binding legislative standard and models for identifying leaks, both at the source level and at specific site levels, in August 2025.

We also anticipate expanded reporting requirements for methane emissions during the same period, based on OGMP (Oil and Gas Methane Partnership) methodologies. We became an OGMP member in 2024. Our active participation in the working groups for both of these initiatives gives us an opportunity to prepare in advance for all new obligations stemming from this legislation. Our goal is to prepare for mandatory L5 level emissions reporting, which is planned from 2027.

In 2024, as part of the preparation and development of the LDAR program, we conducted pilot testing of methane leak detection technologies through our **"Smart Inspection" project**. We successfully integrated the output data from these tests into our data systems and then analysed their reliability. GasNet is currently preparing to select and implement technologies that will help us meet the requirements of the OGMP's decision on reporting obligations, which will be effective from 2027.

In 2024, we saw an increase in our emission footprint linked to natural gas leaks from our distribution system. Thanks to more accurate data collection, we can now calculate the duration of these leaks with greater precision. This has been most evident on our high-pressure pipelines. It is important to note that observing short-term trends can lead to misinterpretations of network behaviour; therefore, we must assess this data within the context of longer-term developments and the measures we have implemented.

Technological Gas Losses

Technological losses occur during network repairs, reconstructions, and maintenance, or when a third party damages the network. We aim to minimise these losses by introducing new technologies and procedures. These innovations will limit the need to release gas into the atmosphere, allowing us to either keep the gas in pipelines or transfer it.

Technological losses are divided into:

- **Own** – gas released during operational and investment activities on our network, or gas which leaks as a result of faults and accidents
- **External** – depressurisation or disruption of gas pipelines caused by external entities

Our priority is to properly monitor both categories of technological losses (our own and those caused by third parties) and to minimise them using appropriate measures. In early 2023, we issued an updated internal directive. This aims to introduce a unified system for reporting technological losses and emissions, covering both our own investment projects and construction work by external investors. In 2024, we created a decision-making matrix. This helps us select the best technological solution for each project. Also in 2024, we successfully tested combinations of the measures listed below.

Use of Transfer Compressors

One measure we use is the deployment of a transfer compressor for our investment projects. This compressor lets us move natural gas from a pipeline to

a minimum safe pressure level, which significantly limits the amount of natural gas released into the atmosphere. We first tested a transfer compressor in 2023. Since 2024, we have already been using this technology, as planned, on our largest investment projects. We purchased our own compressor in 2024, and we also use transfer compressors provided by our suppliers.

Stopping Technology

We also use stopping technologies to limit the volume of gas released. These technologies allow us to isolate the pipeline section undergoing repair or reconstruction as close to the work site as possible. This significantly shortens the segment from which we need to release natural gas.

Distribution System De-accumulation

De-accumulation involves the early shut down of the affected section of the distribution network. During this process, gas pressure is gradually reduced to the lowest possible safe level through normal consumption at off-take points. Only after achieving this safe pressure do we then shut down the off-take points.

Awareness Campaign to Prevent Third-party Interference with Gas Facilities

We have continued our efforts to reduce instances of third-party damage to gas infrastructure. We invested in educating and informing entities in both the construction and agricultural sectors. We also funded an advertising campaign promoting the free service of marking out gas pipeline routes. Despite these efforts, the number of third-party interferences slightly increased compared to 2023. We will continue our activities to enhance awareness and inform third parties in the coming years.

Planned Measures

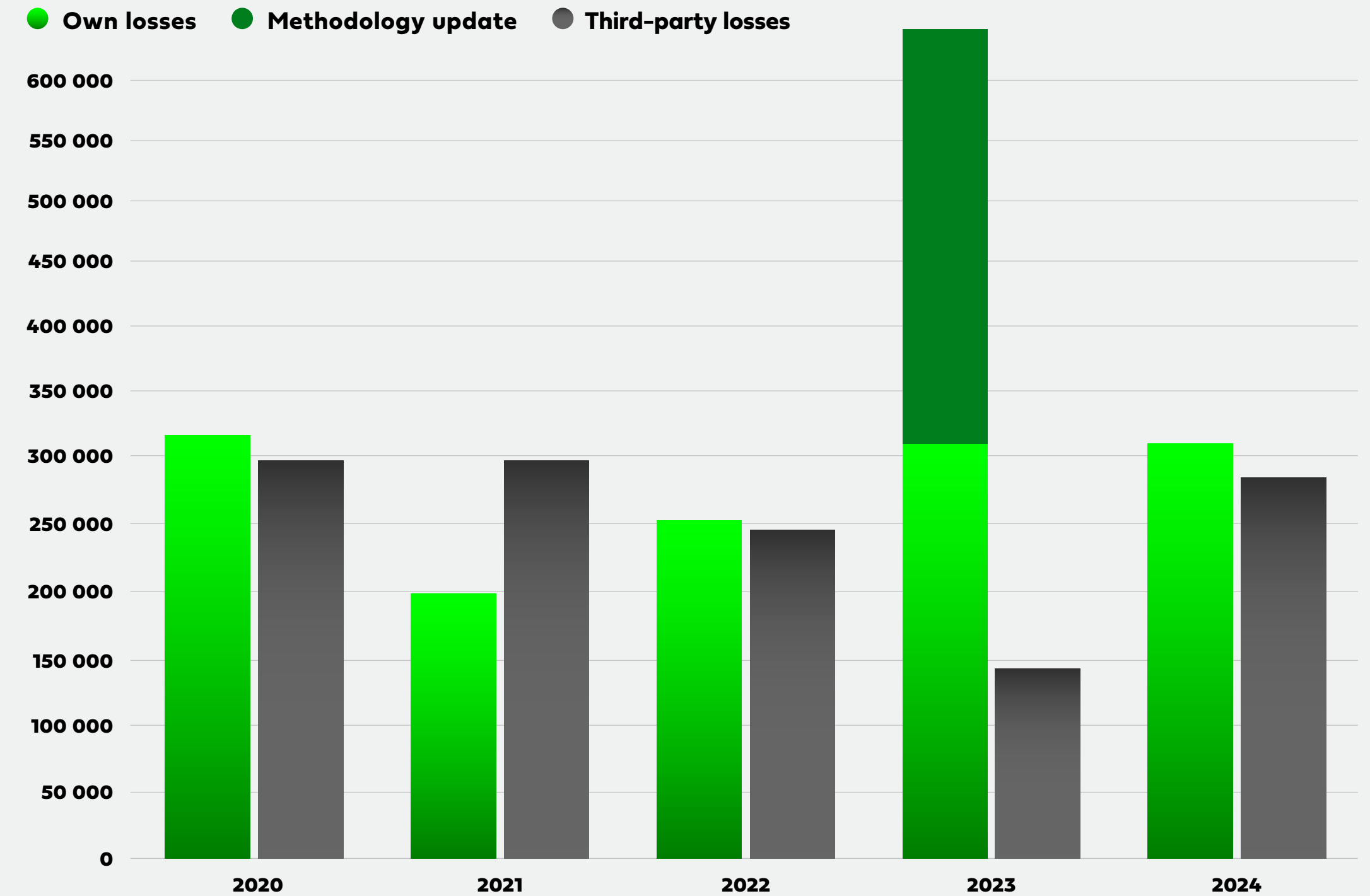
In 2025, we will attempt to test the use of gas flares in GasNet's operational conditions. Deploying flares will burn off residual natural gas that cannot be consumed or transferred. Burning the natural gas will significantly reduce the emission burden compared to releasing it into the atmosphere.

To fully understand this issue, it is important to realise that we cannot absolutely reduce technological losses

to zero. This is due to the need to maintain safety during operational activities. When considering individual measures, we also have to factor in the economic impact relative to the greenhouse gas emissions saved.

In 2023, we significantly improved our calculation of the natural gas released from technological losses thanks to a new data collection system. Compared to 2023, in 2024 the volume of gas released from our own technological losses fell by 50%. This was primarily due to implementing new technologies such as transfer compressors and stopping technologies.

Technological losses [m³]



Energy Management

We are focusing on increasing efficiency in our energy consumption, transitioning to renewable energy sources, and reducing the number of buildings and vehicles we use.

At GasNet, we use energy to operate our distribution network and for heating and lighting in both our owned and rented offices. In addition, all our activities rely on our own vehicle fleet, which travels over 20 million kilometres annually. The main commodities we purchase include electricity, natural gas, and vehicle fuels such as diesel, petrol, and CNG.

ISO 50001 Energy Management System

At GasNet, we have implemented an energy management system in accordance with the international ISO 50001 standard. This system allows us to **continuously improve how we manage energy consumption** and the associated carbon footprint across our facilities. This system covers 40 key sites, specifically 15 administrative and operational complexes and 25 regulating stations, which account for the most significant portion of our total energy consumption.

In accordance with the ISO standard, we evaluate energy performance using clearly defined metrics and Key Performance Indicators (KPIs). Since 2023, we

have been addressing previous shortcomings in the monitoring of energy consumption through our Energy Management System project. The shortcomings were caused by delays in electricity meter readings and invoicing. This project aims to enhance the accuracy, automation, and efficiency of energy data collection. The project will be completed in the first quarter of 2025.

In line with the ISO 50001 standard, we have set a **target to cut our energy consumption by 2% year-on-year**, relative to our average consumption for the 2018–2020 period. Our main strategy for achieving this involves investing in energy efficiency across our regulating stations and building management. By reducing our consumption of both natural gas and

electricity, we will also indirectly decrease our CO₂ emissions. We are also educating our employees on how to use energy more considerately.

Purchase of Green Electricity

We have set ambitious targets for increasing our use of renewable energy as part of GasNet Group's efforts to decarbonise electricity consumption. To achieve this, we signed an agreement with ČEZ ESCO, securing certified green electricity supplies. These green certificates cover the total electricity consumption of our regulating stations, LNG stations, and our own office buildings.

The green energy we buy comes from public distribution networks, guaranteed to originate from

Energy Consumption in GasNet	Units	2020	2021	2022	2023	2024
Total energy consumption within the GasNet group	MWh	89 560	101 550	81 139	77 975	70 987
	GJ	322 415	365 579	292 101	280 710	237 281
Renewable energy sources	MWh	–	15 267	11 174	10 857	9 730
	%	0%	15%	13,77%	13,92%	13,71%
Non-renewable energy sources (fossil fuels)	MWh	89 560	86 283	69 965	67 118	61 257
	%	100%	85%	86,23%	86,08%	86,29%
Consumption under ISO 50001	MWh	–	53 199	43 886	39 219	33 931

Electricity consumption	Units	2020	2021	2022	2023	2024
Total electricity consumption	MWh	7 541	9 257	8 195	7 209	6 909
Renewable energy sources	MWh	0	8 032	7 209	6 452	6 328
Non-renewable sources	MWh	7 541	1 225	985	757	582

Heat and cooling consumption	Units	2020	2021	2022	2023	2024
Total heat and cooling	MWh	0	710	963	678	782

Energy Consumption from our Operations

hydro, solar, and wind power plants. The certificate provider has confirmed that we can use a market emission factor of 0* for the amount of covered electricity we use. This step has allowed us to significantly reduce our indirect emissions, and we plan to continue using green electricity. To that end, we signed a contract with ČEZ ESCO for the purchase of green electricity, including certification for the years 2022 to 2025.

* The emission factor only includes the phase of electricity production from renewable sources.

Our energy consumption and associated emissions come mainly from operating our gas facilities. Our long-term goal is to reduce these emissions and consumption through systematic measures focused on efficiency, modernisation, and using low-emission technologies.

Optimising Energy Consumption in Gas Preheaters

At our regulating stations, gas preheating is a technical necessity to prevent condensation and freezing within the pipelines. GasNet operates both electric and hot water preheating systems, and we are continuously optimising

their performance. This optimisation includes regularly evaluating the energy consumption at our 25 largest regulating stations, which are part of our **ISO 50001** energy management system. Additionally, we are purchasing **certified green electricity** for these operations until 2025.

In 2024, we completed a pilot project **installing IoT** sensors to monitor and optimise electricity consumption. These sensors now cover 100 metering points, and the measurements allow us to respond quickly to non-standard operating conditions.

At the close of 2024, we also successfully **defended our re-certification audit for the energy management system** at our regulating stations, in accordance with the ISO 50001 standard, and without any significant non-conformities.

Modernisation of Gas Boilers

Since 2014, we have been running an ongoing project focused on modernising our gas boilers. The aim is to boost their energy efficiency and cut down on pollutant

emissions. We plan for this project to continue until at least 2030. In 2024 alone, we replaced another 125 boilers and renovated the boiler room at the Černá za Bory transfer regulating station.

Cogeneration

At two of our large regulating stations, we operate a total of three **cogeneration units**. These units efficiently produce low-emission electricity and heat. Thanks to cogeneration, we **generated and supplied 3.1 GWh of electricity to the grid** in 2024.

New Technologies

We take a comprehensive approach to energy and strive to use the energy generated during our operational activities. We can use this energy to cover our own consumption or offset losses within our network operations.

Gas and electric heat pumps have the potential to reduce our own technological consumption of natural gas at regulating stations, which in turn would lower our CO₂ emissions from natural gas distribution.

Natural gas consumption	Units	2020	2021	2022	2023	2024
Total natural gas consumption	m ³	6 209 098	7 367 817	5 815 988	5 073 959	4 511 046
	MWh	65 506	77 730	61 359	53 530	47 592
	GJ	235 822	279 830	220 891	192 709	171 330
Gas consumption during operations	m ³	5 225 493	6 341 074	5 075 753	4 410 115	3 903 244
	MWh	55 129	66 898	53 549	46 527	41 179
Own administrative buildings	m ³	563 705	636 686	531 870	498 541	481 519
	MWh	5 947	6 717	5 611	5 260	5 080
External administrative buildings	m ³	419 900	390 057	208 365	165 303	126 283
	MWh	4 430	4 115	2 198	1 744	1 332

Production/sale of electricity	Units	2020	2021	2022	2023	2024
Electricity produced from cogeneration	MWh	3 141	5 333	5 100	3 385	3 088
Electricity sold	MWh	3 078	5 229	4 987	3 241	2 940

Energy Consumption in our Administrative Buildings

Since 2022, we have been running several pilot projects testing electric and gas heat pumps at our regulating stations. These projects aim to either confirm or disprove the assumption that these pumps can significantly reduce our technological gas consumption and CO₂ emissions. So far, testing results clearly show that these projects are helping to lower CO₂ emissions. We plan to expand the use of these technologies across our infrastructure in the coming years.

Expansion technology helps us maximise the use of thermodynamic energy, which is generated when we reduce operational overpressure in gas pipelines. As the gas expands, it is converted via a rotary reduction system to an electrical generator, producing electricity.

We are continuing to work on launching a prototype screw expander to generate electricity during operations. This project is underway at the Velké Němčice transfer and regulating station.

Micro-expansion turbines use the same technology as expanders. We are currently piloting the installation of two micro-turbines at a high-pressure regulating station in Ostrava, with commissioning planned for 2025. Once operational, we aim to run this station in 'island mode', meaning it will operate independently and without emissions. Any surplus electricity could also be supplied to the grid or used as a power source for electric vehicle charging stations.

Energy consumption in administrative buildings is a significant source of indirect emissions. At GasNet Group, we manage a broad portfolio of properties, including 25 owned and 54 leased buildings. Here too, we are focusing on measures to reduce energy intensity and emissions associated with their operation.

Optimising Office Space

We are running a project in selected administrative buildings that helps us **save resources**. In 2024, we launched a project to **optimise the use of our largest office spaces** based on data analysis. This project aims to make sure our offices are used as efficiently as possible. To do this, we first measured office occupancy in Prague during 2023 using sensors. This data allowed us to redesign the space into a shared workspace system. Thanks to this project, we have saved over 20% of our leased office space, which in turn reduces energy consumption and indirect emissions from heating, cooling, power, and maintenance. The reconstruction started in December 2023 and was completed at the end of the first quarter of 2024. During the renovation, **we reused over 80% of the existing furnishings**, including furniture, carpets, and partition walls, significantly lowering the project's environmental impact.

The office optimisation project continued in Ostrava in 2024. Here, we again assessed office utilisation by measuring occupancy. This led to an approximate 15% reduction in office space. For 2025, we are planning a similar project for our office premises in Brno.

Installing photovoltaic power plants

In 2024, we installed photovoltaic panels on the roofs of six of our smaller administrative buildings, giving us a total installed capacity of 80 kWp. We successfully connected all these sites to the grid, and the **total savings** in electricity consumption in these buildings is approximately **15%**.

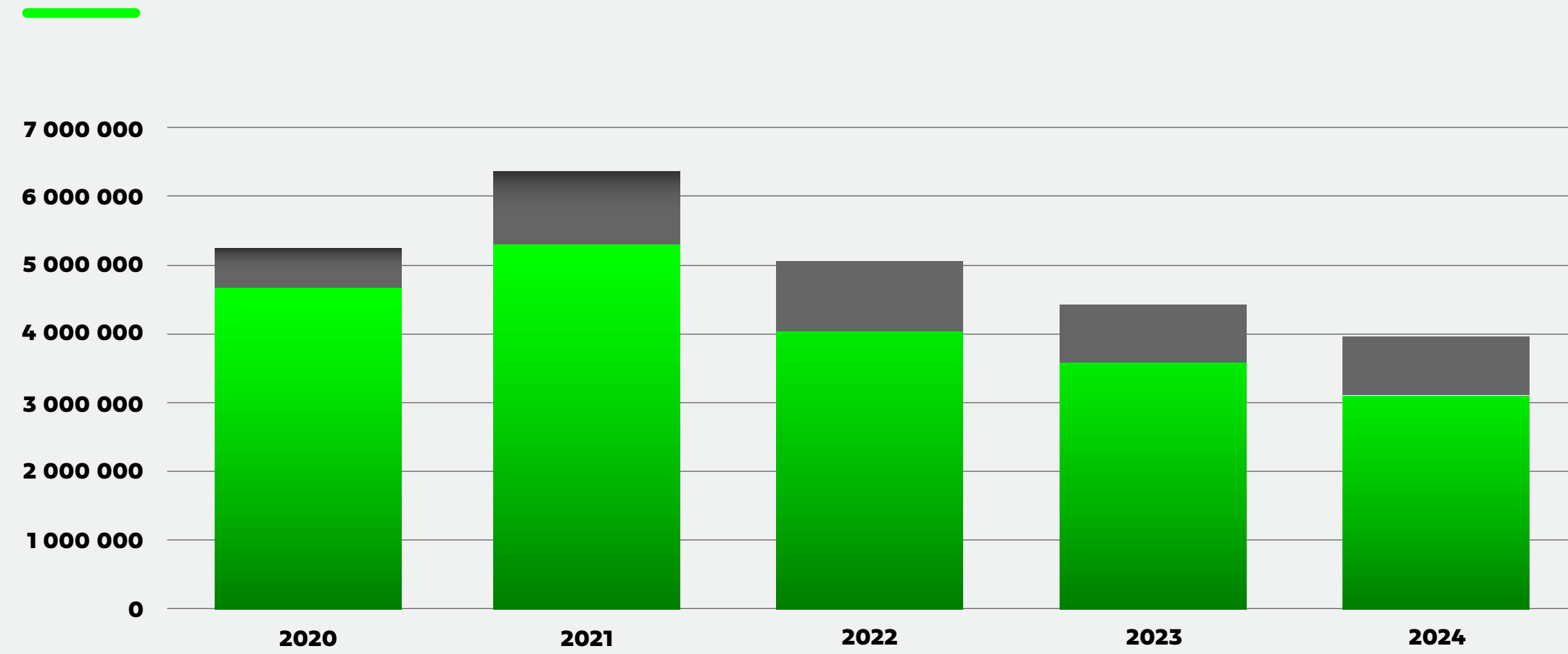
Modernising Heating and Cooling Systems

We are progressively modernising the heating, cooling, and regulation systems in buildings owned by GasNet. This work helps us significantly reduce their energy consumption.

Thanks to all these efforts, we have successfully **passed an independent recertification audit** for our ISO 50001 Energy Management System. This audit confirmed that our approach to reducing the energy intensity of our buildings is effective.

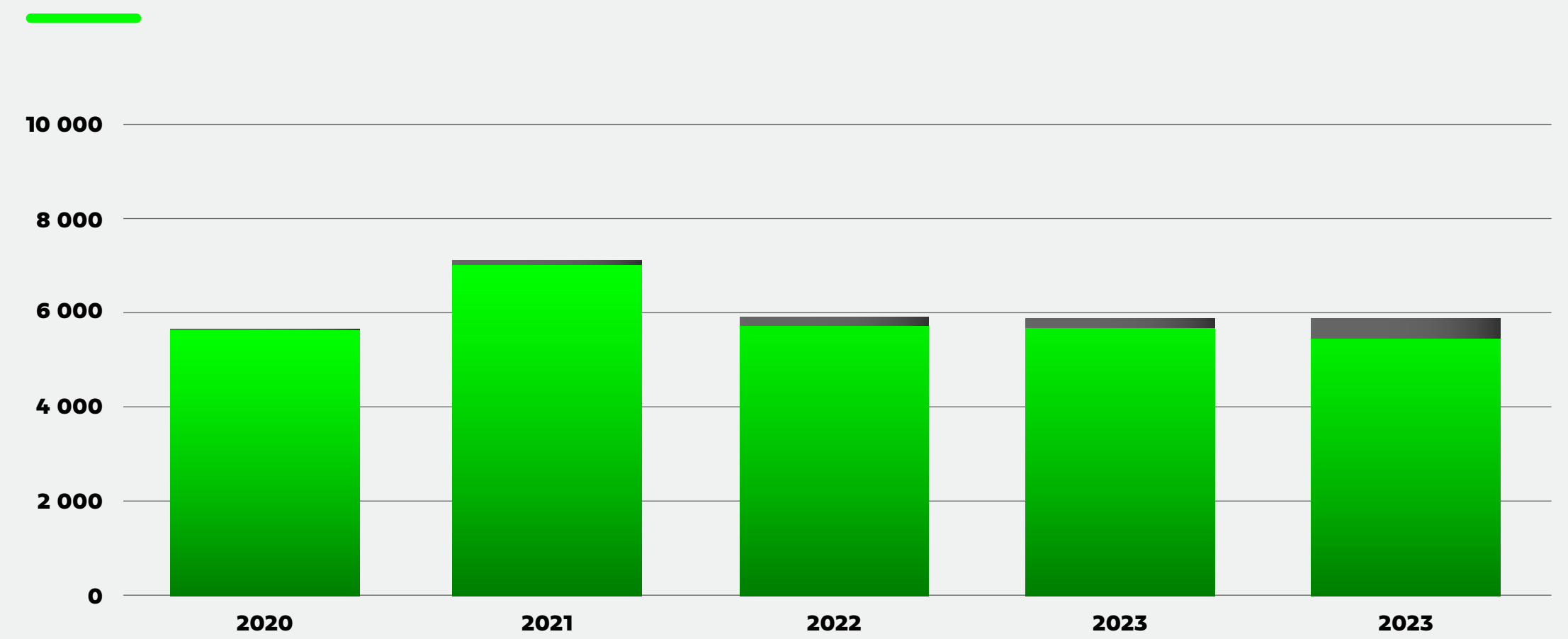
Natural gas consumption in operations [m³]

- Preheating
- Cogeneration



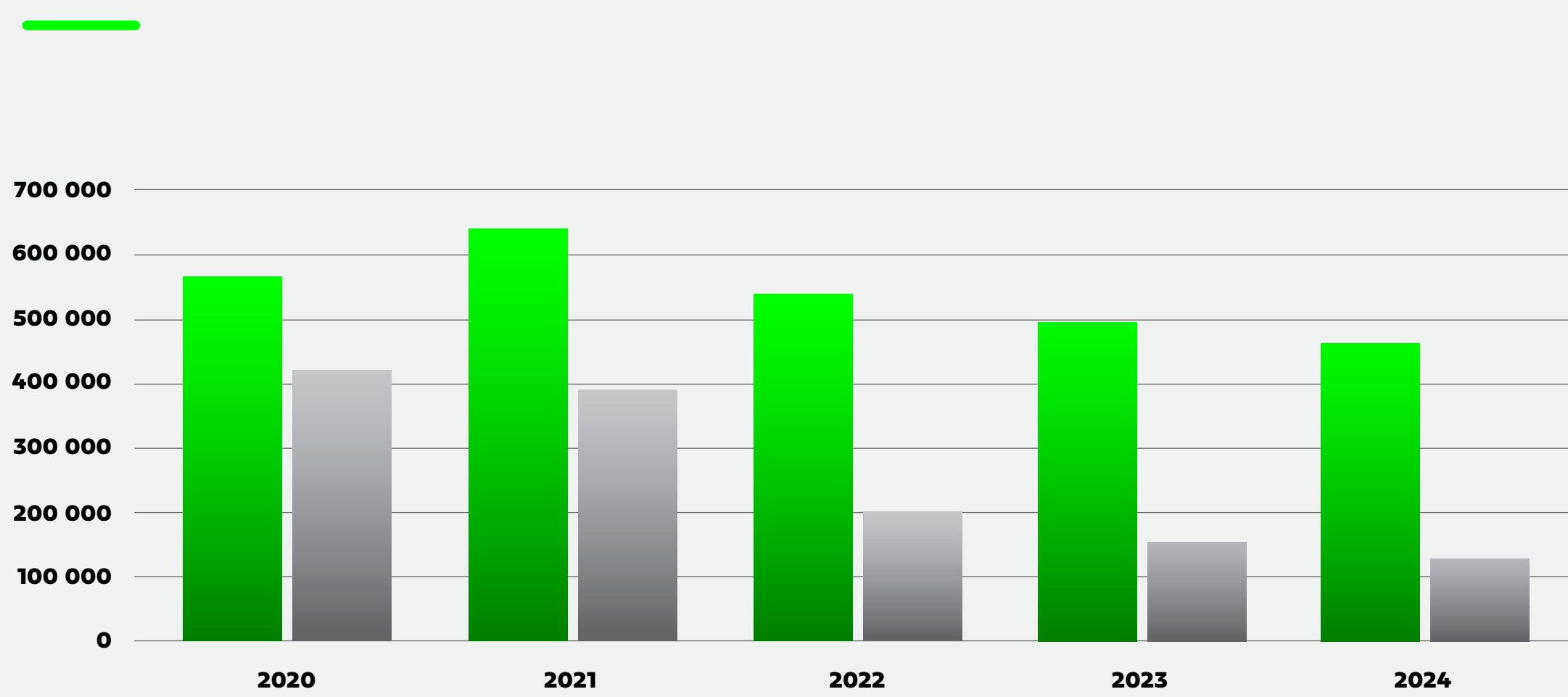
Electricity consumption in operations [MWh]

- Distribution system
- LNG stations



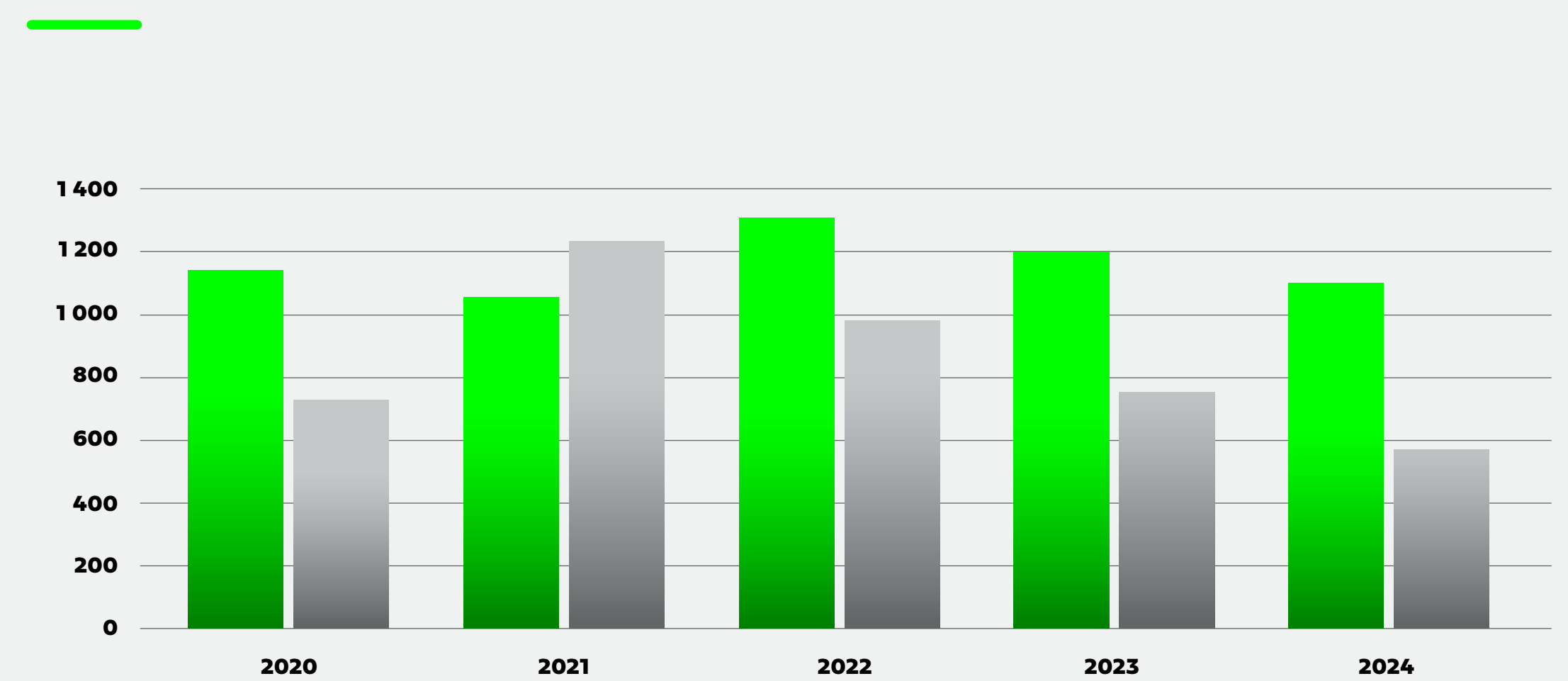
Natural gas consumption in buildings [m³]

- Own buildings
- External buildings



Electricity consumption in buildings [MWh]

- Own buildings
- External buildings



Car Fleet

GasNet Group operates approximately 1,400 vehicles. Technical vehicles, used for running and maintaining our distribution network, make up 66% of this fleet. We use the remaining 500 or so vehicles as company cars for management and administrative staff.

The emissions we measure come from our own fuel consumption, specifically diesel, petrol, and compressed natural gas (CNG). Given the nature of our business – natural gas distribution – we continue to support this segment. However, with the discontinuation of CNG vehicle production, we are actively **preparing for an alternative future**.

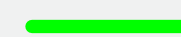
In 2024, we explored the possibility of operating six fully electric vehicles for the maintenance of our network, and we continue to monitor the market.

At GasNet, our vehicle fleet is another area where we share resources. Since 2022, we have successfully implemented **car sharing** for company vehicles. We assessed which vehicles had low mileage or were otherwise used inefficiently. Based on this, we reduced the total number of vehicles by 33% and created a car sharing service with the remaining vehicles across our regions. As a result, we purchase fewer vehicles, thereby reducing the carbon footprint linked to vehicle manufacturing and logistics.

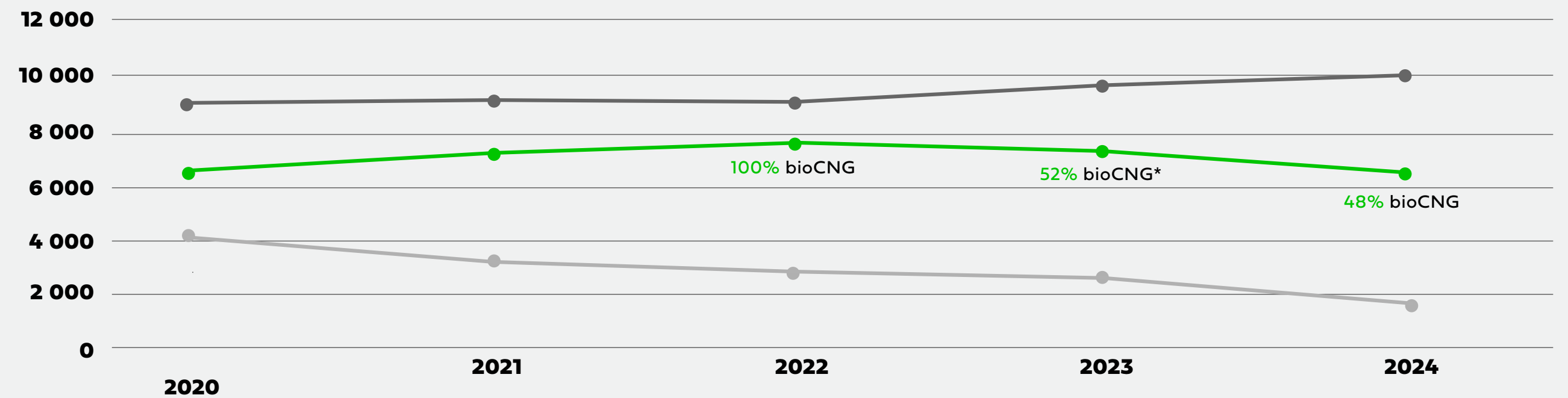
The number of our CNG and diesel vehicles remains unchanged from the previous period, while the number of petrol-powered vehicles decreased by 40 units. However, compared to last year, total mileage increased by approximately 100,000 kilometres. This trend also resulted in an increase in our fuel consumption.

In 2024, we secured bio-CNG certificates of origin from our fuel supplier. This allowed us to cover a portion of our transport consumption with a renewable source, specifically compressed biomethane.

Fleet fuel consumption [MWh]



- Diesel
- CNG & bioCNG
- Benzín



* Since 2023, we have purchased an alternative, recognised certificate, though its use is limited to specific filling stations that supply bio-CNG.

Fuel Consumption	Units	2020	2021	2022	2023	2024
Total fuel consumption	m ³	639 725	686 523	726 229	703 369	643 407
	MWh	19 592	19 161	19 291	19 226	18 598
	GJ	70 531	68 979	69 448	69 215	66 953
Renewable fuels consumption	MWh	0	7 231	3 966	3 832	3 349

Connecting Biomethane Producers

The geopolitical situation and events in 2022 significantly accelerated the need to switch to renewable gases and reduce reliance on natural gas supplies from a single source. This trend is clearly mirrored in the European Union's strategies, especially the REPowerEU document. At GasNet, we have long seen the potential for biomethane to replace up to one-fifth of the Czech Republic's current natural gas consumption. However, to achieve this goal, systematic state support is essential. This means financial incentives and a favourable legislative framework.

In 2019, we were the very first gas distributor in the Czech Republic to connect a biomethane production plant to our network. Biomethane is produced from organic waste and has a neutral carbon footprint. In the Czech Republic, it has the potential to replace 15 to 20% of the current domestic natural gas consumption by 2030, thereby leading to lower emissions and greater energy self-sufficiency.

Our activities in this area primarily focus on connecting new biomethane production plants to the distribution system and on purchasing extraction pipelines along with their associated technological equipment. Following the Energy Regulatory Office's price decision from November 2022, we established an internal methodology for connecting biomethane stations, which includes the conditions for purchasing equipment.

In 2024, we connected three more biomethane production plants: Rakvice, Vyškov, and the Dobruška station, which has the largest capacity to date. At the same time, two other existing production plants increased their output. This boosted the total capacity of connected stations by 1,490 Nm³/h, reaching an overall total of 2,690 Nm³/h. The actual biomethane production from these connected stations also grew to almost 5.5 million m³ in 2024.

We have standardised the entire connection process and created a web section specifically for biomethane producers, which provides them with all the necessary information. On this webpage, biomethane production plants can apply to connect to the distribution network ([Biomethane Plant Connection | GasNet](#)). We are also developing a software solution to simulate the calculation of calorific value, which will simplify invoicing for end customers.

For 2025, we anticipate connecting two to three new biomethane stations. Currently, we have over 20 signed connection agreements, and capacity assurance protocols are in place for another two dozen locations. Whether these will be really utilised and how the sector develops in the coming years will strongly depend on legislation and regulation of the entire industry. The European Commission has declared support for this sector and the

removal of obstacles to its further development. The Czech Republic has set a biomethane production target of 0.5 billion Nm³/year by 2030 and adjusted production support from 2026. However, we are still awaiting specific legislative and financial support. We ourselves believe that renewable biomethane will significantly contribute to the decarbonisation of Czech industry, transport, and heat production, and to the fulfilment of the decarbonisation goals of the Czech Republic.

Location	Connection year
BMS Rapotín	2019
BMS Litomyšl	2022
BMS Horní Suchá	2023
BMS Mladá Boleslav	2023
BMS Havlíčkův Brod	2023
BMS Rakvice	2024
BMS Vyškov	2024
BMS Dobruška	2024

Hydrogen Distribution and Production

The Czech Republic and other European countries are announcing their ambitions in the field of hydrogen use in their hydrogen strategies. GasNet has been preparing for hydrogen over the long term. For more than twenty years now, we have been modernising our gas pipelines and other gas infrastructure using materials that will be able to distribute 100% pure hydrogen in the future. Every reconstruction or new construction of gas infrastructure already takes future hydrogen operations into account.

The Czech Republic's hydrogen strategy, published in 2024, envisages the following three stages of development:

- The Local Development Phase (to 2031):** During this initial stage, development will occur locally. Both the state and infrastructure companies are actively preparing for the broader adoption of hydrogen.
- The Connection to Transit System Phase:** In this phase, our prepared infrastructure will enable the import of hydrogen from abroad. This imported hydrogen can then be used by customers connected to the parts of our system that have already been converted to handle it.
- The Widespread Use Phase (long-term horizon):** As the price of hydrogen falls, its use will expand significantly across various sectors, including industry, transport, and others.

Currently, we are in the first phase. The objective of this phase is to prepare the distribution system for the transition to hydrogen and to support imports from regions with low-cost production. We actively support projects such as the Central European Hydrogen Corridor (CEHC) and the Czech-German

Hydrogen Interconnection (CGHI). From the perspective of transforming our own distribution system for hydrogen, we continue to be active in the European platform **Ready4H2**. This platform brings together 91 distributors from 20 European countries, and its aim is to prepare Europe for the hydrogen transformation.

Pilot Projects and Practical Verification

To verify hydrogen technologies and operating procedures, we are currently implementing two projects.

We are developing the **first hydrogen town in the Czech Republic** in Hranice, near Aš, where a private investor has started producing green hydrogen from renewable electricity. We have joined forces with this investor, and as the distributor, we will ensure the distribution of the first hydrogen molecules within the local network in Czechia.

We worked hard to prepare this pilot project from 2022 to 2024. We are working with the municipal government and introduced the project to local residents and gas-related businesses through an extensive communication campaign ([Hydrogen Distribution in Hranice | GasNet](#)), which included meetings with citizens directly in the town. The project has received support from the Energy Regulatory Office, the Ministry of Industry and Trade of the Czech Republic, and the Technical Inspection Authority of the Czech Republic. In addition to preparing for the construction of a blending facility and an extraction pipeline, the preparations also involved a free inspection of all end-user gas appliances in the area. This was to ensure that they would be able to safely receive the mixture of hydrogen and methane.

In 2024, we moved from planning to implementation, with a planned launch in 2025. The project's budget is tens of millions of Czech Crowns. Our goal is to demonstrate the technical feasibility of distributing a hydrogen blend using our existing gas infrastructure. This will help both the Czech Republic and the EU achieve their environmental targets.

Our second project involves building **a gas industry test area**. To successfully transition to new gases, including hydrogen, it is essential to systematically develop expertise in safety, mechanics, and chemistry. For this reason, we decided to construct our own training and testing area. This facility will allow us to safely test new technologies while also enhancing the qualifications of our specialists.

The hydrogen section of the test area, which we are building at our facility in Pardubice, will provide space for safely testing gas mixtures, including 100% hydrogen. It will also allow us to deliver specialised training for our employees in real operating conditions. In 2023, we completed the preparatory work, and in 2024, we started the first construction phase.

The total anticipated investment costs are in the tens of millions of Czech Crowns. We plan to commission the test area in 2025.

Cooperation in Hydrogen Clusters and Preparing the Legislative Environment.

The Karlovy Vary, Ústí nad Labem, and Moravian-Silesian Regions signed a memorandum of cooperation in the hydrogen sector in 2023. In all three regions, we are already working on pilot hydrogen projects

LNG and bioLNG in Road Freight Transport

GasNet Group has a long-standing commitment to supporting the use of liquefied natural gas (LNG) and liquefied biomethane (bioLNG). We see these as effective tools for decarbonising heavy road transport in the Czech Republic. LNG offers a reliable alternative to conventional fossil fuels, allowing transport companies to significantly reduce their carbon dioxide emissions.

Our key activity in this area is the development of LNG refuelling infrastructure. We are gradually building and operating a network of refuelling stations, strategically located near important transport corridors. Currently, we operate 6 stationary and mobile stations. Our stations are equipped with modern technology, which makes refuelling safe and fast for all types of heavy goods vehicles that use LNG.

Driver education and training are also an important part of our work. Our graduate certificates are recognised not only in Czechia but also abroad. Operational safety is crucial for us, which is why we place great emphasis on the quality of this training.

GasNet also actively participates in legislative and strategic initiatives that support the use of LNG and bioLNG. We work with state administration representatives on the preparation of strategic documents such as the National Action Plan for Clean Mobility and the National Climate and Energy Plan. We are engaged in implementing European directives related to renewable energy sources and sustainable transport, primarily with the aim of ensuring suitable conditions for the development of the bioLNG market. In this context, we were the first in the Czech Republic to obtain ISCC EU certification for trading and selling bioLNG.

from our position as a distributor. In the Moravian-Silesian Region, we joined the [Moravian-Silesian Region Hydrogen Cluster](#) in 2023. The partnership among entities within the cluster allows for the effective promotion of the common interest of members in supporting and developing hydrogen technologies. Cluster members can establish active collaborations on projects with a shared objective. The partnership provides members with a better negotiating position to advocate for their interests.

As well as working with partners and verifying the technical conditions for hydrogen distribution (and its mixtures), we are working on preparing the legislative environment and defining the conditions for the future hydrogen market. A key part of this is a working relationship with the Ministry of Industry and Trade of the Czech Republic and other state authorities, as well as with our partners who manufacture components for the gas system, gas appliances, and other equipment. The main platform for this cooperation is the 'task cards' of the Hydrogen Strategy and the implementation working group for the Gas Directive at the Ministry of Industry and Trade of the Czech Republic.

Legislation in 2023 established hydrogen as an energy gas, laying the foundation for the introduction of subsequent legislation and the necessary rules for the practical use of hydrogen in energy systems and equipment. This includes not only rules for injecting hydrogen into methane or hydrogen distribution systems, but also rules for maintaining the quality of distribution and gas, the rights and obligations of current and future customers, and the overall regulatory framework for the sector. We anticipate that this legislation and its subsequent implementing regulations and technical standards will be progressively introduced into practice over the next few years.

Within the expert groups of the clusters, we are, for example, intensively discussing the possibilities of **connecting hydrogen production** plants with other potential producers and investors. There are still interested parties applying for the connection of hydrogen production plants. However, due to the absence of legislation, we cannot connect these production plants to the network.

Hand in hand with the development of legislation and practice, we are adapting our internal processes and information systems to the needs of the ongoing changes. For example, we have already prepared a standardised process for hydrogen producers, which includes IT support and an electronic form for inquiries regarding connection possibilities. We have also refined the registration of hydrogen production plants in our geographical and information systems, and we have set rules for capacity calculations. A major task still awaits us: to configure our systems for monitoring and controlling gas quality. With a new energy gas in the system, this configuration is significantly more complex.

The transformation of energy systems to use hydrogen, whether as an admixture in the methane network or in its pure form, is a major challenge for everyone involved. For the past four years, we have been working hard on these preparations, and we are convinced that if there is also willingness from other responsible entities, we will be able to successfully carry out the transformation. This will allow the Czech Republic to meet its commitments, both current and future ones, which aim towards a zero-emission economy.

Development of LNG Filling Stations

We did not expand our LNG station network in 2024. We continued the safe and trouble-free operation of the existing six stations. At the same time, we worked on the project preparation for the construction of new stations.

The share of LNG vehicles in the Czech vehicle fleet did not grow significantly. This was caused by a lack of motivation among transport operators. The benefit of toll exemption in Germany has ended, and new initiatives, such as the introduction of a carbon pricing system in transport (EU ETS 2) and the full implementation of the REDIII directive, are still pending. Some transport operators are beginning to be motivated by demand from transport providers for more sustainable logistics.

Distribution of bioLNG

In 2024, GasNet became the first entity in the Czech Republic to begin selling liquefied biomethane (bioLNG). GasNet passed a recertification audit in the ISCC EU system, and is thus authorised to supply certified bioLNG this year as well. As a result, our customers have assurance that the declared emission savings fully correspond to reality. BioLNG allows for even more significant carbon dioxide savings than fossil LNG. Total LNG sales remained at the level of the previous year. Thanks to the share of bioLNG, our customers achieved total emission savings of 2,644 t CO₂. This represents a 12% increase in these savings compared to 2023.

GasNet Group worked with state authorities on preparing legislation that supports the creation of a functional commercial chain – from the production of domestic biomethane to its consumption in the heavy road transport segment, which is otherwise difficult to decarbonise.

Comparison Point:

The energy volume in LNG and bioLNG that GasNet supplied to transport in 2024 is 1.8 times greater than the volume of electrical energy supplied to transport by the three largest operators of public charging stations.

LNG filling station in Klecany





**GasNet is
a Team of People**

GasNet is a Team of People

Natural gas is replacing coal, which is running out. We distribute renewable biomethane and we are preparing Czechia for hydrogen. We cannot do this without both the current and new generations of gas industry professionals. Our key priorities are not only identifying and developing talent, but also strengthening a flexible, inclusive company culture, and prioritising the health and safety of our employees. We listen to people, we involve them, and we connect. Our employees, together with technologies, are vital for fulfilling our strategy: to be a pillar of modern, green energy.

At GasNet, we always strive to give something extra: We implement our vision through a diverse range of internal volunteer communities, such as our Digital Ambassadors, LinkedIn Ambassadors (the #amGASador team), Women in GasNet, and the employees involved in the GasNet Heart project. Other gas industry professionals help develop cooperation with schools by introducing students to the gas industry and working with them directly at GasNet during the Trainee programme. We also grow as a company through succession programmes.

Thanks to these and many other activities, we live our company values: safety, reliability, and respect. Our efforts earned us recognition for the second time in a row with the title 'Fair Employer with a Good Atmosphere.' We also achieved excellent results in the international ESG rating GRESB, secured first place in the People and Culture Barometer, and won first place for our career pages in the nationwide Recruitment Academy Awards competition.

We are a place where employees grow, where their opinions are heard and respected. Get to know us better.

Material IROs Related to Own Employees

Set out below is a detailed description of the impacts, risks, and opportunities we have identified which relate to our own employees in the areas of working conditions, remuneration, education, and diversity.

The data and information we have reported cover all internal employees (full-time permanent positions) who are subject to material impacts. People who are not full-time permanent employees work under agreements with workers outside of employment relationships, particularly work performance agreements and activity agreements. These agreements involve shorter, limited working hours and are suitable for students and short-term temporary work.

The reference year for the GasNet group is 2020. The data sets that we regularly monitor and evaluate are expanded over time according to the needs of the group and reporting requirements. For some newly monitored indicators, we therefore do not have data available retrospectively to the 2020 reference year.

S1 Own Workforce

Topic

Subtopic

Description

Own Employees

Working Conditions

Positive

Impact Materiality

o Working Conditions

● Own Operations

Actual Impacts

- o **Human resources management system:** Employees are aware of their rights and obligations, including areas not covered by the Labour Code. This clarification of conditions and the provision of social benefits beyond the scope of the Labour Code has a positive impact on staff turnover.
- o **Active engagement with current legislation** ensures equal pay, transparency and quality reporting.

Own Employees

Working Conditions

Positive

Impact Materiality

o Collective Bargaining

● Own Operations

Actual Impacts

- o GasNet strengthens the stability and social security of its employees through active dialogue with trade unions.

Own Employees

Working Conditions

Positive

Impact Materiality

o Working Time

● Own Operations

Actual Impacts

- o **GasNet provides its employees with above-standard working conditions** that enable them to achieve a better work-life balance. These benefits include high flexibility for administrative and operational staff, a shortened working week and an extra week of holiday.

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Topic

Subtopic

Description

Own Employees

Working Conditions

o Secure Employment

Positive

Negative

Impact Materiality

Actual Impacts

o **Corporate strategy, values and stability.** GasNet maintains a stable company culture and human resources management built on strong corporate values and behavioral principles. The energy sector naturally fosters a community of individuals with shared interests, which further reinforces this stability.

o GasNet has specific requirements for recruiting employees. This primarily involves the need for high-level expertise, which can act as an entry barrier for positions but is also associated with a low employee turnover rate.

Own Operations

Potential Impacts

o Sectoral changes and GasNet's strategies related to the need to digitalise and transformation of the gas industry may affect job satisfaction and stability.

Own Employees

Working Conditions

o Secure Employment

Opportunities

Risks

Financial Materiality

o **A higher average age among employees** presents opportunities for reorganisation. This can help mitigate the impact of experienced workers retiring, while also creating space for a new generation of gas industry professionals. These new professionals will help shape the knowledge and experience essential for the future of the gas sector.

o **Digitalisation of technical skills**, gaining new technical skills, increased efficiency, elimination of barriers to recruitment and unavailability of qualified candidates.

o The impact of the high average age of employees as a result of demographic change and lack of preparation for it.

o Business transformation in connection with energy transformation – Impact on the applicability of existing employee expertise.

Own Operations



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Topic

Subtopic

Description

Own Employees

Impact Materiality

● Own Operations

Equal treatment and opportunities for all

○ Fair Remuneration

Positive

Actual Impacts

- **Remuneration and benefits are linked to the company's strategy** and culture. In order to fulfil GasNet's culture and strategic goals (mainly in the area of safety), performance evaluation and variable salary components are linked.

Own Employees

Impact Materiality

● Own Operations

Equal treatment and opportunities for all

○ Gender equality and equal pay for work of equal value

Positive

Actual Impacts

- **GasNet has established equal/fair remuneration policies** (based on job chart rules) that go beyond the requirements of the Labour Code. At GasNet, there is no difference in performance evaluation between women and men.

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Topic

Subtopic

Description

Own Employees

Training and skills development

Positive

Impact Materiality

Actual Impacts

- In education, GasNet focuses on developing skills that help implement the company's strategy.
- **GasNet provides a 'complete service' related to qualifications** (the employer 'takes responsibility' for the deadlines for renewing individual qualifications and also for handling all organizational aspects).
- **We also focus on developing our employees' expertise and skills and encourage their involvement in internal communities.**

● Own Operations

Own Employees

Diversity

Positive

Negative

Impact Materiality

Actual Impacts

- **GasNet implements a diversity and inclusion strategy. This increases mutual understanding of these key topics:**
 - (i) Equal opportunities (support for women)
 - (ii) Intergenerational dialogue
 - (iii) LGBTQ+
 - (iv) Our own diversity (differences in professions, regions, age groups)

- The majority of GasNet employees are male, due to the higher physical demands of the work, which Czech legislation does not allow females to perform.

● Own Operations

Own Employees

Diversity

Risks

Financial Materiality

● Own Operations

- Reputational risk of insufficient diversity and inclusion within the company.

Embedding Company Values: Rules and Standards for our Employees

Our Code of Conduct forms the basis for building relationships between employees and the employer, relationships that are founded on our company values. Our Regulatory and Legal department guarantees the Code. Act No. 262/2006 Coll., the Labour Code, is the key regulation that defines the rights and obligations of both parties to our employment relationships. This is supplemented by our internal regulations, including our Remuneration Directive, Performance Management and Employee Benefit Guidelines, Work Rules, and the Collective Agreement. Employees and the employer commit to observing these internal regulations, as well as the rights and obligations arising from the Labor Code, through their employment contract.

Our Code of Conduct contains the main rules of conduct that we apply across the GasNet Group, and that enable us to fulfil our stated values. The Code formalises the main principles of an ethical and transparent approach to business. It contains key rules of conduct that apply not only to employees, but also to customers, business partners, shareholders, and other stakeholders. It describes how we intend to achieve the goals that we have set within our corporate and ESG strategy.

Our Code also commits us to protecting and promoting human and labour rights based on internationally recognised standards, such as the International Labour Organisation standards and the UN Global Compact principles.

We recognise, support, and practically implement the ten principles of the UN Global Compact in the areas of human rights, labour standards, environmental protection, and anti-corruption. At GasNet Group, we do not use child or forced labour, and we do not tolerate profiting from any type of child or forced labour. In line with company values, we particularly emphasise occupational health and safety. We also emphasise freedom of association and collective bargaining, as well as non-discrimination in employee selection, remuneration, training, and career progression.

Our Code of Conduct is binding on all our employees and statutory bodies. We also expect our managers to lead by example in upholding the Code's commitments. We regularly inform employees about changes and updates to the Code via email and the intranet. It is also available to everyone on our managed documentation portal. Since the Code also governs GasNet's external relationships, we have placed it on our website, ensuring it is always accessible to customers, suppliers, public administration bodies, and the general public.

All our employees are required to regularly complete e-learning training, which builds on the commitments set out in our policies. There are three compliance courses. Their content covers topics related to preventing conflicts of interest, preventing money laundering, anti-corruption practices, and generally the principles of the Code of Conduct.



Strengthening Compliance Together: Resolving Situations, Grievance Mechanism

Our Regulatory, Legal & Internal Audit department has established a management system in accordance with the Code of Conduct (known as compliance management). This serves to identify potential structural risks and instances of improper conduct across the entire GasNet group. This enables the regular adoption and communication of measures necessary to eliminate or minimise these risks. All principles and procedures relating to compliance are formally described in internal controlled documentation.

We have implemented mechanisms that allow our employees, suppliers, and third parties to report suspicions of misconduct or seek advice on compliance matters. We have established a helpline. An external entity operates this line, which ensures its independence from GasNet and the anonymity of the whistleblower. Alternatively, individuals can contact the Compliance Officer or their direct manager.

We have also introduced a dedicated email address where customers can send their complaints or grievances. Naturally, we also respect a customer's right to resolve their complaint through the Czech Trade Inspection Authority or the Energy Regulatory Office.

Reporting channels managed by third parties are accessible to all our employees.

We keep our employees informed about their options for reporting suspected

misconduct through our intranet and e-learning compliance course.

We provide this information to third parties and suppliers on our website, in contractual documentation, and within the distribution system operator's regulations.

When we deal with reports or investigate suspected misconduct, we maintain the principles of confidentiality and anonymity. We fulfil our obligation to protect whistleblowers in accordance with legislation. We treat all reports as confidential. GasNet maximises the protection of a whistleblower's identity, even for reports that do not fall within the scope of the Whistleblower Protection law. Only a specific group of employees review the reports: Members of our Compliance Committee (Our Compliance Officer, representatives from Internal Audit, ESG and Security, and HR), the company's executives, and the team designated for investigating the reports.

Cooperation, Communication and Respect

We focus on active collaboration with our employees when we manage the material impacts mentioned at the beginning of this part of the report.

Four times a year, the management board meets with L-1 and B-1 level managers to discuss key and current topics. We call these gatherings GasNet Extended Management Meetings. Managers then inform their own direct team members about the topics discussed during team meetings.

We have created a section on our intranet where we publish topics discussed by management. This ensures everyone has access to information at any time. This intranet section guarantees that information is understandable and available to all employees, allowing them to familiarise themselves with current company topics and decisions whenever they wish.

Our managers share all updates and changes to relevant documentation with employees during meetings. This information is also made available to everyone on the intranet, thanks to a centrally managed Controlled Documentation process.

Our intranet, accessible to all employees at any time, even on mobile devices, plays a key role in informing our staff. We regularly publish a diverse range of multimedia news there.

Management Board representatives also engage with our employees in person. In 2024, they met together during a series of regional Road Shows held in eight cities across the Czech Republic. They shared updates and strategies, harmonised their visions for the future, and learned together.

Two **trade unions** operate within the companies. The employer-trade union relationship is built not only on legal obligations, but also on trust and long-term cooperation. The aim is to create fair and transparent conditions for employees. Regular social dialogue meetings and annual collective bargaining are in place, and ad hoc meetings also occur, for example, when discussing organisational changes or resolving specific employee situations.

Our company management negotiates with the trade unions. The trade unions regularly organise meetings for employees and their members, where they also provide updates on their activities and cooperation with the employer.

Respect as a Key Corporate Value

Respect means showing consideration to each other, to our customers, shareholders, partners, and the community. It is about valuing people, diversity, the environment, and our shared future. We respect safety, we respect rules, and we respect the energy we distribute. Without respect, there is no team, and teamwork is fundamental to us. The principles guiding us in relation to the value of Respect are part of our Ethical Code and are also described on our intranet page titled "Respect". If anyone in the company feels that these rules are being violated or experiences any form of discrimination or disadvantage, they can confidentially reach out to our anonymous online psychological counselling services, any member of HR, or our Compliance department. All these contacts are available on our intranet. Another communication channel is our chatbot, Arnold. Employees can also share their concerns with internal coaches or mentors and seek advice on what further steps they can take in a specific situation.

Sustainable HR Management – Measures and Resources

The following measures detail the key areas where GasNet has identified material impacts, risks, and opportunities. These activities form a framework for developing a stable working environment, fair conditions, and long-term employee satisfaction.

Working Conditions and Employment Stability

Collective Bargaining and Social Dialogue

This is another way for us to ensure that our employees'

Collective bargaining coverage			
Indicator	2022	2023	2024
Number of employees covered by the collective agreement	–	2 295	2 232
% of total employees covered by the collective agreement	0%	100%	100%

voices are heard. Through joint dialogue, we can better respond to the needs of our people and create fair working conditions. The aim of this working relationship is to build trust and stability that benefits both employees and the company as a whole.

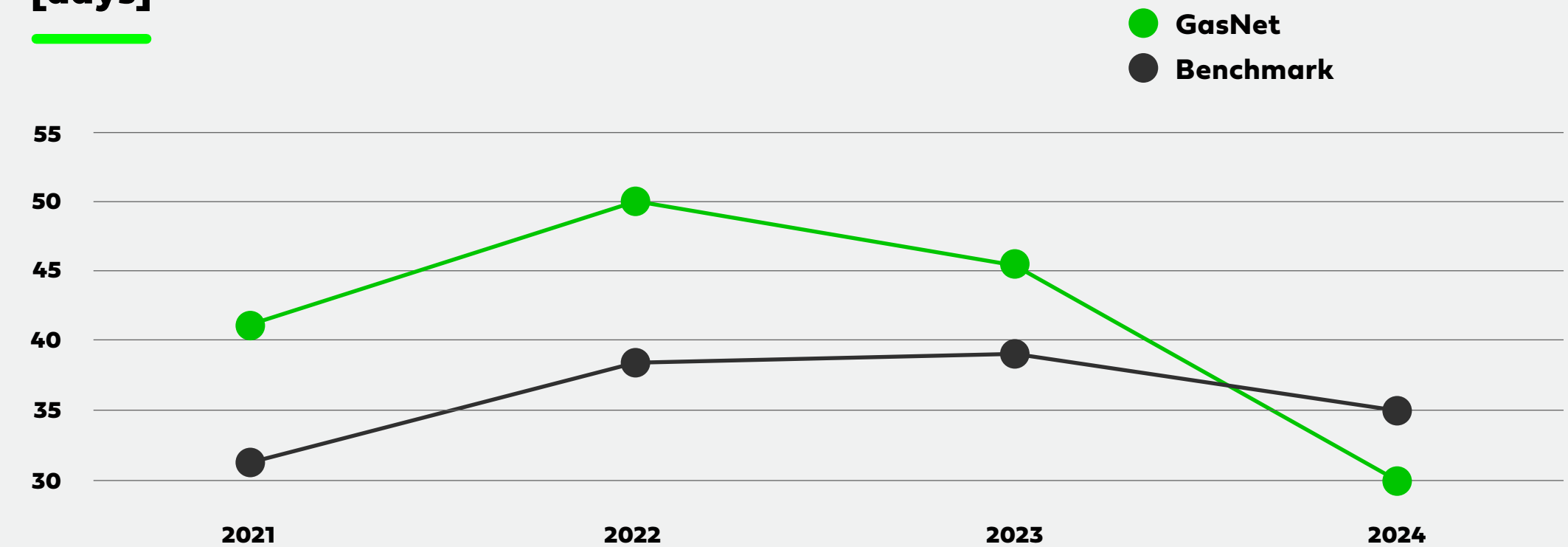
Quality Recruitment, Onboarding and Turnover Management

These are key measures for ensuring the stability of our employees. Everything we do in these areas is with a long-term perspective.

We recruit employees for all levels exclusively from the Czech labour market. This also applies to management positions and roles requiring unique expertise. In 2024, we hired 108 employees, 49 of whom were women. For new roles, 26% were internal hires.

In recruitment, speed is key for us. Our target, or **Key Performance Indicator, for the average time to fill a position is 60 working days**. In 2024, our average time to fill a position was 30 working days, a reduction of 16 working days compared to 2023. This makes us a leader in recruitment speed, according to the Alma Career benchmark.

Time to fill position [days]



Recruitment				
Indicator	Group	2022	2023	2024
Recruitment of new employees	Total	–	126	108
– HC	Male	–	85	59
– age	Female	–	41	49
	Age < 30	–	31%	27%
	30-50	–	60%	61%
	Age > 50	–	9%	12%
Average time to fill a position	days	50	46	30

However, some positions take longer to fill than our overall average. These include roles in IT, cybersecurity, and operations, where the average recruitment time in 2024 **was 50 working days**. This longer recruitment period is due to a shortage of skilled labour in certain regions. These are typically areas near the German border or those with a high concentration of international companies. We are addressing this by using regionally targeted recruitment campaigns, which we have linked with a specific communication strategy aimed at operational employees.

Most candidates apply to us through **job portals**, with **our own careers website**, www.gasnet.jobs.cz, being the second most frequent source. Atmoskop is an important source for candidate referrals. This is a platform through which companies are given feedback by their own employees and candidates.

We focus our operational recruitment on **aligning with planned retirements**. Therefore, we support education in **gas industry** fields and reach out to talented future gas professionals while they are still at school. We provide them with scholarships and paid internships at GasNet, allowing them to seamlessly transition into maintaining our critical infrastructure after graduation. However, numbers show that new employees do not typically join us in operational roles immediately after finishing school. The average age of candidates is 33 to 35 years. This is often due to either a lack of available graduate positions at GasNet in a specific region and timeframe, or the need to fill a role with someone who has the required practical experience.

Here are some interesting insights from our recruitment analytics:

- Candidates rate the speed of our selection processes highly, giving us 4.8 out of 5, and the amount of information provided, rating us 4.9 out of 5.
- A significant 81% of applicants already knew about GasNet before opening our job advertisement.
- Even if not selected for their current application, 70% of candidates would apply for another position at GasNet.
- Candidates appreciate GasNet's appeal in areas such as ESG, our company vision, and hydrogen initiatives.

2025 Recruitment Targets:

- Develop regional campaigns targeting field employees and project executives in areas where positions are harder to fill.
- Evaluate newly implemented satisfaction measurement tools (from Alma Career) and take appropriate corrective actions.
- Do not fall below the benchmark for time to fill a position.

Helping New Hires – At Home in GasNet

We want newcomers to become part of our company culture as quickly as possible. Our digital guide, **Welcome to GasNet**, and an **Orientation Day** help us achieve this by giving new hires an overview of how the

company operates. Finally, there are regular **surveys with our chatbot, Arnold**, who checks in seven times during the first three months to see how the integration of new employees is progressing. On average, **78% of new employees** participated in these surveys in 2024, and rated their "onboarding" with an average score of **6.3** out of **7**.

Turnover

For us, turnover indicates employee stability. We also include retirements in our total turnover calculation. We consistently **support part-time roles**, which mothers returning from maternity and parental leave particularly utilise. In 2024, organisational changes were the primary influence on our turnover, which reached **7.8%**

overall. Only **2.3%** of employees chose to terminate their employment by their own decision.

The opinion of our people

At GasNet, we use data from **regular surveys** conducted by our chatbot, Arnold, to help us with our culture, internal communication, and processes. Arnold has been gathering employee insights and opinions since 2020. **From then until the end of 2024, we completed a total of 84 surveys**. The surveys repeatedly cover at least **12 topics**, with "safety" being the dominant theme in 2024.

After each survey, company leadership and managers receive reports with results for their divisions and teams.

		Turnover				
Indicator	Group	2020	2021	2022	2023	2024
Number of outgoing employees (FTE)	Total	–	–	–	–	174
Total turnover (%)	Total	5.40%	7.10%	11%	4.5%	7.8%
Termination by own choice	Total	2.70%	3.50%	3%	1.9%	2.3%
% of employees entitled to parental leave	Total	–	–	–	–	100%
Number of employees on parental leave	Female	–	–	–	24	53
	Male	–	–	–	–	0
Return from parental leave (within the year)	Female	–	–	–	13	11
	Male	–	–	–	0	0

These reports also include alerts for areas needing attention. Corrective measures can then take place at the division or team level, or across the entire company, such as with the survey involving women, who make up **26%** of GasNet's workforce. A 2022 survey revealed three areas that we addressed in 2023 through a programme called **Women in GasNet**. First, 35% of women felt they did not have opportunities for training. Second, 99% were satisfied with work flexibility, but they perceived limited opportunities for part-time work. Third, 23% of women occasionally heard inappropriate comments. We focused on increasing awareness of development opportunities, discussing working hours, and promoting respectful communication. As a result, we implemented a number of **development and awareness-raising activities**, which we continued into 2024. We repeated the survey with women in 2024, and the results of this second survey showed improvement in two areas: the number of women who reported not having access to training decreased from 35% to **16%**, and the number of women who occasionally heard inappropriate comments dropped from 23% to **15%**.

2025 Survey Targets:

- Continue surveys with Arnold - averaging at least one survey per month
- Continue surveys with Arnold - averaging at least one survey per month
- Participation in surveys will not drop below 70%.

Regular chatbot surveys have a **high response rate**, even though participation is voluntary. At the start of a survey, the respondent can indicate that a topic is not interesting to them and does not have to continue answering. In 2024, the response rate was **76%**.

We are improving transparency and efficiency by **digitalising HR processes** through SAP SuccessFactors. This minimises the risk of incorrect record-keeping and reduces the administrative burden of these processes.

Surveys in Numbers					
Indicator	2020	2021	2022	2023	2024
Number of Surveys	8	18	14	25	18
Survey Participation	1%	89%	83%	78%	76%

Fair Remuneration and Benefits

We use **performance management** as the foundation for **fair compensation**. Performance appraisals apply to all employees and are based on setting individual goals that support our company's strategic aims. Each appraisal not only evaluates exceptional performance during the assessment period, but also considers an employee's approach to company values, personal and professional development, and teamwork. The results directly influence the variable component of an employee's salary, which we set as a percentage of their fixed monthly pay. We pay this variable component monthly, quarterly, semi-annually, or annually.

Our standard practice includes employee performance calibration, which takes place quarterly through Management Board meetings. They calibrate performance according to established rules and rating scales. This performance calibration process generates statistics on overall company ratings and an analysis to ensure there are no gender-based differences in evaluations. We have found no difference in performance ratings between women and men within the company.

For members of the Management Board, the terms of remuneration are negotiated in an employment contract, and their salary also includes a fixed and variable component, Bonuses depend on achieving strategic goals (financial and safety), as well as individual objectives.

When we carry out regular salary increases, we respect **the principles of equal pay** as outlined in Section 110 of the Labour Code. This means all employees are entitled to the same pay for the same work. In 2024, we actively addressed legislative changes related to equal pay and adjusted our internal remuneration methodology. We continuously use a mechanism for **salary valorisation** after employees return from maternity or parental leave to prevent any potential pay inequalities.

In the area of **benefits**, given the age structure and planned retirements, it is crucial for us to ensure the long-term financial security of our employees. Since 2024, we have provided employer financial contributions to retirement savings and long-term care products (i.e. supplementary pension with state contribution, supplementary pension savings, private life insurance, long-term investment products).

All employees receive appropriate pay in accordance with the legal reference value (minimum wage). Our company uses an established remuneration system that is based on a hierarchy of positions. We assign each position to a specific job chart role. Based on market benchmarks, we then set salary ranges for these roles. Individual employee salaries fall within the range for their specific job chart role.

Comparison of the guaranteed annual income (total cash) of men and women as at 31 December 2024. Comparing the actual annual income paid to men and women for 2024, the overall difference is 9% in favour of men. The difference is mainly due to the fact that

men are in the majority of positions that are entitled to allowances for on-call, overtime, holiday and weekend work. The ratio of men to women in the company is 74% vs. 26%.

Training and Expertise Drive our Growth

Our training strategy is comprehensive and includes several measures focused on employee skill development and personal growth. In training, we concentrate on developing skills that help us execute **our company strategy, linking it to employee goals at all levels**. We base our approach on ESG principles, company values, surveys, feedback, and the needs identified by managers.

We provide training led by experienced external lecturers, coaching, mentoring, and online self-study options. The results from our **Arnold chatbot surveys, 360-degree feedback, and the Hogan Personality Questionnaire** help us target our development efforts more precisely.

We focus on programmes that develop our employees' key skills to increase their competitiveness and prepare them for changes in the gas industry, particularly concerning its future role (strengthening the role of gas in Czech energy and renewable gases). Preparing for future energy challenges requires a new generation of gas professionals. This is why **discovering new talent, developing both current and new employees, and creating a flexible and inclusive culture** are so important to us. We measure the success of our training initiatives through participant feedback. In 2024, 96% of participants expressed satisfaction or satisfaction exceeding expectations.

Mandatory training is a foundation for employee performance at all levels. The requirements of this training are set either by the law or by GasNet's management. Such training is especially common for operational employees, focusing on qualification expansion or the technical training necessary for their roles. Each year, we manage approximately **300 types of specialised legally required qualifications**. In 2024, we provided **26,929** of these, an increase from **23,867** in 2023. It is also important to note that the requirement for qualifications does not ultimately act as a barrier to filling field positions, despite the results of our materiality analysis regarding risks. If job applicants lack the necessary qualifications, we arrange the needed training for them. This is a significant advantage GasNet offers. In 2024 alone, we helped **87 new employees secure 1,141 qualifications** through this approach.

It is also mandatory for all employees to undergo **training on strengthening safety culture**, which includes OHS and defensive driving courses. You can find more information about safety training in the Safety chapter.

To ensure the long-term stability of the management and continuity of key positions, we have a **Succession Programme** in place. As part of this, we identify development needs for future managers. The

Performance and Remuneration						
Indicator	Group	2020	2021	2022	2023	2024
Percentage of employees who are paid below the applicable reference value for a fair wage	All	0%	0%	0%	0%	0%
Percentage of employees with regular performance reviews and career development	Male					100%
	Female					100%
Number of employees who received regular performance and career development reviews	Total					2 232
	Male					1 649
	Female					583
	Management					253
	Non-management					1 979
Senior Management	Total			48	47	51
	% of category			100%	100%	100%
Middle Management	Total			201	202	202,0
	% of category			100%	100%	100%
Non-management	Total			2 037	2 038	1 979,0
	% of category			100%	100%	100%

programme is divided into several time-based phases according to managerial seniority. In 2022, we launched the Succession Programme for B-1 level managers. From 2023, we expanded the programme to include other levels of leaders with key competencies. **In 2024, we initiated the final phase, integrating 132 B-2 and B-3 level managers into the programme.** As part of their preparation for management roles, successors undergo personal development through consultations, psychodiagnostics, and coaching. For mapping managerial competency levels, we use 360-degree feedback as a diagnostic tool. The Succession Programme links to mandatory objectives. The Management Board evaluates whether these objectives have been met. Meeting the objectives includes identifying a successor and developing their necessary skills, assessing their readiness level, or outlining an alternative plan if a successor cannot be identified. Working on the successor's development is also part of this objective.

We do not guarantee a leadership role to successors, but giving effect to the programme's purpose is a priority when a position becomes available. In 2024, we successfully filled four such positions within our Networks Division and Maintenance team, and our Support and Services Division team.

Our **tailored management programmes** offer specific development opportunities for our **leaders**. **For instance, in 2024**, managers attended training courses focused on **"working with change"**, which included topics such as **emotional intelligence** and **managerial negotiation**. We also offered **"Leadership in Change"** specifically for the construction division. The goal was to strengthen the implementation of broad changes resulting from the division's new strategy. We held a two-day workshop with all division managers to align priorities, clarify objectives, and cascade them down to individual teams. This opened up new avenues for collaboration and fostered greater harmony among managers. These management programmes encompass training, consultations, psychodiagnostics, and coaching, all designed to help identify development needs and enhance team leadership. Managers also participate in mandatory training sessions on **"Healthy Leadership"** and **"Motivating Performance Management"**. Following the results of a 2024 Arnold survey, which highlighted a need for stronger respect in intergenerational communication, we added "Respectful Leadership" to our mandatory training. We conducted 20 sessions, with 238 out of 242 assigned managers completing this course during that period.

For **individual development**, we use **personality psychodiagnostics tools, specifically the Hogan Personality Questionnaires**. These help us better

identify needs and then target specific training and development activities. Since 2023, we have been using these tools not just for managerial positions, but also when recruiting new employees and for better targeting the training of our existing staff. In 2024, we carried out **approximately 97 personality assessments**, including advisory and consultation interpretations. Our aim with these is to enhance self-awareness, identify areas for development, and strengthen individual strengths. Psychodiagnostics provides a strong foundation for feedback and more effective use of both individual and team capabilities. We also incorporate team psychodiagnostics, which contributes to more effective leadership by managers.

We also dedicate significant attention to developing our operational employees. A prime example is the **training provided to Event Managers' competencies**. Employees are grouped based on their competency assessment results and then receive customised training courses. These cover topics such as managing emotions, sharing best practices for Event Manager competencies, and essential management skills. Another development initiative was a programme for High-Risk Work (PZN) Inspectors. Here, we focused on inspections from the perspective of **soft skills**. Among employees and leaders in the Special Works Department, we identified a key theme: "inspections of work procedures and occupational health and safety

during work on gas facilities". To improve awareness and relationships between employees and inspectors, we created a training film titled "PZN Inspections". This video familiarises viewers with rules and inspection processes, and, importantly, demonstrates best practices for an inspector's conduct and demeanour. We use it as an instructional material during training for all Event Managers.

For employees who are eager to grow, we provide **company-wide training**, primarily delivered online to ensure accessibility for staff across all locations. We publish these training opportunities on our intranet and HR portal, where it is easy for employees to register. We have partnered with Red Button and the Atairu Leadership TV programme for this type of learning. The voluntary training options stem from business needs, our ESG strategy, and survey results from Arnold. These courses cover a wide array of topics, from sustainability and digitalisation to personal development.

In our 2023 sustainability report, we stated that digitalisation, especially in areas **like MS Office, automation, and artificial intelligence (AI)**, would be a dominant theme for the following year. In 2024, we delivered **over 50 training sessions** and workshops, all accessible to every employee through our learning portal. We had **a total of 2,708 participants**. Some participants completed multiple courses, so this number

does not represent unique users. Most of the training was conducted externally with the help of **Digiskills**, and **internally through our community of digital ambassadors**. The content focused on Microsoft 365, automation possibilities, and enhancing work efficiency. Beyond basic use of work tools, the programme included training on Power Automate, Power Query, Power BI, and working with AI Copilot. Cybersecurity and AI updates were also covered.

We see the future of training in **asynchronous learning**. This means empowering employees to learn whenever and wherever they choose. Because of this, we now record most of our online training sessions and upload them to our intranet **GasNet TV** (SharePoint).

In **November 2024**, we launched a training programme for a 90-member pilot group of employees from across the company. These individuals received a premium version of **Copilot for Microsoft 365**, which is a generative AI tool. The goal of this initiative is to **test and experiment with the tool, identifying examples and employee groups where generative AI could be most beneficial**. This pilot programme will help us better understand the possibilities and efficiency of using AI in our daily work.

Our unique **mentoring programme with firefighters**, piloted in 2022, connects GasNet employees with firefighters from the Fire and Rescue Service of the Czech Republic (HZS ČR). When pairing individuals, we always look for potential for shared learning and relevant inspiration in their professional fields. This includes,

for example, support for leadership roles, occupational safety, construction management, and more.

Each year, we launch a new phase of the programme in a different region. In 2024, our second phase focused on the Plzeň and Central Bohemian regions. Nine mixed pairs from GasNet and HZS ČR participated in this collaboration. This mentoring, among other benefits, helps gas workers and firefighters during joint interventions by encouraging the sharing of work procedures, operational standards, and adherence to safety rules. We also organise lectures and team activities with the firefighters.

2025 Training Goals:

- 100% of employees will be trained on the AI Act.
- Revision of training on Healthy Leadership (applies to Managers).
- Continue to develop Event Managers and Controllers (PZN).
- Implementation of the third wave of our Succession programme – i.e. follow up on the last management level.
- Third mentoring with firefighters in the Ústí and Central Bohemia regions.

Training and Development

Indicator	Group	2022	2023	2024
Time spent on development by gender (hours)	Total Hours	68 008	85 594	75 914
	Male	56 118	66 383	59 706
	Female	11 890	19 211	16 208
Average time spent on development by gender	Hours/male	33	39	36
	Hours/female	20	32	28
	Hours/FTE	30	37	34
Time spent on development by position level (hours)	Senior Management	2 819	6 867.8	2 230.5
	Middle Management	7 961	9 415.8	9 538.7
	Other	57 230	69 310.7	64 145.3
Average time spent on development by position	Senior Management	58	146.1	43.7
	Middle Management	39	46.6	47.2
	Other	28	34.0	32.5
Total expenditure on training and employee development (excluding VAT)		–	–	17 175 106.0



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GasNet is a Team of People



High school award Gas Engineer of the Year

We are Building our Relationships with Schools – For GasNet and for More Sustainable Energy

Working with schools is a way for us to secure a long-term supply of new talent and support the practical education of future specialists. For this reason, we have established partnerships with schools at all levels, specifically with:

- Secondary vocational schools (where we target future operations employees),
- Secondary industrial schools (targeting IT and design fields),
- Universities (targeting a broader spectrum of technical and natural science fields with the aim of fulfilling our energy strategy).

Our key objectives are:

- Preparing new generations of gas engineers for GasNet and the Czech gas industry,
- Preventing and managing risks identified in our materiality analysis; these are associated with the departure of key employees (e.g. due to retirement).

We have a long-standing commitment to our work with schools. In 2024, our partnerships involved approximately **24 schools at all levels**. Fifteen of these are **secondary vocational schools**, located in nearly all regions where GasNet operates.

We jointly organise events directly at schools or within GasNet. These include lectures, excursions, educational activities, and demonstrations of gas industry professions. At secondary vocational schools, for example, we host **"A Day with GasNet"**, where our employees introduce students to the gas industry, covering both current practices and focusing on the **future with**

renewable gases. We invite students and teachers to GasNet for **"A Day in the Field"** or **"A Day at the District Office"**. Our employees organise these events at various regional workplaces, allowing students and teachers to see the real-world work of gas professionals in practice. We actively support students from our partner schools in prestigious competitions such as **"Gas Professional of the Year"** and **"Enersol"**. We also participate in events that promote skilled trades, like **"Crafts Day"** or the **"Gas Professionals' Initiation"**.

We have traditionally supported secondary school students in the **Technology and Energy Olympiads at the Czech Technical University (ČVUT)**. For these competitions, the students developed sustainable projects, including for the gas industry. Our employees participated as expert guarantors and lecturers. Through these competitions, we reach approximately **12,000 students across the Czech Republic**.

Overall, we conducted **48 different joint activities** with schools in 2024. In addition to these, we consider **student internships, placements, and temporary jobs** to be crucial. From the perspective of ensuring operational continuity in line with generational changes, vocational school apprenticeships are the most fundamental for us. We hosted **19** such apprentices in 2024 (there were 25 in 2023).

Our **Trainee programme** for university students is another important initiative. We launched it for the first time in 2022, and it continued into 2023. Our goal was to involve five students from technical and natural science fields, focusing on areas essential for

fulfilling our company's strategy. We focused primarily on preparing specialists, for example for the Asset Management team or for project design work. These specialists are intended to help us achieve the goals of strategic activities and projects. We ultimately hired 10 of them. The programme was filled in a record time of two calendar months. The programme's success is clear: **in 2024, seven out of 10 trainee students continued working for GasNet** under an employment contract after the programme ended. Thanks to the efforts of our teams and managers, we successfully trained **seven specialists** who we certainly would not have found in the job market. In 2024, we announced another similar programme for students, which we called **"Full Throttle Internship"**. We aimed to involve **five students** once again, planning to reach this number **by February 28, 2025**. We announced the programme on October 1, 2024, and by December 31, 2024, two students had already accepted our offer to join the **Cybersecurity and Project Teams** (Gas pipeline design).

2025 School Partnership Goals:

- Implementation of the Full Throttle Internship programme: at least 5 students in the programme and working with them (education, care, etc.)
- Collaboration with IT fields - minimum 1 school as a partner.

Diversity and Equal Opportunities: Valuable Parts of our Culture

Diversity, Equity, and Inclusion (DEI) are integral to our company culture and strategic approach. Our **DEI strategy** stems from the values we established within our ESG Framework and Company Code of Conduct. It emphasises equal opportunities, mutual respect, non-discrimination, and open dialogue across all levels of our company.

Our Code of Conduct sets clear commitments to protect employment rights and promote equal treatment for all employees, regardless of gender, age, or other characteristics. We regularly communicate these principles through training and various communication channels with the aim of creating an inclusive environment.

DEI principles are reflected in the strategic measures and processes we mentioned above, including recruitment, fair compensation, flexible working conditions, and professional development. Our DEI strategy, which the CGH Board approves annually, rests on four pillars:

1. Equal Opportunities with a focus on supporting women

Within this pillar, through our **Women in GasNet programme**, we focus on targeted training, mentoring, and workshops that support women's professional

development and aim to remove barriers to career progression. We work with partners from the non-profit sector. Our main partner is **Business & Professional Women ČR**, where equal pay is a key topic. We regularly participate in the **Equal Pay Day** conference, and at the end of the year, we also host our own public event to support women, celebrating our signing of the **Women Empowerment Principles**. In 2024, we held this event at the Czech Technical University (ČVUT). Around **150 women** from GasNet, other companies, and the non-profit sector (for example, Mezi námi attended this event).

2. Intergenerational Dialogue

We implement intergenerational dialogue through our internal initiative #GasNetVšemGeneracím (GasNet for All Generations). We foster intergenerational understanding with an emphasis on care for seniors, and we support the development of young people and family life. Through working partnerships with Mezi námi and DofE, we connect GasNet employees, students, and seniors. We organise joint activities such as meetings, workshops, and discussions that promote the sharing of experience and knowledge across different generations. We also see our Start Driving project as an intergenerational link. This project focuses on communication between parents and children, and we use it to improve road safety and driving culture in the

Czech Republic. In this way, we build bridges between younger and older employees and adapt our work environment to meet the needs of all age groups.

3. LGBTQ+ Community

We work with organisations such as Pride Business Forum to ensure our environment respects diverse sexual orientations and gender identities. Through workshops and internal campaigns, we raise awareness about the specific needs of our LGBTQ+ employees and encourage open dialogue. We aim to provide a safe and inclusive work environment for everyone.

We set objectives for the aforementioned areas, also based on four pillars:

1. **Reporting:** We provide transparent reports, for instance, on pay equity.
2. **Responsible Management:** We ensure fair practices, such as valorising parental wages after returning from maternity or parental leave.
3. **Education:** We share best practices and gather insights on DEI by participating in public conferences. We also highlight DEI topics in the media.
4. **Measurement:** We conduct surveys focused on DEI areas and set further goals based on the results.

4. Our Own Diversity

This pillar reflects the diversity of experiences and opinions within our company. Through regular surveys, we identify areas for improvement that we should focus on in the future. We respond to individual employee needs, whether those relate to training or working conditions. We base our actions on the results of regular surveys conducted via the Arnold chatbot, feedback gathered after training activities, discussions with internal communities, and various meetings, such as our regional Roadshow series with GasNet employees.

Our DEI initiatives generally promote dialogue, active employee involvement, and cooperation with external partners. We monitor the effectiveness of these measures through regular surveys and feedback.

In 2024, we introduced several new initiatives, including our **Inclusive Programme for Parents** at GasNet. This programme offers parents on maternity or parental leave the chance to voluntarily participate in various training activities, engage with our internal job market, and stay connected with company happenings. We also launched our **Parenting is Not a Brake** educational program, which familiarises those who are interested in the topic with the relevant legislation and helps them re-engage with their work roles when they return to the company. An internal coach also provides support with these returns to work from maternity and parental leave.

To reinforce the value of respect, we also launched a new intranet page entitled **Respect for People**. On

this page, employees can find contact information for psychological counselling and resources related to LGBTQ+ questions and issues.

We have enhanced our Women in GasNet programme with educational sessions called "Online Coffee with Coach Kristin Pospel." Additionally, at the request of the women in the program, we organised self-defence courses. We also touched on the topic of (in)

dependencies and, for example, investing. These are areas we plan to focus on within our Women in GasNet programme in 2025.

In 2024, we organised a total of **19 events to support women, 9 of which were with non-profit organisations. We also held 26 events that focused on other areas of diversity.**

Diversity and Inclusion

Indicator	Group	2020	2021	2022	2023	2024
Average age of employees (years)	Total	47.5	47.8	47.9	48.4	48.7
	Male	48.0	48.5	48.5	48.9	49.2
	Female	46.1	45.9	46.1	47.0	47.1
> 30		–	–	6%	6%	6%
31–50		–	–	52%	48%	46%
51 <		–	–	42%	46%	48%
Gender diversity in senior management (HC)	Male HC	–	–	7	7	6
	Female HC	–	–	1	1	2
Gender diversity in senior management (%)	Male %	–	–	88%	88%	75%
	Female %	–	–	13%	13%	25%

DEI Objectives:

For 2024, we set specific goals in the DEI area, aligning them with the four pillars we mentioned above. Under the "Reporting" pillar, our goal was the consistent, long-term internal and external publication of DEI indicators. For the "Responsible Management" pillar, we have set ourselves the goal of introducing a mentoring programme for employees on maternity or parental leave, for instance. Within the "Education" pillar, we quantified the number of development and public relations initiatives on DEI topics, (e.g. education in the area of part-time work). Finally, for the "Measurement" pillar, we set ourselves the goal of conducting one DEI survey with a 70% response rate.

These are just a few examples of our goals – there were many more, and we achieved them all. Our main objective was to maintain maximum performance in the GRESB assessment for the "Employee" category.

Our main goals include launching an internal community to support LGBTQ+ employees and undergoing a DEI audit performed by an independent organisation. The purpose of the audit is to provide us with recommendations for improvement and benchmark our DEI standing against other companies.

Andrea, Recruitment & Development Specialist

Other Activities to Develop GasNet and our Employees

In addition to the above activities, GasNet is involved in other areas that go beyond meeting our legislative obligations, impact management, and risk management. These are activities that help us engage our employees and enhance our corporate culture.

- **The #amGASador Team:** Since late 2023, a team of around 25 employee volunteers and ambassadors has been strengthening our strategy, brand, and company values on LinkedIn. These team members share posts about life at GasNet, focusing on their personal expertise and authenticity. Because the team comprises employees from various professions across GasNet, its diversity is a major strength. Every team member completes an initial training session and receives ongoing expert mentoring throughout the year from a PR and communications specialist, who also manages the team. Team members continuously develop their skills (in 2024, for example, they attended a video production workshop), regularly evaluate measurable goals (like post frequency and views), and collaborate closely online using MS Teams.
- **Intergenerational Dialogue:** A 2023 survey on intergenerational communication revealed that 20% of respondents experienced misunderstandings due to age differences. These primarily involved a lack of understanding in the areas of digitalisation and the

perception of change. This led us to prepare company-wide training. In 2024, we trained all our managers. We have made this training mandatory for the future, and we will repeat it every five years. We monitor its completion through a qualification system; every manager must fulfil this requirement.

- **Involvement in international initiatives:** We participate in international initiatives such as Women's Empowerment Principles, BPWCR, and Czechitas. Our goal is to share best practices and raise awareness about diversity and equality.
- **Corporate Culture Awards:** We received several awards in the area of company culture, including second place in the Fair Employer award, first place in the Recruitment Academy - career websites, and first place in the People & Culture Barometer – employee care.
- **Social Safeguards:** All our employees are covered by social protection through public programmes or company benefits against income loss due to:
 - Occupational diseases,
 - Outplacement,
 - Work-related accidents,
 - Parental leave,
 - Retirement.

Employee-related Metrics

Characteristics of GasNet employees

	Group	2020	2021	2022	2023	2024
Number of employees (HC) ¹	Total	2 380	2 409	2 292	2 295	2 232
	Male	1 800	1 787	1 692	1 699	1 649
	Female	580	622	600	596	583
Full-time (HC)	Total	2 361	2 392	2 275	2 271	2 207
	Male	1 794	1 781	1 690	1 695	1 647
	Female	567	611	585	576	560
Part-time (HC)	Total	19	17	17	24	25
	Male	6	6	2	4	2
	Female	13	11	15	20	23
Temporary positions (HC)	Total	110	117	117	141	133
	Male	57	58	63	90	81
	Female	53	59	54	51	52
Employees without guaranteed working hours	Total	–	–	–	–	40
Number of employees converted to FTE ²	Total	2 370	2 401	2 285	2 286	2 224
	Male	1 796	1 783	1 691	1 697	1 648
	Female	575	618	595	589	576

Characteristics of GasNet employees						
	Group	2020	2021	2022	2023	2024
Senior Management (FTE) ³	Total	47	48	48	47	51
	Male	37	39	39	38	41
	Female	10	9	9	9	10
Middle Management (FTE) ³	Total	225	222	201	202	202
	Male	203	196	178	180	181
	Female	22	26	23	22	21
Other (FTE)	Total	2 099.0	2 131.4	2 036.5	2 038.0	1 971.0
	Male	1 556.3	1 548.3	1 473.9	1 479.7	1 425.6
	Female	542.7	583.1	562.6	558.3	545.4

¹ HC (Head count) – Number of people.

² FTE (Full Time equivalent) – Number of Full-time equivalent roles.

³ Senior management consists of the Management Board (MMB) and senior managers reporting to MMB members (B-1 level). Middle management consists of managers and team leaders reporting to B-1 managers.

As of December 31, 2024, we employed 33 individuals with disabilities. Legally, we are obligated to ensure at least 4% of our total workforce consists of people with disabilities. If we do not meet this quota, we have the option to provide a "substitute performance." This involves purchasing goods from sheltered workshops or using services from companies that employ at least 50% people with disabilities.

During the reporting period, several complaints related to discrimination, harassment, or other ethical issues were recorded through our internal reporting channels.

The number of justified complaints indicates how many reports, after internal investigation, were confirmed as violations of regulations or ethical principles. If we do not find a complaint to be substantiated—either due to a lack of evidence or because it falls outside our scope—we do not consider it justified.

Following a detailed assessment, five of the six reported complaints proved unsubstantiated. In the **single confirmed case**, we took disciplinary action against the employee.

Persons with disabilities		
	Group	2024
Persons with disabilities (%)	Total	1.5%
Number of employees with disabilities or special needs	Total	33
	Male	23
	Female	10
	Management	1
	Non-management	32

Incidents, complaints and severe human rights impacts		2024
Number of reported cases of discrimination, including harassment		6
Number of complaints from our own employees submitted through reporting channels		6
Number of justified complaints		1
Value of fines, penalties, and damages resulting from reported cases of discrimination, harassment, and other complaints		0
Number of serious human rights violations		0
Value of fines, penalties, and compensation for serious human rights issues and incidents involving own employees		0



Customers and End Users

Customers and End Users

As the largest Czech gas distributor, at GasNet we recognise our crucial role in the reliable and safe supply of energy to a wide range of customers and end consumers. Our primary goal is to ensure not only the safety but also the availability of our products and services. In this context, we focus on building a transparent and trust-based relationship by providing open access to quality information. This chapter provides a comprehensive look at our approach to meeting the needs of our customers and end users. It focuses on the material impacts, risks, and opportunities associated with these two key areas.

In line with our impact and financial materiality analysis, this chapter addresses in more detail the **availability of products and services** and **access to quality information**. In the sections below, we will explore our current and potential impacts in these areas, including our role in the regulated market and the overall system for ensuring energy supply. We will also focus on **opportunities** related to infrastructure development, supporting sustainable consumption, and strengthening the dialogue with our customers. We will also identify potential **risks** that could threaten the smooth operation and availability of our services or the quality of the information we provide, along with their impact on our customer relationships. We are continuously committed to improving both the availability and reliability of our services, as well as the quality and clarity of our information. We do this to strengthen the satisfaction, awareness, and trust of all our customers and end consumers.



Material IROs Related to Customers and End Users

This sub-chapter analyses the material impacts, risks, and opportunities in our relationships with customers and end consumers, with a special focus on the availability of our products and services and access to quality information. We examine how these factors interact and connect with our overall strategy and the GasNet business model.

S 4 Customers and End Users

Topic	Subtopic	Description		
Customers and End Users Impact Materiality ● Own Operations	Information-related impacts for Consumers and/or End Users Actual Impacts	Positive <ul style="list-style-type: none"> At GN, we have a clear system for responsibly informing the end consumer about the safety and handling of natural gas. Our established digitalisation system simplifies and speeds up the submission and processing of customer requests. 		
Customers and End Users Financial Materiality ● Own Operations ● Value chain – downstream	Information-related impacts for Consumers and/or End Users Actual Impacts	<table border="0"> <tr> <td style="vertical-align: top;"> Opportunities <ul style="list-style-type: none"> The development of LNG infrastructure for freight transport will enable the use of LNG and bioLNG as lower-emission fuels, leading to the partial decarbonisation of freight transport. Market education is key to the successful connection of biomethane stations and the development of hydrogen. </td> <td style="vertical-align: top;"> Risks <ul style="list-style-type: none"> Unavailability or outages of systems designed to manage customer contact, customer requests and billing. </td> </tr> </table>	Opportunities <ul style="list-style-type: none"> The development of LNG infrastructure for freight transport will enable the use of LNG and bioLNG as lower-emission fuels, leading to the partial decarbonisation of freight transport. Market education is key to the successful connection of biomethane stations and the development of hydrogen. 	Risks <ul style="list-style-type: none"> Unavailability or outages of systems designed to manage customer contact, customer requests and billing.
Opportunities <ul style="list-style-type: none"> The development of LNG infrastructure for freight transport will enable the use of LNG and bioLNG as lower-emission fuels, leading to the partial decarbonisation of freight transport. Market education is key to the successful connection of biomethane stations and the development of hydrogen. 	Risks <ul style="list-style-type: none"> Unavailability or outages of systems designed to manage customer contact, customer requests and billing. 			

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Topic

Subtopic

Description

Customers and End Users

Access to products and services

Positive

Negative

Impact Materiality

● Value chain – downstream

Actual Impacts

- GN operates as a monopoly within the distribution network, maintaining strong business relationships. **Our ultimate goal is the reliable and safe supply of gas.**
- Under regulatory influence, GasNet ensures **gas supplies** at regulated distribution prices and **under equal conditions for al.**

Potential Impacts

- Public concerns about hydrogen development. GN is critical infrastructure, and failure to secure gas supplies could have fatal consequences.

Customers and End Users

Access to products and services

Opportunities

Risks

Financial Materiality

● Own Operations

● Value chain – downstream

- **Customer transition to sustainable energy:** opportunities in the shift away from solid fuels and customer transition to natural gas.

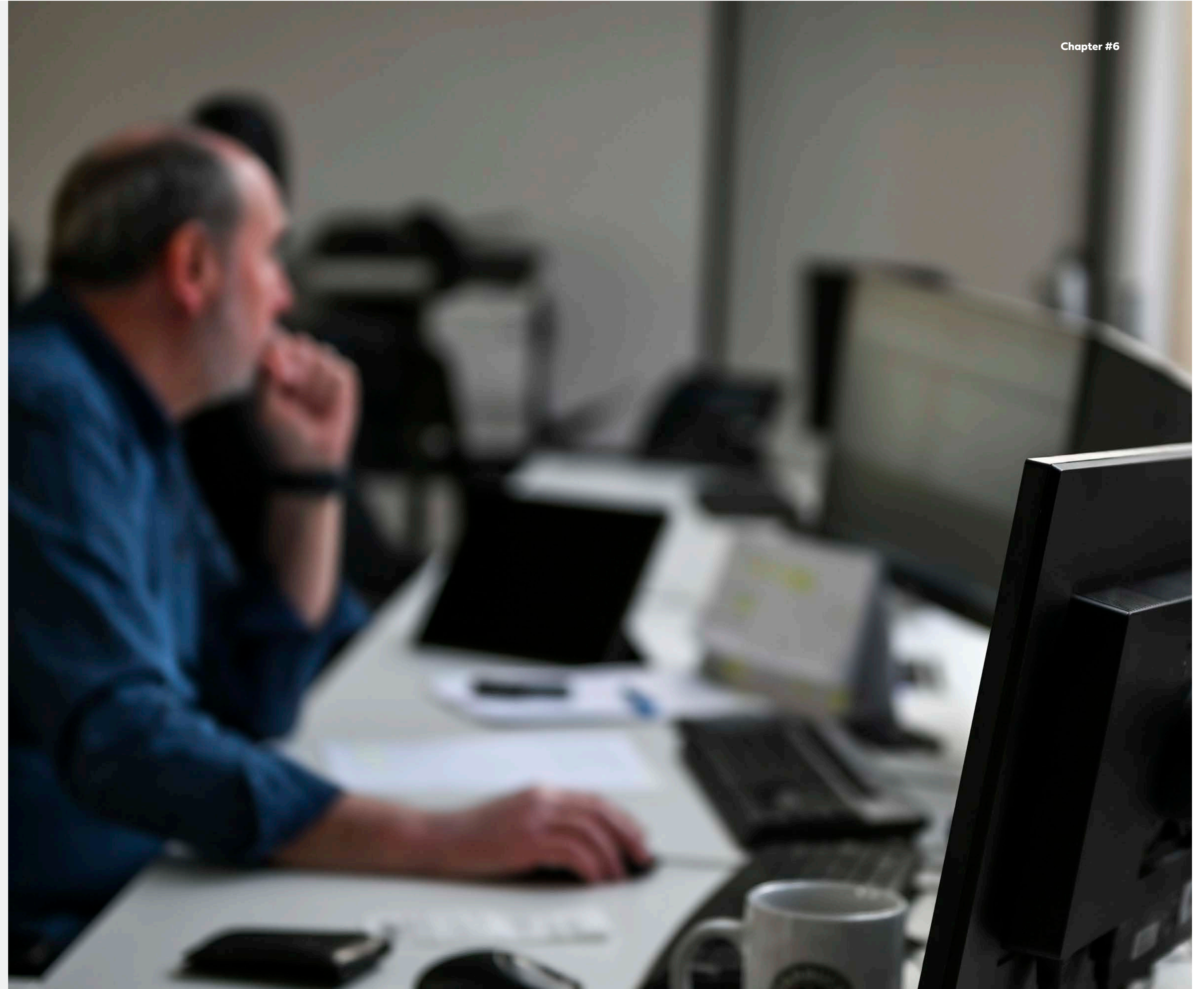
- **There is a risk of disrupting the planned distribution capacity** due to various significant reasons, often market-related, such as the unavailability of key commodities for ensuring gas distribution to end customers.
- **A ban on gas boilers** brings with it a lack of preparedness for the company's business transformation.
- **Market shocks** and their related impacts on price and the stability of market participants.

Policies for Managing Material IROs Related to Affected Customers and End Users

Our Code of Conduct, which everyone can access on our website, ([Code of Conduct | GasNet](#)), governs our relationships with customers. Through our code, we uphold respect for the human rights of customers and end users. The code commits us to fair dealings with all partners and stands against any form of human rights violation. It references international standards, specifically the principles stemming from the UN Charter, which confirms our alignment with global human rights protection initiatives. Our Regulatory, Legal, and Internal Audit departments are responsible for overseeing compliance with the Code.

Our helpline or direct contact with our Compliance Officer can be used to report any incidents or concerns. The relevant contacts can be found on our [website](#). We forward any complaints or concerns for further assessment. Our Compliance department evaluates the reports it receives and, if the content is relevant, coordinates an independent investigation.

We offer our customers suitable and effective solutions, provide high-quality and professional services, and treat them fairly. We seek solutions that best meet their needs and consumer protection requirements in compliance with legal regulations. We publish objective and truthful business information in compliance with legal regulations, and we support transparent conduct towards all parties.



We respect the professional independence of journalists and the media. We use social networks exclusively to support our business and business model. We protect our information and prevent its leakage, damage, or misuse.

It is in our interest to ensure the safety of each affected party, the availability of the energy we distribute, and high-quality information on the safe handling of gas.

Our IROs analysis identified two potentially negative impacts. We are working to mitigate public concerns about the use of hydrogen through open communication with affected consumers and the public. We have a targeted campaign in Hranice u Aše, where we are pilot-testing hydrogen in the network. We are doing this to ensure that we adequately inform affected parties about the safety of our activities during the testing of an alternative medium.

We strategically manage all of GasNet's activities in line with our risk management of gas supply security. This reflects our company's strategic value of Reliability and our commitment to a reliable gas supply. Within the GasNet group, we can distinguish between several different types of **customers**:

End Users of Gas

End customers are individuals or legal entities who consume the gas we distribute for their own use. Gas legislation divides these customers into four categories: large consumers, medium consumers, small consumers, and households. GasNet distributes gas to these consumers and measures their consumption.

When we connect an end customer, we enter into a **Contract for Connection to the Distribution Network**. This contract defines the technical and commercial conditions of the connection itself, for example, the establishment of a gas pipeline connection and the installation of a gas meter. Through the Contract for Connection, we commit to providing the consumer with the requested distribution capacity. Our **Network Operations Department** manages this area, while **our Regional Asset Management Department** manages the largest consumers. We are gradually **digitalising** this area to simplify and speed up the entire application process and related commercial transactions.

We focus on the **safety** of our end consumers, **protecting their privacy, and preventing discrimination** against them. Therefore, on our websites, we publish clear and understandable information about the safe handling of natural gas and potential risks.

Gas Suppliers

Another type of customer is **gas suppliers, or customers who handle gas distribution 'directly' themselves**. For these customers, we provide gas distribution to the consumption points they manage based on a Contract for Providing Distribution System Services and according to the Rules of the Distribution System Operator (DSO). We also provide services related to the metering and invoicing of the amount of gas we distribute, including handling unauthorised gas consumption or unauthorised gas distribution and enforcement of related claims. When we handle requests to connect gas distribution, we proceed in compliance with legislation and while adhering to the rules of equality and fairness towards our customers.

Local Distribution System Operators

We also provide local distribution system operators (**LDS operators**) with gas distribution based on a Contract for Providing Distribution System Services, but only up to the transfer point of the interconnected gas systems. To connect an LDS operator, we enter into a connection contract with them. This contract governs both the conditions of the connection itself as well as the commercial and technical conditions for providing gas distribution, including the metering of the volume and quality of the gas we distribute.

Gas Production Plants

Gas, biomethane, and potentially hydrogen producers are entities that request injection capacity into the distribution system we operate. From a legislative perspective, we consider them producers of low-carbon gases (biomethane, hydrogen), as well as entities that extract natural gas. We connect a production plant based on a connection contract in compliance with legislation and technical rules. The contract governs both the conditions of the connection itself as well as the commercial and technical conditions for providing gas distribution. At the same time, we also enter into a Contract for Providing Distribution System Services with these customers. This contract captures the parameters for the distribution and supply of gas into the distribution system, including related services.

Customers who Purchase Liquefied Natural Gas (LNG)

BioLNG and LNG customers are those to whom we offer our products. We offer liquefied natural gas and

biomethane (LNG and bioLNG) to road freight transport operators. These products help to reduce emissions in this sector compared to other fossil fuels. In this way, we support efforts in the area of decarbonising road freight transport. We are developing LNG infrastructure by building stationary filling stations on important transport corridors. In total, we now operate six filling stations.

Property Owners

Gas pipelines run through the ground, which means we affect every **property and landowner** where our distribution pipeline runs. Most often, these are municipalities, but they can also be individuals and companies. This group consists of **affected parties** who are not our direct customers, but our operational activities affect them.

Our plans for network maintenance, renewal, and construction affect landowners. We lay gas pipelines in land, and they must be secured by an easement. An owner provides consent for us to lay the pipeline on their land, and we register the easement in the land registry. Legislation governs our relationship with landowners, and we monitor possible conflicts or risks that could potentially affect construction. When we intervene on an owner's land during network repair or construction, we have a duty to return the land to its original state and to respect the rights of the owners as much as possible. There is a risk that landowners may refuse us access to their land for the purpose of identifying and repairing network faults. The Energy Act covers this situation, giving us the right to enter the land in case of a necessary intervention, in a similar way to firefighters.

Transparent Engagement with Customers and End Users

Our Gas Distribution Online digital portal is an important communication platform for those who are applying for connection, landowners, and builders. This portal allows customers to submit electronic and automated requests and provides easy and fast communication for connection requests, requests for a statement on a construction plan, or for network marking.

When we process an application for connection or request for an opinion, we always offer customers the opportunity to comment on the level of service we provide and to evaluate its quality and their satisfaction. The feedback we receive shows a high level of customer satisfaction - exceeding 95%. If the customer reports a negative experience, we investigate the case individually in cooperation with the customer. We then use the feedback we receive for the continuous improvement of the services we provide or the technologies and processes we use.

We provide a **customer helpline for gas consumers** and affected parties where they can get information and resolve requests related to natural gas distribution,



including connections, meter readings, gas meter handling, and so on. After we carry out meter readings, we obtain feedback from customers by telephone on GasNet's activities. The feedback we have received so far shows over 95% satisfaction.

We are continuously digitalising our communication with end customers. We focus primarily on electronic communication, which is fast and effective.

When we handle **complaints**, we follow the uniform rules we set out in the PDS rules and the Complaints rules, which are available on our company's website. We focus in particular on adhering to the deadlines prescribed by generally binding legislation and on maintaining an equal approach to all customers.

We communicate with **gas traders and local distribution system operators** through our secure PDS portal Online Service. This allows us to manage offtake points and contractual relationships, (based on the Distribution System Service Agreement).

This is a secure web portal for the mutual exchange of information, related in particular to requests, contractual

information, meter readings, invoicing, and complaints. We provide information through this portal to individual Gas Traders, always in the same structure and under the same conditions for everyone. We actively maintain this portal to ensure it always complies with valid legislation and at the same time meets the needs of its users.

From the perspective of information security and data protection, we regularly test the cybersecurity of both of our portals with the goal of ensuring stable 24/7 operation.

In addition to our operational communication, we send a monthly newsletter where we inform traders and local distribution system operators about legislative changes and important updates that impact our business relationships. In this regard, our priority is timeliness, transparency, and clarity.

We also regularly evaluate customer satisfaction. Every two years, we send customers a questionnaire in which they express their experiences with the quality of the services we provide. We evaluate any comments or suggestions from the questionnaires and use them for the further development of our services. Our goal is to continuously increase the quality of our services and the satisfaction of our business partners.

Thanks to our use of financial security instruments, the vast majority of claims we pursue relate to **unauthorised gas usage**. These claims arise due to us being denied access to metering equipment or following an unauthorised interference with the metering equipment by customers or third parties, or other actions that are in conflict with Act No. 458/2000 Coll. (the Energy Act). We subsequently determine the amount of damage and pursue the claims in accordance with valid legislation, in particular the Energy Act, Decree No. 108/2011 Coll., and the PDS Rules.

To **reduce credit risk**, we apply financial security to customers who have a Distribution System Service Agreement. We use this security to cover outstanding payments if they are overdue, as described in the PDS Rules.

We provide specific care for **biogas and biomethane producers** because their connections require specific technical parameters, particularly due to the gas composition and the connection to the high-pressure network. In this case, we take an individual approach; we provide consulting, and we ensure both administrative and technical support through our specialised departments: Operational Network Management, Asset Management, and our Capacity Sales Department. For biomethane producers, we provide the operation of the odourisation station and an extraction pipeline.

When we operate our **LNG filling stations**, we dedicate our maximum attention and effort to the safety of our customers:

- We establish and apply safety measures for refuelling, and we provide safety training and subsequent certification for drivers.
- The dispensing units are equipped with instructions and a link to video manuals for proper refuelling.
- We check that refuelling procedures are followed correctly and that personal protective equipment is used.

Our LNG stations are connected to a permanent gas dispatch service (**LNG helpline**), which can be contacted via intercom or telephone to report any difficulties during refuelling or to report station malfunctions.

To prevent damage to the distribution network, we run a communication campaign for property owners and construction companies. The target groups for this campaign are the general public and specifically construction companies, project designers, and site managers who are involved in earthworks and excavation. We use a range of communication channels which we specifically adapt for each group. We communicate using leaflets, online banners, workshops, social media, radio spots, and media. We communicate personally with the most frequent network disruptors. An internal working group consisting of representatives from GasNet Services, Asset Management, and PR coordinates communication, the digitalisation of network marking, and the issuing of statements. The group also consults on legislative changes to the Building Act. For specific groups of property owners, builders, and end customers, we use a targeted campaign. Every time we respond to a request, we attach documents that describe possible risks and how to manage them for specific types of construction, repairs, or conduct in the vicinity of gas infrastructure.

We apply a **strict approach to compliance for all our customer groups** and affected parties, which is governed by the **Energy Act** and other relevant regulations. We have established clear procedures which ensure transparency, fairness, and safety in every contact with customers. We regularly evaluate the effectiveness of our communication strategies and processes through analyses of questionnaire results, telephone interviews, and regular feedback collection. The information we receive serves as key input for the further development of our service quality and the overall optimisation of customer relationships.

Measures Relating to Material IROs – Customers and End Users

Our main activity is maintaining contractual relationships and ensuring the safe and reliable distribution of gas. We continuously monitor and evaluate our performance in this area.

We provide more information on the safety of our distribution network, including our activities and goals, in the **We Embody Health and Safety Standards** chapter.

Connecting biomethane production plants is an activity that is related to climate change adaptation. Similarly, within our value chain, we support decarbonisation through the distribution of BioLNG and LNG. You can find more information in the **We Believe in Environmental Sustainability and the Future of Gas** chapter.



A photograph of two construction workers in high-visibility safety gear (yellow-green jackets and blue hard hats) standing on a concrete ledge. They are looking at a set of blueprints held by the worker on the left. The worker on the right is holding a blue handheld device. In the background, there is a large industrial building with a curved roof and a tall brick chimney under a clear blue sky.

**We Embody Health
and Safety Standards**

We Embody Health and Safety Standards

Safety is an absolute priority for GasNet. That is why we create safe conditions for everyone: our employees, colleagues, suppliers, customers, and the communities in which we operate. We aim to remain among the top performers in the safety field within our industry.

In this chapter, we offer a comprehensive overview of our approach to safety management. This approach is an integral part of our business strategy and aligns with ESG principles. We understand that ensuring safe operations and a secure work environment is not just our ethical obligation, but also a necessary prerequisite for long-term sustainability and building trust with all stakeholders.

For this reason, in the sections of this chapter which follow, we focus on the **material impacts, risks, and opportunities** in the area of safety and their interrelationship with our strategy and business model. We will present in detail the **policies and management systems** we have implemented to ensure the safety of our own employees, as well as other stakeholders in our value chain, which guarantee the safe operation and reliability of our network.

Next, we will describe the **measures** we implement to effectively manage the impacts and risks we have identified. This chapter also presents **indicators for evaluating performance** in the area of safety. These allow us to monitor our effectiveness and continuously improve. At the end of the chapter, we define our **targets for managing the area of safety**, which reflect our lasting commitment to continuously raising safety standards.

Material IROs Related to Safety

Knowing the **material impacts, risks, and opportunities** in the area of safety that are relevant to GasNet and other stakeholders is essential for the effective management of the safety aspects of our business and for ensuring the long-term sustainability and resilience of our company.



Martin, Gas Equipment Inspector

SF 1

Health and Safety of our Own Employees

Topic	Subtopic	Description
Health and Safety of our own employees Impact Materiality ● Own Operations	Health and Safety	Positive <ul style="list-style-type: none"> Health protection and occupational safety compliance are strategic values for GN, to which specific goals and performance evaluations are linked. Above-standard care for employee health. GN has measures in place to prevent safety risks from arising, conducts safety analyses, and has a process in place for assessing occupational health and safety risks. Through the safety management system, employee involvement, and digitalisation, hazardous activities are eliminated, reducing the occurrence of safety risks.
		Negative <ul style="list-style-type: none"> Risk of occupational accidents and damage to employees' health related to the performance of their duties and as a result of extraordinary events.
Potential Impacts		<ul style="list-style-type: none"> Accidents with potentially fatal consequences.
Health and Safety of our own employees Financial Materiality ● Own Operations ● Value chain – downstream	Health and Safety	Opportunities <ul style="list-style-type: none"> The opportunity to use digitalisation and AI to eliminate hazardous activities and reduce safety risks for employees. Involvement and greater engagement in industry organisations and committees in the field of occupational health and safety at the international level brings about the development of business and political partnerships and enables cooperation with universities on research, education, and the recruitment of qualified graduates.
		Risks <ul style="list-style-type: none"> Risk of not achieving the expected level of occupational safety culture.

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SF 2

Worker Safety within our Value Chain

Topic	Subtopic	Description
Worker safety within our value chain Impact Materiality ● Own Operations ● Value chain – downstream	Safety	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Actual Impacts</p> <ul style="list-style-type: none"> ○ GN has established OHS criteria that are part of the prequalification of contractual relationships with suppliers. ○ GN sets safety conditions and regularly checks compliance with safety requirements at suppliers. ○ Transfer of safety culture and assessment of the maturity of the safety system at suppliers. ○ GN actively develops cooperation with firefighters, which helps to increase safety during interventions. ○ Training of site managers and project managers of our construction contractors to ensure compliance with safety standards. </div> <div style="width: 30%;"> <p>Positive</p> </div> <div style="width: 30%;"> <p>Negative</p> <ul style="list-style-type: none"> ○ Increased risk of occupational accidents at our sites for contractor employees. </div> </div>
		<p>Potential Impacts</p> <ul style="list-style-type: none"> ○ Accidents with potentially fatal consequences.
Worker safety within our value chain Financial Materiality ● Own Operations ● Value chain – downstream	Safety	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"></div> <div style="width: 30%;"> <p>Opportunities</p> <ul style="list-style-type: none"> ○ Inspiration from suppliers in the field of innovative elements and technologies bringing opportunities for OHS development at GN. ○ Greater cooperation with the Fire and Rescue Service to increase mutual work safety during emergencies. </div> <div style="width: 30%;"> <p>Risks</p> <ul style="list-style-type: none"> ○ Risk of not achieving the expected level of occupational safety culture at supplier level. </div> </div>

SF 3 Process Safety and Network Reliability

Topic	Subtopic	Description	
Process safety and network reliability Impact Materiality <ul style="list-style-type: none"> ● Own Operations ● Value chain – upstream ● Value chain – downstream 	Customer and public safety	Positive <ul style="list-style-type: none"> ○ GN makes every effort to prevent safety incidents and emergencies. These activities include, for example, timely and predictive inspections, maintenance, and renewal of the distribution network. ○ A precision system for eliminating accidents and leaks has been established to eliminate safety risks and related impacts. 	Negative <ul style="list-style-type: none"> ○ Disruption of other networks (infrastructure) during construction – water supply, electricity, sewerage.
		Potential Impacts <ul style="list-style-type: none"> ○ VDue to faults and other events on the network, unplanned gas distribution outages occur, which are intended to ensure network safety. ○ Accidents with potentially fatal consequences. ○ Failure to comply with safety standards may result in a threat to the safety of individuals, third parties, and the public in connection with emergency incidents and extraordinary events. 	
Process safety and network reliability Financial Materiality <ul style="list-style-type: none"> ● Own Operations ● Value chain – upstream ● Value chain – downstream 	Customer and public safety	Opportunities <ul style="list-style-type: none"> ○ Thanks to the pilot project "Hydrogen Polygon," GN will update safety standards related to the use and distribution of hydrogen. 	Risks <ul style="list-style-type: none"> ○ Risk to public safety due to a) network disruption by a third party, b) failure of employees to comply with safety rules, c) targeted attacks and vandalism, d) unauthorised use and tampering with equipment.

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Topic

Subtopic

Description

Process safety and network reliability

Prevention and management of critical events

Positive

Impact Materiality

Actual Impacts

○ GN has established communication channels for managing critical events.

● Value chain – downstream

Process safety and network reliability

Physical security

Risks

Financial Materiality

○ Risks to the physical security of our distribution system.

● Own Operations



Our Approach to Safety

We present the key policies and management systems that the GasNet Group has implemented to effectively manage the material impacts and risks identified in the area of safety. Our comprehensive approach includes the protection of our own employees, as well as ensuring the safety of workers in our value chain and the operational safety and reliability of our gas network. Here, we present the structured frameworks and mechanisms that allow us to proactively identify, evaluate, and minimise potential risks and continuously increase the level of safety in all of our activities.

Level	Document
Policy	Health and Safety Policy
Guidelines	<ul style="list-style-type: none"> Principles of occupational health and safety organization in the company Fire protection Occupational health services Identification and assessment of risks and opportunities Management from the perspective of impact on WHS System of inspections of construction and repairs of gas equipment System of safe operation of technical equipment Minimum dimensional requirements for excavation pits Excavation wall protection PPE equipment on construction sites Construction site security Escape routes High-Risk Work Inspections
Certification and other documents	ISO 45 001 Occupational health and safety management system*

* Management systems that are harmonised or in the process of being harmonised. These are not certified systems.

Safety Management System for Our Own Employees

The safety of our employees is a core value for us and one of the main pillars on which we build the strategic functioning of the entire company. Our safety management policy is based on the established Safety Management System (SMS), which complies with the international ISO 45001 standard, legislative requirements, and professional industry organisations such as the Czech Gas Association.

This system covers all of our employees' activities and is designed to minimise the risks of work-related injuries and occupational illnesses. The system sets out standard procedures for identifying workplace hazards, risk evaluation, and the implementation of control mechanisms.

Our **Safety Steering Committee** bears ultimate responsibility for our safety policy. Its members include representatives from management, regular employees, and trade union organisations. The committee meets regularly (quarterly) to discuss strategies, key activities, and projects, to evaluate feedback, and to set future direction. For our internal audit, we have trained, independent, and competent auditors in the company who help us systematically evaluate the effectiveness of the procedures and processes we have established.

We set up our Safety Management System so that feedback from key stakeholders across the organisation and effective "top-down" communication led to the fulfilment of our **strategic goal – to cultivate a high-quality safety culture** throughout the entire GasNet Group. We link financial rewards at all levels to company-wide safety goals, which strengthens employee involvement. We regularly communicate safety topics at meetings, through surveys, and in articles on the intranet, and we systematically integrate feedback into our approach so that we can continuously improve our safety processes and respond effectively to current risks.

Safety Measures for Our Own Employees

Individual measures and initiatives for protecting the health and safety of our employees ensure the continuous improvement of our safety management system. Here, we present an overview of the key measures we have implemented with the goal of minimising occupational risks and ensuring the protection of our employees. We regularly monitor each measure, and we transparently publish the results in internal reports and communicate them to our employees.

Risk Identification and Assessment

Within our safety management system, we have implemented standardised processes for identifying workplace hazards, evaluating risks, and deploying a wide range of control measures. These processes allow us to work systematically on continuously improving our level of safety.

Employees have access to our **Central Risk Register**, which we regularly review and update. We actively involve managers in the process of addressing the risks we identify, thereby ensuring the effective management of risks directly at each individual workplace.

In 2024, we launched a key internal development programme named the **Team Safety Project**. Its goal is to create a culture where occupational safety is not just an obligation but a natural part of the daily behaviour of

all employees. The main pillars of the project include:

- Building teams that actively care for each other
- Prevention as a daily habit
- Developing leadership in the area of safety
- Systematically involving employees in improving the work environment
- Actively sharing experiences and communicating both within and outside the organisation

The project covers all operational and administrative teams across the group. Each team has a defined safety representative who serves as a communication bridge between management and employees. The project also involves setting internal safety indicators and providing motivation for their improvement.

The Team Safety Project is a long-term initiative with a phased development. For the years 2024–2025, we are focusing on stabilising our approach and our tools. In 2026, we plan to expand the project to include automated evaluation and integration with other areas of human resources development. Our short-term goal is to achieve the active involvement of 50% of our teams in 2025 and to increase the rate of proactive reporting of risky situations.

We support a culture of open communication in the area of safety – employees can easily report risks through the **GasNet Bezpečně** application, which also allows them to monitor the progress of resolving any suggestions they have submitted. Thanks to these measures, we are able to identify and eliminate potential risks in a timely manner while also preventing the recurrence of undesirable events.

In 2024, we centralised our repository for all incidents and non-conformities. The system allows for easy tracking, management, and evaluation of all reported incidents and non-conformities. We designed the solution with a high level of security in mind to ensure the protection of sensitive data. The system also has data backup and recovery features to ensure business continuity.

As a result of climate change, we are seeing an increased risk of heat stress (overheating of the body) and excessive solar radiation, which can lead to skin and eye problems. To prevent these issues, we are improving our organisation of hydration, using shading elements, and providing personal protective equipment. We also plan further technical and organisational measures.

Internal Audits

We launched an internal OHS audit project that evaluates the effectiveness of our SMS and identifies weaknesses and opportunities for improvement. We selected employee volunteers from across the company for the role of internal auditors, and we trained them in accordance with ISO 45001.

Our **safety walks** system, led by the management board and B-1 level managers, helps improve the safety culture and allows for the immediate resolution of identified deficiencies. During these walks, leaders and regular employees align on safety requirements, mutual expectations, clarify questions, and identify needs.

To consistently maintain safety awareness among all employees, since 2023 we have implemented the

principle of starting internal team meetings with what we call an OHS impulse. Colleagues have the opportunity to begin the meeting with a safety contribution, highlighting current workplace risks or risks that extend into everyday non-work life.

Training

We regularly organise training through e-learning courses and in-person sessions. These training programmes focus on current legislative requirements, technical rules, first aid, and road safety.

Operational employees undertake specific annual training in order to comply with legislative requirements for OHS and technical rules for gas (TPG). We train operational employees in person while other employees are trained via e-learning every two years.

We monitor attendance at training sessions, and we use internal tests to evaluate the quality of the knowledge acquired.

In 2024, GasNet continued investing in quality training programmes focused on occupational health and safety. These programmes are important to ensure that employees can effectively adapt to dynamically changing work conditions while also enhancing their performance and safety awareness.

We intend to continue these programmes into 2025, with the aim of further deepening employees' professional competencies and building a strong safety culture across our entire organisation.

Road Safety

Because every gas worker is also a driver, we pay special attention to road safety training with the goal of reducing road accident rates. Our **'Bezpečně za volantem' (Safe Behind the Wheel)** programme includes defensive driving courses, regular training sessions, and subsequent evaluation of traffic statistics. The programme is designed **for all employees** who drive company vehicles. It runs continuously, always with regular course updates.

In 2024, GasNet focused on improving road safety through various initiatives and programmes. One of our main indicators of success in occupational safety was achieving our road accident rate target. With over 20 million kilometres driven annually, we recorded 44 at-fault road accidents, which, when calculated per 100,000 kilometres driven, represented an accident rate of 0.22. This is below our set target of 0.40. Defensive driving training, evaluation of the causes of accidents and subsequent corrective measures, continuous education, feedback, and communication contributed to achieving this goal. We also learn lessons from extraordinary events that have already occurred, which we conscientiously and thoroughly investigate.

Promoting Health

Employee health care forms an integral part of our occupational safety system. We strive to ensure that every employee leaves work as healthy as when they arrived. For this reason, we focus on prevention, reducing illness, and supporting the physical and mental well-being of all our employees – especially those in the field and ready response service roles.

We undertake a variety of activities, including medical check-ups at shorter intervals than required by law, and regular **Health Days**. During these days, employees can undergo various examinations and consultations with specialists, such as physiotherapists or opticians. We also organise first aid courses, where participants receive practical experience with resuscitation, wound care, and other vital skills. Educational webinars focusing on healthy eating, boosting immunity, and overall body care are also available.

We also place great emphasis on mental well-being. We regularly prepare educational activities and publish articles and materials focused on stress management. For colleagues in ready response services, we organise psychological preparedness courses for crisis situations. In addition, every employee has continuous access to a psychosocial support and crisis intervention helpline which is available for them to use whenever they need it.

Prevention and education in health positively impact employee absenteeism, which was only 2.4% in 2024, consistent with the 2023 figure. GasNet emphasises a modern approach to health and prevention, which is why we are digitalising key topics in this area. We are creating a database of educational videos on our internal GasNet television. These are available for our colleagues to return to at any time. This content is easily accessible to all employees via our intranet. We conducted an internal health-focused survey, and its outputs help us better respond to employee needs.

Health and Safety Indicators – Own Employees

GasNet implements a comprehensive occupational safety management system that applies to all our employees, including workers from supplier companies. A key component of this system involves monitoring and evaluating safety indicators to minimise the risks of work-related injuries and create a safe working environment.

One of the main indicators is **Lost Time Injury Frequency (LTIF)**. This expresses the number of work-related injuries resulting in lost work capacity (known as Lost Time Injuries – LTI) for each million hours worked. An LTI is a work-related injury that results in an employee's inability to work.

Health and Safety – Own Employees					
	2020	2021	2022	2023	2024
% of employees covered by SMS	–	–	100%	100%	100%
Lost Time Injury Frequency (LTIF)	1.90	0.77	1.08	0.82	1.11
Lost Time Injuries (LTI)	7	3	4	3	4
Fatal occupational accidents	0	0	0	0	0
Total recordable injury frequency rate (TRIFR)	–	–	2.43	2.04	2.49
Total recordable injuries (TRI)	–	–	9	7	9
Near misses	–	73	61	41	133
Number of road accidents per 100,000 km	0.66	0.48	0.44	0.29	0.22
Number of occupational diseases	–	–	0	0	0
Days missed due to work-related accidents	–	–	79	160	321

Evaluation of Safety Indicators for 2024

In 2024, we continued to maintain a high standard in occupational safety. Our Occupational Health and Safety Management System (SMS) has covered 100% of employees for the third consecutive year, demonstrating our long-term commitment to a systematic approach to risk management.

Our **Lost Time Injury Frequency (LTIF)** reached a value of **1.11**, which represents a slight year-on-year increase compared to 2023 (0.82). The total number of Lost Time Injuries (LTI) remains low at **4 cases**, consistent with previous years' figures. The main causes of injuries were falls or slips.

Our **Total Recordable Injury Frequency Rate (TRIFR)** increased slightly to 2.49, corresponding to a rise in the number of recordable injuries (TRI) to **9 cases**. Increased transparency and more consistent recording of minor incidents, which may have previously gone unrecorded, offset this increase.

We saw a significant positive development in **near misses**, with **133** reported in 2024 – more than triple the previous year's figure (41). We view this increase as a positive sign of the openness of our employees and their active involvement in prevention.

The **decline in traffic accidents** continued, with the number of accidents per 100,000 km falling to **0.22**, our best result in five years. This confirms that our measures in the area of company vehicle management and compliance with traffic regulations have been effective.

During 2024, we also did not record any **occupational disease**. This demonstrates the quality of our work environment and our emphasis on both ergonomics and prevention.

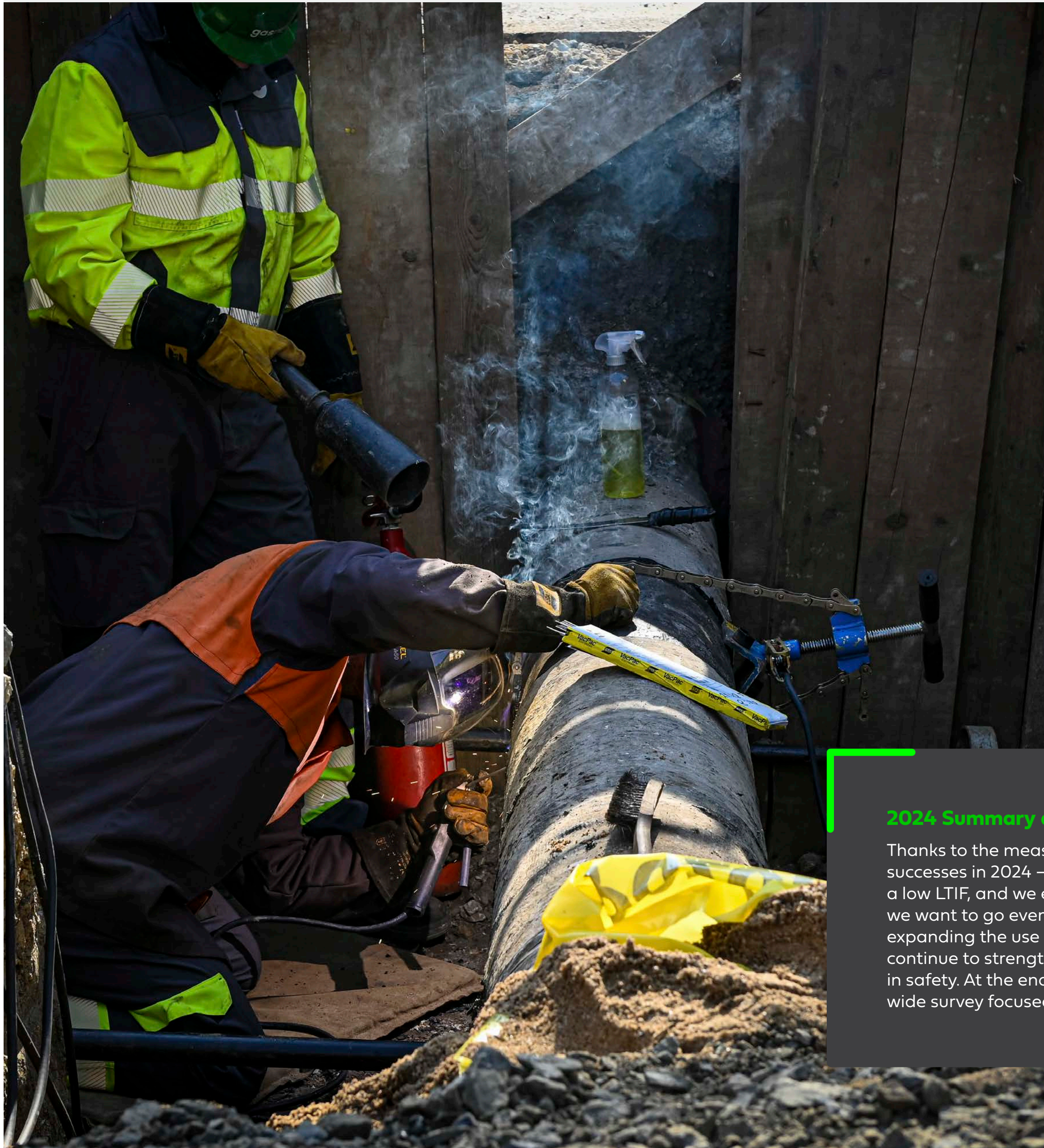
Another important OHS indicator is the **Total Recordable Injury Frequency Rate (TRIFR)**. This indicates the number of recordable injuries per 100 full-time employees. This category includes all work-related injuries that resulted in lost work capacity, required medical treatment beyond first aid, or resulted in serious health consequences, such as cancer, chronic illness, fractures, or ruptured eardrums.

We also pay close attention to what we call '**near miss incidents**'. These are situations that could have led to an injury, but where ultimately no harm occurred. Their systematic reporting and analysis allow us to take preventive measures, thereby preventing actual injuries.

Reducing road accident rates is also one of our strategic safety goals. This indicator tracks the number of at-fault road accidents per 100,000 kilometres driven during business trips. It represents an important element within our broader approach to protecting the health and safety of both employees and the public.

2024 Summary and Outlook

Thanks to the measures we adopted, we achieved significant successes in 2024 – we had no fatal accidents, we maintained a low LTIF, and we effectively eliminated identified risks. In 2025, we want to go even further: tightening safety standards and expanding the use of digital tools in incident investigation. We will continue to strengthen employee awareness and involvement in safety. At the end of the year, we plan to conduct a company-wide survey focused on the level of safety culture.



Safety Management System for Value Chain Workers

The safety of our contract partners is as important to us as our own safety. We make no distinction between a work-related injury to our own employee and one to a contract partner's employee. We are working towards a unified and comprehensive approach that ensures safety across our entire company.

Our Safety Management System applies not only to our own employees but also to **100% of external workers** who participate in the refurbishment and reconstruction of our gas facilities. These direct contractors hold authorisations for work on gas facilities across a variety of activities. These include work on local networks, medium-pressure networks, high-pressure systems, and work with shut-off devices for high-pressure pipelines. Each of these activities requires authorisation and certification according to TPG regulations.

To evaluate our partners' injury rates, we monitor our suppliers' LTIF value. We consistently support transparent reporting of all injuries, including even minor ones. Improving the safety culture among our suppliers is a significant priority for us.

Contractual Partners Prequalification System

As part of specific measures, we have introduced a prequalification system that sets requirements for contractual partners in terms of their expertise, technical resources, and their experience with specific technologies. The prequalification requirements also include ISO 14001 and 45001 certifications. We regularly work with GAS and ČSSP companies to assess the preparedness of our contract partners using TPG audits (based on TPG 923 01). Experienced members of the GasNet audit team participate in these checks.

As our volume of investment in construction significantly increases and we use new technologies and procedures more intensively, we are continuously adjusting our prequalification conditions. We are also working to expand our portfolio of partners for gas infrastructure construction. In this regard, we are also working on revising the general certification regulation according to TPG 923 01. However, a completely essential precondition for working with us remains our construction partners' commitment to a high safety culture.

Training and Development of Contractual Partners

We have a contractor training system in place that sets requirements for their professional and technical training. We primarily target training at positions such as construction managers, project managers, and other specialists responsible for the maintenance and reconstruction of gas facilities.

We prepare training sessions that provide participants with up-to-date information on legislative and internal changes and verify best practices in the maintenance and reconstruction of gas facilities. We also include workshops where, through **Lessons Learned**, we share experiences from previous projects, present past incidents and non-conformities, and discuss corrective measures we adopted. We organise training mainly in the first quarter of the year to ensure that suppliers are prepared for the upcoming construction season.

The increase in investment construction projects and the introduction of new technologies mean we are updating the content of our training and workshops to improve their effectiveness. These measures are an integral part of our strategy to enhance overall safety and also contribute to achieving our ESG goals.

Health and Safety Indicators – Value Chain Workers

In the first quarter of 2024, we organised a total of 12 periodic one-day training sessions and 2 two-day introductory training sessions for project managers involved in high-risk work. **351 external** and 245 internal workers completed these training sessions. We also organised eight training sessions for construction managers, which **300 workers** attended.

We have long monitored the LTIF value for suppliers, which in 2024 covered all 756 workers from our contractors. One Lost Time Injury meant that the LTIF value for suppliers was 0.66.

The methodology for calculating indicators is identical to that of our own employees.

Contractors are not obliged to report the number of occupational diseases to us.

Health and Safety – Construction Workers					
	2020	2021	2022	2023	2024
% of workers in the value chain covered by SMS	–	–	100%	100%	100%
Lost Time Injury Frequency (LTIF)	0.60	0.00	0.64	0	0.66
Lost Time Injuries (LTI)	1	0	1	0	1
Fatal work accidents	1	0	0	0	0
Total recordable injury frequency rate (TRIFR)	–	–	0.64	0	0.65
Total recordable injuries	–	–	1	0	1
Number of occupational diseases	–	–	–	–	–
Days missed due to work-related injuries	–	–	12	0	9



Process Safety and Network Reliability

Our process safety system focuses on establishing processes, control mechanisms, and protective elements that prevent hazardous situations that could in turn lead to serious accidents. Typically, this involves managing high-impact, low-probability risks such as fires, explosions, or leaks of dangerous substances. These events originate from the inherent nature of technological processes, and their safety management requires a comprehensive approach and in-depth technical knowledge.

Within this system, we apply the concept of **'safety by design'**. This means we eliminate key risks through technical and process measures right from the project design phase.

Our Process Safety team, which is part of our Asset Management division, is responsible for operational safety. The team is responsible for managing key safety areas and continuously monitoring and evaluating safety measures across our entire company.

The defined areas are:

- Management
- Incident management
- Change management
- Employee competence
- Non-conformity management
- Operations
- Emergency preparedness
- Distribution network reliability
- Monitoring and auditing system

We are continuously refining our understanding of key process safety indicators so we can effectively manage preventative and corrective measures. Our long-term goal is to minimise unplanned customer outages caused by malfunctions or our own activities on gas facilities.

Process Safety and Network Reliability Measures

Our measures are both technical and organisational, designed to ensure continuous protection of our facilities and systems. It is important to focus on correctly configuring the renewal of our distribution system to **reduce the risk profile of our network as a whole**. At the same time, we are continuously improving our incident response process, such as emergency callouts, where we evaluate various indicators (e.g., number, type, or response time).

We monitor performance in key areas so we can promptly identify any shortcomings and implement a higher level of protection. These areas are:

- Control system for hazardous activities
- Bow-tie analyses of the company's main safety risks
- Gas system safety features
- Management of activities involving interventions in the gas system
- Evaluation of the gas system's technical condition
- Emergency response service
- Operation of LNG refuelling stations
- New technologies (expanders, compressors, etc.)
- H₂ projects

We collect data that alerts us to deviations from the desired state. Process safety's task is to analyse these deviations and determine appropriate corrective

measures to prevent any incidents. We continuously innovate our processes, thereby reducing the overall risk profile of the GasNet group.

Incident Analysis

If an incident occurs, our investigation method depends on our assessment of the incident's risk level. We always investigate high-risk incidents (e.g., fatal work-related accidents, serious injuries requiring hospitalisation for more than 5 days, explosions, fires, etc.) using the Root Cause Analysis (**RCA**) method. Using this method, we always analyse not only direct causes but also emphasise **identifying systemic and root causes**.

Emergency Response Service

The dispatchers at our central distribution dispatch centre receive and evaluate thousands of calls annually on our 1239 fault and emergency line. If necessary, the dispatcher sends a rapid response service worker to the site of the breakdown, or in specific cases, calls the Fire and Rescue Service (HZS). We always record a higher number of calls and emergency callouts during odourisation periods. We train emergency service employees on incident procedures, accident resolution, valid legislation, cooperation with the Fire and Rescue Service, and other areas.

Operational Safety of LNG Stations

Our Process Safety team works closely with project groups to enhance the safety of our LNG refuelling stations. Our goal is to strengthen the overall safety of these stations, especially protecting against overpressure, overfilling, and leaks. Through defined key performance indicators, process safety monitors and evaluates the overall operation of LNG stations. Safety evaluations apply to both newly built and existing stations, where we assess and minimise potential risks using methods such as **HAZOP** (Hazard and Operability Study) and **Bow-tie**.

Odourisation

We carry out shock odourisation regularly at **the beginning of the heating season**. An increased dose of odorant alerts us to even minor leaks, and the entire operation leads to increased supply safety every year.

Preventing Gas Equipment Failures and Shutdowns

We strive to minimise unplanned customer outages caused by malfunctions, third-party interference, or our own activities on the gas network. Long-term, we endeavour to prevent incidents caused by damage to our network by communicating with construction companies and the general public through campaigns that highlight the obligation to mark gas facilities on site.

Control System for Hazardous Activities

Our internal control system includes checks of **high-risk** work and **site safety inspections**. These checks

significantly contribute to increasing the safety and reliability of our distribution network. We distinguish two levels of checks: **Level 1 checks** are carried out by operational staff; **Level 2 checks** are performed by independent specialist personnel, such as a WHS specialist or welding technologist.

As well as monitoring our own investment projects, we also monitor gas infrastructure projects carried out by third parties. The results of all inspections are assessed by our **Construction/PZN Inspection Commission**, which determines the criticality and method of resolving non-conformities. The committee then also approves corrective measures. Thanks to regular employee education, we are able to identify and address the most common non-conformities on site and during high-risk work. In 2024, we introduced a process for evaluating high-risk work inspections, which is an important tool for continuously improving them. We also plan to introduce a similar tool for construction inspections in 2025.

New Technologies and H₂ Projects

Our main projects in this area in 2024 were hydrogen and methane blending in the municipality of Hranice u Aše, our Pardubice Polygon, and Micro-expanders.

The goal of our **H₂ project in Hranice u Aše** is to gradually blend initially 10% and then up to 20% hydrogen into natural gas in a part of our distribution system (approximately 300 consumption points).

The first phase of our **Pardubice polygon** project aims to train workers who manage or participate in high-risk work. Training stations will be created for

practicing shut-off technologies or demonstrations of combustion or the pressure force of STL gas pipelines. In the second phase, it will also be possible to simulate and test individual properties of hydrogen-natural gas mixtures.

Micro-expanders are designed to replace certain components in our distribution system's regulation stations. Unlike standard regulators, these devices can generate electricity while reducing pressure, which we can then use to power the respective regulation station. In 2024, the Process Safety department's main goal was to create and evaluate a risk analysis of individual components and equipment. They also assessed technical documentation and requirements for functional safety. We participated in Factory Acceptance Tests (**FAT**) and Site Acceptance Tests (**SAT**).

All preparations and testing proceeded smoothly, and we anticipate launching all projects in 2025.

Process Safety Indicators

Outages due to gas facility failure or a GasNet employee's actions:

These outages are an indicator of the reliability of managed equipment and the work of our employees. Our aim is to eliminate or at least minimise these events. These are unplanned outages of gas facilities and customers, caused by our operational activities during:

- Operation of gas facilities (e.g., regulator line failure, regulation station failure, freezing of a regulation station at low temperatures, etc.),
- Work procedures (planned activity where, for various reasons, end customers are disconnected)

Damage to gas facilities by third parties:

These are **unplanned outages** for our end customers

which are caused by third parties during excavation work, pipe jacking, car accidents, or operations involving other technical infrastructure networks.

Thanks to continuous improvement and the implementation of good practices, the number of unplanned customer outages due to gas facility operation and work activities on gas facilities dropped to just 50 customers. This is **a significantly lower number than in previous years.**

Thanks to continuous improvement and the implementation of good practices, the number of unplanned customer outages due to gas facility operation and work activities on gas facilities dropped to just 50 customers. This is **a significantly lower number than in previous years.**

Outages due to gas facility failure or a GasNet employee's actions

	2020	2021	2022	2023	2024
Number of unplanned outages	11	5	2	6	1
Number of unplanned customer outages	3280	1238	662	1973	50

Damage to gas facilities by third parties

	2020	2021	2022	2023	2024
Total number of breaches	537	585	502	444	513
Number of unplanned customer disconnections	7 192	7 532	4 003	2 335	12 640



In 2024, the higher number of disconnected end users was influenced by the September floods in northern Moravia, which caused 7,628 customer outages. Thanks to excellent preparation and subsequent response involving both internal and external workers, we managed to **reconnect 99.93% of customers within three months**. No work-related injuries to employees or suppliers were recorded during these efforts.

In 2024, there was an increase in the number of non-conformities, both in construction inspections and high-risk work inspections. This increase is only within the scope of lower-risk non-conformities and can be partly explained by the improved quality of the inspections carried out. Throughout the year, we responded to this increase with measures such as newsletters and 'lessons learned' materials. None of the construction or high-risk work suppliers show any serious systemic deficiencies.

High-Risk Work Inspections					
Year	Month	Number of nonconformities identified	Number of sanctioned nonconformities	Number of Sanctions	Number of Inspections
2024	January	0	0	0	1
2024	February	0	0	0	2
2024	March	0	0	0	8
2024	April	3	3	2	32
2024	May	0	0	0	27
2024	June	3	3	3	37
2024	July	6	6	4	24
2024	August	20	17	0	39
2024	September	10	10	3	37
2024	October	0	0	0	30
2024	November	1	1	0	22
2024	December	0	0	0	3

Health and safety – End users and communities							
End User Safety	2022	2023	2024	Community Safety	2022	2023	2024
Fatal accidents	0	0	0	Fatal accidents	0	0	0
Recorded injuries (TRI)	0	0	0	Recorded injuries (TRI)	0	0	0

High-Risk Work Inspections					
Year	Month	Number of nonconformities identified	Number of sanctioned nonconformities	Number of Sanctions	Number of Inspections
2024	January	1	0	0	87
2024	February	0	0	0	204
2024	March	3	2	0	631
2024	April	14	6	1	1199
2024	May	21	9	6	1220
2024	June	36	15	7	1174
2024	July	53	32	20	1266
2024	August	45	20	7	1107
2024	September	22	8	1	904
2024	October	7	6	4	849
2024	November	2	1	1	521
2024	December	1	1	0	113

Safety Objectives

Strategic occupational health and safety objectives for 2025

GasNet's Occupational Health and Safety (OHS) management system relies on clearly defined strategic objectives. These align with our responsible business policy and our emphasis on risk prevention. These objectives apply to **all company employees** and also to **workers from supplier companies** and are set for the 2025 period.

Relationship to long-term policy

Our strategic OHS goals directly support GasNet's long-term health protection, occupational safety, and risk prevention policy. They are built upon five key pillars:

- Behaviour and Leadership** – Promoting safety leadership and personal responsibility,
- Supplier Management** – Consistent involvement of external partners in our safety standards,
- Health Protection** – Promoting the physical and mental health of employees,
- Road Safety** – Preventing traffic accidents during business trips,
- Processes and Procedures** – Implementing and adhering to clear and effective rules.

Measurable Objectives and their nature

The following measurable targets have been approved by our company's management for 2025:

Indicator	Objective (2025)	Baseline value	Base Year	2023
LTIF – employees	≤ 1.40	1.40	2024	444
Fatal workplace accidents – employees and contractors	0	0	2024	2 335
Non-absentee work accidents and minor injuries	A further 10% reduction vs 2022	12	2022	2 335
Number of traffic accidents caused per 100,000 km	≤ 0.35	≤ 0.40	2024	2 335
Number of reported incidents and near misses	A further 10% increase vs 2022	271	2022	2 335
Injuries to users and the public	0	0	2024	2 335

Scope of Objectives

The targets we have set apply to:

- All GasNet employees,
- Contractors (especially in construction),
- Indirectly also to users of our services and the general public in the context of the safety implications of our company's activities.

Timeframes, Milestones and Interim Objectives

All objectives are set for calendar 2025. We continuously monitor and visualise the results and fulfilment of key indicators on our intranet portal, where they are accessible to all employees. We also incorporate these objectives into our bonus remuneration system, both for selected managerial staff and as part of a company-wide system for other employees. In this way, we motivate everyone to actively participate in improving safety.

Methodology and Assumptions

We use standard methodologies based on international frameworks to set our goals.

- **LTIF (Lost Time Injury Frequency)** expresses the number of injuries resulting in lost working time per million hours worked.
- **TRIFR (Total Recordable Injury Frequency Rate)** includes a broader spectrum of recordable injuries.
- **The Traffic Accident Rate** is expressed as the number of at-fault road accidents per 100,000 kilometres driven for business.

We set objectives based on historical data, trend analyses, and our ambition for improvement. Where scientific evidence is available (e.g., in ergonomics, chronic disease prevention, or transport safety), we set objectives based on these findings.

Stakeholder Engagement

Key internal teams, management representatives, and safety specialists participate in the objective-setting process. We also consider outputs from dialogue with suppliers, audits, and employee feedback.

Changes in Objectives and Methodologies

The objectives for 2025 stem from the same framework parameters as in previous years; however, they reflect our growing ambition in safety and health protection. We are therefore tightening some criteria, for example, by lowering permissible rates for road accidents and non-lost time injuries, and by strengthening the monitoring of 'near misses,' which are a key element of prevention.



**We Do Business Responsibly
and with Respect**

We Do Business Responsibly and with Respect

GasNet's corporate governance is one of the fundamental pillars of our ESG strategy. We base our approach on the requirements of the European Sustainability Reporting Standards (ESRS), which are standards for non-financial reporting that define a framework for transparent and trustworthy sustainability information. At the same time, we build upon our long-term commitment to responsible and sustainable business practices.

In this chapter, we present our governance framework, which forms the foundation for GasNet's responsible and long-term sustainable operations. The strategies, policies, and indicators we have designed allow us to actively seek out and manage risks and opportunities, while also minimising impacts in areas crucial to our business.

We **focus on a corporate culture and brand** built on strong ethical foundations. We develop our **relationships with suppliers**, emphasising transparency and fair terms, including a **responsible approach to payment obligations. Preventing corruption and bribery** is an important area for us. We implement clear rules and control mechanisms that help strengthen the integrity of our business. At the same time, we create an environment that

supports open communication and **protects whistleblowers**. Cybersecurity and information protection are among our long-term priorities. We aim to reliably protect not only our own systems but also the data of our customers and partners. The strategies and indicators we apply in this area enable us to measure progress, enhance performance, and strengthen stakeholder trust in our governance and responsible operations.

In the following sections of this chapter, we present in detail the specific areas that form the backbone of our approach to responsible business – from corporate culture and supply chain management, through anti-corruption measures and whistleblower protection, to cybersecurity and personal data protection. Each of these areas has its specific challenges, tools, and objectives, through which we strive to ensure the trustworthy, secure, and long-term sustainable operation of GasNet.

Material IROs Related to Governance

In accordance with ESRS requirements and our commitment to transparent and responsible business, this chapter provides an overview of the impacts, risks, and opportunities we have identified in the area of governance and management. These primarily concern corporate culture, supply chain management, corruption prevention, whistleblower protection, and cybersecurity.

For each of these topics, we evaluated their potential impact on our company's financial stability, our reputation, and our relationships with stakeholders.

G 1 Business Conduct

Topic	Subtopic	Description
<p>Corporate Culture</p> <p>Impact Materiality</p> <p>● Own Operations</p>	<p>Corporate Culture and Corporate Branding</p>	<p>Positive</p> <p>Negative</p> <p>Actual Impacts</p> <ul style="list-style-type: none"> ○ GN holds regular meetings between employees and top management in the regions. These lead to a greater understanding of the company's strategy throughout the organisation. ○ We have a good company culture based on our values and a code of conduct. ○ GN helps shape a fair energy transformation through its own activities, industry organisations, and partnerships. ○ GN has an established strategy for external and internal communication, which is based on the company's business strategy. ○ GN's communication with external stakeholders is specific due to the nature of its business. <p>Potential Impacts</p> <ul style="list-style-type: none"> ○ Organisational changes (ownership structure) and the resulting uncertainty regarding the preservation of company values or strategy. ○ The impact of organisational changes (restructuring) on employee turnover.
<p>Corporate Culture</p> <p>Financial Materiality</p> <p>● Own Operations</p>	<p>Corporate Culture and Corporate Branding</p>	<p>Opportunities</p> <p>Risks</p> <ul style="list-style-type: none"> ○ Positively influencing public perception and acceptance of topics related to energy transformation (the green future of natural gas). ○ Significant impacts of legislative/regulatory changes on the business model or the emergence of new obligations. ○ Risk of unpreparedness or insufficient capacity of the company to respond to changes. ○ Damage to the company's image and loss of reputation.

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Topic

Subtopic

Description

Corporate Culture

Impact Materiality

- Own Operations
- Value chain – upstream

Management of Supplier Relationships, Including Payment Practices

Positive

Negative

Actual Impacts

- Our Code of Conduct for suppliers is part of our General Terms and Conditions and incorporated into contracts. We also conduct regular audits to ensure compliance with the Code.
- By actively working to enhance safety, GN positively influences processes and raises its suppliers' standards in the area of occupational health and safety.
- GN actively incorporates ESG criteria when selecting suppliers.
- GN is a reliable and stable business partner and a reliable payer.

Management of Supplier Relationships, Including Payment Practices

Financial Materiality

- Own Operations
- Value chain – upstream

Management of Supplier Relationships, Including Payment Practices

Risks

- Risk of disruption to supply chains due to geopolitical, legislative, and climatic (natural disaster) changes.



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Topic

Subtopic

Description

Corporate Culture

Impact Materiality

- Own Operations
- Value chain – upstream

Bribery and Corruption

Actual Impacts

Positive

- A system is in place to prevent conflicts of interest and the misuse of GN assets and know-how by employees.
- Our General Terms and Conditions include a Code of Conduct for Suppliers, which is contractually binding.

Corporate Culture

Financial Materiality

- Own Operations
- Value chain – upstream
- Value chain – downstream

Whistleblower Protection

Positive

- GN has established a whistleblower protection process in accordance with applicable legislation. This process also applies to whistleblowers who would not fall under the legislative model. GN has established channels such as a helpline, Compliance Officer/Manager, website, and mobile application for reporting. These channels can be used by a) employees, b) customers, c) suppliers, and d) others.



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Topic

Subtopic

Description

Corporate Culture

Impact Materiality

- Own Operations
- Value chain – upstream
- Value chain – downstream

Cybersecurity and Data Protection

Positive

Negative

Actual Impacts

- Systems are in place to prevent cyber attacks and data leaks. Increased resilience and security of GN's activities as a critical infrastructure entity.
- GN ensures resilience and cybersecurity by specifying security standards for cooperation with suppliers.
- Systems are in place for internal compliance with cybersecurity and prevention of data leaks through high standards for information classification and security.
- GN emphasises compliance with the GDPR and implements measures to prevent incidents. Currently, there are no recorded breaches of personal data security.

Potential Impacts

- GN is increasing the resilience of its infrastructure against cyber attacks, in this way becoming an inspiration for other companies in the sector.

Corporate Culture

Financial Materiality

- Own Operations
- Value chain – upstream
- Value chain – downstream

Cybersecurity and Data Protection

Opportunities

Risks

- New legislation (EU, Critical Infrastructure Resilience Act) opens up opportunities for GasNet to actively participate in shaping cybersecurity standards in the energy sector.

- Unavailability of IT systems affecting the basic functioning of customer and employee services and distribution system management. Cyber security breaches and associated data leaks.



Business Conduct and Corporate Culture Policies

Our business is based on clearly defined and transparently documented principles and rules. We ensure responsible management of the GasNet group through an internal controlled documentation system, which formalises key processes and sets a framework for their adherence.

Our **Code of Conduct** is the highest-level document. It formalises our principles of ethical and transparent business practices and adherence to compliance rules. It contains commitments to protect and promote human and labour rights, based on internationally recognised standards and principles, such as those from the International Labour Organisation and the UN Global Compact. The Code of Conduct is binding for all GasNet group employees and governing bodies and is publicly available on our [website](#).

Not only internal rules, but also, of course, applicable legal regulations and decisions by relevant administrative bodies, define the framework for our business activities.

Our **Code of Conduct for Suppliers** defines the principles that apply to our business activities and partner relationships. It is an integral part of our General Terms and Conditions (GTC) and it is binding on all our suppliers. This Code ensures that our working relationship with suppliers complies with legal regulations, respects human and labour rights, prevents corruption and conflicts of interest, protects data and personal information, and supports a responsible approach to environmental protection.

As a socially responsible company, we emphasise ethical management, transparency, and sustainability. We are aware that our activities impact customers, suppliers, communities, and society as a whole. Responsible management is therefore an integral part of our approach to sustainable business. Since 2022, we have also been a proud member of the UN Global Compact initiative.

	Business and legal negotiations	Risk management; Information, physical and cyber security
Policy	Code of conduct Code of Conduct for GasNet Group suppliers The GasNet Group's commitment to compliance	Information Security Management System Policy Signature Rules
Guideline	Negotiations with business partners in accordance with the principles of compliance Compliance Due Diligence Dealing with intellectual property Preventing money laundering Investigating suspected misconduct Protecting whistleblowers Prohibition of insider trading in financial resources Business Continuity Management Tax management Purchasing and Purchasing Sustainability Internal audit	Basic risk management guidelines Corporate risk management Information security Security of human resources Physical security standard Protection of personal data Blackout plan Emergency plan Pandemic plan Crisis management plan Crisis preparedness plan of the critical infrastructure entity Information security risk management Controlling user access and permissions Procedure for reporting and resolving a GDPR incident Information Security Incident Response Team
Certification and other documents	ISO 9001 System management quality Technical rules for gas (TPG)	

Our Corporate Culture is Based on Core Values

Corporate culture is an integral part of responsible management and a fundamental prerequisite for meeting our ESG objectives. It is founded on three key values, which are reflected in the daily operations of GasNet: safety, reliability, and respect.



Safety

For us, safety is not just a set of rules; it is above all a way of thinking and daily behaviour. We actively anticipate risks and consistently follow established procedures to achieve the highest safety standards across all operations. This approach is fundamental for protecting our employees, partners, and the environment around us.



Reliability

We perceive reliability as the foundation of trust. We take our commitments seriously and meeting them forms the basis of solid relationships with our employees, customers, and other stakeholders. For us, reliability is an expression of professionalism and responsibility toward the millions of people who rely on our infrastructure every day. It is an integral part of our commitment in the field of energy distribution.



Respect

Respect means showing regard for individuals and the environment in which we operate. We demonstrate this through daily collaboration between colleagues and in our relationships with customers, partners and shareholders. We respect diversity, protect the environment and recognise our responsibility for the future. We comply with safety regulations, laws and the principles of safe energy handling. We believe that without mutual respect, we cannot build a strong, cohesive team or achieve our ESG goals.

Sustainable Supply Chain Management

At GasNet we view efficient and ethical supplier relationship management as an integral part of responsible and sustainable business. Our goal is to ensure that the entire process – from supplier selection to managing established contractual relationships – operates transparently, is based on fair dealing and in compliance with applicable legislation, ethical standards and environmental and social sustainability principles.

We manage responsible and transparent supplier relationships through a set of clearly defined principles that are summarised in our Supplier Code of Conduct ([Supplier Code of Conduct for the GasNet Group | GasNet](#)). This document forms an integral part of our **General Terms and Conditions**, and compliance with it is mandatory for all our suppliers. The Code ensures that our working partnership is conducted in accordance with legal requirements, includes protection of human and labour rights, prevention of corruption and

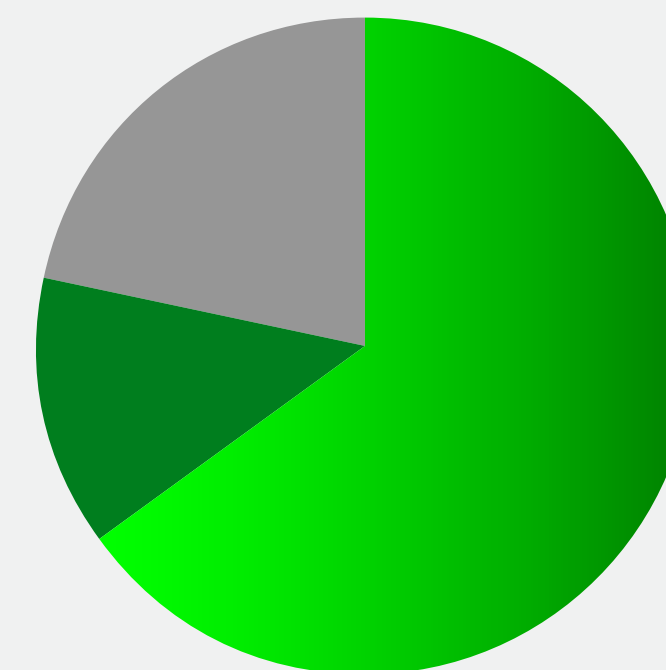
conflicts of interest, responsible handling of data and personal information, and also supports environmental protection.

At GasNet we purchase a wide range of materials and services that are essential for our operational activities and support functions. We divide key procurement areas into three categories:

1. **Investments:** investment construction and project documentation.
2. **Core commodities:** commodities supplied for the operation and maintenance of our network, construction, reconstruction, operation, and maintenance of gas facilities. This also includes technologies for measuring gas supply.
3. **NonCore:** goods and services for support activities including the operation and maintenance of buildings, vehicles, ICT equipment and services, consulting, HR services, and marketing.

Our portfolio of suppliers consists predominantly of local, medium-sized companies (95.7%). A total of 98.7% of our procurement spending goes to suppliers operating in the Czech Republic.

- Investments
- Core
- Non-core



Supply Chain Risk Assessment and Management System

When selecting and working with key suppliers, we apply a structured and clearly defined process that includes the following steps:

1. **(Pre)qualification** – vetting potential suppliers before including them in the selection process.
2. **Evaluation** – assessing technical, commercial and other specific requirements.
3. **Monitoring** – systematic tracking of the quality of delivered materials and services, managing complaints and evaluating supplier performance.

Throughout our business relationships, we conduct regular risk assessments, contingency planning and propose measures to reduce potential impacts. An integral part of our contractual relationships is a commitment to comply with our Supplier Code of Conduct, whose implementation we actively monitor and verify.

Supply chain characteristics				
	Group	2022	2023	2024
Share of expenditure on suppliers by locality (% of purchasing expenditure)	Domestic	97.1%	97.4%	98.7%
	Foreign	2.9%	2.6%	1.3%

Payment Practices

In financial management, we emphasise the timely fulfilment of our payment obligations and minimising late payments. We have established clearly defined processes and control mechanisms for this purpose. All overdue liabilities are recorded and regularly published as part of our audited financial statements to 31 December.

Our approaches include:

- a) Monitoring payment discipline: we regularly track the performance of our accounting department through an internal indicator (KPI) under which the percentage of invoices paid by the due date must not be (and has not been) below 95%.
- b) Efficient payment planning: payments occur at regular intervals twice a week, ensuring smooth settlement of our obligations. The system

is also flexible enough to allow for processing invoices received at the last minute.

- c) Our business continuity plan (BCP): procedures are established that ensure our payment function operates even during extraordinary events, such as accounting or banking system outages or the unavailability of key personnel.

Standard payment terms for invoices issued based on purchase orders are 60 days. For invoices without purchase orders, payment terms are governed by the conditions stated on the invoice or in the contract.

We monitor the fulfilment of our obligations through a KPI indicator (percentage of invoices paid by due date), which we evaluate quarterly. We compare the actual invoice payment date with the due date.

Payment practices

	Group	2024
Average number of days to pay an invoice from the date on which the contractual or statutory payment period is calculated	Total	45
	Invoices with orders	60
	Invoice without orders	18
Percentage of payments made in accordance with payment terms (%) (Trade payables - before due date)		96.5%
Number of ongoing legal proceedings for late payments		0
Target – Percentage of invoices paid by due date		95%

Strengthening Supplier Monitoring and Integrating Sustainable Principles

In 2023 we began systematic questionnaire surveys to better understand our suppliers' approach to sustainability. In 2024 we further developed this process – we standardised the questionnaire, fully digitised it and expanded the circle of respondents to include key non-core suppliers. A total of 173 business partners participated in the survey.

The results of the survey showed us that most of our partners (83% on average) have a long-term defined and internally approved company mission, which they clearly communicate both internally and externally. At the same time, they meet basic quality, safety, and environmental protection standards, evidenced by certifications such as ISO 9001, 45001, 14001, or 27001.

From a supply chain management perspective, approximately one third of our partners have implemented a Code of Conduct for their suppliers. Of those who have not yet implemented it, approximately half have internal rules and procedures in place to ensure compliance with minimum social and legislative standards. These principles are often part of their own evaluation system or are supported by relevant certifications and contractual requirements.

Social Responsibility and Environmental Challenges in our Supply Chain

In the social sphere, we monitor our suppliers' active involvement in socially responsible projects. Approximately 50% of them support sheltered workshops, participate in social projects, or create conditions for reduced working hours, thereby significantly contributing to social stability and inclusion.

Environmental management is a key topic for GasNet. The results of our survey confirmed that there is potential for further development in this area. Therefore, in the coming years, we plan to systematically develop environmental responsibility throughout our supply chain. We will achieve this through workshops, educational materials, and consultations, which will help our suppliers identify and implement measures to reduce their environmental footprint.

Social and Environmental Criteria in Selection Processes

As an operator of the gas distribution system, GasNet systematically undertakes the construction and renewal of its infrastructure. This is done to ensure its safe and reliable operation. Given the nature of our business, we place exceptional emphasis on adhering to occupational health and safety (OHS) rules at all our construction sites.

We carefully select contractors for construction work from the range of professional companies which specialise in gas infrastructure construction and possess the relevant authorisations. We enter into a **Framework Cooperation Agreement** with selected partners; this agreement clearly defines our requirements for adhering to safety and work standards during the execution of individual projects.

Legislation strictly regulates the technical conditions for materials and construction. This ensures the high quality of the materials and services that are supplied. This approach also directly impacts the environmental aspects of our projects. Although we do not currently formally apply environmental criteria in tenders, we recognise their growing importance. In the future, we plan to work with partners who actively integrate sustainability principles into their business.

Our goal is gradually to strengthen the integration of environmental considerations into our supply chain – through education, sharing best practices (benchmarking), and support for implementing measures that reduce our suppliers' ecological footprint.

Preventing and Detecting Corruption and Bribery

Our Code of Conduct establishes clear principles for preventing conflicts of interest and corruption. We rely on principles of honesty and transparency, in accordance with the UN Convention Against Corruption. Our internal documentation provides more detailed information on both of these topics.

All our employees, including **Management Board** members, are required to avoid any conflict of interest concerning the GasNet group and any activities

that conflict with their professional duties to the company. Management Board members are responsible for ensuring transparency and taking appropriate measures to prevent their decisions from being influenced by personal interests. If in doubt, employees can contact the **Compliance Officer** at any time. Should a conflict of interest arise for any Management Board member, we would inform the relevant shareholder representatives about this fact.

Our Code of Ethics, internal control mechanisms, and **regular training** form the foundation of our corruption prevention efforts. Key prevention elements

include **analysing conflicts of interest**, monitoring potential misuse of company resources, and **requiring consent** for business activities in similar areas. Direct supervisors ensure that employees do not use **company resources** for personal purposes.

All employees **regularly** complete **e-learning training** focused on, among other things, ethical and anti-corruption principles (typically once every two years). Roles susceptible to corruption have extended modules focused on specific risks. In addition, management employees undergo **in-person training** sessions where they discuss specific practical examples.

The positions most susceptible to corruption involve **preparing and awarding tenders, direct customer contact**, and **data management**. Top and middle management positions also require heightened caution.

Any suspected cases of corrupt conduct are investigated by a team composed of the Compliance Officer and representatives from HR who do **not hold positions considered at risk**. This ensures a highly independent assessment. The results of the investigation are presented to the entire Management Board, ensuring clarity and transparency of the processes.

In 2024, no cases of corruption or bribery were confirmed. No public legal proceedings have ever been brought against us in this area.

Bribery and Corruption Prevention				
Indicator	Group	2022	2023	2024
Percentage of management and employees who are informed about anti-corruption rules and policies and who receive training on the subject.	Management	100%	100%	100%
	Employees	100%	100%	100%
Number of convictions/prosecutions for violations of anti-corruption and anti-bribery laws.		0	0	0
Amount of fines for violating anti-corruption and anti-bribery laws		0	0	0
Number of confirmed cases of corruption or bribery		0	0	0
Number of confirmed cases where own staff were dismissed or disciplined for corruption or bribery (consequences for employees)		1	0	0
Number of confirmed incidents involving contracts with business partners that were terminated or not renewed due to violations of regulations related to corruption or bribery (consequences for the partner)		0	0	0

Whistleblower Protection

At GasNet, we place great importance on transparency and ethical conduct in all aspects of our business. For this reason, we have implemented a robust and trustworthy whistleblower protection system, which fully complies with applicable legislation. This system creates a safe environment for reporting potential unlawful conduct or breaches of ethical standards, without fear of retaliation.

Across our company, we have implemented processes for reporting unlawful conduct, which apply to our employees, external business partners, and other stakeholders. To facilitate reporting and ensure anonymity, GasNet has established several communication channels. These include a secure hotline and dedicated email addresses for compliance officers, or the option to report suspicions to a direct supervisor. Employees, business partners, suppliers, and other relevant parties can use these channels.

We treat all reports with the utmost seriousness. We ensure thorough investigation, implementation of corrective measures, and we protect the identity of the whistleblowers. We also actively prevent any form of discrimination or retaliation. We believe that active involvement from all stakeholders and trust in our reporting system contribute to strengthening our ethical culture and minimising potential risks.

We continuously monitor the effectiveness of our whistleblower protection system and are prepared to improve it further in line with best practices and evolving legislation. We regularly inform our employees and other relevant parties about the existence and function of this system to ensure widespread awareness and active use.

Cyber Security and Information Protection

Protecting management information systems is an integral part of safeguarding our distribution network and ensuring a reliable and safe gas supply. Managing cybersecurity and information security, ensuring compliance with relevant legislation, and defining our strategic direction in this area are priorities for the GasNet group.

The main principle of the information security management system at the GasNet group is to ensure the availability, confidentiality, and integrity of all information and the equipment that processes it. We use an Information Security Management System (ISMS) to manage these risks. Its goal is to eliminate potential loss, unauthorised modification, or theft of information assets and to ensure that we handle information securely, responsibly, and in accordance with legal requirements.

Within the system, we clearly define the information assets that require protection. We identify and manage the associated security risks, implementing measures with appropriate levels of assurance, and we regularly review these measures. The system covers all critical infrastructure IT systems, applications, and data protection processes across our entire company. Our ISMS is built in compliance with applicable legislative requirements, including the new NIS2 Directive on cybersecurity (EU 2022/2555), which is currently being transposed into Czech law. The system also relies on internationally recognised security standards, particularly ISO/IEC 27001. Its operation is regularly verified through internal audits.

Setting up the information security management system, including associated measures and activities, falls within the competence of our Security

department. Our senior management fully supports its implementation. Our ISMS policy sets the main objectives and principles for achieving an appropriate level of information asset protection. Within its framework, our management commits to fulfilling legislative and normative requirements and to providing the necessary resources for the implementation, operation, maintenance, and continuous improvement of the information security management system.

We focus on ensuring compliance with legal regulations, regularly monitoring and evaluating security risks, and continuously improving the level of information security. We define how we process information through internal regulations and documented procedures. We create and test business continuity plans and increase employee security awareness.

The policy and associated security documentation are binding on all our employees, irrespective of their role or position. Our employees are required to enforce the security policy in their activities and processes and contribute to its continuous improvement.

When setting the scope for our information security management system, we also consider the needs of stakeholders such as customers, employees, state administration bodies, and other relevant partners, including key suppliers and operators. Our aim is to ensure maximum reliability, security, and compliance with the applicable legislation.

We communicate information about our ISMS and related policies internally through controlled documentation, professional training, and our company intranet. Official communication channels also ensure that all involved parties who actively participate in ensuring cybersecurity remain informed. One of our highest priorities in cybersecurity management for 2024–2025 is achieving compliance with new legislative requirements. We began preparatory activities in 2023, conducting a detailed impact analysis of the new NIS2 directive on our company, drawing up an action plan, and initiating the first implementation steps. In 2024, we proceeded according

to our established action plan, aiming to ensure readiness to meet the new directive's legislative requirements once it comes into force. We implemented changes and new measures through separate projects. The entire process was project-managed and regularly monitored through monthly coordination meetings.

Measures and Resources for Managing Material IROs Related to Cybersecurity

The measures we are implementing apply both to the management and monitoring processes of our gas distribution system and to activities related to the processing of personal data and the management of IT infrastructure. They include both technical and organisational solutions that minimise cyber risks and ensure data protection.

Our cybersecurity strategy is based on several key measures:

- **Preventive security measures**, such as setting up an appropriate security architecture for IT and OT environments, managing the life cycle of identities and permissions in information systems, or managing technical vulnerabilities.
- **Preparedness for extraordinary events**, where we focus on strengthening our resilience and our preparedness to manage extraordinary events. We regularly update impact analyses and plans to ensure the continuity of critical activities that support our services. We continuously test and improve our backup plans.
- **Security monitoring and incident response**, where we manage the unification and optimisation of our monitoring processes with the goal of ensuring the timely detection and resolution of threats. This includes regular system testing both using internal tools and working with independent specialists. We also regularly supplement technical testing with a security assessment of infrastructure units within our IT environment and operational control systems.

- **Regular security testing and audits**, where we perform testing of our critical information systems and infrastructure to confirm compliance with legislative requirements and standards.
- **Developing security awareness**. We actively involve employees in education on cyber protection because building awareness and strengthening a culture of safe work with digital technologies plays a fundamental role in today's workplace. We provide training on the rules of basic cyber hygiene and on the obligations that arise from internal security policies. The programme is based on educational activities that include lectures, online training, and campaigns (for example, our 'BezpečněONLINE' campaign), which specifically increase employee awareness of cyber threats. Both external experts and our internal specialists lead the educational activities. All employees regularly complete mandatory training at least once every two years. We also test and educate our employees several times a year with specially prepared **simulated phishing campaigns**.

We continuously implement these measures with the goal of ensuring that the GasNet Group is prepared for new legislative requirements and dynamic changes in the area of cybersecurity.

We have set out below an overview of the key activities we carried out in 2024:

Information Security - Risk Management

We carried out a risk analysis and updated our risk management plan in the area of information security.

Emergency Preparedness

In line with our plan, we tested the continuity plans for our critical dispatch infrastructure. At the same time, we carried out a review and update of the Business Impact Analysis (BIA). During the year, we prepared and subsequently approved new Business Continuity plans, which managers then confirmed. When we tested them, we familiarised employees with their roles

and responsibilities within the BCP. For critical IT applications, we created disaster recovery plans and strategy proposals for recovery and backup. We also carried out an internal audit focused on the area of business continuity management. Based on the findings of that audit we proposed corrective measures in accordance with the implementation plan.

Security Monitoring and Incident Response

We have developed our security monitoring in several areas. We focused on reducing the occurrence of false positive detections, which increased the accuracy and effectiveness of our monitoring. We modelled cyber threats and mapped them to the MITRE ATT&CK framework, which will support further development in this area. By optimising our underlying data, we achieved higher quality and reliability in our security analyses. At the same time, we updated our managed ISMS documentation, particularly in the areas of incident response and security event evaluation.

Regular Security Testing and Audits

We conducted an internal cybersecurity audit based on a risk assessment. The audit confirmed our compliance with legislative requirements and security standards and identified only findings of low criticality.

Developing Security Awareness

We have implemented a number of activities focused on increasing security awareness. We published informational articles on our intranet, we organised 15 online training sessions, 14 in-person training sessions, and roadshows in selected locations which more than 1,000 employees attended.

Our most significant activities included our BezpečněONLINE educational campaign, which involved training, discussions with cybersecurity experts, competitions, and other accompanying events. We also ran targeted training for managers. In addition, we focused on developing specific knowledge and skills, for example for our central dispatch centre employees or through practical exercises for the information security incident response team.

Indicators and Targets for Evaluating Cybersecurity Performance

Number of security incidents impacting the availability of critical applications

Tracking incidents that affect the availability of our critical applications is a key indicator of information system security. This KPI allows us to regularly evaluate how effectively we protect our systems from cyber threats.

Our long-term goal is to maintain this indicator at a level of **zero incidents per year**. We report incidents concerning critical infrastructure to the external stakeholder **NÚKIB**.

We achieved our target value of 0 incidents per year, as we did not record any incidents that would be subject to mandatory reporting to NÚKIB. **We met this KPI.**

Supplier security assessment

In our work with suppliers, we focus on measures that minimise security risks and ensure an appropriate level of security documentation for our critical partners.

One of the indicators is the **number of discrepancies with information security requirements in our agreements with suppliers**, which assess the security aspects of the services they provide. Our long-term goal is to maintain this indicator at a value of **0 discrepancies** per year.

We reached the target value for 2024, as we did not record any security discrepancies. **We met this KPI.**

Our approach also includes conducting security checks, or audits, for all our major suppliers and critical infrastructure operators. These checks allow us to verify that their systems and processes meet our security requirements while also identifying any potential risks.

Our goal is to conduct a check for every major supplier at least once every two years.

We achieved this goal for the 2023–2024 period, because we conducted a security check for all selected suppliers. We met this KPI.

Evaluation of training in the field of information security

In this area, we focus on raising awareness and improving the security awareness of our employees. Our approach also includes conducting simulated phishing campaigns to verify that employees are able to recognise cyber threats and respond to them correctly.

The percentage of employees who completed mandatory information security training is a key indicator that reflects our efforts in systematic education and strengthening the security culture across our entire organisation. For the proper monitoring of this KPI, it is essential to have accurate records of completed training and a clear definition of the target group of employees in a given calendar year.

Our target value for annual employee training is 95%. **For the year 2024, we achieved 99%**, and as a result, we met our KPI.

Another important indicator is the **ability of our employees to respond correctly to phishing attacks**. We regularly carry out simulated campaigns and track the **click-through rate on malicious links**, with the goal of achieving the lowest possible value. We calculate this indicator by taking the ratio of employees who responded incorrectly to a phishing attempt to the total number of emails we sent in all campaigns for a given year.

We set the target value for 2024 at a maximum of 15%. Thanks to our intensive activities to increase security awareness (see above), we saw a significant improvement and the final value was **8%**. **We met this KPI.**

Cybersecurity KPIs		
	2023	2024
Number of security incidents impacting the availability of critical applications	0	0
Number of discrepancies with requirements in agreements with suppliers	0	0
Conducted an information security audit at a major supplier	25%	100%
Percentage of employees who have completed mandatory information security training for all employees	99%	99%
Employee ability to respond correctly to phishing attacks, phishing response trend (%)	24%	8%

Personal Data Protection

The GasNet group's personal data protection policy sets a unified framework for ensuring compliance with the General Data Protection Regulation (GDPR) and other relevant legal regulations. It defines key roles and responsibilities, establishes basic principles for the secure and legal processing of personal data, and regulates the coordination and control of relevant procedures across the company. The policy also includes communication channels for both internal and external purposes, including policies for working with supervisory authorities and relevant partners. It also defines the process for the timely exercise of data subjects' rights. This framework protects the integrity, confidentiality, and availability of personal data while also strengthening the credibility and stability of the GasNet group's operations.

Our personal data protection system is effective across the entire GasNet Group. It applies to all activities related to the processing of personal data for approximately 2.6 million data subjects. This primarily concerns our employees, customers, owners of affected land, people who request opinions about our gas distribution network, and other individuals whose personal data we process in connection with GasNet's activities.

Our internal regulation on "Personal Data Protection" specifies detailed rules, roles, and processes. It also outlines the position of the Data Protection Officer (DPO), the internally defined Data Protection Partner (DPP) role, and the relationships between our individual departments and the GasNet group management. We do not specify any direct exceptions to this policy

because personal data protection is an integral part of all GasNet group systems and activities.

Our Data Protection, Processes & Documentation department is responsible for the strategic and daily management and coordination of our personal data protection system. This department is part of our ESG agenda. The role of the Data Protection Officer (DPO) is also organisationally anchored within this department. The department ensures compliance with legal regulations, conducts methodological management and monitors the overall effectiveness of the measures we have adopted. Relevant information about the status and development in this area is regularly reported to Management Board members.

Our personal data protection framework is based primarily on the requirements of the General Data Protection Regulation (GDPR) and other legal regulations that govern personal data protection. In addition to legislative standards, we also actively consider best practices from the industry. We do this to ensure the highest possible level of personal data protection and to minimise the risk of misuse. In all our processes, we take care to respect the principles of legality, fairness, transparency, and purpose limitation when working with personal data, as well as a risk-based approach.

When we establish and update our policy, we make sure to consider the interests and needs of employees, customers, landowners, and other groups whose personal data GasNet processes. We consider both security and operational risks to ensure the highest possible level of protection for individuals while meeting the requirements of all interested parties. We also

work with the supervisory authority, (the Office for Personal Data Protection), on both consultations and resolving data subject complaints.

We make our policy available to our internal employees through a set of internal regulations. Employees can access these in their current version in our Controlled Documentation. Our "Personal Data Protection" directive generally describes the duties and powers of the various roles involved in personal data processing, including the DPO, the DPP, our employees, and GasNet group management. We inform relevant employees about newly published or updated internal regulations via their superiors and also through a notification email. We inform suppliers, partners, and other external parties about their rights and obligations in personal data protection as part of our contractual agreements. On request, we also provide methodological support and specific instructions. In this way, we ensure that everyone who has a duty to follow the rules knows their tasks, understands the importance of the policy, and actively participates in its daily implementation.

Measures and Resources for Managing Material IROs in Personal Data Protection

The measures we have implemented apply across the entire company, including employees, suppliers, and partners who handle personal data. Their purpose is to minimise risks associated with processing personal data and to prevent any potential discrepancies or incidents.

Key measures include the following activities:

Monitoring Legislative Developments and Best Practices

We continually monitor relevant legislation, the development of industry standards, and recommendations in personal data protection. Our goal is to ensure GasNet's activities remain compliant with current requirements, proportionate to the likelihood and severity of identified security risks. This process involves strategically managing our agenda, coordinating, and implementing activities to ensure a controlled and systematic approach to all personal data protection requirements.

Building Awareness and Training Employees

We systematically carry out activities to increase and maintain awareness, culture, and professional competence in personal data protection. These activities target employees based on their area of work and are proportionate to the likelihood and severity of relevant security risks. For instance, every employee must complete an e-learning course on personal data protection at least once a year, which concludes with a verification test.

Managing Personal Data Protection – Control Activities

We systematically verify and oversee compliance with personal data protection rules. Our checks focus on continuously monitoring the alignment of internal procedures, processes, functionalities, and IT application settings with our methodological framework, internal regulations, and generally binding legal regulations in the area of personal data protection.

Providing Personal Data Protection Advice

We provide expert information, advice, opinions, and support to employees, suppliers, and partners on request, regarding the protection and processing of personal data. Our main focus is to help everyone understand their obligations under GDPR and other legal regulations. We also offer expert support for those who are implementing new projects or making changes.

Protecting Data Subject Rights and Communicating with the Supervisory Authority

We coordinate all activities related to exercising and settling the rights of data subjects, as outlined in GDPR Articles 12 to 23. This includes handling their complaints regarding personal data protection. We also work with the supervisory authority, the Office for Personal Data Protection, providing assistance during consultations and acting as a contact point for any official communication.

Managing Security Events and Incidents

We manage the processes for investigating and resolving security events and personal data protection incidents. This includes designing and specifying corrective measures.

Reporting on Personal Data Protection

We provide both regular and ad-hoc reports to **Management Board** members and other key GasNet group employees. This also involves supplying information about our personal data protection framework for internal and external benchmarks, ratings, and other evaluation processes.

We continuously implement the measures mentioned above. Our goal is to prepare the GasNet group for evolving legislative requirements and technical challenges in personal data protection.

In 2024, we carried out the following activities:

a) Technological and Process Measures

Throughout 2024, we carried out a comprehensive update of our processing activity records, as required by Article 30 of the GDPR. This included migrating our records to a new IT solution, along with providing training and raising awareness for the relevant roles regarding their authorities and responsibilities. At the same time, we conducted a regular review of selected applications, assessing their criticality from a GDPR perspective. We also updated our Data Protection Impact Assessment (DPIA) for processes previously evaluated as "low risk." As part of our control activities, the DPO also conducted planned audits. These verified the maturity level of our internal rules and company processes.

Indicators and Targets for Evaluating Personal Data Protection

b) Building Personal Data Protection Awareness

In 2024, employees and managers had the opportunity to participate, not only in standard online training but also in new educational programmes and workshops. We emphasise ensuring that everyone handling personal data understands their role and responsibilities in this area. We updated our mandatory e-learning course, "**Personal Data Protection – Standard**", and introduced a new course, "**Personal Data Protection (GDPR) – The Basics**", designed for employees who primarily work outside the office. We further supported awareness through intranet campaigns, complemented by competitions and in-person activities for managers. These initiatives help maintain personal data protection as a permanently important topic across our entire company.

c) Ensuring the Rights of Data Subjects (GDPR Articles 12-14)

In 2024, we at GasNet paid increased attention to preparing and refining all key documents that inform the public and employees about how their personal data is handled. Our goal was to simplify and clarify their content while responding to changing legislative requirements, regulatory body initiatives, and internal changes in the scope and method of processing. We strive for ongoing compliance with current legislation and ensure that personal data protection principles are reflected in the daily practices of our entire company.

Our main goal in personal data protection is to actively manage activities that ensure all GasNet group operations comply with **GDPR** requirements and other legal regulations governing personal data protection. We also draw on best practices and adapt to identified security risks based on their probability and severity.

Number of security incidents in the area of personal data protection that meet the conditions for reporting or notification under Articles 33 or 34 of the GDPR: This indicator monitors our ability to prevent incidents in the area of personal data protection and minimise their impact on the data subjects concerned and on the organisation itself. We record incidents in an internal system, in which we consider an incident within the scope of this KPI to be any breach of personal data security that meets the conditions for reporting to the supervisory authority and/or notification to data subjects. The methodology corresponds to the definitions set out directly in the GDPR.

Information on the percentage of employees who completed mandatory personal data protection training in a given calendar year, which is designed for all staff members: Increasing employee awareness and expertise is a key tool for both their professional development and the overall growth of our company. Regular training helps us keep up with current requirements in personal data protection, prevent undesirable situations, and therefore reduce the risk of incidents. To monitor this indicator correctly, it is essential to maintain precise records of the training sessions completed and clearly define the group of employees who must undertake this training in a given calendar year.

Cybersecurity indicators in personal data protection

	2020	2021	2022	2023	2024
Number of security incidents in the area of personal data protection that meet the conditions for reporting or notification under Articles 33 or 34 of the GDPR	–	–	1	0	1
Percentage of employees who completed mandatory personal data protection training for all employees during the calendar year	–	–	–	–	93.4%

List of Abbreviations

ACP	Allianz Capital Partners	IPCC	Intergovernmental Panel on Climate Change
BCI	British Columbia Investment Management Corporation	ISMS	Information Security Management System
CDO	Chief Digital Officer	ISO	International Organisation for Standardization
CFO	Chief Financial Officer	KPI	Key performance indicator
CGA	Czech Gas Association	kWp	kilowatt-peak
CGH	Czech Grid Holding	LNG	Liquefied Natural Gas
CGNI	Czech Gas Networks Investments	LTIF	Lost Time Injury Frequency
CNG	Compressed Natural Gas	MAM	Macquarie Asset Management
CO	Carbon monoxide	MMB	Management Board.
CO ₂	Carbon dioxide	MPO	Ministry of Industry and Trade of the Czech Republic
COO	Chief Operations Officer	NO _x	Nitrogen oxides
CSO	Chief Services Officer	OGMP	Oil & Gas Methane Partnership
DEFRA	The Department for Environment, Food and Rural Affairs (United Kingdom)	PDS	Distribution system operator
DEI	Diversity, Equity, and Inclusion)	RA	Regional Area
DofE	The Duke of Edinburgh's International Award	POE	Persons in charge of ecology
DPO	Data Protection Officer	PZN	Tasks with increased danger
EMS	Environmental Management Systems	RES	Renewable Energy Sources
ERO	Energy Regulatory Office	RLIA	Regulatory, Legal & Internal Audit
ESG	Environmental, Social a Governance	SDG	Sustainable Development Goals
g/h	Gram per Hour	SFDR	Sustainable Finance Disclosure Regulation
GDPR	General Data Protection Regulation	SO _x	Sulphur oxides
GHG	Greenhouse Gas	TPG	Technical Regulation for Gas
GRESB	Global Real Estate Sustainability Benchmark	TWh	Terawatt-hours
GWh	Gigawatt-hours	US EPA	United States Environmental Protection Agency
IA	Internal Audit	WHS	Workplace Health & Safety
IGU	International Gas Union		

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